

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

BELIEVECO:PARTNERS INC.

Plaintiff

- and -

ARLENE DICKINSON ENTERPRISES, LTD. AND ARLENE DICKINSON

Defendants

- and -

ARLENE DICKINSON AND ARLENE DICKINSON ENTERPRISES, LTD.

Plaintiffs by Counterclaim

- and -

**BELIEVECO:PARTNERS INC., CANADIAN BUSINESS GROWTH FUND LP,
CANADIAN BUSINESS GROWTH FUND GP, CBGF INVESTMENT GP INC., AND
CBGF 2022, LP**

Defendants by Counterclaim

REPLY AND DEFENCE TO COUNTERCLAIM

1. The Plaintiff and Defendant by Counterclaim, BCP, repeats and relies on the facts pleaded in the Fresh as Amended Statement of Claim (the “**Claim**”). All defined terms herein have the same meaning as those in the Claim unless otherwise specified.
2. Except as specifically admitted herein, BCP denies the allegations in the Fresh As Amended Statement of Defence and Counterclaim (the “**Defence and Counterclaim**”) delivered

by the Defendants, Arlene Dickinson (“**Dickinson**”) and Arlene Dickinson Enterprises Ltd. (“**Enterprises**”, together the “**Dickinson Entities**”). BCP denies that the Dickinson Entities are entitled to any of the relief sought therein.

Misrepresentations Respecting Venture’s Value Were Not Disclosed by Dickinson

3. Contrary to paragraph 56 of the Defence and Counterclaim, the loss of Venture’s major clients and the overall reduction in the value of the business was not discoverable by anyone at BCP other than Dickinson in November 2022. Dickinson cannot impute to BCP her own knowledge of her misrepresentations. BCP’s claims in respect of the misrepresentations were only discovered after Dickinson’s control of BCP was relinquished.

4. Contrary to paragraphs 37 and 38 of the Defence and Counterclaim, Dickinson was, at all material times, intimately involved with the Venture valuation process prior to the Closing Date including, but not limited to, the preparation of the Estimated Statement and the financial disclosure provided to BCP and KPMG. Dickinson worked closely with Ron Duke, her trusted advisor and business partner, and others, in respect of the valuation of Venture.

5. Contrary to the allegations at paragraph 38 of the Defence and Counterclaim, at all material times, Dickinson knew that Venture was losing major, high-volume, clients resulting in a reduction in enterprise value prior to and shortly after the Closing Date of the sale to BCP.

6. Prior to closing and in her capacity as principal of Venture, Dickinson received a monthly Employee Utilization Report that provided information regarding Venture’s revenues. These reports were critical for Venture management’s understanding of the financial health of the business. The Employee Utilization Reports received by Dickinson in the Fall of 2022, and in the months leading up to the sale of Venture to BCP, showed a significant decline in Venture’s

revenues. This decline was not accurately reflected in the Estimated Statement provided to BCP. Contrary to the allegations at paragraphs 38 and 40 of the Defence and Counterclaim, Dickinson was closely involved in the creation of the Estimated Statement and knew, or ought to have known, at all material times that it did not accurately reflect the true value and working capital of Venture.

7. At the time of the Closing Date, Venture had a line of credit of approximately \$2.5 million with the Bank of Montreal that was personally guaranteed by Dickinson, and which became due and owing on the Closing Date (the “**Line of Credit**”). Before the Closing Date, Dickinson took steps, and instructed employees of Venture to take steps, to maximize the value of Venture to increase the Purchase Price paid by BCP. One of the reasons that Dickinson wanted to increase the reported value of Venture was to ensure that the Purchase Price paid by BCP would satisfy the amount owing under the Line of Credit, to her personal benefit.

8. Dickinson now claims, at paragraph 124 of the Defence and Counterclaim, that she was an “arm’s length counterparty” in BCP’s acquisition of Venture. To the contrary, Dickinson negotiated the terms of the acquisition on behalf of both BCP and Venture, and stood on both sides of the transaction. Regardless, once Dickinson became a senior fiduciary officer and Board member of BCP, she was obligated to disclose her knowledge that BCP had materially overpaid for Venture.

