

Court of King’s Bench of Alberta

Citation: Cantak Corporation v Haderer, 2026 ABKB 93

Date: 20260211
Docket: 2201 14302
Registry: Calgary

Between:

Cantak Corporation

Plaintiff

- and -

Scott Allan Haderer, Briar Sandeman also known as Briar Sanderman, John Doe, Mary Doe, ABC Company, Bank of Montreal, The Toronto-Dominion Bank and Canadian Imperial Bank of Commerce

Defendants

**Reasons for Decision
of the
Honourable Justice M.A. Marion**

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I. Introduction

[1] In this action (**Action**), and in this application (**Application**) for an attachment order and *Mareva* injunction, the plaintiff, Cantak Corporation (**Cantak**) asserts that the personal defendants (**Personal Defendants**), Scott Allan Haderer (**Haderer**) and his romantic partner Briar Sandeman (**Sandeman**) engaged in a fraudulent kick-back scheme (**Alleged Scheme**) by which Haderer, an employee of Cantak, allegedly directed a high volume of Cantak's purchases of oil country tubular goods (**OCTG**) to the "BRC Group" (namely BRC Canada Ltd (**BRC Tubular**), BRC International LLC (**BRC International**) and Debashish Roychowdhury (**Roychowdhury**¹)) and received kick-backs paid by BRC Group to Haderer through Sandeman.

[2] Cantak also claims civil bribery, conspiracy, conversion, unjust enrichment, constructive trust, breach of trust, knowing assistance, knowing receipt, breach of contract and breach of fiduciary duty.

[3] The amended amended amended statement of claim seeks the amounts the BRC Group paid to Sandeman, injunctive relief, attachment and tracing orders, together with a constructive trust over the funds received by the Personal Defendants under the Alleged Scheme.

[4] The November 6, 2025 Application seeks an attachment order (under section 17 of the *Civil Enforcement Act*, RSA 2000, c C-15 (*CEA*)) and a *Mareva* injunction against the Personal Defendants to freeze and restrain assets, to require them to disclose or produce further information about their assets, and to restrict their use of assets for their living expenses and legal fees, pending trial or resolution of this matter. The Personal Defendants oppose the Application.

[5] For the following reasons, the Application is granted on the terms set out below.

II. Background

[6] Cantak is an Alberta corporation located in Calgary in the business of supplying OCTG, line pipe and similar products. Haderer was employed by Cantak from 1990 to 2022. From 2011 to 2022 he was General Manager, Operations, of Cantak's OCTG division.

[7] From 2016 to 2021, BRC supplied over \$81 million in OCTG pipe to Cantak. During this period, Sandeman was employed by a BRC company and was also a director of BRC Tubular. Sandeman was paid over \$3.5 million by BRC during this period.

[8] In 2021, BRC failed to deliver pipe to Cantak for which Cantak had paid BRC US\$6,390,980.65 based on several invoices (**Undelivered Pipe**).

[9] Following the Undelivered Pipe, Cantak investigated. Cantak claims that the investigation led it to discover the Alleged Scheme in November 2022.

¹ Roychowdhury is a directing mind and director of both BRC International and BRC Tubular. BRC Tubular is a wholly-owned subsidiary of BRC International. I refer to BRC Tubular and BRC International as "**BRC**".

[10] On December 8, 2022, following a meeting with Haderer, Cantak terminated Haderer's employment and commenced the Action.

[11] The Action was initially against BRC, Roychowdhury, Vinod Shinde (**Shinde**) (an employee of the BRC Group), the Personal Defendants, Bank of Montreal (**BMO**) and Toronto-Dominion Bank (**TD**). The statement of claim included claims pertaining both to the Undelivered Pipe and the Alleged Scheme. The claim was amended the next day to add Canadian Imperial Bank of Commerce (**CIBC**). The relief against the defendant banks was related only to bank accounts held by the defendants. There is no allegation that the banks were responsible for the Undelivered Pipe or the Alleged Scheme.²

[12] By December 13, 2022, TD and BMO were provided copies of the amended statement of claim to engage the protection of section 437(2)(a) of the *Bank Act*, SC 1991 c 46.

