

Vancouver

20-May-25

REGISTRY

This is the 2nd Affidavit
of Michael Lares in this case
and was made on May 16, 2025

No. S248901
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

MICHAEL LARES

PETITIONER

AND:

PETER VAN DER HEYDEN and FLYING "L" RANCH LTD.

RESPONDENTS

AFFIDAVIT

I, Michael Lares, rancher, C/O McQuarrie Hunter, Suite 100, 13450 102nd Avenue, Surrey,
British Columbia, AFFIRM THAT:

1. I am the petitioner in this matter and as such have personal knowledge of the facts hereinafter deposed to except where stated to be on information and belief, in which case I verily believe them to be true.
2. I make this affidavit in response to the application by the respondent, Peter van der Heyden, to disqualify McQuarrie Hunter ("McQuarrie") from acting as my counsel. By affirming this affidavit, I am not waiving any solicitor-client privilege other than related to the "Defamation Matter", as further defined below.
3. I wish to continue engaging McQuarrie as my counsel of record on this petition and I do not wish for them to be removed. McQuarrie is also my counsel in Mr. van der Hayden's lawsuit against me alleging that I took money from our company, Flying "L" Ranch Ltd. (the "Company") as well as in a proceeding against people who posted defamatory content about me online.

4. In January 2024, I retained Cameron Nicol, a solicitor at McQuarrie, to represent me in my negotiations to purchase Mr. van der Heyden's shares in the respondent Company.
5. As set out in paragraphs 26 to 30 of my 1st affidavit sworn December 19, 2024 (my "First Affidavit"), Mr. van der Heyden's previous lawyer sent various letters between May, 2024 and July, 2024, demanding that I provide the Company's accounting and corporate records since its incorporation.
6. On July 26, 2024, McQuarrie provided a letter in response to Mr. van der Heyden's lawyer, which is attached as Exhibit "K" to my First Affidavit. As I stated at paragraph 31 of my First Affidavit, this letter enclosed a sharefile link with documents from the file for the closed Defamation Matter (as further explained below), as well as the Company's financial and corporate documents.
7. As I had engaged Mr. Nicol as my lawyer, I paid for McQuarrie's services under this retainer. While two payments totalling \$4,000 were made from the Company's VISA card towards one of McQuarrie's invoices in February 2024, I fully repaid this amount to the Company by making two deposits of \$2,000 to the Company's account on October 15, 2024 and November 25, 2024. Attached as Exhibit "A" to this affidavit is a copy of two screenshots of the Company's account statement showing these two deposits.
8. In response to the allegation at paragraph 7 of Mr. van der Heyden's Notice of Application filed May 6, 2025 that there remains "an additional payment of \$604.80 to McQuarrie which remains unaccounted for" and which was made on March 4, 2024, I also repaid this amount to the Company. On October 15, 2024, in addition to the \$2,000 deposit mentioned above, I transferred another \$7,000 to the Company. I made this payment to cover the \$604.80 transferred from the Company to McQuarrie, as well as to cover other upcoming payments for the Company.
9. In January 2024, I retained Royal Morton and Benjamin Morley, litigators at McQuarrie, to represent the Company and me in responding to defamatory postings by third parties (the "Defamation Matter").

10. As set out in my First Affidavit, Mr. van der Heyden has not been involved in the management of the Company. Since the Company's incorporation, I have directed the Company's day-to-day business operations. Mr. van der Heyden and I have not called any annual general meetings or held any directors meetings, in the course of the Company's operations. Our arrangement is informal. I have often made decisions on behalf of the Company without any express approval by Mr. van der Heyden. As a result, I did not believe that I needed Mr. van der Heyden's approval to engage McQuarrie in the Defamation Matter.

11. Furthermore, in January 2024, I was in the middle of negotiations to purchase Mr. van der Heyden's shares in the Company. I believed that the purchase was imminent and I would soon be the sole shareholder and director of the Company.