Dickinson Agreed to Take Equity Over Cash

9. Contrary to paragraph 24 of the Defence and Counterclaim, Dickinson agreed to receive most of her consideration for the sale of Venture in the form of equity in BCP. She did so to gain a greater ownership interest in BCP. On the Closing Date, Dickinson owned 22.25% of the shares in BCP, while CBGF owned 19.05%.

10. BCP denies that Dickinson was “pressed”, or “pressured” to take her consideration for the sale of Venture to BCP in the form of equity in BCP as alleged at paragraph 25 of the Defence and Counterclaim. BCP further denies that there was any difference in treatment between Dickinson and other founders in terms of their ability to elect the form of consideration received when selling their respective agencies to BCP. It was Dickinson that proposed receiving most of her consideration in equity. After the Closing Date, Dickinson publicly cited her equity interest in BCP as proof of her confidence in BCP and as evidence that she had “skin in the game”.

Dickinson Consented to her Changing Role at BCP

11. Shortly after the formation of BCP in 2022, there were significant changes at the executive and management levels. Dickinson’s Employment Agreement dated November 3, 2022 (the “**Employment Agreement**”) anticipates the need for flexibility. Section 2.1 of the Employment Agreement refers to Dickinson serving in the position of Co-Managing Partner and Head of Mergers and Acquisitions, *or* in such other capacities as agreed to by BCP and Dickinson.

12. Dickinson’s duties under Section 2.2 of the Employment Agreement are broadly framed, and the Employment Agreement contemplates that Dickinson’s duties may be adjusted in a manner reasonably consistent with her position to meet changing business and operational needs, following BCP’s consultation with Dickinson.

13. That was especially true in the context that Dickinson made clear to BCP prior to closing that she had full-time obligations elsewhere and could not commit to working at BCP on a full-time basis.

14. With the departure of the two other co-managing partners, Neil Follett (“**Follett**”) and Dan Tisch (“**Tisch**”), in April and March 2023 respectively, and the decision of BCP’s Board of

Directors (the “**Board**”) to change the corporate structure of BCP to be led by a CEO, the common understanding was that, after a permanent CEO was hired, Dickinson’s role would change to that of Non-Executive Chair. In that role, it was commonly understood that her focus would be on mergers and acquisitions in consultation with BCP’s incoming CEO, to be named. It was also commonly understood and agreed by Dickinson that she would step back from the operations of the business, which would be led by BCP’s incoming CEO. Dickinson was consulted in respect of these structural and organizations changes, both in her capacity as a member of the Board and as an employee, and Dickinson agreed to them.

15. Dickinson was heavily involved in the recruitment of BCP’s new and first permanent CEO. She chose and managed the recruiter, drafted the job posting, prepared the position description, and determined the scope of the incoming CEO’s role. At all relevant times, Dickinson expressed her support of hiring a CEO and confirmed her understanding and agreement that her role at BCP would change.

16. Mario Simon (“**Simon**”) was hired as BCP’s first permanent CEO on February 20, 2024. Simon was not hired into the “same role” as Dickinson as alleged. As admitted by Dickinson, she occupied an *interim* CEO role at BCP, which at all times Dickinson understood was temporary. Simon was hired as BCP’s first permanent CEO. Dickinson’s complaints about Simon’s appointment as CEO and his compensation are not credible. As pleaded above, Dickinson spearheaded the search for and appointment of Simon as CEO. Dickinson was involved in the negotiation and approval of Simon’s salary and other compensation. Dickinson signed the Board Resolution appointing Simon as CEO and setting the terms of his appointment. Dickinson did not express any disapproval or disagreement regarding the compensation or terms of Simon’s

employment at that time. At all relevant times, Dickinson understood the role Simon would have at BCP and what that meant for her own role at BCP.

17. For example, and contrary to the allegations at paragraphs 155 and 177 of the Defence and Counterclaim, Dickinson was never “excluded” from the Executive Leadership Team (“**ELT**”). Rather, as CEO, Simon had responsibility for the strategic, operational and financial management of BCP, an operational change that was understood and supported by Dickinson.

18. In fact, in or around September 2023, prior to Simon’s appointment as CEO, Dickinson communicated that she wanted to step-back and allow the incoming permanent CEO to lead. She expressly stated that she did not want to attend ELT meetings going forward and stopped attending further ELT meetings of her own accord.

