

# Court of King's Bench of Alberta

Citation: National Bank of Canada v Sunterra Food Corporation, 2026 ABKB 161

Date: 20260305  
Docket: 2501 06120  
Registry: Calgary

Between:

**In the Matter of the Companies' Creditors Arrangement Act, R.S.C. 1985, c-C36, as Amended**

**And in the Matter of a Plan of Compromise or Arrangement of Sunterra Food Corporation, Trochu Meat Processors Ltd., Sunterra Quality Food Markets Inc., Sunterra Farms Ltd., Sunwold Farms Limited, Sunterra Beef Ltd., Lariagra Farms Ltd., Sunterra Farm Enterprises Ltd., and Sunterra Enterprises Inc.**

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**Endorsement  
of the  
Honourable Justice Michael J. Lema**

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## **I. Introduction**

[1] Sunterra applies for an extension of the CCAA stay of proceedings (currently set to expire on March 4, 2026) to May 1, 2026.

[2] For the reasons outlined below, I approve that extension.

[3] The recent application also sought other relief, which will be addressed via a separate endorsement.

## **II. Analysis**

[4] "Past performance is not a guarantee of future returns." Restated, Sunterra's past performance -- or non-performance or minimal performance -- on the restructuring and sales and investment solicitation process (SISP) fronts until the completion of the claims-proving process

(subject to appeals) is not necessarily a predictor of similar non- or minimal performance afterwards.

[5] I find that all the parties have to date (or at least until the recent release of the claims process judgments) largely focused their time, efforts, and attention on the claims process.

[6] I recognize that the monitor has been calling for SISP-related advances since July 2025 and that Compeer has or may have echoed that perspective.

[7] But Compeer did not, in its super-monitor-related brief, point to any concrete steps by it, to the extent possible (i.e. from the outside), to advance the SISP process or to seek orders or directions obliging Sunterra to do so, such as bringing its current “take the reins” application earlier.

[8] What I find, with the addition of Goodmans LLP and the actual or prospective retention of the restructuring expert, is a renewed or perhaps newly initiated burst of energy and attention to the SISP side of things and, at the same time, exploration of whatever restructuring is possible.

[9] I find it is premature to eclipse those efforts now in favour of Compeer’s “take the reins” approach.

[10] Also, the proposed extension is relatively short i.e. through May 1, 2026 i.e. 57 days from now.

[11] To the extent Compeer foresees excessive professional fees or, in any case, unnecessary duplication of such fees, it or any interested party can take whatever fee-review steps are possible down the road.

[12] As well, I do not accept Compeer’s argument that any bad-faith steps taken by any of the Sunterra entities on the cheque-kiting front are necessarily attributable to or should otherwise be tagged to the other-than-Ray-Price members of the Sunterra management team. In any case, it is (at minimum) premature to take that step now (if ever warranted at all). Accordingly, I am not prepared to label the current management team as tainted by bad-faith steps on the current state of the record.

[13] Plus, I note that, as far as I can tell, no other creditors, secured or unsecured, have lined up with Compeer on its “take the reins” approach. I appreciate that Compeer may be correct in asserting that NBC and FCC are or may be adequately secured and that Compeer is the party with the most to lose here. But I also recognize that, even with the fraud characterization, Compeer is still an unsecured creditor i.e. would share with other unsecured creditors. And I am not aware of any other unsecured creditors aligning with Compeer here.

[14] Compeer’s arguments about Sunterra’s “lack of accountability” strike me as largely eclipsed by the recent claims-process judgments i.e. whatever lack predated those judgments, Compeer has not pointed to any post-judgment “accountability shortfalls.”

[15] I also emphasize that the monitor is in favour of the stay extension, even recognizing its largely futile-to-date efforts to encourage Sunterra to advance the SISP aspect. The key is that the monitor has concluded it is better to proceed with Sunterra’s management in charge, i.e. guided by the expertise of its expanded slate of counsel and the new restructuring expert, i.e. to give them an opportunity to advance the restructuring and SISP sides over the course of the next 57 days, than to defer to Compeer’s suggested course.

[16] I also note that Compeer itself agreed that the stay should be extended albeit only if it were given the reins i.e. via a super-monitor order.

[17] I agree with the following observations of Osborne J. in *Re Hudson's Bay Company*, 2025 ONSC 5998:

Such [expanded-monitor-powers] relief is extraordinary, and while it can be appropriate in certain cases, in my view, it is neither necessary nor appropriate at this time. While super-monitor powers have been granted in numerous cases, they remain **the exception and not the rule**, and the determination of whether or not such relief is appropriate in any particular case is inherently fact specific. [para 220]

[18] I also note the analysis of ACJ Nixon in *Mantle Materials Group Ltd*, (2024) ABKB 19 (paras 64-84) and conclude that Compeer has not discharged its burden “to establish that [its recommended approach] will be a more effective approach” here (quoting part of para 74).

[19] I find that the facts here, as summarized above, do not warrant this exceptional relief here.

[20] Finally, I reviewed “*In Search of a Purpose: The Rise of Super Monitors & Creditor-Driven CCAAs*” (2019 Annual Review of Insolvency Law 14 (Luc Morin and Arad Mojtahedi) and “*Bestriding the Narrow World: Is It Time to Bifurcate the Role of the CCAA Monitor?*” (2020 Annual Review of Insolvency Law 7 (Vern W. DaRae and Alfonso Nocilla) on the subject of super-monitors and did not find any of the cases reviewed there (i.e. where super-monitor powers were endowed) to be materially similar to the circumstances here.

### III. Conclusion

[21] Accordingly, finding no disqualifying bad faith in the circumstances here and no due-diligence failure i.e. in the context of all parties largely focusing on the claims-proving process to date, and the promising signs of concrete steps on the restructuring and SISP fronts now being undertaken, I extend the stay to May 1, 2026.

[22] As noted above, a further endorsement on other issues addressed at the February 24, 2026 application will follow.

Heard via Webex on February 24, 2026.

Conclusion delivered orally via Webex on March 4<sup>th</sup>, 2026.

**Dated** at Calgary, Alberta on March 5<sup>th</sup>, 2026.

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**Michael J. Lema**  
**J.C.K.B.A.**

**Appearances:**

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and  
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