[13] On December 14, 2022, Cantak filed certificates of *lis pendens* (**CLPs**) against several real properties owned by one or both of the Personal Defendants, including their primary residence (**Home**) in northwest Calgary and a condominium property (and associated parking stall) owned by Haderer (**Condo**).

[14] On December 21, 2022, the Court granted Cantak permission to serve the amended statement of claim on BRC International, Roychowdhury and Shinde in the United States.

[15] On January 10, 2023, BRC Tubular was noted in default.

[16] On January 20, 2023, the Personal Defendants each filed a statement of defence and a notice of claim against co-defendants against the BRC Group and Shinde. Haderer also filed a wrongful dismissal counterclaim against Cantak.

[17] On February 9, 2023, Cantak filed replies to the statements of defence of the Personal Defendants and a defence to Haderer's counterclaim.

[18] On February 24, 2023, BRC International and Roychowdhury filed their statement of defence.

[19] On April 3, 2023, Cantak applied for partial summary judgment and partial default judgment against some of the BRC Group. The parties engaged in an evidentiary process and this application was later adjourned.

[20] On September 8, 2023, the Court set aside the noting in default of BRC Tubular and, on September 15, 2023, BRC Tubular filed its statement of defence. In September 2023, Haderer was questioned for discovery under Part 5 of the *Alberta Rules of Court*, Alta Reg 124/2010 (*Rules*).

[21] On October 3, 2023, Haderer filed an application (**Haderer Application**) for, among other things:

² The banks took no position on the Application.

- (a) a declaration that part of Cantak's investigation was in breach of privacy laws, and declaring that information obtained therefrom was inadmissible and could not be used by Cantak in the Action;
- (b) summary dismissal of the claim against him;
- (c) a declaration that the amended statement of claim pertaining to the Alleged Scheme was insufficiently particularized and/or should be struck, or directing further and better particulars;
- (d) security for costs;
- (e) directing TD to unfreeze a bank account; and
- (f) directing the discharge of the CLPs.

[22] On October 31, 2023, the Court adjourned aspects of the Haderer Application *sine die* and directed the balance of it to be heard on March 26, 2024. The parties engaged in a further evidentiary process.

[23] In January and February 2024, Cantak conducted further Part 5 questioning of Haderer, Roychowdhury and Sandeman.

[24] On February 15, 2024, the Court granted Cantak partial summary judgment against BRC in the amount of \$9,628,308.78, and directed the remaining costs claimed to be assessed with the rest of the issues in the Action.

[25] On March 22, 2024, Cantak applied to further amend the amended statement of claim.

[26] On March 26, 2024, the Court granted a consent order further adjourning the Haderer Application to June 25, 2024. The application was later adjourned again to December 2024.

[27] On July 19, 2024, Cantak applied to compel the BRC Group to provide complete responses to undertakings provided during Part 5 questioning for discovery. On August 20, 2024, the Court granted a consent order directing that the BRC Group undertakings were to be provided by October 31, 2024.

[28] On July 24, 2024, the Court permitted Cantak to amend its application to further amend the amended statement of claim. That application (**Amendment Application**) was filed on August 14, 2024.

[29] In October 2024, Cantak applied to compel Haderer and Sandeman to provide complete responses to undertakings provided during Part 5 questioning for discovery. These applications were later adjourned *sine die* by November 20, 2024 and December 12, 2024 orders.

[30] On December 19, 2024, Applications Judge Prowse (**AJ Prowse**) granted Cantak's Amendment Application and dismissed the Haderer Application. AJ Prowse issued a 9-page endorsement providing his reasons. AJ Prowse's decision was not appealed.

[31] On January 20, 2025, Cantak filed its amended amended statement of claim. Among other things, it added the pleading that the Alleged Scheme constituted the tort of civil bribery.

[32] On February 5, 2025, the Personal Defendants each filed amended statements of defence.

[33] On May 2, 2025, AJ Prowse issued a costs endorsement related to the Amendment Application and the Haderer Application. He awarded Cantak enhanced costs based on a 3 times multiplier of column 5 of Schedule C of the *Rules*, which led to a costs award in the amount of \$57,170.83 against Haderer.

