

IN THE SUPREME COURT OF BRITISH COLUMBIA

Citation: *uLoan Solutions Inc. v. 1290185 B.C. Ltd.*
dba Spare Room Co. Self Storage,
2026 BCSC 1602

Date: 20260825
Docket: S144823
Registry: Kelowna

Between:

uLoan Solutions Inc.

Plaintiff

And

**1290185 B.C. Ltd. doing business as Spare Room Co. Self Storage and
Rodney Gelineau**

Defendants

Before: The Honourable Justice Hewson

Reasons for Judgment

Counsel for the Plaintiff:

M.S. Moorhouse

Appearing for the Defendants:

R. Gelineau

Place and Date of Trial/Hearing:

Kelowna, B.C.
August 6, 2026

Place and Date of Judgment:

Kelowna, B.C.
August 25, 2026

Introduction

[1] The plaintiff uLoan Solutions seeks summary trial judgment under Rule 9-7 against Rodney Gelineau pursuant to a personal guarantee executed on February 7, 2023. uLoan seeks judgment for principal, accrued interest, contractual costs, and ongoing *per diem* interest.

[2] Mr. Gelineau consents to judgment for \$150,000 under the guarantee but disputes liability for the balance and argues the matter is unsuitable for summary trial.

Background

[3] uLoan Solutions Inc. is an asset-backed short-term bridge lender that provides financing products including invoice financing, real estate bridge loans, asset-backed lines of credit, and debtor-in-possession financing.

[4] Spare Room Co. Self Storage, operated by 1290185 B.C. Ltd., is in the self-storage business and operates storage facilities in Oliver and Penticton. In early 2023, Spare Room sought bridge financing from uLoan to fund business expansion and pay outstanding obligations related to improvements at its Penticton facility.

[5] The parties subsequently entered into a credit loan facility agreement under which uLoan agreed to advance up to \$500,000, later increased to \$600,000, secured by a general security agreement and a personal guarantee.

[6] The three people involved in the transaction were Rodney Gelineau, the CEO, director, and principal of Spare Room; Greg Thompson, the managing partner of uLoan and the individual who negotiated and administered the loan on behalf of the lender; and Frankie Kiely, an employee and operations manager of Spare Room who participated in communications concerning the loan documentation, funding conditions, and subsequent efforts to address the parties' dispute following default. Mr. Gelineau executed the loan documents and the personal guarantee, Mr. Thompson was the primary uLoan representative throughout the lending

relationship, and Mr. Kiely was copied on and exchanged several of the emails that form part of the evidentiary record concerning the parties' intentions and dealings.

The Agreements

[7] The lending relationship was governed by three agreements executed in February 2023.

- a) The parties entered into a credit loan facility agreement under which uLoan agreed to provide an asset-backed credit facility to Spare Room, initially up to \$500,000 and later increased to approximately \$600,000, with interest payable at 2.49 percent per month and security requirements including a general security agreement and a personal guarantee.
- b) Spare Room granted uLoan a general security agreement creating a security interest over all of Spare Room's present and after-acquired personal property and providing uLoan with various enforcement remedies in the event of default.
- c) Rodney Gelineau executed a personal guarantee in favour of uLoan pursuant to the terms of which he guaranteed the obligations of Spare Room under the lending arrangements and agreed that uLoan was not required to exhaust its remedies against Spare Room or its collateral before seeking payment from him.

The Default

[8] After receiving advances totalling approximately \$600,190.47 under the credit loan facility agreement, Spare Room made the required monthly interest payments for a period but ceased making regular payments by May 2024. In November 2024, Spare Room made a lump-sum payment of \$160,000, derived from the sale of storage containers, which reduced the principal balance to \$540,223.65. No further payments were made after that date.

[9] uLoan subsequently issued a notice of default on May 14, 2025, asserting that Spare Room had failed to meet its payment obligations and declaring the outstanding indebtedness immediately due and payable. The parties do not appear to dispute that Spare Room defaulted under the loan agreement or that substantial amounts remain owing.

[10] Spare Room ultimately entered court-supervised receivership in separate proceedings commenced by uLoan. A receiver was appointed by an order dated April 27, 2026. Spare Room is not being pursued in this application because claims against it are stayed by the receivership proceedings.

Issues

[11] The issues to be determined are:

- a) Is the matter suitable for summary trial?
- b) Was there a default and what amount is owing?
- c) Does the personal guarantee cover the entire debt?
- d) Was uLoan required to realize on the collateral before enforcing the guaranty?
- e) Contractual costs.

