2026 | Court Administration AUG 25 2026 Halifax, NS | Hfx. No. 551716

SUPREME COURT OF NOVA SCOTIA

IN THE MATTER OF: **The *Companies' Creditors Arrangement Act*, R.S.C 1985, c. C-36, as amended (the "CCAA")**

AND IN THE MATTER OF: **An Application by CFFI Ventures Inc. (the Applicant") for creditor protection under s. 11 of the CCAA, and other relief**

BRIEF OF LAW OF CFFI VENTURES INC.

(September 17, 2026 Motion)

McINNES COOPER
1969 Upper Water St., Suite 1300
Halifax, NS B3J 3R7

Stephen Kingston
Tel: 902-444-8569
Email: stephen.kingston@mcinnescooper.com

Ben Pryde
Tel: 902-444-8453
Email: ben.pryde@mcinnescooper.com

Counsel for the Moving Party, CFFI Ventures Inc.

TO: **The Service List**

#50995485.3

PART I - OVERVIEW

1. The Applicant, CFFI Ventures Inc. ("**CFFI**"), obtained relief under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the "**CCAA**") pursuant to an Order of this Court (the "**Initial Order**") dated March 13, 2026.

2. On March 23, 2026 this Court granted an Amended and Restated Initial Order (the "**ARIO**"), which was itself amended by further Orders dated May 22, 2026 and June 30, 2026.

3. CFFI now seeks an Order providing for the following relief:

   (a) Amending the ARIO to:

      (i) extend the current Stay of Proceedings up to and including **December 18, 2026**; and

      (ii) delete certain entities from the ARIO's Schedule "B" Listing of Non-Filing Affiliates.

   (b) Approving CFFI's proposed payment of pre-filing HST obligations; and

   (c) Tolling applicable limitation periods as regards CFFI in the proceeding before the Ontario Superior Court of Justice in ***Yoon et al v. MDA Space Ltd et al*** (Court File No.: CV-25-00753677-00CP) (the "**Class Action**") for the duration of the Stay of Proceedings or until otherwise ordered by this Honorable Court.

4. CFFI has scheduled a Motion to be heard in this Honourable Court on **Thursday, September 17, 2026** at **9:30 a.m**. The Affidavit of Britney Bartlett sworn herein on August 25, 2026 (the "**Bartlett Affidavit**") has been filed in support.

PART II - FACTS

5. The facts underlying this Motion are more fully set out in the Affidavits of Britney Bartlett sworn February 14, 2026, March 11, 2026, March 19, 2026, May 15, 2026 and May 28, 2026.

6. CFFI is a Holding Company that holds and manages assets including a diversity of equity investments and an extensive collection of artwork and collectibles. It is wholly-owned by a number of holding companies and trusts, whose ultimate beneficial owners and beneficiaries are Mr. John Risley and certain family members.

7. On March 13, 2026 this Court granted the Initial Order herein, which provided for a Stay in favor of CFFI and certain Non-Filing Affiliates until March 23, 2026, as well as other relief. The Initial Order also appointed FTI Consulting Canada Inc. (the "**Monitor**") in this CCAA Proceeding.

8. On March 23, 2026 the Court granted the ARIO which, *inter alia*, extended the Stay Period (as defined therein) until May 29, 2026. The Stay Period was further extended to June 15, 2026 by Order dated May 22, 2026.

9. On June 30, 2026 the Court issued an Order (the "**SISP Order**") approving a Sale and Investment Solicitation Process as proposed by CFFI. The SISP Order also extended the Stay Period to September 18, 2026.

10. CFFI now brings the present Motion seeking the relief as set out in its Notice of Motion dated August 25, 2026, which includes extending the Stay Period to **December 18, 2026.**

PART III - ISSUES

11. The issues to be determined by the Court are:

(a) Should the Stay of Proceedings be extended to December 18, 2026?

(b) Should certain entities be deleted from the List of Non-Filing Affiliates in Schedule "B" to the ARIO?

(c) Should the Court approve CFFI's proposed payment of pre-filing HST obligations?

(d) Should the Court toll any applicable limitation period as regards CFFI in the Class Action proceeding for the duration of the Stay Period or until otherwise ordered by this Honorable Court?

PART IV - LAW & ARGUMENT

1. Extension of Stay of Proceedings

12. This Honorable Court is authorized to extend a CCAA Stay pursuant to subsection 11.02(2) of the CCAA, provided that the applicant satisfies the two conditions set out in subsection 11.02(3). Those conditions are:

(a) circumstances exist that make the Order appropriate; and

(b) the applicant has acted, and is acting, in good faith and with due diligence.

13. It is submitted that both conditions are satisfied on the evidence before the Court.

14. The current Stay Period is scheduled to expire on September 18, 2026, being the day after the scheduled Motion hearing. An extension of the Stay Period is required to allow sufficient time for the completion of the sale transactions contemplated in the APA (assuming the same is approved by this Honourable Court).

15. CFFI has been acting in good faith and with due diligence since the commencement of the CCAA proceedings, as set out in the Bartlett Affidavit. It has sufficient cash resources to operate over the proposed extended Stay Period, and CFFI is not aware of any creditors that would be prejudiced by the extension of time being sought.

16. CFFI accordingly submits that the requested extension of the Stay Period to **December 18, 2026** is both appropriate and necessary on the evidence before the Court.

2. Revision of Listing of Non-Filing Affiliates

17. Paragraph 14 of the ARIO provides for a limited Stay of Proceedings as regards the Non-Filing Affiliates listed in Schedule "B" to the ARIO.

