

# IN THE SUPREME COURT OF BRITISH COLUMBIA

Citation: *Megory Holdings Inc. v. ABZ Falling Inc.*,  
2024 BCSC 477

Date: 20240322  
Docket: S39695  
Registry: Chilliwack

Between:

**Megory Holdings Inc.**

Plaintiff

And

**ABZ Falling Inc. and Bradley Curtis Loring**

Defendants

And

**John Michael Beck and Megan Beck and  
Michael Madsen**

Defendants by Way of Counterclaim

Before: The Honourable Justice Walkem

## Reasons for Judgment

Counsel for the Plaintiff and the Defendants  
by Way of Counterclaim:

B.J. Lorimer

Counsel for the Defendants:

A.T. Briscoe

Place and Date of Trial/Hearing:

Abbotsford, B.C.  
March 5, 2024

Place and Date of Judgment:

Chilliwack, B.C.  
March 22, 2024

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[1] There are two applications before me for further and better particulars.

**Background Facts**

[2] The background is as follows.

[3] James Beck (Mr. Beck) is the president and director of Megory Holdings Ltd. (Megory). Mr. Beck formerly operated Banner Installations Ltd. (Banner). Megan Beck (Ms. Beck) is Mr. Beck's daughter. Michael Madsen (Mr. Madsen) is a former employee of Banner and is the spouse of Ms. Beck.

[4] Bradley Curtis Loring (Mr. Loring) is a director of ABZ Falling Inc. (ABZ). Mr. Loring worked at Banner for many years.

[5] On May 31, 2020, Megory and ABZ entered into a share purchase agreement (Agreement) under which Megory sold, and ABZ purchased, the shares in Banner for \$3 million.

[6] ABZ granted Megory a promissory note acknowledging it was indebted to Megory in the amount of \$3 million, and would pay Megory four payments of \$750,000 on December 31, 2020, 2021, 2022, and 2023.

[7] ABZ did not make the payment that was due on December 31, 2022.

**Procedural Background**

[8] On February 2, 2023, Megory filed a Notice of Civil Claim (Chilliwack File No. 39695) against ABZ and Mr. Loring alleging breach of contract and breach of the promissory note and claiming judgment of \$1.5 million and interest.

[9] On March 1, 2023, ABZ and Mr. Loring filed a Response to Civil Claim (March 1 RCC) denying liability in contract or otherwise, and a Counterclaim against Mr. Beck, Ms. Beck, and Mr. Madsen.

[10] On May 3, 2023, Banner filed a Notice of Civil Claim (Chilliwack File No. 39837) (May 3 NOCC) against Megory, Mr. Beck, Ms. Beck and Mr. Madsen.

[11] The allegations and legal bases in the March 1 RCC, Counterclaim, and May 3 NOCC are similar and in some respects identical. Banner, ABZ, and Mr. Loring allege and seek damages for breach of the Agreement, breach of a non-competition agreement, defamation, and unlawful interference with economic relations or intentional interference with a business relationship.

[12] In these pleadings, Banner, ABZ, and Mr. Loring allege that under s. 5.3(c) of the Agreement:

- a) Megory was to assist in the transition of Banner employees and foster good relations between employees and ABZ;
- b) Megory was not to disparage ABZ or its affiliates to employees or independent contractors working at Banner; and
- c) Megory acknowledged that making disparaging comments may cause irreparable harm to Banner's business and to ABZ.

(March 1 RCC at para 6, Counterclaim at para 1, May 3 NOCC at para 6)

[13] Banner, ABZ, and Mr. Loring say that at the time of the Agreement there was an existing contract between Banner and Westcoast Energy Inc. (Westcoast), and this contract was Banner's main source of revenue (March 1 RCC at para 7, Counterclaim at para 1, May 3 NOCC at para 11).

[14] Banner, ABZ, and Mr. Loring also allege that Mr. Beck entered into a non-competition agreement with ABZ, by which Mr. Beck agreed not to direct clients away from Banner or ABZ and not to reduce or alter any business with Banner and ABZ (March 1 RCC at para 9, Counterclaim at para 1, May 3 NOCC at para 13). Banner alleges that in the non-competition agreement, Mr. Beck acknowledged and agreed that he had a fiduciary duty, and a duty of loyalty and confidence to Banner and would refrain from making statements expected to disparage or defame Banner (March 1 RCC at paras 10-11, Counterclaim at para 1, May 3 NOCC at paras 14-15).