Is the Matter Suitable for Summary Trial?

[12] The first issue is whether this matter is suitable for summary trial under Rule 9-7.

[13] ULoan takes the position that the dispute is fundamentally about contract interpretation, and that no *viva voce* evidence is necessary because all relevant documents or before the Court. It says that the amount owing can be readily established, and that similar contract interpretation cases have been decided summarily in the past.

[14] Mr. Gelineau is opposed. He says that the case turns on the parties' objective intentions and that the surrounding circumstances are critical. He points to two email chains which he says support his interpretation, in February 2023 and in July 2025. He says that a specific inconsistency between Mr. Thompson's two affidavits creates an issue of credibility and reliability which cannot be determined without the benefit of cross-examination.

[15] In *Gichuru v. Pallai*, 2013 BCCA 60 at paras. 28-35 the Court of Appeal discussed the nature of summary trials generally. The Court held that under Rule 9-7 cases would be decided summarily if the court was able to find the facts necessary for that purpose, even though there may be disputed issues of fact and law, provided that the judge does not find it is unjust to do so. Citing the earlier decision of *Inspiration Management Ltd. v. McDermid St. Lawrence Ltd.* (1989), 36 B.C.L.R. (2d) 202 (C.A.), the Court identified a number of relevant factors to consider. Those factors include:

- a) the amount involved;
- b) the complexity of the matter;
- c) it is urgency;
- d) any prejudice likely to arise by reason of delay;
- e) the cost of taking the case forward to a conventional trial in relation to the amount involved;
- f) the course of the proceedings;
- g) whether the summary trial may create unnecessary complexity in the resolution of the dispute;
- h) whether the application would result in litigating in slices; and
- i) whether credibility is a critical factor in the determination of the dispute.

[16] The Court also made clear that a summary trial, although heard on affidavits in chambers, remains a trial of the action for which the plaintiff retains the onus of

proof establishing his or her claims, and the defendant retains the burden of establishing any defences raised.

[17] I agree with the applicant uLoan that this matter is suitable for determination on a summary trial. The matter is not complex, and the application record includes the contracts in question, the emails in consideration and the transcripts of the evidence taken on the examination for discovery of Mr. Gelineau. The fact of the default is not in dispute, and the amount owing is ascertainable. Mr. Gelineau has not sought to cross-examine Mr. Thompson on an examination for discovery, and he has not filed an affidavit for Mr. Kiely.

[18] Mr. Gelineau based his objection to proceeding as a summary trial largely on the conflict he perceives between two affidavits sworn by Mr. Thompson. Mr. Thomson's second affidavit is said by uLoan to be a clarification of assertions made in his first affidavit. The paragraphs in question are numbered paragraphs 14, 15 and 16 in both affidavits. In his affidavit made July 14, 2026 Mr. Thompson swore:

14. From February 6-7, 2023 I corresponded with Frankie Kiely, then an employee of Spare Room, about the release of the first \$150,000 of funds from the Loan Agreement. Attached hereto and marked as Exhibit "E" is the email correspondence dated February 6-7, 2023.

15. I explained to Mr. Kiely that uLoan was willing to release the first \$150,000 with only the Personal Guarantee executed. There were additional documents required under the Loan Agreement such as the GSA and a Landlord Postponement Arrangement.

16. At no point did I tell Mr. Kiely, Mr. Gelineau or anyone at Spare Room that the Personal Guarantee was limited to \$150,000.

[19] Two days later, on July 16, 2026, Mr. Thompson swore a second affidavit. Paragraph 15 was changed to read:

15. I explained to Mr. Kiely that uLoan was willing to release the first \$150,000 with the Loan Agreement and other security documents including the Personal Guarantee executed. ULoan did not require the Landlord Postponement Agreements be returned immediately in order to release the first \$150,000...

[20] Significantly, both versions of paragraph 15 refer to the same emails, which were sent between Mr. Thompson and Mr. Kiely, with a copy to Mr. Gelineau on February 6 and February 7, 2023. Those emails are attached to both versions of the affidavit as an exhibit. The court can read the emails. What people actually said in the emails is far more significant than how Mr. Thompson may choose to describe them more than three years later.

[21] The difference in the two versions of the paragraph 15 does nothing to cast any doubt on the fact that Mr. Gelineau executed the personal guarantee before any funds were released, or the fact that the text of the personal guarantee contains no limit of \$150,000 or any other amount, or the fact that there is no evidence that uLoan ever represented to Mr. Gelineau that the personal guarantee was capped in some way.