18. Schedule "B" to the ARIO was later amended by Order dated May 22, 2026 to delete "OpenScreen Inc." from the list of Non-Filing Affiliates.

19. CFFI now requests that Schedule "B" to the ARIO be further amended to delete the following entities:

(1) Cormorant Utility Services Limited

(2) PowerTel Utilities Contractors Limited

(3) Cormorant Utilities Development Corp. Ltd.

(4) PowerTraxx Vehicles Inc.

(5) Pouvoir Nord Inc.

(6) Eptcon Ltd.

(7) Eptcon Canpower Inc.

(8) Eptcon USA II Inc.

(9) Eptcon Bondco Inc.

(10) Cormorant Infinity Power Solutions Limited

(11) Cormorant-ECS Inc.

(12) Energio Power Solutions Inc.

20. In making this request, CFFI relies upon the assurances and confirmations provided by SFPC Quantum LP ("**Quantum**") in its letter (the "**Quantum letter**") dated July 7, 2026, a copy of which appears as Exhibit "A" to the Bartlett Affidavit.

21. CFFI is satisfied that the assurances and confirmations as set out in the Quantum Letter afford adequate protection to the entities in question and, accordingly, it is agreeable to the proposed revision to Schedule "B" to the ARIO.

3. Payment of Pre-Filing HST

22. Exhibit “B” to the Bartlett Affidavit is a letter from Canada Revenue Agency (“**CRA**”) dated June 23, 2026 (the "**CRA Letter**").

23. The CRA Letter sets out CRA’s assessment of HST assessed owing by CFFI for the period from March 1 to March 13, 2026 (i.e., the two-week “stub” period immediately preceding the issuance of the Initial Order).

24. The assessed HST as stated in the CRA letter totaled $23,915.42 as of March 13, 2026. With accrued interest, the total balance was **$26,808.49** as of August 23, 2026.

25. The assessed HST is a pre-filing obligation of CFFI, although the assessment was only received by CFFI after the Initial Order had been granted.

26. CFFI wishes to payout the full amount of its pre-filing HST assessment (including all accrued interest to the date of payment) in advance of the completion of the proposed sale transactions as contemplated in the APA, and it accordingly seeks leave of this Honourable Court to do so.

4. Tolling of Limitation Period

27. The monitor and CFFI have been contacted by legal counsel to the Plaintiffs in the Class Action, which is a proceeding before the Ontario Superior Court of Justice. The Plaintiffs’ counsel in that proceeding have proposed the tolling of any applicable limitation period as regards the possible joinder of CFFI as a Defendant in the Class Action proceeding.

28. CFFI denies any liability to the Plaintiffs as regards the Class Action and, subject to court approval of the APA and the completion of the transaction contemplated therein, does not anticipate any assets being available to address unsecured claims in any event. It will, however, consent to the proposed tolling to avoid the expense associated with the Class Action Plaintiffs

seeking relief in this CCAA proceeding, including but not being limited to a limited lifting of the Stay of Proceedings

29. It is submitted that this Court has the jurisdiction to toll limitation periods pursuant to section 11 of the CCAA – which provides that the Court may "subject to the restriction set out in this Act, on notice to any other person or without notice as it may see fit, make any order that it considers appropriate in the circumstances."

30. Courts have accepted that the CCAA provides sufficient jurisdiction to extend limitation periods in appropriate circumstances. In *Re Imperial Tobacco Canada Ltd.*, 2019 ONSC 2222 Justice McEwen stated (at para. 27):

> "I also accept Imperial's submission that I have jurisdiction to extend any prescription, time or limitation period relating to and proceeding for or against the Applicants or related entities that may expire. Such provisions are common in CCAA proceedings and have been granted in Initial Orders in a number of decisions: *Muscletech Research & Development Inc., RE [2006 CarswellOnt 3632 (Ont. S.C.J)],* 2006 CanLII 20084, at para. 5; *ScoZinc Ltd.,* Re, 2009 NSCC 162, 277 N.S.R. (2d) 246 (N.S. S.C.) (Claims Officer), at para. 5: and *Scaffold Connection Corp.*, Re, 2000 ABQB 25, 79 Alta. L.R. (3d) 144 (Alta. Q.B.), at para. 26. In my view, this result is sensible and desirable. Since all proceedings and future proceedings, including those brought by or against the Applicant, are stayed, the interests of all stakeholders are protected."

31. It is submitted that it is appropriate to "toll" the limitation period as regards CFFI in the Class Action. The alternative would be for the Class Action Plaintiffs to apply to this Honourable Court for a limited lifting of the CCAA Stay to allow for the joinder of CFFI.

32. It is submitted that the proposed tolling arrangement avoids unnecessary expense, does not prejudice any party, and is appropriate in the present case.

PART V - RELIEF SOUGHT

33. CFFI repeats the forgoing and respectfully requests that this Honourable Court grant the relief set out in the Notice of Motion and in the draft Order as provided.

All of which is respectfully submitted this 25th day of August, 2026.

SL

Stephen Kingston

SL

Ben Pryde

Counsel for the Applicant, CFFI Ventures Inc.

SCHEDULE "A"

LIST OF AUTHORITIES

Cases

1. *Re Imperial Tobacco Canada Ltd.*, 2019 ONSC 2222 (OSCJ)

2019 ONSC 2222
Ontario Superior Court of Justice

In The Matter of the Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, As Amended and In The Matter of a Plan of Compromise or Arrangement

2019 CarswellOnt 6071, 2019 ONSC 2222, 146 O.R. (3d) 124, 305 A.C.W.S. (3d) 243, 69 C.B.R. (6th) 87

In The Matter of the Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, As Amended

And In The Matter of a Plan of Compromise or Arrangement of JTI-Macdonald Corp.