No Breach of Dickinson’s Employment Agreement

19. BCP expressly denies that it has breached the Employment Agreement.

20. Dickinson’s claims related to “Good Reason” are out of time, as they were not raised within the ninety-day timeline set out in the Employment Agreement. Section 5.4 of the Employment Agreement states that if Dickinson fails to give written notice of the existence of circumstances providing grounds for termination with “Good Reason” within 90 days after discovering the first occurrence of such applicable grounds, then Dickinson will be deemed to have waived her rights to terminate for “Good Reason” with respect to such grounds.

21. Dickinson has received all the compensation that is due and owing to her under the Employment Agreement or otherwise. Dickinson is not entitled to any other further compensation pursuant to the Employment Agreement or at common law.

22. Dickinson was never “promised two additional compensation components” when she became interim CEO, as alleged at paragraph 159 of the Defence and Counterclaim. To the contrary, Dickinson was asked to bring those two proposed matters before the Board for approval, which Dickinson never did.

23. Before being hired by BCP, Dickinson told BCP that she could not act in a full-time capacity, which was reasonably taken into consideration when setting her compensation and resulted in a lower compensation in comparison to other members of BCP’s executive team. Dickinson was directly involved in negotiating, confirming and approving the salary of all other members of BCP’s executive team including those that she now complains about.

24. BCP denies that any gender-based pay disparity existed between Dickinson and her male counterparts. These are tactical claims made to embarrass and intimidate BCP. At all material times, Dickinson was compensated fairly, particularly in view of the strained financial position BCP was placed in by Dickinson’s own breaches and misrepresentations as described in the Claim.

25. Further, Dickinson represented in a Quality of Earnings Report covering the period up to July 2022 disclosed to KPMG, and that factored into the valuation of the Venture Purchase Price, that her salary at BCP would be \$200,000, and expressly represented that she would be paid significantly less than her co-founders and other executives (all male) who would work at BCP on a full-time basis. Subsequently, Dickinson demanded, and received, a salary of \$400,000—a 100% increase—while negotiating and approving materially lower increases as against the disclosed and projected salaries of BCP’s other officers.

26. BCP did not approve an additional annual bonus or grant of options/participation in the ESOP (as defined in the Defence and Counterclaim) being made to Dickinson. Alternatively, even

if BCP had approved an additional annual bonus for Dickinson, which is not admitted but expressly denied, any metrics applied to earn such a bonus would not have been met based on the poor financial performance of BCP under Dickinson's supervision.

27. Contrary to paragraph 125 of the Defence and Counterclaim, BCP employees were assigned to provide Dickinson personal branding services. Despite those specific employees being assigned to provide personal branding services, Dickinson directed other BCP employees to dedicate time and resources to work on Dickinson's personal website, in excess of the allotted time and scope Dickinson was contractually entitled to pursuant to Article 2.1(b) of the Employment Agreement.

Dickinson Resigned her Employment with BCP After Her Misconduct was Revealed

28. Contrary to paragraph 11 of the Defence and Counterclaim, Dickinson was not dismissed as interim CEO, or from any other position, but instead resigned of her own volition.

29. As pleaded above, Dickinson communicated and affirmed her expectations to BCP that she would act as interim CEO on a temporary basis until a full-time CEO could be found. Upon Simon's appointment, Dickinson naturally could not continue in the position of interim CEO.

30. BCP denies that there was a "campaign to squeeze" Dickinson out of BCP or to otherwise discredit her. Dickinson's employment-based claims and resignation from BCP in May 2024 were tactical and intended to counter the mounting pressure on her created by revelations that she had misrepresented the value of Venture and had breached her fiduciary duties owed to BCP in respect of the same.

31. Around the time of Dickinson's resignation, her misconduct in respect of the Purchase Price Adjustment was coming to light. At that time, she began taking unreasonable positions including raising, for the first time, in a Notice of Objection delivered as part of the Purchase Price Adjustment process, that BCP was out of time and not entitled to make any adjustments to the Venture purchase price even though:

- (a) Dickinson had previously approved the purchase price adjustments for three other legal entities after the same 90-day deadline set out in the Venture Agreement. She only delayed and obfuscated the Purchase Price Adjustment process for Venture, a company that she had a personal stake in, and that resulted in a significant liability for BCP;
- (b) Any delay in providing the Draft Closing Statement in a timely manner was due to the lack of action, impediments and delays by Dickinson, who had ultimate decision-making authority at BCP during the 90-day period; and
- (c) The Venture Agreement contained no provision that a purchase price adjustment is not warranted if the Draft Closing Statement is delivered late, in contrast to other provisions in the Venture Agreement that define consequences for the failure to meet timelines.