12. When I engaged Mr. Morton and Mr. Morley on the Defamation Matter, I advised them that I had the authority to represent the Company and give instructions on behalf of the Company. I advised McQuarrie that my purchase of Mr. van der Heyden's shares would be completed soon and it was only a matter of time.

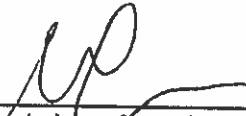
13. As a result, I caused the Company to execute the retainer letter with McQuarrie for the Defamation Matter. I never used Company funds to pay retainers or for balances owing on the three invoices I received from McQuarrie for the Defamation Matter.

14. Attached as Exhibit "B" to this affidavit is a copy of a letter from my lawyer to Mr. van der Heyden's second lawyer, Mr. Drummond Lambert, dated May 16, 2025, which was copied to me. This letter was reviewed by me before it was sent. I confirm that I intend to have liability insurance in place for the Company within the next few weeks.

15. I acknowledge the solemnity of making a sworn statement/solemn declaration and acknowledge the consequences of making an untrue statement.

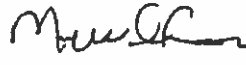
16. As I live in Nemiah Valley, British Columbia, I was not physically present before Lucy Sun when I swore this Affidavit but was before her by video conference.

AFFIRMED BEFORE ME at Vancouver,
British Columbia on May 16, 2025



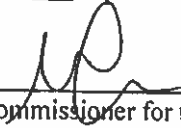
A Commissioner for taking Affidavits for
British Columbia

LUCY JUN MING SUN
Barrister & Solicitor
Fasken Martineau DuMoulin LLP
2900 - 550 Burrard Street
Vancouver, BC V6C 0A3
604 631 4753



MICHAEL LARES

This is Exhibit "A" referred to in the 2nd
affidavit of Michael Lares made before me
on this 16 day of May, 2025.



A Commissioner for taking Affidavits in
British Columbia

Business Account Statement

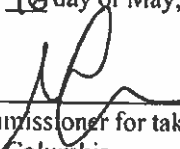


September 27, 2021 to October 31, 2021
Account number: 08840 100-369-8

Account Activity Details - continued

Date	Description	Charges & Debits (C\$)	Deposits & Credits (C\$)	Balance (C\$)
11 Oct	Misc Payment PAYPAL		211.77	149.12
13 Oct	e-Transfer - Autodeposit MICHAEL LARSEN C1AN04617C		2,000.00	
	e-Transfer - Autodeposit MICHAEL LARSEN C1AN04617M		7,000.00	
	Visa Direct Deposit STRIPE		56.00	
	Visa Direct Deposit STRIPE		16.37	
	Visa Direct Deposit STRIPE		52.40	
	Misc Payment PAYPAL		147.97	
	Online Banking transfer - 4284	1,800.00		
	Misc Payment PAYPAL	14.99		
	Cheque - 79	7,194.54		222.64
16 Oct	e-Transfer - Autodeposit Michael Quoye C4M02427		945.00	
	Misc Payment Google Payment		154.77	1,122.21
17 Oct	e-Transfer sent Dylan Larro	200.00		
	INTERAC e-Transfer fee	1.50		
	Visa Direct Deposit STRIPE		109.89	1,120.71
	Misc Payment PAYPAL		50.51	
	Misc Payment PAYPAL		50.47	
	Misc Payment PAYPAL		64.81	
	e-Transfer Request Fulfilled Fee	1.50		
	e-Transfer Request Fulfilled	102.54		
	Online Banking transfer - 3110	100.00		1,174.53
18 Oct	Visa Direct Deposit STRIPE		17.75	
	Online Banking transfer - 3199	150.00		
	Online Banking transfer - 0764	500.00		761.66
21 Oct	Visa Direct Deposit STRIPE		73.33	
	Misc Payment PAYPAL		75.86	
	Interac purchase - 5517 0001 VELA FIRE PUMP CO	155.00		610.66
19 Nov	INTERAC purchase - 5517 0001 VELA FIRE PUMP CO	610.66		
	Visa Direct Deposit STRIPE		227.59	
	Misc Payment PAYPAL		97.83	
	Misc Payment PAYPAL		139.70	
	Misc Payment Google Payment		138.07	954.73
19 Nov	INTERAC purchase - 5599 0001 TASCOSUPPLIES	143.64		
	INTERAC purchase - 5599 0001 MA FORESTRY SUP	149.43		663.66
20 Nov	Visa Direct Deposit STRIPE		38.06	
	Misc Payment PAYPAL		175.40	
	Contactless Interac purchase - 0107 0001 BEST BUY PROPAK	145.77		461.90
21 Nov	Visa Direct Deposit STRIPE		18.18	
	Visa Direct Deposit STRIPE		36.36	
	Visa Direct Deposit STRIPE		93.04	
	Misc Payment PAYPAL		42.12	451.50
22 Nov	e-Transfer - Autodeposit ROGER WILLIAM C1AN04617J		100.00	
	Misc Payment Google LLC		804.19	1,054.99
23 Nov	Online Banking transfer - 9142	500.00		
	e-Transfer - Autodeposit MICHAEL LARSEN C1AN04617A		2,000.00	
	Visa Direct Deposit STRIPE		76.11	
	Misc Payment PAYPAL		59.22	
	Misc Payment PAYPAL		74.65	
	Misc Payment PAYPAL		74.64	
	Misc Payment PAYPAL		207.38	
	Misc Payment PAYPAL		642.51	
	GST CANADA		17.90	
	Online Banking transfer - 8787	300.00		1,045.68
	Online Banking transfer - 7835	2,000.00		
26 Nov	Misc Payment PAYPAL		59.73	
	Misc Payment PAYPAL		87.87	