And In The Matter of a Plan of Compromise or Arrangement of Imperial Tobacco Canada Limited and Imperial Tobacco Company Limited

And In The Matter of a Plan of Compromise or Arrangement of Rothmans, Benson & Hedges Inc.

McEwen J.

Heard: April 4, 2019
Judgment: April 23, 2019
Docket: CV-19-615862-00CL, CV-19-616077-00CL, CV-19-616779-00CL

Counsel: Robert I. Thornton, Leanne M. Williams, Rebecca L. Kennedy, for Applicant, JTI-Macdonald Corp.
Deborah Glendinning, Marc Wasserman, John MacDonald, for Imperial Tobacco
Paul Steep, James Gage, Heather Meredith, for Rothmans, Benson & Hedges
Avram Fishman, Mark E. Meland, Harvey Chaiton, George Benchetrit, for Quebec Class Action Plaintiffs, Conseil Québécois sur la tabac et la santé and Jean-Yves Blais and Cécilia Létourneau
Jacqueline Wall, Shahana Kar, Edmund Huang, for Her Majesty The Queen In Right of Ontario
Massimo Starnino, Lily Harmer, for Her Majesty The Queen In Right of Alberta and Newfoundland & Labrador
Jeffrey Leon, Michael Eizenga, Sean Zweig, for Consortium Provinces
Sheila Block, Scott Bommof, Adam Slavens, for Receiver of JTIM-MacDonald Corp. and JTIM Canada LCC
Patrick Flaherty, Bryan Mcleese, Justin Safayeni, Brian Gover, for RJ Reynolds Tobacco Co. and RJ Reynolds Tobacco International
David Byers, Maria Konyukhova, for British American Tobacco p.l.c., B.A.T. Industries p.l.c. and British American Tobacco (Investments) Limited
Clifton Prophet, for Philip Morris International Inc.
Steven Weisz, Amanda McInnis, for Grand River Enterprises Six Nations Ltd.
Ari Kaplan, for former Genstar US Retiree Group Committee
Wael Rostom, for Bank of Nova Scotia
Jay Swartz, Natasha MacParland, for Monitor (FTI)
Pam Huff, Linc Rogers, Chris Burr, for Deloitte Restructuring Inc., Monitor of JTIM MacDonald Inc.
Shayne Kukulowicz, Jane Dietrich, for Monitor of Rothmans, Benson & Hedges
Jonathan Lisus, Matthew P. Gottlieb, Andrew Winton, for Hon. Warren K. Winkler, in his capacity as Interim Tobacco Claimant Coordinator
Evatt Merchant, Q.C., for certain class action proceedings

Subject: Civil Practice and Procedure; Insolvency

2019 ONSC 2222, 2019 CarswellOnt 6071, 146 O.R. (3d) 124, 305 A.C.W.S. (3d) 243, 69 C.B.R. (6th) 87

Headnote

Bankruptcy and insolvency --- Companies' Creditors Arrangement Act — Initial application — Proceedings subject to stay — Miscellaneous

Applicants J Corp., I Ltd., and R Inc. filed for protection pursuant to provisions of Companies' Creditors Arrangement Act (CCAA) — Timing of CCAA applications was triggered by judgment of Quebec Court of Appeal that largely upheld earlier trial decision and awarded approximately $13.5 billion to Quebec class action plaintiffs — In addition to that action, there were significant number of on-going proceedings against applicants including government-initiated litigation and other class actions — Initial Orders obtained by applicants in March 2019 granted applicants protection from creditors on interim basis and allowed for any interested party to apply to vary or amend Initial Order — J Corp. and R Inc. brought motion for orders permitting filing of Supreme Court of Canada (SCC) leave applications, but suspending all further proceedings before SCC; I Ltd. brought motion for stay of all proceedings by and against applicants and stay of any applicable limitation periods — Motions granted in part — Section 11 of CCAA provided jurisdiction to Ontario court to stay any and all actions including those before Quebec Court of Appeal and any future SCC leave application — Approach proposed by I Ltd. was fair, reasonable and sensible — I Ltd.'s approach provided for temporary pause that did not amend or usurp provisions of Supreme Court Act or Code of Civil Procedure — Further, I Ltd.'s Initial Order supported concept of deference that Ontario court must have to appeal courts by stipulating that Ontario Superior Court requested aid and recognition of those courts with respect to Initial Order — Order was granted staying any and all current proceedings by or against applicants and related entities, and staying any applicable limitation periods — Motions with respect to SCC leave applications were dismissed.

Table of Authorities

Cases considered by *McEwen J.*:

Air Canada, Re (2003), 2003 CarswellOnt 9109, 28 C.B.R. (5th) 52 (Ont. S.C.J. [Commercial List]) — considered

Mujagic v. Kamps (2015), 2015 ONCA 360, 2015 CarswellOnt 7272, 125 O.R. (3d) 715, 73 C.P.C. (7th) 229, 335 O.A.C. 195, 50 C.C.L.I. (5th) 54 (Ont. C.A.) — considered

Muscletech Research & Development Inc., Re (2006), 2006 CarswellOnt 3632 (Ont. S.C.J.) — referred to

OpenHydro Technology Canada Ltd. (Re) (2018), 2018 NSSC 283, 2018 CarswellNS 861, 65 C.B.R. (6th) 133 (N.S. S.C.) — considered