32. Around the time of Dickinson's resignation, a years-long pattern of bullying and harassment by Dickinson with respect to BCP subordinates and colleagues was also coming to light. In her fiduciary and management roles at BCP as Executive Chair and interim CEO, Dickinson engaged in workplace misconduct which including but was not limited to bullying and intimidating behaviour towards BCP employees.

33. Dickinson's harassing behaviour included, but was not limited to: making disparaging and insulting remarks about BCP employees at meetings; delaying payments and expense reimbursements due to other members of BCP's executive team in a vindictive and targeted manner; and arbitrarily limiting access to company information to BCP employees.

BCP has always acted in accordance with the Human Rights Code

34. Contrary to paragraphs 144(b), 229 and 230 of the Defence and Counterclaim, BCP has, at all relevant times, acted in accordance with the Ontario *Human Rights Code* (the “*Code*”) in its dealings with Dickinson. BCP did not discriminate against Dickinson in any manner whatsoever, including based on sex and/or gender.

35. Dickinson has not provided sufficient particulars to support any alleged violations or breach of the *Code*. There is no factual basis for any award of general or extraordinary damages, as claimed.

36. As pleaded above, any pay disparity that may have existed between Dickinson and her male counterparts, which is not admitted but expressly denied, is a result of differences in, among other factors, the full-time or part-time status between Dickinson and her counterparts. This was expressly acknowledged by Dickinson during her salary negotiations for herself and for her counterparts, which was a process that Dickinson led.

37. Senior management at BCP (“**BCP Management**”) were not “resistant” to Dickinson advocating for increased integration amongst all the founding agencies but were instead supportive of the operational integration of the founding agencies, and approved budgets with costs for supporting consultants. BCP asked Dickinson for a detailed branding integration plan in support of this initiative, which Dickinson never provided.

BCP Treated Dickinson Fairly and Reasonably

38. BCP denies that it acted in an oppressive or unfairly prejudicial manner towards Dickinson including within the meaning of the *Business Corporations Act*, as alleged.

39. As pleaded with greater particularity below, any delays in respect of the Purchase Price Adjustment process were of Dickinson's own making; and the allegations regarding the dilution of Dickinson's interest in BCP are without merit. At all relevant times, BCP acted in accordance with applicable agreements and legislation, followed all appropriate governance processes, and exercised reasonable business judgment.

A. The Delays in Respect of the Purchase Price Adjustment Were of Dickinson's Making

40. At all relevant times, Dickinson misused her positions at BCP to obstruct and delay the delivery of the Draft Closing Statement and to prevent BCP from moving forward with the Purchase Price Adjustment for the sale of Venture to BCP.

41. Dickinson now admits, at paragraph 123 of the Defence and Counterclaim, that she was conflicted from any decision taken by BCP with respect to its acquisition of Venture. Yet Dickinson never contemporaneously identified to anyone at BCP that she considered herself unable to act in the best interest of BCP and that she was in a conflict of interest in respect of the Venture Purchase Price Adjustment. She never raised that she should recuse herself from the Purchase Price Adjustment process, nor did she identify and disclose to BCP personnel that she would not be participating in the Purchase Price Adjustment process for Venture due to a conflict of interest. To the contrary, Dickinson represented through correspondence and discussion with other BCP personnel that she was engaging in the Venture Purchase Price Adjustment process and then, contrary to those representations, obstructed and failed to take any meaningful actions to move the process ahead.

42. Contrary to paragraphs 37 and 38 of the Defence and Counterclaim, any financial disclosure prepared and provided to KPMG by Allan Lawrence ("**Lawrence**") were approved by

Dickinson before they were delivered. Contrary to allegations that Dickinson relied on Lawrence's professional advice in the preparation of financial disclosure and the Estimated Statement, Lawrence took direction from Dickinson in the provision and preparation of all financial disclosure and received approvals from Dickinson before any such disclosure was provided to KPMG or BCP. Dickinson did not rely on Lawrence's professional advice and at times ignored advice given by Lawrence in respect of the financial disclosure and the Estimated Statement. Further, Dickinson often corresponded with KPMG regarding the preparation of the Estimated Statement on her own without the inclusion of Lawrence. Dickinson was engaged in the valuation process for Venture both prior to, and at the time of, the Closing Date.