[34] On October 21, 2025, the Court (by consent order) granted judgment against the BRC Group jointly and severally in the amount of C\$9,628,308.78, approved a Pierringer Agreement between Cantak and the BRC Group, provided for the discontinuance of the claims against the BRC Group, struck the notice to co-defendants, removed the BRC Group and Shinde from the style of cause, and granted Cantak permission to file a further amendment to the statement of claim. Cantak filed the amended amended amended statement of claim the same day.

[35] On November 6, 2025, Cantak filed this Application. Cantak has provided an undertaking as to damages. The parties have engaged in a further evidentiary process. On December 19, 2025, I heard the Application on the commercial list and reserved my decision.

III. Record

[36] The record on the application is voluminous and encompasses many thousands of pages. It includes:

- (a) a December 20, 2022 affidavit (filed December 21, 2022) of Matt Stewart (**Stewart**), Cantak's President;
- (b) a March 31, 2023 Stewart affidavit (filed April 11, 2023);
- (c) a May 15, 2023 Stewart affidavit (filed May 17, 2023);
- (d) a June 13, 2023 Stewart affidavit (filed June 16, 2023);
- (e) a June 19, 2023 transcript of questioning of Stewart on affidavits (filed June 23, 2023), without exhibits but with later-filed undertaking responses (filed October 26, 2023);
- (f) a July 26, 2023 Roychowdhury affidavit (filed July 31, 2023);
- (g) an August 24, 2023 transcript of questioning of Roychowdhury on his July 26, 2023 affidavit (filed September 2, 2023), with exhibits and later-filed undertakings responses (filed September 6, 2023);
- (h) a September 11, 2023 Stewart affidavit (filed September 12, 2023);
- (i) a September 29, 2023 Haderer affidavit (filed October 2, 2023);

- (j) an October 6, 2023 affidavit of Chad Kozak (**Kozak**), Cantak's former VP Operations;
- (k) a December 8, 2023 Stewart affidavit (filed December 12, 2023);
- (l) Haderer responses to undertakings from January 11, 2024 Part 5 questioning for discovery;
- (m) a January 25, 2024 transcript of questioning on Haderer's September 29, 2023 affidavit (filed February 16, 2024), with exhibits and undertaking responses;
- (n) a January 26, 2024 transcript of questioning on Kozak's affidavit (filed February 16, 2024);
- (o) Sandeman responses to undertakings from her February 13 and 14, 2024 Part 5 questioning for discovery (filed December 12, 2025);
- (p) an April 10, 2024 Stewart affidavit (filed April 23, 2024);
- (q) an April 17, 2024 transcript of questioning of Stewart on his April 10, 2024 affidavit together with undertaking responses (filed June 3, 2024);
- (r) two November 5, 2024 Stewart affidavits (filed November 12, 2024);
- (s) an October 28, 2025 Stewart affidavit (filed November 6, 2025) (four volumes);
- (t) a November 21, 2025 Haderer affidavit (filed November 25, 2025);
- (u) a November 21, 2025 Sandeman affidavit (filed November 25, 2025);
- (v) a December 1, 2025 transcript of questioning of Sandeman on her affidavit, together with undertaking responses and attachments (filed December 12, 2025);
- (w) a December 1, 2025 transcript of questioning of Haderer on his affidavit, together with undertaking responses and attachments (filed December 12, 2025); and
- (x) December 17, 2025 affidavit of Joanne Tettensor, provided after the hearing of the Application with consent of all parties.

IV. Issue

[37] The overlapping and related-but-different remedies of a statutory attachment order and an equitable *Mareva* injunction both require an assessment of the merits of the underlying claims against the Personal Defendants. To reduce duplication, I have assessed the issues as follows:

- (a) What are the merits of the claims against the Personal Defendants?
- (b) Has Cantak established the elements required to obtain an attachment order under the *CEA*?

- (c) Has Cantak established the elements required to obtain a *Mareva* injunction?
- (d) Based on the answers to these questions, what is an appropriate order?