Scaffold Connection Corp., Re (2000), 2000 CarswellAlta 60, 15 C.B.R. (4th) 289, 2 C.L.R. (3d) 117, 79 Alta. L.R. (3d) 144, [2000] 7 W.W.R. 516, 2000 ABQB 35 (Alta. Q.B.) — referred to

ScoZinc Ltd., Re (2009), 2009 NSSC 162, 2009 CarswellNS 281, 277 N.S.R. (2d) 246, 882 A.P.R. 246, 55 C.B.R. (5th) 200 (N.S. S.C.) — referred to

U.S. Steel Canada Inc., Re (2016), 2016 ONCA 662, 2016 CarswellOnt 14104, 39 C.B.R. (6th) 173, 402 D.L.R. (4th) 450, 61 B.L.R. (5th) 1 (Ont. C.A.) — considered

Statutes considered:

Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3

s. 11 — considered

Code de procédure civile, RLRQ, c. C-25.01

en général — referred to

Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36

Generally — referred to

s. 11 — considered

s. 11.02(1) [en. 2005, c. 47, s. 128] — considered

s. 11.02(1)(b) [en. 2005, c. 47, s. 128] — considered

s. 11.02(1)(c) [en. 2005, c. 47, s. 128] — considered

Supreme Court Act, R.S.C. 1985, c. S-26

Generally — referred to

s. 58(1) — considered

s. 58(1)(a) — considered

Winding-up and Restructuring Act, R.S.C. 1985, c. W-11

Generally — referred to

MOTION by applicants J Corp. and R Inc. for orders permitting filing of Supreme Court of Canada leave applications but suspending all further proceedings before Supreme Court of Canada; MOTION by applicant I Ltd. for stay of all proceedings by and against applicants and stay of any applicable limitation periods.

McEwen J.:

OVERVIEW

1 JTI-Macdonald Corp. ("JTIM"), Imperial Tobacco Canada Limited and Imperial Tobacco Company Limited ("Imperial"), and Rothmans, Benson & Hedges Inc. ("RBH") (collectively "the Applicants") nave filed for protection pursuant to the provisions of the *Companies' Creditors Arrangement Act,* R.S.C. 1985, c. C-36 (the "CCAA") seeking a resolution of the multiple, significant litigation claims that have been made against them.

2 The timing of the CCAA Applications was triggered as a result of the judgment of the Quebec Court of Appeal (the "QCCA") released March 1, 2019. That decision largely upheld the earlier trial decision and awarded approximately $13.5 billion to the Quebec Class Action Plaintiffs (the "Quebec Plaintiffs"). In addition to this action there are a significant number of ongoing proceedings against the three Applicants including government-initiated litigation and other class actions.

3 The three Initial Orders obtained by the Applicants in March 2019 granted the Applicants protection from their creditors on an interim basis and allowed for any interested party to apply to this court to vary or amend the Initial Order.

4 The parties attended before me on April 4 and 5, 2019 at the come-back hearing to deal with several issues. The parties were able to agree on certain orders and deferred other issues to be dealt with on a later date, if necessary.

5 These reasons deal solely with the terms of the Initial Orders that affect ongoing or new proceedings by or against the Applicants. In particular, these reasons also deal with any leave applications that the Applicants might make to the Supreme Court of Canada (the "SCC Leave Applications").

POSITIONS OF THE APPLICANTS

6 JTIM and RBH seek to obtain orders permitting them to file SCC Leave Applications but suspending all further proceedings before the SCC. JTIM and RBH essentially submit that it is in the best interests of all stakeholders, including the Applicants and the Quebec Plaintiffs, to preserve the status quo by allowing them to file their SCC Leave Applications but allow for no further steps. They claim this would afford all stakeholders an opportunity to try to resolve all of the outstanding litigation as against the Applicants.

7 Imperial does not seek leave to file an SCC Leave Application. Imperial states that it does not intend to pursue a SCC Leave Application unless it must do so to preserve its rights against the possibility that the CCAA proceeding fails. It seeks a stay of all proceedings by and against the Applicants along with a stay of any applicable limitation periods. Imperial submits that its proposal effects the best balance between all stakeholders and would entirely preserve the status quo without giving any particular stakeholder an advantage. This would allow all stakeholders to attempt to globally resolve all of the litigation claims. Imperial submits that a blanket stay has the best opportunity of achieving that goal.

8 Imperial's position is supported by the provinces of British Columbia, Manitoba, New Brunswick, Nova Scotia, Prince Edward Island and Saskatchewan (the "Consortium"), as well as the provinces of Alberta and Newfoundland. These provinces currently have actions underway to recover expended health care costs. Imperial is further supported by the law firm Merchant LLP, which has commenced a number of class action proceedings against the Applicants and others.

9 The relevant wording set out in the Initial Orders that the Applicants urge upon me to adopt is as follows:

• The JTIM Initial Order, at para. 20, states:

> [20] This court orders that, notwithstanding anything to the contrary in this Order, [JTIM] is authorized to continue, and the applicable Other Defendants are not stayed from continuing, to contest the Quebec Class Actions during the Stay Period (the "Further Quebec Class Action proceedings"), including without limitation by way of an application for leave to appeal to the Supreme Court of Canada and an appeal on the merits to the Supreme Court of Canada if leave is granted. Nothing in this Order shall prevent any Person from responding to the Further Quebec Class Action Proceedings, provided that during the Stay Period this paragraph does not without further order of this Court, permit the Applicant to post security or grant any security interest, or permit any Person to seek security from the Applicant in relation to the Further Quebec Class Action Proceedings.