[15] The pleadings deal with a meeting alleged to have occurred on or around September 15, 2021, and an email sent on or around October 6, 2021. Paragraphs 17-21 of the May 3 NOCC (and paragraphs 13-15 of the March 1 RCC and paragraph 1 of the Counterclaim) provide as follows:

17. On or about September 15, 2021 a meeting was arranged at [Mr. Beck's] residence (the "Meeting"). When [Mr.] Loring arrived at that meeting several employees were already there, as was [Mr. Beck]. [Mr. Beck] proceeded to verbally berate [Mr.] Loring in front of the employees at that meeting. [Mr.] Loring has also been advised that [Mr. Beck] made numerous disparaging comments about him to the employees prior to [Mr.] Loring attending at the Meeting.

18. Following the meeting several employees of [Banner] quit. [Mr. Beck] also stated that he would no longer be working for [Banner] following the Meeting.

19. On or about October 6, 2021 [Ms. Beck] sent an email to Westcoast through the email address myhr@enbridge.com. In that email [Ms. Beck] made numerous false allegations against [Banner] and [Mr.] Loring including allegations about employee abuse, safety concerns and fraudulent billing practices (the "Complaint"). [Mr. Beck] and [Mr.] Madsen were included in that email and both of them were listed as people who should be contacted about the Complaint.

...

21. At the Meeting and otherwise, the full details of which are not yet known to [Banner], [Mr. Beck], personally and on behalf of Megory, breached the terms of the Agreement by disparaging [Mr.] Loring in the presence of the employees of the Plaintiff and encouraging them to end their employment with [Banner].

[16] The Counterclaim alleges defamation at paragraphs 2 and 4:

2. At the Meeting and otherwise, the full details of which are not yet known to [Banner], [Mr. Beck], personally and on behalf of [Megory], breached the terms of the Agreement by disparaging [Mr.] Loring in the presence of the employees of Banner and encouraging them to end their employment with Banner.

...

4. [Ms. Beck], [Mr. Beck] and [Mr.] Madsen defamed [Mr.] Loring by making and participating in the Complaint and Loring has been seriously injured in his character, credit and reputation and has suffered damage as a result.

[17] In the May 3 NOCC at paragraph 23 (paragraph 5 of the Counterclaim) Banner alleges that Mr. Beck interfered with the business relationship between Banner and Westcoast:

23. [Mr. Beck], personally and on behalf of Megory, [Ms. Beck] and [Mr.] Madsen intentionally interfered with the business relationship between the [Banner] and Westcoast and that interference induced Westcoast to terminate the Westcoast Contract and to end its ongoing business relationship with [Banner].

[18] Counsel for Megory, Mr. Beck, Ms. Beck, and Mr. Madsen issued demands for particulars to ABZ and Mr. Loring in March and May 2023, pursuant to Rules 3-7(18) and (23) of the *Supreme Court Civil Rules*, B.C. Reg. 168/2009.

[19] These demands sought particulars of the allegations of defamation and intentional interference, and particulars about the business relationship with Westcoast and the allegations of the unlawful means by which they caused Westcoast to terminate the contract.

[20] In response to the demands for particulars relating to the defamation claim, ABZ and Mr. Loring provided a copy of Ms. Beck's October 6, 2021 email (i.e., the Complaint) as well as copies of text messages between Mr. Madsen and former Banner employees.

[21] In response to the demand for particulars about the business relationship between Banner and Westcoast, counsel for ABZ and Mr. Loring noted that attached to the Agreement was a copy of the master services agreement between Banner and Westcoast, and that Mr. Beck was aware of the ongoing and longstanding business relationship between Banner and Westcoast. Counsel also provided the letter of termination from Westcoast.

[22] In June and December 2023, ABZ and Mr. Loring conducted examinations of Mr. Beck, Ms. Beck, and Mr. Madsen.

[23] Mr. Beck, Ms. Beck, and Mr. Madsen have not yet filed a response to the May 3 NOCC.

**Application**

[24] In the first application before me (filed in Chilliwack Court File No. 39695), Megory, Mr. Beck, Ms. Beck, and Mr. Madsen apply for:

- a) particulars of the defamation as alleged in paragraph 4 of the Counterclaim, including the specific words at issue, the time and place of the publication, the manner of publication, the recipient(s), and the falsity of the words used;
- b) particulars of any other defamation alleged in the Counterclaim that are intended to be raised at trial and the material facts supporting those allegations;
- c) further and better particulars of the alleged intentional interference tort referred to in paragraph 5 of the Counterclaim, including the alleged legal wrong committed by the Defendants by Counterclaim against the third party; and
- d) further and better particulars of the business relationship between Westcoast and ABZ and Mr. Loring.