[22] Mr. Gelineau also points to an email from Mr. Thompson to Mr. Kiely dated July 17, 2025 as another source of credibility concerns justifying a full trial of this matter. In that email, Mr. Thompson presents two options for resolving the matter. In my view, that email is clearly a discussion of practical ways of unwinding the relationship efficiently and at least cost to all concerned, and not a statement capable of affecting the interpretation of the contract made about two years previously.

[23] I am satisfied that this matter is suitable for determination on a summary trial.

Was There a Default and What Amount Is Owing?

[24] ULoan says that Spare Room ceased regular interest payments by May 2024, and made only a final lump-sum payment of \$160,000 in November 2024. Mr. Gelineau does not dispute the existence of the debt, or the default or the principal amount advanced and the continuing accrual of interest.

[25] The outstanding principal is \$540,223.65. The accrued interest is \$282,482.97 as of August 10, 2026. Interest continues to accrue at a rate of \$448.39 per day.

[26] According to the loan agreement, uLoan is entitled to recover all reasonable costs and expenses incurred for recovery of amounts not paid when due under the loan agreement. A contract that provides for recovery of costs displaces the costs rules set out in the *Supreme Court Civil Rules*.

Does the Personal Guarantee Cover the Entire Debt?

[27] ULoan maintains that Mr. Gelineau's personal guarantee expressly covers "all debts and liabilities, present or future" and "all liabilities". There is no monetary cap.

[28] Mr. Gelineau says that his understanding was that the guarantee was intended to secure only the first \$150,000 tranche, based on the emails exchanged on February 6 and 7, 2023.

[29] Those emails are attached as Exhibit "E" to both of Mr. Thompson's affidavits. In general, the three emails in question pertained to the planning around execution of the various agreements, and the schedule for advancing funds from uLoan to Spare Room. On February 6, 2023 at 3:45 p.m. Mr. Thompson wrote:

Please forward these to your landlords to get authorized. I sent for e-signature as well if they prefer. I will have all other documents prepared tmrw and can fund as soon as that is back. Wired funds are usually next day unless funded before noon. I have approved the 150K first tranche and am comfortable up to 200K based on the Personal Guaranteebut [sic] still need to press forward on the landlord agreements to close the loop. I have sent the revised credit facility, making the changes you and I discussed. It was sent via Pandadoc for signature.

[30] On February 7, 2023 at 8:41 a.m. Mr. Kiely replied:

Thank you Greg,

Got these off to the landlords this morning. Will let you know about e-signature.

Do you require these to be signed and completed before funding the 150K first tranche?

[31] Four minutes later, on February 7, 2023 at 8:45 a.m., Mr. Thompson replied:

No, I do not. We can proceed on the basis of the personal guarantee up to a certain point. I am waiting for Rodney to send back the credit facility that I

sent yesterday on PandaDoc before diving into the rest of the document preparation today.

[32] That is the extent of the emails in question.

[33] Mr. Gelineau acknowledges that there is no language in the personal guarantee to establish that the parties had agreed to a cap on his liability under that document. However, he argues that those emails should be interpreted as having imported a cap of \$150,000 into the personal guarantee.

[34] Mr. Gelineau is correct that surrounding circumstances may assist in interpreting a contract. However, those circumstances must be objective and must illuminate the meaning of the words actually chosen by the parties. They cannot be used to create a limitation that does not appear in the agreement itself. The facts surrounding the formation of a contract are relevant to its interpretation, but they must never be allowed to overwhelm the words of the agreement or to cause courts to create brand-new agreements: *Earthco Soil Mixtures Inc. v. Pine Valley Enterprises Inc.*, 2024 SCC 20 at para. 60.

[35] The February 6 and 7, 2023 email exchanges provide no basis to conclude that the personal guarantee was capped at \$150,000. The emails do not contain any language suggesting that Mr. Gelineau's liability would be restricted to that amount. The communications address the sequence in which funds would be advanced and documents completed; they do not purport to amend, qualify, or place a monetary limit on the terms of the personal guarantee ultimately executed by the parties.

[36] When Mr. Thompson stated that he had "approved the 150K first tranche" and was "comfortable up to 200K based on the Personal Guarantee", and later stated that the parties could "proceed on the basis of the personal guarantee up to a certain point", the only reasonable interpretation is that uLoan was prepared to advance the initial funds before all of the contemplated security documentation had been completed.

Was uLoan Required to Realize on the Collateral before Enforcing the Guaranty?