• The RBH Initial Order, at para. 20, states:

> [20] This court orders that, notwithstanding anything to the contrary in this Order, [Rothmans] is authorized to serve and file an application for leave to appeal the Quebec Appellate Decision to the Supreme Court of Canada, but no further step or proceeding shall be taken by the Applicant or any other Person in respect of such application without further order of this Court

• The Imperial Initial Order, at paras. 18-20, states:

> [18] This court orders that until and including April 11, 2019, or such later date as mis Court may order (me "Stay Period"), no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), including but not limited to any Pending Litigation and any other Proceeding in relation to any other Tobacco Claim, shall be commenced, continued or take place against or in respect of the Applicants ... except with the written consent of the Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way or directed to take place against or in respect of any of the Applicants ... are hereby stayed and suspended pending further Order of this Court....
>
> [19] This court orders that, during the Stay Period, no Proceeding in Canada that relates in any way to a Tobacco Claim or to the Applicants ... including the Pending Litigation, shall be commenced, continued or take place ... except with me written consent of the Applicants and the Monitor, or with leave of this Court, and any and all such Proceedings currently underway or directed to take place ... are hereby stayed and suspended pending further Order of this Court.
>
> [20] This court orders that, to the extent any prescription, time or limitation period relating to any Proceeding against or in respect of the Applicants, the ITCAN Subsidiaries or any member of the BAT Group that is stayed pursuant to this Order may expire, the term of such prescription, time or limitation period shall hereby be deemed to be extended by a period equal to the Stay Period.

THE QUEBEC PLAINTIFFS' POSITION

10 The Quebec Plaintiffs firstly submit that this court does not have jurisdiction to amend the relevant provisions of the *Supreme Court Act,* R.S.C. 1985, c. S-26 or the *Code of Civil Procedure,* CQLR c. C-25.01. The Quebec Plaintiffs therefore argue that I specifically do not have jurisdiction to determine what steps are to be taken in an SCC Leave Application nor do I have jurisdiction to stay the effect of the QCCA decision. The Quebec Plaintiffs further state that the inherent power of the CCAA court granted pursuant to s. 11, as per its wording, only supersedes the provisions of the *Bankruptcy and Insolvency Act,* R.S.C. 1985, c. B-3 or the *Winding-up and Restructuring Act,* R.S.C. 1985, c. W-11.

11 The Quebec Plaintiffs therefore submit that if the Applicants wish to commence an SCC Leave Application they are free to do so but they must abide by whatever conditions that are imposed upon them by the QCCA or the SCC. The Quebec Plaintiffs seek an order that if any of the Applicants seek to file an SCC Leave Application that the CCAA proceedings ought

to be immediately and automatically terminated. Alternatively, the stay of proceedings provided for in the JTIM Initial Order and the RBH Initial Order be partially lifted to allow the Quebec Plaintiffs to participate in any SCC Leave Application and seek the imposition of any conditions that the QCCA or the SCC deem appropriate.

12 The Quebec Plaintiffs seek the same relief against Imperial notwithstanding the different relief sought by Imperial.

13 The position of the Quebec Plaintiffs is supported by Her Majesty the Queen in Right of Ontario ("Ontario"), which also has a claim to recover expended health care costs.

ANALYSIS

14 For the reasons below I am satisfied that I have jurisdiction to deal with the QCCA proceeding. I am further persuaded that the proposal put forth by Imperial, as generally set out in paras. 18-20 of its Initial Order noted above, is the most sensible at this time and should be incorporated into all three Initial Orders.

Jurisdiction.

15 The parties agree that there are no cases directly on point with respect to the issue of whether s. 11 of the CCAA provides this court with jurisdiction to stay the effect of the QCCA decision and subsequently any SCC Leave Application. The parties provided the court, however, with case law that they submit is analogous and relevant This will be reviewed below.

16 A good starting point concerning the issue of jurisdiction involves the wording of s. 11 and s. 11.02(2)(b) of the CCAA. These sections provide this court with broad jurisdiction. They read as follows:

> **General power of court**
>
> 11. Despite anything in the *Bankruptcy and Insolvency Act* or the *Winding-up and Restructuring Act*, if an application is made under this Act in respect of a debtor company, the court, on the application of any person interested in the matter, may, subject to the restrictions set out in this Act, on notice to any other person or without notice as it may see fit, make any order that it considers appropriate in the circumstances. [Emphasis added]
>
> 11.02(1) A court may, on an initial application in respect of a debtor company, make an order on any terms that it may impose, effective for the period that the court considers necessary, which period may not be more than 30 days,
>
> > (a) staying, until otherwise ordered by the court, all proceeding taken or that might be taken in respect of the company under the Bankruptcy and Insolvency Act or the Winding-up and Restructuring Act;
> >
> > (b) restraining, until otherwise ordered by the court, further proceedings in any action, suit or proceeding against the company; and
> >
> > (c) prohibiting, until otherwise ordered by the court, the commencement of any action, suit or proceeding against the company. [Emphasis added.]

17 As can be seen from the above, the broad jurisdiction of this court to "make any order that it considers appropriate in the circumstances" includes restraining further proceedings in "any action, suit or proceeding" against the Applicants.

18 This is consistent with the purpose of the CCAA, which is well set out in the decision in *U.S. Steel Canada Inc., Re*, 2016 ONCA 662, 402 D.L.R. (4th) 450 (Ont. C.A.), wherein the Court of Appeal noted that:

> [47] There is no dispute about the purpose of the *CCAA*. It describes itself as "An Act to facilitate compromises and arrangements between companies and their creditors". Its purpose is to avoid the devastating social and economic effects of commercial bankruptcies. It permits the debtor to continue to carry on business and allows me court to preserve the status quo while "attempts are made to find common ground amongst stakeholders for a reorganization that is fair to all": *Century Services,* at para. 77....