This is **Exhibit "B"** referred to in the 2nd affidavit of Michael Lares made before me on this 16 day of May, 2025.



A Commissioner for taking Affidavits in British Columbia

McQuarrie

McQuarrie Hunter LLP
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Surrey, BC V3T 5X3
Tel: 604.581.7001
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Managing Lawyer: Royal J. Morton
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Associate Lawyer: Benjamin P. Morley
E-Mail: bmorley@mcquarrie.com

Legal Administrative Assistant: Barbara Poth
E-Mail: bpoth@mcquarrie.com
Direct Line: 604-580-7061

Our File No.: 240945

May 16, 2025

VIA EMAIL dlambert@eyfordpartners.com

Eyford Partners LLP
1744-1055 Dunsmuir Street
Vancouver, BC V7X 1L2

Attention: Drummond Lambert

Dear Sir:

**Re: Michael Lares v. Peter van der Heyden et al
SCBC Vancouver Action no. S248901 ("Oppression Proceeding")
Michael Lares v. Devyn McMillan et al
SCBC New Westminster Registry Action No. S257137 ("Defamation Action")
Peter van der Heyden v. Michael Lares
SCBC Vancouver Registry Action No. S243219 (the "Van der Heyden Action").**

We write concerning your letter of May 5, 2025.

While our client was happy to learn that Mr. van der Heyden would not be attending the ranch property, your letter enclosed the beneficial use declaration in an altered form (the "Altered Form") without Mr. Lares' approval.

You will see from the attached original form (the "Original Form") we sent you by letter dated April 17, 2025, that Mr. Lares had already signed and filled out the form before Mr. van der Heyden signed it. In the Altered Form attached to your letter, Mr. van der Heyden removed and replaced wording on p. 4 of 4 and signed the document without it first coming back to us for Mr. Lares' approval.

Mr. van der Heyden then apparently submitted the Altered Form to the government water licencing authority, without any notification to us that the Original Form was changed to the Altered Form. That kind of behaviour is consistent with our client's concern about sharing information or doing anything in tandem with Mr. van der Heyden concerning the company. Mr. Lares has been dealing with the government representative concerning water licences for several weeks.