V. Analysis

A. What are the Merits of the Claims Against the Personal Defendants?

[38] The merits standard for an attachment order is a reasonable likelihood that the case will be established (not as high as, and arguably lower than, a strong *prima facie* case): *Distinct Real Estate USA 2 v Wazonek*, 2025 ABKB 275 at para 77; *Lloyd Gardens Inc v Chohan*, 2023 ABCA 328 at para 9, citing *Bank of Nova Scotia v Five Star Motor Group Ltd*, 2020 ABCA 244 at para 17; *Kleiman et al v Innes et al*, 2024 ABKB 745 at para 26, citing *Lion’s Gate Homes Ltd v Bahramloian*, 2007 ABQB 137 at para 8 and *Osman Auction Inc v Belland*, 1998 ABQB 964; *SanLing Energy Ltd v Liu*, 2022 ABQB 767 at para 51. It does not require the applicant to show on a balance of probabilities that they will obtain the remedy sought, but something more than “suspicion or subjective hope” is required: *Qualex-Landmark Towers Inc v 12-10 Capital Corp*, 2024 ABCA 115 at para 19; *Lloyd Gardens* at para 9; *Five Star Motor Group* at para 17.

[39] The merits standard for a *Mareva* injunction is a “strong *prima facie* case”: *Secure 2013 Group Inc v Tiger Calcium Services Inc*, 2017 ABCA 316 at para 67, citing *Cho v Twin Cities Power-Canada ULC*, 2012 ABCA 47 at para 5. A strong *prima facie* case means “a strong likelihood” on the law and the evidence presented that the applicant will be successful at proving the allegations at trial: *R v Canadian Broadcasting Corp*, 2018 SCC 5 at paras 17-18; *Private Debt Partners Senior Opportunities Fund GP Inc v Davidson*, 2022 ABKB 691 at para 36; *Price et al v State Farm et al*, 2024 ONSC 6235 at para 43.

[40] I turn next to review the facts related to the Alleged Scheme and then assess some of the claims made against the Personal Defendants.

1. Facts Related to the Alleged Scheme

[41] As noted above, the Undelivered Pipe claim has been resolved. The focus of the Action is now the Alleged Scheme. Many of the underlying facts related to the Alleged Scheme are not disputed. My fact findings related to the Alleged Scheme, based on the record before me, are set out below.

a. Haderer’s Role at Cantak and the Purchase of OCTG Pipe

[42] Haderer started with Cantak in 1990. By 2016 he was part of Cantak’s management team as General Manager, Operations, of Cantak’s OCTG division. He had by far the most experience at Cantak with OCTG pipe. He was responsible for managing the OCTG division, which was the team responsible for ordering OCTG pipe from distributors or steel mills and supplying OCTG pipe to Cantak’s customers. Haderer had a few people reporting to him. He ran the division without any significant input or involvement from Cantak executives.

[43] Haderer was paid a base salary plus a bonus calculated on the basis of OCTG sales. From 2016 to 2022, he earned T4 income from Cantak ranging from a low of about \$245,000 (2017) to a high of about \$486,000 (2022).

[44] Haderer was aware of and had reviewed Cantak’s code of conduct (**Code**). It included, as a basic principle, to avoid conflicts of interest with Cantak, to maintain a distinction between corporate and private business, to maintain proper legal and ethical standards with respect to gifts and entertainment, and to promptly report any violations of the Code. The Code prohibited the use of Cantak’s assets or resources for personal gain, or working for another company without Cantak’s prior approval. The Code prohibited gifts in excess of “accepted business and social norms” and required internal approval before receiving any gift from any organization or entity rendering services to Cantak.

[45] Haderer’s responsibilities included matters related to acquiring and selling OCTG pipe for Cantak, including obtaining information about OCTG pipe, communicating with sellers and purchasers, and completing steps required by Cantak to carry out purchases and sales. His role included developing and managing relationships with key suppliers, and he was responsible for managing the ordering of materials including organizing transport to get pipe to desired stock points.

[46] Haderer was authorized to make and approve orders to purchase OCTG pipe without any other approval at Cantak, without monetary limit, as long as it was to fill an existing order to a Cantak customer. If Haderer purchased “speculative” pipe (for which there was not yet a specific Cantak customer), he required further approval. Haderer’s decisions on pipe procurement were not really a “point of discussion” and Cantak relied on his expertise and recommendations.