43. As pleaded in the Claim, at all material times the Dickinson Entities knew that a Purchase Price Adjustment was required with respect to Venture, however they kept that information from BCP and obstructed the Purchase Price Adjustment process.

44. There was never any agreement to "pause processes relating to the Purchase and Sale Agreement [Venture Agreement] pending resolution discussions" as alleged at paragraph 110 of the Defence and Counterclaim. To the contrary, after Dickinson relinquished control of BCP and Simon took control of operations, BCP pressed the Purchase Price Adjustment process forward. BCP's efforts were stymied by the continued delay and obstruction by the Dickinson Entities.

45. Dickinson, in her capacity as a Board member, improperly sought to persuade Board members from CBGF to take the Purchase Price Adjustment process for Venture 'offline' and outside of the normal Board consideration and approval process to avoid the scrutiny of the BCP shareholders and Board members. The Board members from CBGF refused those requests from Dickinson.

46. In reply to paragraph 112 of the Defence and Counterclaim, any disputes or alleged inaccuracies in the Draft Closing Statement are to be properly resolved by the Third Party Accountant, and not an appropriate issue to be determined in this litigation. BCP pleads and relies upon the relief sought in the Claim in this regard.

B. BCP has not “unfairly diluted” the Dickinson Entities’ Interest in BCP

47. As a result of its overpayment for Venture, among other causes, BCP suffered from a shortfall in available liquidity in each of 2023, 2024 and 2025, resulting in an urgent need for cash.

48. An initial issuance of convertible debenture instruments was made in August and September 2023 (the “**2023 Convertible Debenture**”, as defined in the Defence and Counterclaim) in the principal amount of \$2,031,860.82. In connection with the 2023 Convertible Debenture offering, on August 31, 2023, BCP amended its shareholders agreements to reflect certain terms required by the debenture subscribers, which included amending and restating the Company’s Investors’ Rights Agreement (the “**2023 IRA**”).

49. The 2023 IRA was based upon the Canadian Venture Capital Association (the “**CVCA**”) form of investor rights agreement, a precedent form of document used to streamline venture capital style investment transactions by providing for consistent terms across financing rounds. The 2023 IRA contained a right of first offer to allow certain shareholders to participate in future financing rounds on standard CVCA terms (the “**ROFO**”). The ROFO provided that BCP may issue “**New Securities**” (as defined in the 2023 IRA, but which include the 2023 Convertible Debenture and 2024 Convertible Debenture, as defined in the Defence and Counterclaim) to a third party so long as it complied with a process that allowed certain shareholders the right to purchase the offered

securities before offering them to other persons. As admitted by Dickinson, she was invited to, and did participate in the 2023 Convertible Debenture.

50. A new convertible debenture instrument was created in April 2024 (the “**2024 Convertible Debenture**”, as defined in the Defence and Counterclaim). On April 30, 2024, the 2023 IRA was amended (the “**2024 IRA**”) to reflect additional terms in this round of financing. As required by the ROFO and as admitted by Dickinson, she was invited to, and did, participate in the 2024 Convertible Debenture.

51. As admitted by Dickinson, she was appointed to sit on the Special Committee formed by the Board to negotiate the terms of the issuance of the 2024 Convertible Debenture. The Special Committee consisted of only three people: Dickinson, Simon and Tisch. No representative of CBGF sat on the Special Committee. As a member of the Special Committee, Dickinson was well aware of, and took an active part in, the recommendations made by the Special Committee that BCP obtain financing by issuing the 2024 Convertible Debenture, and, in fact, was directly involved in the negotiations for additional financing.

52. Under each iteration of BCP’s Investor Rights Agreement (including both the 2023 IRA and the 2024 IRA), the ROFO followed a standard three step process:

- (a) First, any New Securities must be offered to all “**Major Investors**” (a defined term in the 2023 IRA including both CBGF and Dickinson), *pro rata* to their total as-if converted right in BCP;
- (b) Second, if any Major Investors did not fully invest, then the balance of the New Securities must be offered to the Major Investors who did fully invest (the “**Over-Allotment Option**”); and
- (c) Third, after the completion of the Over-Allotment Option, any New Securities that remain unsubscribed may then be offered by BCP to “any Person” for a period of 90 days (the “**Offer Period**”).