Mr. van der Heyden's insertion of the statement in the Altered Form without notice that "Water from Nemaiah Creek and Robertson Creek is pumped and/or diverted to irrigate crop fields

(hay) on lots..." is misleading and an oversimplification of the water use issue. The statement about a domestic well is also incorrect. This unauthorized revision by Mr. van der Heyden is a good example of how he is attempting to insert himself into company operations in a manner that is unhelpful to the company.

Mr. Lares also cannot trust that many of Mr. van der Heyden's inquires in your letter are made in good faith. For instance, appendix A to your letter requests information, some of which we are instructed that Mr. van der Heyden would know – when the company's business started, Mr. Lares' prior years of experience. Your comments on p. 2 of your letter that Mr. van der Heyden had no knowledge of the company engaging Mr. Lares' family members is flatly denied by Mr. Lares.

To be clear, all of Mr. Lares' family members have been contractors engaged by the company. There are no company employees, and Mr. van der Heyden has never concerned himself with who specifically at any given time has worked on the ranch. Given that Mr. van der Heyden had already agreed last year to sell his shares and the 80 acres for \$2 million, the company's annual gross revenue is irrelevant.

To the extent company revenues are relevant to purchasing the liability insurance referenced in your letter, Mr. Lares has already made inquires for insurance, and we will report further in due course. Mr. Lares intends to have appropriate liability insurance in place for the company within the next few weeks. Concerning the 80 acres, if Mr. van der Heyden wished to purchase his own liability insurance as a condition of use of that land, please advise why he did not do that previously.

The 80 acres is landlocked by the company's land and is an integral part of the ranch. Mr. Lares or others such as government officials may need to access the 80 acres for any number of reasons. Please confirm that Mr. van der Heyden has purchased liability insurance for the 80 acres. Mr. Lares can limit the use of the 80 acres as much as reasonably possible for the time being, pending hearing from you.

In response to your query, Mr. Lares advised that he has not received a bank card at the ranch for Mr. van der Heyden.

Finally, in the disqualification application, your client has raised the issue of misuse of confidential information. We never received information during our initial engagement for Mr. Lares and the company which we could ever treat as confidential as between your client, the company and Mr. Lares. Nor is there any such information that we or our client could misuse against the company.


A limited amount of information was withheld from your client due to our client's concern about misuse of that information. We asked you how information such as our hourly rates, retainer amounts or the three accounts we rendered was relevant or necessary for your client as company director to know about after the fact – those questions went unanswered.

Nevertheless, given the assertions raised by your application, we are instructed to produce unredacted copies of the letters, our engagement agreement and our accounts. To the extent your client receives any information from our original file, no. 240167, including what was already provided to you and your predecessor, Mr. Larocque, it is expected that Mr. van der Heyden will maintain the confidentiality of that information.

Maintaining that confidentiality would include not releasing any of that to third parties outside of the Oppression Proceeding – Mr. Lares will hold Mr. van der Heyden strictly to that obligation, both as a litigant and director of the company.

Yours truly,

MCQUARRIE HUNTER LLP



ROYAL J. MORTON*
Partner
*Royal Morton Law Corporation
RJM/bjp



Beneficial Use Declaration
 Direction & Order To Submit Declaration
 Section 30 (2) of the *Water Sustainability Act*

Section 1: For office use only

Ministry of Water, Land and Resource Stewardship

c/o Marie McCallum
 400-640 Borland St
 Williams Lake, BC V2G 4T1
 marie.mccallum@gov.bc.ca | 250-302-4287

Water Licence No.:	C063369	File Number:	0365308
Client Name:	Flying "L" Ranch Ltd.		
Address:	PO Box 10, Nemiah Valley, BC V0L 1X0		
Source:	Billy Goat Creek	PID:	011-225-661
The above water licence is appurtenant to the land with the legal description of: DISTRICT LOT 383 RANGE 2 COAST DISTRICT			

Section 2: To be completed by licensee or landowner diverting or using water

Instructions

1. Review the water licence that was attached to your cover letter.
2. Complete Section A and attach to this form and any additional information that has been requested in the cover letter.
3. Sign the declaration under Section B and return this form by mail or email to the address above within 30 days from the date you are deemed to have received the cover letter and this form.¹

Please be advised that failing to submit this declaration, as directed by this order, within the time specified above, may result in a portion of the rights under the licence being considered for possible suspension or cancellation proceedings.