[47] Once orders to purchase OCTG pipe were approved, they were submitted to accounting to generate wire transfers, which required an invoice approved by Haderer and other back up documentation. Those wire transfers were approved by Cantak’s President or Executive Vice President based, at least in part, on Haderer’s sign-off on the back-up documentation.

b. Sandeman and her Relationship with Haderer

[48] Haderer and Sandeman have been in what they describe as a common law relationship since 2015. At the time, Sandeman was working in Banff, following which she moved to Calgary to live with Haderer along with her two children. At the time of the Application, Haderer and Sandeman continued to reside together with Sandeman’s two children and Haderer’s mother. Haderer also has an adult daughter that does not live with them.

[49] Although Haderer and Sandeman maintained separate bank accounts, they also integrated their financial lives, by each at times paying some of their joint expenses or by transferring each other funds for the payment of family expenses.

[50] Prior to 2016, Sandeman’s work experience included work as an administrative temp, legal secretary, receptionist, wine representative, administrative assistant, event coordinator, restaurant server and supervisor, sales coordinator, and stand-up comedian. She had no oil and gas experience and, in particular, no OCTG pipe-related experience at all.

c. Haderer-Roychowdhury Relationship and Creation of BRC

[51] Haderer had known Roychowdhury since 2008. Roychowdhury worked for or with a pipe mill in India (**Jindal**) with which Haderer dealt on behalf of Cantak. They became friends and had a close relationship. For example, Haderer had Roychowdhury’s personal email; he attended a

baby shower for Roychowdhury's child; on one occasion, Haderer lent Roychowdhury his vehicle to drive to Edmonton.

[52] In early 2016, Haderer learned that Roychowdhury was no longer working with Jindal. In spring 2016, Roychowdhury started BRC International, based out of Texas. On October 20, 2016, Roychowdhury incorporated BRC Tubular, an Alberta corporation. The business of BRC included the supply of OCTG pipe as a distributor, supplying OCTG pipe to companies like Cantak. BRC sourced OCTG pipe from the Maharashtra Seamless Limited steel mill in India.

[53] In November 2016, Haderer provided BRC a reference letter on Cantak letterhead which stated that BRC "is one of the major suppliers of OCTG products" for Cantak. That was not true. The Cantak-BRC relationship was just starting at that point. Haderer tried to help his friend to build BRC's business by providing a misleading reference using Cantak's name.

d. BRC Hires Sandeman and She is Appointed Director of BRC Tubular

[54] In summer 2016, Haderer approached Roychowdhury about a job for Sandeman. Sandeman had a short phone call with Roychowdhury about it and understood the role would be administrative and "inside sales" support. Then, Roychowdhury travelled to Calgary, and the three of them met over drinks.

[55] Haderer was directly involved in the drafting or negotiating of Sandeman's employment letter with BRC, which Roychowdhury described as being co-written by cutting and pasting from a precedent obtained from Google searches. Using his Cantak email account, Haderer provided comments on the form of Sandeman's employment letter which were accepted by Roychowdhury.

[56] On September 22, 2016, Sandeman signed an offer of employment from a corporation named BRC Global Ltd as an "Account Manager – Tubular Products" at a base salary of \$31,200 per year with a discretionary bonus for net sales Sandeman was credited with closing. Sandeman worked briefly for BRC Global Ltd, as she received a 2016 T4 from it. It appears BRC Global Ltd was an entity that involved Roychowdhury and another individual, Harold Spicer.

[57] Shortly thereafter, there appears to have been an issue between Roychowdhury and Harold Spicer, and Sandeman became concerned whether she was going to have a job. Roychowdhury then started his own Alberta company (incorporating BRC Tubular on October 20, 2016) to operate in Alberta.

[58] At the time BRC Tubular was created in 2016, it required at least 25% of its directors to be Canadian resident: *Business Corporations Act*, RSA 2000, c B-9, section 105(3).³ Roychowdhury asked Sandeman if she would be a director of BRC Tubular. She agreed. According to Sandeman, Roychowdhury advised her that her basic role was that she was the reason that BRC Tubular could operate in Calgary. Sandeman was appointed a director of BRC Tubular. There was no documentation put in place surrounding the terms of her role or compensation as director and no exact or approximate amount of compensation was discussed. According to Sandeman,

³ This requirement has since been repealed: *Red Tape Reduction Implementation Act*, 2020, SA 2020, c 25, section 1(6).