[37] The collateral provided by Spare Room under the lending arrangements was extremely broad, but the evidence suggests that the storage containers were the principal asset and the most significant realizable collateral. They had an estimated value of \$1.5 million.

[38] Mr. Gelineau argues that the storage containers should have been sold, and then any shortfall could have been addressed through the guarantee. ULoan disagrees and says that the GSA and the personal guarantee expressly permitted concurrent remedies.

[39] The contractual terms of the GSA provided that uLoan's remedies were enforceable "successfully, concurrently or cumulatively". The GSA also provided that the secured party was not required to seize or sell collateral. The guarantee provided that "uLoan shall not be bound to exhaust its recourse against the Company or any securities that may at any time hold...".

[40] That language was put to Mr. Gelineau during his examination for discovery. He was asked:

Q ... so the sentence is saying that uLoan does not have to exhaust going against the company for those other securities, as in the storage containers, before it can utilize this personal guarantee; correct?

A Okay.

Q So what this clause is explicitly stating is that uLoan does not, in fact, have to sell the containers before demanding payment from you directly as the personal guarantor. You see that?

A Yeah. That's not my understanding. My understanding was that the containers needed to be sold first, and if there is a shortfall, then I would be responsible for \$150,000 of -- of that amount.

(lines 232-233)

[41] Mr. Gelineau says that his understanding is reasonable, based on an email from Mr. Thompson to Mr. Kiely on July 17, 2025. By that date, uLoan had not received payment on the debt since November 2024. In that email, Mr. Thompson

proposed two options for resolving the debt problem. In the first option, Mr. Thompson proposed that the containers and other assets be sold to a third party and said that if Mr. Gelineau and Spare Room agreed uLoan would not pursue the personal guarantee against Mr. Gelineau. The second option was for the bailiffs to lock up all Spare Room sites and begin a sales process of all the assets. If that was the option pursued, uLoan would fully enforce the personal guarantee.

[42] Based on a review of the evidence, including the discovery transcripts and the agreements themselves, I can only conclude that Mr. Gelineau was mistaken about the effect of his personal guarantee. Contract interpretation is based on objective manifestations of intention, not the undisclosed subjective understanding of one party. The July 2025 email only proposed a commercial solution after a default. It was not capable of bearing any interpretation that would amend the contractual rights created over two years earlier, in February 2023.

Contractual Costs

[43] The loan agreement permits recovery of legal fees and recovery costs. The total costs claimed are \$212,102.82.

[44] The loan agreement obliges Spare Room to pay all reasonable costs and expenses incurred by uLoan in recovering amounts not paid when due. Those obligations became part of Spare Room's indebtedness to uLoan. The personal guarantee extends to "all debts and liabilities" of Spare Room and secures the ultimate balance owing to uLoan. Accordingly, the recovery costs form part of the indebtedness guaranteed by Mr. Gelineau.

[45] ULoan tendered evidence of a number of different costs. Those costs included law firm billing summaries, a tolling invoice, a bailiff invoice, receivership invoices, and statements of account from to law firms.

[46] Mr. Gelineau did not challenge the calculation or reasonableness of the individual cost items claimed by uLoan.

[47] I am satisfied that it is appropriate to order that uLoan is entitled to recover its legal fees and recovery costs, in the amount of \$212,102.82.

Conclusion

[48] For these reasons, I conclude that the plaintiff has established its claim on the evidence before the Court. I am satisfied that the issues raised can be determined on this summary trial application. The indebtedness of Spare Room under the credit loan facility agreement is not genuinely disputed. The terms of the personal guarantee are clear and unambiguous, and I am not persuaded that the February 6 and 7, 2023 email exchange or the subsequent correspondence relied upon by Mr. Gelineau alter, qualify, or limit the obligations he assumed under that agreement. I am satisfied that the personal guarantee secures the entirety of the indebtedness owing to uLoan and that uLoan was not required to realize upon its security before enforcing the guarantee.

[49] Accordingly, the plaintiff's application is granted. Judgment will issue in favour of uLoan Solutions Inc. against Rodney Gelineau in the amount of \$540,223.65, together with contractual interest of \$282,482.97 calculated to August 10, 2026, *per diem* interest of \$448.39 thereafter until payment, and costs on a full-indemnity basis in the amount of \$212,102.82.

Costs

[50] ULoan did not seek costs of this application in the notice of application filed July 15, 2026. Counsel's unbilled fees as of July 15, 2026 were included among the recovery costs. There will be no order as to costs of this application.

"Hewson J."