SECTION A - DECLARATION OF USE

In the 3 years preceding the date of this declaration, have you made beneficial use of the quantity of water (in-part or in- full), authorized to be diverted under the licence?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If you answered "no" please explain in the 'comments box' below:
In the 3 years preceding the date of this declaration, have you complied with all of the terms and conditions of the licence?	<input type="checkbox"/> Yes <input type="checkbox"/> No If you answered "no" please explain in the 'comments box' below:
Comments	
THE SYSTEM WAS NEVER BUILT AND/OR PUT ONLINE. THE LICENSE EXISTED WHEN THE LOT WAS PURCHASED	
WATER USE PURPOSES Section 2 of the <i>Water Sustainability Act</i> (WSA) and Schedule A of the <i>Water Sustainability Regulation</i> provide definitions, descriptions and additional information on water use purposes.	

¹ Section 117(2) *Water Sustainability Act* describes how the Province determines when something is deemed to be delivered.

Please select the purpose(s) for which you are using water under the licence, as applicable.

<input type="checkbox"/> Domestic: Dwellings, Buildings, garden (Less than 1,000 m ²)	<input type="checkbox"/> Irrigation Watering of crops	<input type="checkbox"/> Storage Retaining water for use at a another time	<input type="checkbox"/> Industrial: Stock Watering Watering livestock
<input type="checkbox"/> Industrial: Garden/Lawn Watering Garden/field/lawn over 1,000 m ²	<input type="checkbox"/> Mining Recovering minerals from the ground	<input type="checkbox"/> Power Generating electricity	<input type="checkbox"/> Waterworks Delivering water to other persons

Please describe other purposes for which you are using water under this licence:

Other:

QUANTITY OF WATER USED:
Please indicate the amount of water by [measurement OR estimate] (circle one) that you are using under the licence for each purpose:

Water use Purpose	Water amount	Units (circle one)	Time period (circle one)
		Cubic metres / acre feet / gallons / litres	second / day / year
		Cubic metres / acre feet / gallons / litres	second / day / year
		Cubic metres / acre feet / gallons / litres	second / day / year

OR

If you do not know the amount of water you are using, please provide further information about your water use:

Number of dwellings being serviced		List building types or descriptions	
Number of acres being irrigated/watered:		Number & type of livestock being supplied:	
Quantity of water stored:		Size of Pond / Reservoir:	

Please provide any other information you can provide that might inform a water use determination.

SECTION A-1 – Additional information about your works

CONSTRUCTED WORKS
Commonly constructed works include an intake, pump, pipe, diversion structure, sprinklers, ditch, trough, pond, dam, reservoir, or a storage tank, but may include any component used to divert, use or store water under the licence. Please list all works in use in sections below.

Answer the following questions concerning the authorized works listed in the licence:

Are the works listed in the licence constructed?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> Partially
Are the works listed in the licence in use?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> Partially

Comments:

Describe any additional works that were constructed (not listed in the licence):

Type of work	Is the work in use?		Are the works on private land or on Crown (public) land?	
	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Private	<input type="checkbox"/> Crown
	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Private	<input type="checkbox"/> Crown
	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Private	<input type="checkbox"/> Crown
	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Private	<input type="checkbox"/> Crown
	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Private	<input type="checkbox"/> Crown

Permissions

A licensee requires permission to occupy the land where his or her works are located.

If any of your works are located on Crown land or private property that you do not own, please describe the permissions you have to occupy the land and attach any copies of the agreements to this form, if available. These permissions might include a lease, easement, statutory right of way or Crown land tenure.