Roychowdhury advised her “if the company does well, I will do well”. Sandeman understood she would be compensated based on how BRC was doing based on its revenues.

[59] On November 1, 2016, Sandeman signed a new offer of employment on BRC International’s letterhead (signed by Roychowdhury), advising her that she had been selected to “represent BRC Tubular ...” (part of BRC International...) as “Manager-Tubular Products”. Her base salary was to be \$2,600 per month (or \$31,200 annually), to be reviewed in January 2017, and continued to include a discretionary bonus for Sandeman’s sales.

[60] Sandeman never closed a sale and was never paid a discretionary bonus under the employment letters. In fact, she only briefly did any external sales work and then was focussed primarily on providing administrative “inside sales” support to Roychowdhury and another employee (the only other Alberta employee of BRC). Notwithstanding the employment letter’s job description, Sandeman primarily performed administrative and sales support.

[61] Sandeman worked 3-4 days per week from fall 2016 until November 24, 2019 when she had knee surgery. After that, BRC’s Calgary office closed and her role was significantly reduced. From 2020 onward, Sandeman performed more sporadic and less time-consuming administrative tasks, operating out of her home. She picked up mail, did some banking, and worked on logistics and paying freight. As described in her words in her statement of defence:

11. [...] On or around March 2020, Ms. Sandeman returned to BRC Tubular after recovering from her knee surgery. However, given the economic slowdown resulting from the oncoming Covid-19 pandemic, she accepted a reduced role at BRC Tubular. From then on, besides acting as a director, she occasionally went to the BRC Tubular office to assist BRC Tubular with sporadic banking issues and to forward mail and other documents to [Roychowdhury] and [Shinde]. From then on, [Roychowdhury] and [Shinde] took on all of Ms. Sandeman’s other work responsibilities for which she had been responsible prior to November 24, 2019. That being said, as she remained in her role as director, she continued to receive an income and discretionary bonuses resulting from shared corporate profits.
12. This limited role in the involvement of day-to-day operations of BRC Tubular has continued from March 2020 to the present. [...]

[62] With respect to her role as director of BRC Tubular, Sandeman was a director in name only. She had no experience or training as a director, and received none from BRC. She did not perform *any* director-related tasks. She never attended any director meetings (there were none), never prepared minutes, was not aware of the corporate minute book, never reviewed any BRC Tubular financial statements or signed any director’s resolutions. She did not ensure director’s insurance was in place, ensure that employees were paid, or tax withholdings were made, and did not coordinate corporate filings. Sandeman did not contribute any capital to BRC Tubular.

[63] As Sandeman admitted in questioning:

- Q So other than being a Canadian citizen that’s listed as a director, did you do anything at all as a director of BRC Tubular?

A No.

[64] Roychowdhury confirmed that Sandeman’s director role “was simply to be the Canadian director”.

e. BRC Supply of OCTG Pipe to Cantak

[65] In 2016, Haderer began seeking quotes from BRC to supply OCTG pipe to Cantak. He requested BRC International, and then BRC Tubular, be set up in Cantak’s accounting system as a vendor. According to Stewart, Haderer insisted that BRC be involved.

[66] The first Cantak order with BRC was in September 2016. After that, until the Undelivered Pipe issue arose in 2021, Cantak ordered significant OCTG pipe from BRC, which acted as a distributor dealing directly with a specific mill in India. Haderer was involved in all Cantak purchases of OCTG pipe from BRC. Haderer dealt exclusively with Roychowdhury. Sandeman was not involved. Haderer never asked BRC about its profit margins on sales to Cantak.

[67] Although Cantak had used a distributor or agent to deal with pipe mills in the past, Cantak’s ordinary practice at the time was to deal directly with international pipe mills. BRC was the only distributor from which Cantak purchased OCTG pipe from 2016 to 2021. Haderer did not explore whether he could simply source pipe directly from the mill instead of going through BRC. However, Haderer deposed that he never preferred BRC over other suppliers.