[25] In the second application before me (filed in Chilliwack Court File No. 39837), Megory, Mr. Beck, Ms. Beck, and Mr. Madsen apply for further and better particulars of:

- a) the “numerous disparaging comments” as alleged in paragraph 17 of the May 3 NOCC, including the specific words at issue, the time and place of the publication, the manner of publication, the recipient(s), and the falsity of the words used;
- b) the “false allegations” as alleged in paragraph 19 of the May 3 NOCC, including the specific words at issue, the time and place of the publication, the manner of publication, the recipient(s), and the falsity of the words used;

- c) any other “disparaging comments” or “false allegations” as alleged in Part 1 of the May 3 NOCC; and
- d) alleged intentional interference referred to in paragraph 23 of the May 3 NOCC, including particularization of the legal wrong to a third party alleged to have been committed by Mr. Beck or any of the other defendants;

[26] The applicants also seek orders that the Counterclaim and May 3 NOCC be amended within 14 days to plead all material facts supporting the defamation and unlawful interference with economic relations claims.

**Parties’ Positions**

[27] The applicants say that at this stage of the proceedings, it is important to have the pleadings properly delineated in order to tie the hands of ABZ and Mr. Loring as the matter moves to trial. They note that there has been document discovery and examination for discovery of Mr. Beck, Ms. Beck, and Mr. Madsen, and that it should be possible to particularize all the statements alleged to be defamatory.

[28] The applicants submit that they are not looking for additional evidence, but rather are seeking to have the pleadings set out the material facts. The applicants noted in oral submissions that, alternatively, they could apply to strike the pleadings at issue.

[29] The respondents on these applications point out that the central issue for the defamation claim is the October 6, 2021 email sent by Ms. Beck that outlines issues relating to safety, employee abuse, billing, and vehicles at Banner. The respondents question the utility of “regurgitating” the email in their pleadings.

[30] The respondents also note that the applicants have copies of the text chains of conversations between Mr. Madsen and Banner employees or former employees. The respondents say the email and text messages speak for themselves and are



what resulted in the contract with Westcoast being cancelled. The respondents submit that there is no doubt the parties know the case to meet.

[31] In addition, the respondents point out that they have not received a request to examine Mr. Loring and suggest this is another route to pursue should there be any lack of clarity on the case to meet.

**Law**

[32] Pleadings are the frame for an action. Their function is to define and clarify the issues of fact and law for determination (*Weaver v Corcoran*, 2017 BCCA 160 at para. 63; *Lu v. Shen*, 2020 BCSC 490 at para. 42). It is the plaintiff who defines the issues by stating the material facts for each cause of action.

[33] Particulars are additional details or information that clarify the material facts (*Sidhu v. Hiebert*, 2018 BCSC 401 at paras. 32-36).

[34] Rule 3-7(23) of the *Supreme Court Civil Rules* requires the party seeking particulars to demand them in writing from the other party before applying to the court for an order. If the other party does not provide the requested particulars within ten days, the requesting party can apply for an order that the particulars be provided within a specified time (Rule 3-7(22)).

[35] Certain types of claims always require particulars, including claims of misrepresentation, fraud, breach of trust, wilful default or undue influence (Rule 3-7(18)) as well as claims of defamation (Rule 3-7(21)).

[36] In *Cansulex Ltd. v Perry*, [1982] B.C.J. No. 369, the Court of Appeal described the function of particulars as follows:

- (1) to inform the other side of the nature of the case it has to meet, as distinguished from the mode in which that case is to be proved;
- (2) to prevent the other side from being taken by surprise at trial;
- (3) to enable the other side to know what evidence it ought to prepare for trial;
- (4) to limit the generality of the pleadings;

(5) to limit and decide the issues to be tried and as to which discovery is required; and

(6) to tie the hands of the party so that the party cannot go into any new matters without leave.

### **Defamation**

[37] As Madam Justice Dickson noted in *Weaver* at paragraph 64 in defamation actions, pleadings are exceptionally important and have been held to a higher standard regarding the material facts that have to be pleaded.

[38] Pleadings in defamation actions must be precise. A party pleading defamation is required to set out in the pleadings the exact words alleged to be defamatory unless those words can only become known after examination for discovery (*Christian Advocacy Society of Greater Vancouver v. Arthur*, 2013 BCSC 1542 at para. 107; *Lu* at para. 41; *Wang v. Liu*, 2023 BCSC 972 at para. 231).

[39] A party alleging defamation cannot rely on vague or general statements of the defamatory words. If the alleged defamatory words have been entirely omitted, that omission usually results in the impugned paragraphs being struck or an order that it be amended to include the actual words written or spoken (*Christian Advocacy* at para. 113).

[40] To prove an action in defamation, the plaintiff must demonstrate on a balance of probabilities that:

- a) The impugned words are defamatory, in that they would tend to lower the reputation of the plaintiff in the eyes of a reasonable and right-thinking person;
- b) The impugned words refer to the plaintiff; and
- c) The impugned words were published, in that they were shared with (or communicated to) a third person.