N/A

Decommissioning and removal of works

If works were constructed and are no longer in use, please indicate whether the works were decommissioned and/or removed. If not, please advise as to your plans to decommission and/or remove works that are no longer in use:

N/A

Drawing / Plan of your works

Please provide a drawing / plan showing the current location of all works and the place of use. Two simple ways to complete this task include:

- 1. Using iMapBC (available online through a search engine) to generate a map of your property or undertaking. Tutorials for learning iMapBC are available online.
- 2. Drawing over the surveyed plan or water licence map that was included with your cover letter.

The drawing should identify at a minimum the water source, point of diversion (intake), all constructed works, property boundaries, dwellings.

SECTION A-2 – Additional information about water use on your property

DO YOU HAVE OTHER WATER LICENCES THAT SERVICE YOUR PROPERTY? Yes No

If yes:

Licence no. _____ Source _____

Licence no. _____ Source _____

Licence no. _____ Source _____

DO YOU HAVE OTHER SOURCES OF WATER SUPPLY THAT ARE USED TO SERVICE YOUR PROPERTY?

None Groundwater (including domestic well)² Other ROBERTSON CREEK AND

NEMAH RIVER RUN THROUGH THE PROPERTY. WILL BE ADDRESSING THIS PROPOSED USE IN A SEPERATE APPLICATION.

² Use of groundwater for domestic purpose only does not require a licence but registration of your well is strongly encouraged. Your help in registering your well will assist in making better informed groundwater allocation decisions in your area. For more information or assistance on well registration email FrontCounterBC@gov.bc.ca or phone toll free 1-877-855-3222.

Use of groundwater for a non-domestic purpose now requires a water licence as a new requirement under the *Water Sustainability Act*. For groundwater use existing on February 29, 2016, an application for non-domestic use of groundwater must be submitted on or before March 1, 2022 to be in compliance with the law. For new groundwater diversions, an authorization is required prior to commencing use. Visit www.FrontCounterBC.ca to apply.

SECTION B - SIGNATURES

Your signature and the signatures of anyone else whose name is on your land title for appurtenant land, described in your water licence, are required below.

I hereby declare that the information contained in this Declaration is true to the best of my knowledge, information and belief.

Name (Owner 1): MICHAEL D. LAZES *Michael D. Lazes* APRIL 2, 2025
(Print Name) (Signature) (Date)

Address: BOX 10 NEMAH JALBY B.C. VOL-1X0

Phone Number: 250-302-2989 Email: MICHAEL@ELMORALRANCH.CA

I hereby declare that the information contained in this Declaration is true to the best of my knowledge, information and belief.

Name (Owner 2): _____
(Print Name) (Signature) (Date)

Address: _____

Phone Number: _____ Email: _____

I hereby declare that the information contained in this Declaration is true to the best of my knowledge, information and belief.

Name (Owner 3): _____
(Print Name) (Signature) (Date)

Address: _____

Phone Number: _____ Email: _____

I hereby declare that the information contained in this Declaration is true to the best of my knowledge, information and belief.

Name (Owner 4): _____
(Print Name) (Signature) (Date)

Address: _____

Phone Number: _____ Email: _____

Please provide below any further information that you consider to be relevant:

I MICHAEL LAZES PER MY DISCUSSIONS WITH MARIE MCCALM
AM SUBMITTING THIS REQUEST TO CLOSE OUT THIS WATER
USE LICENSE AND WILL BE APPLYING IN ANOTHER
APPLICATION PROCESS FOR ANY PROPOSED WATER USE. THIS
WAS DISCUSSED BEFORE THE 30 DAY EXPIRATION OF RECEIPT
OF THE NOTICE.

Michael D. Lazes

No. S248901
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

MICHAEL LARES

PETITIONER

AND:

PETER VAN DER HEYDEN and FLYING "L" RANCH
LTD.

RESPONDENTS

AFFIDAVIT

FASKEN MARTINEAU DUMOULIN LLP
Barristers and Solicitors
550 Burrard Street, Suite 2900
Vancouver, BC, V6C 0A3
+1 604 631 3131

Counsel: Corry Clark
E-mail: cclark@fasken.com
Matter No: 247744-00008