[49] The *CCAA* achieves its goals through a summary procedure for the compromise or arrangement of creditors' claims against the company. It was described in *Stelco Inc., Re* (2005), 75 O.R. (3d) 5 (Ont. C.A.), at para. 36, as:

> a statutory framework to extend protection to a company while it holds its creditors at bay and attempts to negotiate a compromised plan of arrangement that will enable it to emerge and continue as a viable economic entity, thus benefiting society and the company in the long run, along with the company's creditors, shareholders, employees and other stakeholders.

19 The above-noted purpose, in my respectful view, provides this court with jurisdiction to deal with proceedings other than those that simply arise before the Ontario Superior Court of Justice. The CCAA legislation is remedial in nature. In order to allow for the proper restructuring of debtor companies, or in this case settlement of multiple significant lawsuits, it would be undesirable to restrict the discretion of this court to matters at the Superior Court level. It would lead to a chaotic situation where only proceedings before the Superior Court and/or other provincial trial courts were stayed but proceedings that had reached the appeal courts were allowed to proceed. This would significantly hamper the stated purpose of the CCAA, which is to attempt to negotiate a compromised plan of arrangement.

20 A similar conclusion was reached by Farley J. in the decision *Air Canada, Re* (2003), 28 C.B.R. (5th) 52 (Ont. S.C.J. [Commercial List]). Although he was dealing with motions brought by Federal Regulators, who argued that this court did not have inherent jurisdiction to impose a stay upon them, I believe his words are instructive wherein he held [at para. 12]:

> Indeed there are no such restrictive words on proceedings nor are there any words which denote that the jurisdiction to grant a stay is only to deal with economic, financial, business or commercial matters. I would note that Parliament has had ample opportunity over the past two decades to amend section 11(3)(b) and (c) in the way urged on me by the Regulators if it felt that desirable; that could have been done in the 1992 and 1997 amendments pursuant to the five year review procedure. Amendments were made at those times in various areas; however, it appears that Parliament recognized that, with respect to the types of applicants which could apply for restructuring protection under the CCAA, it was undesirable to restrict the direction of the court to deal with matters which involve delicate balancing of various interests with a view to ensuring that productive resources were utilized to the maximum degree for the overall benefit to Canada's social and economic values. Of course that discretion is not without restraint - rather that discretion is to be judicially exercised according to the circumstances applicable in any particular case. [Emphasis added.]

21 Farley J., in the above passage, recognized the broad jurisdiction of this court in any particular case, subject to the proper exercise of judicial discretion. Once again, this recognizes the useful purposes of the CCAA in attempting to allow stakeholders to negotiate a compromise. It bears noting that one of the aspects of proper judicial discretion includes the fact that any stay of proceedings in these Applications would be without prejudice to any party's right to bring a motion to lift the stay. This focuses the stakeholders on bona fide negotiations and allows this court the discretion to terminate the stay if need be.

22 I acknowledge that I have adopted the view that the aforementioned provisions of s. 11 provide me jurisdiction to stay any and all actions including those before the QCCA and any future SCC Leave Application. I respectfully conclude that such an outcome is contemplated by the CCAA to allow for a successful global resolution without benefiting one stakeholder over the other. Otherwise, as noted, chaotic situations could develop.

23 Accordingly, the approach proposed by Imperial is fair, reasonable and sensible and one that this court has jurisdiction to make. It provides for a temporary pause that does not amend or usurp the provisions of the *Supreme Court Act* or the *Code of Civil Procedure*. Further, para. 61 of Imperial's Initial Order also supports the concept of deference that this court must have to the appeal courts by stipulating that the Ontario Superior Court requests the aid and recognition of those courts with respect to the Initial Order.

24 Last, I believe that such an outcome is contemplated by s. 58(1) of the *Supreme Court Act,* which provides as follows:

> **Time periods for appeals**

58(1) Subject to this Act or any other Act of Parliament, the following provisions with respect to time periods apply to proceedings in appeals:

(a) in the case of an appeal for which leave to appeal is required, the notice of application for leave to appeal and all materials necessary for the application shall be served on all other parties to the case and filed with the Registrar of the Court within sixty days after the date of the judgment appealed from; [Emphasis added.]

25 Section 58(1) appears to be broad enough to include the jurisdiction of the CCAA to stay the QCCA proceeding and any further SCC Leave Applications at this time. Given the above and the broad jurisdiction conferred upon this court by s. 11, it is my view that the *Supreme Court Act* does not oust this court's jurisdiction that is conferred upon it by the CCAA.