(*Tilbury v. Coulson*, 2023 BCSC 189 at para. 118; *Christian Advocacy* at para. 45)

**Unlawful Interference with Economic Interests**

[41] Banner, in its Counterclaim and May 3 NOCC, also alleges that Mr. Beck, Ms. Beck, Mr. Madsen, and Megory committed the tort of unlawful interference with economic relations.

[42] There are two elements to this tort. The plaintiff must demonstrate on a balance of probabilities that:

- a) The defendant(s) have committed an unlawful act against a third party; and
- b) That act must have been intended to and did cause economic harm to the plaintiff.

(*Northwest Organics, Limited Partnership v. Roest*, 2018 BCSC 866 at para. 286, citing *A.I. Enterprises Ltd. v Bram Enterprises Ltd.*, 2014 SCC 12).

[43] To meet the first branch of the test, the act must give rise to a cause of action by the third party against the defendant(s).

**Analysis**

[44] I will start with the allegations of defamation. These are found, primarily, in paragraphs 2 and 4 of the Counterclaim, and paragraphs 17, 19, and 21 of the May 3 NOCC. While defamation is noted in Part 3 (Legal Basis) of the Counterclaim, it is not so noted in Part 3 of the May 3 NOCC.

[45] The allegations of defamation in the above noted paragraphs of the pleadings can properly be characterized as vague and general. There are allegations that at a meeting held on or about September 15, 2021, Mr. Beck “disparage[ed]” and “verbally berate[d]” Mr. Loring, but the impugned words alleged to have been spoken are not included. There are also allegations that in an October 6, 2021 email, Ms.

Beck made “numerous false allegations” and Ms. Beck, Mr. Madsen, and Mr. Beck “defamed” Mr. Loring. Again, the impugned words are not included.

[46] I recognize that Mr. Beck, Ms. Beck, and Mr. Madsen have a copy of the October 6, 2021 email and therefore know its contents. However, what they do not know, are what specific words Mr. Loring and Banner are alleging are defamatory. Nor do they know what meaning Mr. Loring and Banner intend to ascribe to these words, or whether they intend to rely on the plain meaning of the currently not identified impugned words. This level of precision is required of a plaintiff in a defamation action so that the defendant(s) can clearly know the case to meet.

[47] The generalities reflected in these portions of the pleadings are not sufficient. The reasoning of Madam Justice Adair in paragraph 65 of *Lu* is apposite here. Counsel has simply applied the label of “disparaging” and “defamatory” to what occurred at “a meeting with several employees” about which no details have been provided. A similar approach has been taken to the October 6, 2021 email, labelling unknown portions of the text as being “false allegations”.

[48] Mr. Loring and Banner have not set out in the pleadings the particulars of the defendants’ words, as they are required to do. In the circumstances, including that the parties are represented by counsel, I am not prepared to treat the October 6, 2021 email as further particulars of the defamation claims. While knowledge of the parties seeking particulars is material, that cannot overcome the deficiencies in the pleadings.

[49] In terms of the allegations of unlawful interference with economic relations, these are found in paragraph 5 of the Counterclaim, and paragraph 23 of the May 3 NOCC. These paragraphs allege that the defendants “intentionally interfered with the business relationship between Banner and Westcoast and that interference induced Westcoast to terminate the Westcoast Contract and to end its ongoing business relationship with Banner.” These paragraphs do not, on their face, set out what unlawful act the defendants are alleged to have committed against Westcoast (the third party).

[50] In latter paragraphs Mr. Loring and Banner plead that the termination of the business relationship greatly injured the business and they continue to suffer loss and damage. No other details of the damage suffered are pleaded.

[51] I am not convinced that that paragraphs 5 of the Counterclaim and 23 of the May 3 NOCC are anything more than pleadings without factual foundation. There are no particulars of what the unlawful acts are, or of the contractual relationship and no basis to plead that Westcoast would have an actionable claim against Mr. Beck or others. Nor are there details of the damages suffered.

[52] The pleadings lack the specificity required for defamation claims. There is no indication of what are the impugned words or the meaning the plaintiff ascribes to them. Further, the pleadings regarding unlawful interference do not clearly set out what unlawful acts are alleged. Additionally, more specificity is needed in terms of the relationship with Westcoast and the damages suffered.

[53] In light of the above, the application for further and better particulars is granted. The applicant is entitled to their costs.

[54] These matters are proceeding under different styles of cause, stemming from the same series of events, with intertwined issues, and should be consolidated rather than proceeding separately. I was advised by counsel that they can, and intend, to work this matter out. Given that assurance by counsel, I do not find it necessary to make an order under R22-5(8) at this time. However, I urge that this matter be addressed sooner rather than later, to conserve court time and resources.

“A. Walkem J.”