53. Pursuant to BCP Management's advice to the Board, BCP required at least \$10,000,000 in new money in 2024, including at least \$4,000,000 in equity financing in the short term and an additional \$4,000,000 in equity financing by July 2024 together with \$2,000,000 to be drawn from a revolving credit line. Dickinson and the Special Committee looked to CBGF for at least this initial investment of \$4,000,000 in the 2024 Convertible Debenture. However, if the offering of the 2024 Convertible Debenture was capped at \$4,000,000, then, because of the operation of the ROFO and Over-Allotment Option the following would occur: (i) CBGF's \$4,000,000 investment could be reduced by other Major Investor exercising their rights, and (ii) BCP would be restricted from further financing above \$4,000,000 without complying with the ROFO timelines, which would reasonably be expected to prevent the company from obtaining the financing it required to continue operations in the coming months and hitting an imminent "cash wall", a term used by Dickinson herself, when discussing the urgent liquidity need of BCP in early 2024.

54. Because of that potential outcome, the maximum amount of the offering of the 2024 Convertible Debenture was required to be \$18,803,499.70, which would ensure that, even if all Major Investors fully exercised their ROFO rights, CBGF would still be entitled to invest \$4,000,000 as part of the initial round of financing. The Special Committee identified and understood that, because of the Over-Allotment Option, if most Major Investors did not fully exercise their rights under the ROFO, CBGF could exercise the Over-Allotment Option resulting in the dilution of all the other shareholders and CBGF taking effective control over BCP, which would only occur if the conversion was priced at \$0.02. Dickinson was fully aware of this possibility.

55. To address that possibility, the Special Committee, including Dickinson, negotiated with CBGF a limitation on CBGF's right to the Over-Allotment Option. As detailed in the ROFO notice

that was delivered to the Major Investors dated March 25, 2024 (the “**ROFO Notice**”): (i) any unsubscribed securities were first offered to non-Major Investors (consistent with the rights of BCP to offer New Securities to “any Person” after the Over-Allotment Option process ended); and (ii) CBGF would exercise its Over-Allotment Option “if any of the Major Investors exercise such Major Investor’s over-allotment option and then only to the extent required so that CBGF is able to maintain its pro rata percentage of the Corporation’s fully-diluted equity as calculated immediately prior to the exercise of the over-allotment option by the applicable Major Investors”.

56. Contrary to the allegations at paragraphs 259 and 260 of the Defence and Counterclaim, CBGF did not agree that it would not invest further funds if BCP required it to do so. Further, any such limitation would severely constrain BCP’s ability to obtain urgent financing (a requirement that was expected to occur), particularly given that no other financing was reasonably available. Accordingly, and contrary to Dickinson’s allegations, the 2024 Convertible Debentures, which were approved by both the Special Committee and Dickinson, expressly granted an “**Additional Financing Right**” which extended the period during which the Major Investors (including CBGF) could invest in additional 2024 Convertible Debentures beyond the Offer Period if the Board or BCP Management determined that BCP needed additional financing and that additional financing was not available on better terms. Further, the Board (including Dickinson) granted BCP Management discretion to execute further debenture agreements up to the maximum offering amount of the 2024 Convertible Debentures. BCP was not restricted from issuing further 2024 Convertible Debentures “to any Person”, including CBGF, if BCP Management deemed such issuances necessary to finance BCP.

57. Dickinson, a sophisticated investor, negotiated, reviewed and executed these terms.

58. Under the offering of the 2024 Convertible Debenture, CBGF was only restricted from purchasing 2024 Convertible Debentures without the consent of BCP under its right to the Over-Allotment Option. CBGF was not restricted from subscribing for further 2024 Convertible Debentures under the offering if BCP came to it for funding. Likewise, BCP was not restricted from seeking additional funding from CBGF in those circumstances. The Additional Financing Right expressly contemplated CBGF as a likely future emergency financing source, which was particularly critical in the context of BCP Management's advice to the Board that BCP expected to continue to face urgent liquidity challenges in the coming months. Those rights are described in the 2024 IRA, along with other documentation that accompanied the 2024 Convertible Debenture including but not limited to: a Debenture Purchase Agreement dated April 30, 2024, the ROFO Notice, and a resolution of the Board dated April 30, 2024 (the "**Authorizing Resolution**"). These documents were signed by Dickinson, in her capacity as either a shareholder, investor or director, as applicable.