26 I should note that the Quebec Plaintiffs rely on a number of decisions to support its position that I do not have jurisdiction. Primarily, they rely upon the decision of the Ontario Court of Appeal in *Mujagic v. Kamps*, 2015 ONCA 360, 125 O.R. (3d) 715 (Ont. C.A.) and the decision of the Supreme Court of Nova Scotia in *OpenHydro Technology Canada Ltd. (Re)*, 2018 NSSC 283, 65 C.B.R. (6th) 133 (N.S. S.C.). In my view, however, these cases are distinguishable given the broad nature of the authority conferred upon this court by the CCAA and the significant nature of the undertaking that is being pursued by all stakeholders to attempt a global resolution of the multiple, significant claims against the Applicants. Also, *OpenHydro* deals with existing *in rem* proceedings solely within the jurisdiction of the Federal Court

27 I also accept Imperial's submission that I have jurisdiction to extend any prescription, time or limitation period relating to any proceeding for or against the Applicants or related entities that may expire. Such provisions are common in CCAA proceedings and have been granted in Initial Orders in a number of decisions: *Muscletech Research & Development Inc., Re* [2006 CarswellOnt 3632 (Ont. S.C.J.)], 2006 CanLII 20084, at para. 5; *ScoZinc Ltd., Re*, 2009 NSSC 162, 277 N.S.R. (2d) 246 (N.S. S.C.) (Claims Officer), at para. 5; and *Scaffold Connection Corp., Re*, 2000 ABQB 35, 79 Alta. L.R. (3d) 144 (Alta. Q.B.), at para. 26. In my view, this result is sensible and desirable. Since all proceedings and future proceedings, including those brought by or against the Applicants, are stayed, the interests of all stakeholders are protected.

28 No party took the position at the motion that I did not have the jurisdiction to stay an existing or pending action and accordingly extend the limitation period. Specifically, neither JTIM nor RBH took issue with Imperial's submissions in this regard. In any event, if I was to grant the relief they sought, I would be in a similar position where I would have to stay the limitation period concerning the Quebec Plaintiffs' ability to respond to the SCC Leave Application.

Implementing the Stay

29 In accepting that the orders proposed by Imperial ought to go in all three Applications I am convinced that this would best preserve the status quo as it existed at the time of the filings and provide for the level playing field needed to attempt a resolution of all claims.

30 The proposal put forth by JTIM and RBH would alter the status quo in their favour. If they were allowed to file SCC Leave Applications and then obtain a stay it would be to the prejudice of the Quebec Plaintiffs. These Applicants would be allowed to formally present all of their grounds for appeal, including the alleged flaws in the reasoning of the QCCA, without permitting the Quebec Plaintiffs to reply. This not only would affect the status quo but add an impediment to resolution. It would distract these Applicants from the resolution process they claim is so important by focusing their attention on the merits of their appeal from a five-member decision of the QCCA.

31 Further, it is not only the relationship between the Applicants and the Quebec Plaintiffs that must be taken into consideration. If I was to partially lift the stay to allow the Quebec Plaintiffs to respond and therefore allow the SCC Leave Application to proceed in earnest, as requested by the Quebec Plaintiffs in their alternative relief, this would tilt the playing field in favour of the Quebec Plaintiffs as against the other stakeholders who have had their actions stayed. Not only would this allow the Quebec Plaintiffs to move further ahead and closer to resolution when the other actions are stayed, but it would further allow the Quebec Plaintiffs to seek farther conditions from the QCCA or SCC concerning the SCC Leave Application.

32 Approximately $1 billion has already been deposited in Quebec subsequent to the trial decision in order that the Applicants could pursue appeals to the QCCA. Any further, similar orders would be detrimental to other stakeholders who seek a fair process with the CCAA proceedings. These other stakeholders include the provinces who have significant actions concerning the health recovery costs and the other class actions. In fact, two of the provinces' claims - Ontario and New Brunswick - are edging towards trial. This does not seem fair as it would allow the Quebec Plaintiffs a benefit not available to other plaintiffs.

33 Furthermore, if I was to partially lift the stay as requested by the Quebec Plaintiffs so that the SCC Leave Application and a subsequent potential appeal could proceed it would undermine the CCAA proceeding. It would allow for a significant parallel proceeding to commence. Not only would this create a shift in the level playing field as noted above, it would no doubt greatly distract the Applicants and the Quebec Plaintiffs from the important purposes of the CCAA. Enormous resources would be diverted to the litigation. This would cause delay and lessen the chances of achieving a global resolution.

34 The CCAA case law clearly establishes the significant need to preserve the status quo between all stakeholders to preserve a level playing field and maximize the chances of obtaining resolution.

35 Last, I note that the Quebec Plaintiffs also submitted that the "well-documented reprehensible behaviour" set out in the trial decision and QCCA decision should also be taken into consideration on this motion. I reviewed the relevant portions of the aforementioned decisions. No doubt significant criticism was leveled in various portions of the judgments. In my view, however, insofar as the CCAA process is concerned, the past behaviour of the Applicants should not be allowed to undermine attempts to reach a global resolution to the benefit of all stakeholders.

DISPOSITION

36 The motions of JTIM, RBH and the Quebec Plaintiffs with respect to the SCC Leave Application are dismissed.

37 An order shall go staying any and all current proceedings by or against the Applicants and related entities and prohibiting the commencement of any further proceedings by or against them except with the leave of this court. It is further ordered that, to the extent of any prescription, time or limitation period relating to any proceeding against the Applicants that is stayed pursuant to this order may expire, the term of such prescription, time or limitation period shall thereby be deemed to be extended by a period equal to the Stay Period.

Motions granted in part.

SCHEDULE "B"

STATUTES

1. *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, s. 11;
2. *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, s. 11.02;
3. *Ontario Class Proceedings Act 1992*, S.O. 1992, c. 6, s. 28;
4. *Nova Scotia Class Proceedings Act*, S.N.S. 2007, c. 28, s.42.

Canada Federal Statutes
Companies' Creditors Arrangement Act
Part II — Jurisdiction of Courts (ss. 9-18.5)

R.S.C. 1985, c. C-36, s. 11

s 11. General power of court

Currency

11.General power of court
Despite anything in the *Bankruptcy and Insolvency Act* or the *Winding-up and Restructuring Act*, if an application is made under this Act in respect of a debtor company, the court, on the application of any person interested in the matter, may, subject to the restrictions set out in this Act, on notice to any other person or without notice as it may see fit, make any order that it considers appropriate in the circumstances.