59. Following the initial offering of the 2024 Convertible Debentures in April 2024, on or about June 14, 2024, to meet urgent liquidity needs, further funding was requested from CBGF through the issuance of additional convertible debentures pursuant to section 4.1(c) of the 2024 IRA. As part of the offering of the 2024 Convertible Debenture, and pursuant to the authority delegated to him to under the Authorizing Resolution, BCP Management determined to offer each Major Investor who had bought 2024 Convertible Debentures, including Dickinson, the opportunity to participate in this emergency funding round. BCP Management was not required by the terms of the 2024 IRA, or any other agreement, to make such an offer.

60. On July 2, 2024, convertible debentures were issued to CBGF under the 2024 Convertible Debenture pursuant to a further Debenture Purchase Agreement and a similar urgent financing need.

61. Contrary to the allegations at paragraph 267 of the Defence and Counterclaim, Dickinson was informed about the issuance of convertible debentures to CBGF prior to the issuance, on April 30, 2024. Further, all holders of 2024 Convertible Debentures were provided notice and allowed to participate on a *pro rata* basis. Three investors other than Dickinson did in fact invest alongside CBGF during this period.

62. Further, Dickinson received notice, and attended a portion, of the February 3, 2025 BCP Board meeting where the Board approved the issuance of additional financing through the 2024 Convertible Debenture pursuant to the Additional Financing Right. BCP's Board had *quorum*, and Dickinson's decision to not attend the entire Board meeting was her choice alone.

63. All material information that Dickinson was entitled to receive as a Director and shareholder of BCP were provided to Dickinson upon request. Dickinson is not entitled to receive privileged communications between BCP and its counsel that are not necessary for her to discharge her duties as a Director of BCP.

64. Among other documents, Dickinson received a complete list of each individual investment in the 2023 Convertible Debenture and 2024 Convertible Debenture issuances, respectively. All relevant meeting minutes requested by Dickinson were provided, and it was confirmed to Dickinson that no other relevant meeting minutes existed for the timeframe of Dickinson's information requests.

65. Dickinson was given several opportunities to participate in the February 2025 additional financing, including through the extension of deadlines to invest to accommodate Dickinson specifically. All pertinent and non-privileged information was provided to Dickinson upon request, and the deadlines for investment were extended to accommodate the time Dickinson would need to consider that information. No material information was “withheld” from Dickinson.

66. Contrary to paragraph 283 of the Defence and Counterclaim, there has been no “unlawful” dilution of the interest of the Dickinson Entities in BCP. Seeking and obtaining emergency funding through the issuance of convertible debentures were reasonable and necessary for the survival of BCP. BCP properly exercised its business judgment in doing so. Dickinson was offered the opportunity to participate in any additional financing obtained by BCP pursuant to convertible debentures in 2023, 2024 and 2025, and Dickinson did participate in 2023 and 2024. Any lack of participation in 2025 was Dickinson’s own decisions informed by ample disclosure by BCP and ample time to review and consider.

No Breach of Confidence by BCP

67. BCP denies that it breached any confidence owed to Dickinson, or at all. If any confidential information was conveyed as alleged, which is expressly denied, it was appropriate for BCP to share the information and it was conveyed in confidence. The information was never misused and there was no detriment suffered by Dickinson as result of any alleged disclosure. Dickinson has suffered no damages or any harm to her reputation as a result of any alleged disclosure.

68. In the alternative, if Dickinson did suffer any reputational harm or other damages as a result of the alleged disclosure of confidential information, which is not admitted but expressly denied, such reputational harm and damages were caused by her own acts or omissions.

BCP Claims Brought Within Limitation Period

69. With regards to the Wellington Office and the associated purchase of furnishings, BCP first became aware of the existence of the purchase of the Wellington Office furnishings in or around early 2024.