Amendment History
1992, c. 27, s. 90; 1996, c. 6, s. 167(1)(d); 1997, c. 12, s. 124; 2005, c. 47, s. 128

Currency
Federal English Statutes reflect amendments current to S.C. 2026, c. 2 and Gazette Vol. 160:14 (July 15, 2026)
Federal English Regulations current to Gazette Vol. 160:6 (March 25, 2026)

End of Document

Canada Federal Statutes
Companies' Creditors Arrangement Act
Part II — Jurisdiction of Courts (ss. 9-18.5)

R.S.C. 1985, c. C-36, s. 11.02

s 11.02

Currency

11.02
11.02(1)Stays, etc. — initial application
A court may, on an initial application in respect of a debtor company, make an order on any terms that it may impose, effective for the period that the court considers necessary, which period may not be more than 10 days,

(a) staying, until otherwise ordered by the court, all proceedings taken or that might be taken in respect of the company under the *Bankruptcy and Insolvency Act* or the *Winding-up and Restructuring Act*;

(b) restraining, until otherwise ordered by the court, further proceedings in any action, suit or proceeding against the company; and

(c) prohibiting, until otherwise ordered by the court, the commencement of any action, suit or proceeding against the company.

11.02(2)Stays, etc. — other than initial application
A court may, on an application in respect of a debtor company other than an initial application, make an order, on any terms that it may impose,

(a) staying, until otherwise ordered by the court, for any period that the court considers necessary, all proceedings taken or that might be taken in respect of the company under an Act referred to in paragraph (1)(a);

(b) restraining, until otherwise ordered by the court, further proceedings in any action, suit or proceeding against the company; and

(c) prohibiting, until otherwise ordered by the court, the commencement of any action, suit or proceeding against the company.

11.02(3)Burden of proof on application
The court shall not make the order unless

(a) the applicant satisfies the court that circumstances exist that make the order appropriate; and

(b) in the case of an order under subsection (2), the applicant also satisfies the court that the applicant has acted, and is acting, in good faith and with due diligence.

11.02(4)Restriction
Orders doing anything referred to in subsection (1) or (2) may only be made under this section.

Amendment History
2005, c. 47, s. 128; 2019, c. 29, s. 137

Ontario Statutes
Class Proceedings Act, 1992

S.O. 1992, c. 6, s. 28

s 28. Limitations

Currency

28.Limitations
28(1)Suspension in favour of class member
Any limitation period applicable to a cause of action asserted in a proceeding under this Act is suspended in favour of a class member on the commencement of the proceeding and, subject to subsection (2), resumes running against the class member when,

(a) the court refuses to certify the proceeding as a class proceeding;

(b) the court makes an order that the cause of action shall not be asserted in the proceeding;

(c) the court makes an order that has the effect of excluding the member from the proceeding;

(d) the member opts out of the class proceeding;

(e) an amendment that has the effect of excluding the member from the class is made to the certification order;

(f) a decertification order is made under section 10;

(g) the proceeding is dismissed without an adjudication on the merits, including for delay under section 29.1 or otherwise;

(h) the proceeding is abandoned or discontinued with the approval of the court; or

(i) the proceeding is settled with the approval of the court, unless the settlement provides otherwise.

28(2)Effect of appeal
If there is a right of appeal in respect of an event described in subsection (1), the limitation period resumes running as soon as the time for appeal has expired without an appeal being commenced or as soon as any such appeal has been finally disposed of.

28(3)Suspension in favour of defendant
Any limitation period applicable to a claim by a defendant for contribution and indemnity in a proceeding commenced under section 2 is suspended in favour of the defendant on the commencement of the proceeding, and resumes running against the defendant as soon as the time for appeal of the court's decision to certify or refuse to certify the proceeding has expired without an appeal being commenced or as soon as any such appeal has been finally disposed of.

Amendment History
2020, c. 11, Sched. 4, s. 26

Currency
Ontario current to S.O. 2026, c. 9 and O. Reg. 179/26 (June 17, 2026)

End of Document

Nova Scotia Statutes
Class Proceedings Act
General

S.N.S. 2007, c. 28, s. 42

s 42.

Currency

42.
42(1) Subject to subsection (2), any limitation period applicable to a cause of action asserted in a class proceeding is suspended in favour of a class member on the commencement of the proceeding and resumes running against the class member when

(a) a ruling is made by the court refusing to certify the proceeding as a class proceeding;

(b) the class member opts out of the class proceeding;

(c) an amendment is made to the certification order that has the effect of excluding the class member from the class proceeding;

(d) a decertification order is made under Section 13;

(e) the class proceeding is dismissed without an adjudication on the merits;

(f) the class proceeding is discontinued with the approval of the court; or

(g) the class proceeding is settled with the approval of the court, unless the settlement provides otherwise.

42(2) Where there is a right of appeal in respect of an event described in clauses (1)(a) to (g), the limitation period resumes running as soon as the time for appeal has expired without an appeal being commenced or as soon as any appeal has been finally disposed of.

42(3) Where the running of a limitation period is suspended under this Section and the period has less than six months to run when the suspension ends, the limitation period, notwithstanding anything contained in this Section, is extended to the day that is six months after the day on which the suspension ends.

Currency
Nova Scotia current to S.N.S. 2025, c. 12 and Gazette Vol. 49:19 (September 19, 2025)