70. It was Dickinson's responsibility to disclose the lease of the Wellington Office and corresponding furniture purchase at the time of the sale of Venture to BCP. On or about November 3, 2022, Dickinson executed a bring-down certificate for BCP pursuant to s. 8.2(c) of the Venture Agreement in which Dickinson was required to disclose the lease of the Wellington Office yet failed to do so. Dickinson cannot rely on her own knowledge of that omission, and efforts to keep that omission from BCP, to bar BCP's claim.

71. Contrary to paragraph 77 of the Defence and Counterclaim, Dickinson did not provide detailed information about the furnishings and their value to Lawrence at any material time. Dickinson did not provide a particularization, or any support of the \$175,000.00 value claimed by Dickinson for the furnishings, a figure that came solely from Dickinson.

72. Contrary to paragraph 78 of the Defence and Counterclaim, it was Dickinson's decision and express instruction to Lawrence to set off the payment of personal charges on Venture's American Express card incurred by Dickinson with the amount allegedly owing to Dickinson for the Wellington Office furnishings.

73. Any actions taken by Lawrence regarding the Wellington Office, its furnishings and the record of its purchase and lease by BCP, were taken at the express instruction of Dickinson.

74. BCP denies that any claim in respect of the acquisition of the furnishings regarding the Wellington Office are statute-barred, or discoverable by February 2023, as the matter was not discovered until BCP Management's assessment in or around May 2024.

75. Contrary to Dickinson's allegation that Follett, co-managing partner of BCP, would have had "responsibility" for Venture's former book of business, and therefore would have discovered any claims, it was Dickinson alone who had knowledge and responsibility for Venture's former book of business at all material times. Moreover, Dickinson effectively 'neutralized' Follett before terminating him from BCP on April 26, 2023. She did so by unilaterally demoting him; reducing his direct reports from 150 employees to 50; and requiring him to report directly to her.

76. Dickinson concealed Follett's termination from BCP. BCP only learned of Follett's departure after Follett wrote directly to BCP's Board on May 19, 2023, in respect of his termination by Dickinson.

Dickinson Not Entitled to Indemnification From BCP

77. Dickinson is not entitled to indemnification in respect of the Claim, or at all.

78. Article 2.1 of the Indemnification Agreement sets out that indemnification shall be made only if the Indemnified Party (Dickinson): "acted honestly and in good faith with a view to the best interests of either the Corporation [BCP] or the Bodies Corporate, as the case may be".

79. As set out extensively in the Claim and in the foregoing, BCP pleads that Dickinson has not acted honestly and in good faith with a view to the best interests of BCP, and as such is not entitled to indemnification under the Indemnification Agreement.

80. In the alternative, there is no indemnification in respect of Dickinson's claims against BCP; claims made against Dickinson Enterprises; or claims made against Dickinson for actions taken outside of her position as Director or Office of BCP.

No Damages

81. BCP denies that the Dickinson Entities have suffered any damages or losses as alleged in the Defence and Counterclaim for which BCP is responsible, or at all, and puts the Dickinson Entities to the strict proof thereof.

82. BCP denies that the Dickinson Entities are entitled to punitive, exemplary or aggravated damages and puts the Dickinson Entities to the strict proof thereof. BCP denies that any basis for punitive, exemplary or aggravated damages exists.

83. In the alternative, and in the event that the Court finds that the Dickinson Entities have suffered damages, which damages are not admitted but expressly denied, such damages and losses were caused or contributed to as a result of the acts or omissions of the Dickinson Entities.

84. In the further alternative, and in the event that the Court finds that the Dickinson Entities have suffered damages, which damages are not admitted but expressly denied, the damages sought by the Dickinson Entities are excessive, remote, and not recoverable at law.

85. In the further alternative, the Dickinson Entities have not mitigated their damages or have failed to take reasonable steps to mitigate their damages.

86. BCP requests that the Counterclaim be dismissed with costs.

BELIEVECO:PARTNERS INC.
Plaintiff
ARLENE DICKINSON et al.
Plaintiffs by Counterclaim

-and- ARLENE DICKINSON ENTERPRISES, LTD. et al.
Defendants
-and- BELIEVECO:PARTNERS INC. et al.
Defendants by Counterclaim

Court File No. CV-24-00726715-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT
TORONTO

REPLY AND DEFENCE TO COUNTERCLAIM

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RCP-F 4C (September 1, 2020)