[68] Cantak’s purchases from BRC grew rapidly from 2016 to 2019, both in terms of volume and as a percentage of Cantak’s overall OCTG pipe purchases. For 2017-2019, BRC was Cantak’s top OCTG pipe supplier and by 2019 BRC supplied 60% of the OCTG pipe Cantak purchased. The BRC supply sales are summarized below:⁴

Year	Total Cantak OCTG Purchases (CAD\$)	Purchases from BRC (CAD\$)	%BRC to Total
2016	5,612,689	611,504	10.90%
2017	32,629,200	10,401,447	31.88%
2018	55,503,554	21,751,520	39.19%
2019	61,511,411	36,970,627	60.10%
2020	14,488,560	3,253,149	22.45%
2021	46,771,234	8,233,464	17.60%

[69] Following the Undelivered Pipe issue, Cantak ceased purchasing pipe through BRC and BRC’s share of the Cantak business was reduced to zero.

[70] According to Roychowdhury, 10-15% of BRC’s business was with Cantak. BRC also did business with at least some of Cantak’s competitors.

⁴ Stewart’s April 23, 2024 affidavit at para 22.

f. BRC Funds Received by Sandeman

[71] Sandeman agreed with the characterization that her salary of \$31,200 was for her day-to-day work for BRC, and that the rest of her compensation was for her role as a BRC Tubular director.

[72] Sandeman received very substantial T4 income from the BRC Tubular from 2016 to 2022, as follows⁵:

Year	BRC T4
2016	18,701
2017	323,054
2018	577,633
2019	1,018,492
2020	184,000
2021	711,360
2022	671,536
TOTAL	3,504,775

[73] If it is assumed that Sandeman was paid \$2,600 per month for her day-to-day work, over the 74 months from November 2016 to December 2022 (although it is not clear from the record whether she was actually separately paid her monthly salary), that would account for \$192,400 of the above \$3,504,775, leaving \$3,312,375 of other payments.

[74] Sandeman and Roychowdhury described that Sandeman would receive “discretionary bonuses” from BRC Tubular based on her role as a director. There was no formula or documentation showing why she was paid what she was paid. There was no set timing and the payments were irregular. She was not notified when a payment was made – it would just appear in her bank account. Both timing and amount were in Roychowdhury’s complete discretion.

[75] Sandeman simply assumed she was being paid based on BRC’s overall sales (including sales to Cantak), but was not sure how it was calculated. She did not ask Roychowdhury any questions when the amounts she was paid significantly increased in 2017, 2018 and 2019.

[76] Roychowdhury described the payments to Sandeman as a “sales incentive or bonus”. He acknowledged there was “no calculation whatsoever” and that he would “just decide I’m going to pay Briar a bonus this month”.

[77] Haderer was aware of how much Sandeman was paid. He saw her T4s when preparing their income taxes. His evidence is that he assumed the payments were based on BRC’s business levels but he had no actual knowledge about them. He testified that he thought Roychowdhury was being “generous” in profit sharing with Sandeman. He also testified that he had no conversations with Sandeman about her income or bonuses or why she was making what she was making (which, overall, was significantly more than he earned at Cantak). Haderer’s evidence that he never discussed the very significant payments from BRC to Sandeman with his friend or his romantic

⁵ Stewart’s April 23, 2024 affidavit at para 73, adjusted to correct an error and to exclude the 2016 income received from BRC Global Ltd.

partner, is highly notable. Common sense suggests it would be highly unlikely that there would be no discussions at all; this evidence either calls into question Haderer's credibility (if it is untrue) or suggests a deliberate attempt to avoid talking about something that would normally be discussed (if it is true).

g. Non-Disclosure of Sandeman's BRC Role and Compensation

[78] Sandeman was generally known at Cantak to be Haderer's partner.

[79] Early in her time associated with BRC, Haderer and Roychowdhury copied Sandeman on emails, including emails to other people at Cantak. They testified that they did this to educate Sandeman in the business. Sandeman never attended any meetings at Cantak's office. She was not involved in the OCTG business at BRC. The evidence is inconsistent whether she had any material dealings with anyone at Cantak during her time with BRC.

[80] Haderer told his direct report, Kozak, that Sandeman would be working with BRC, but he did not disclose what she was actually doing, what her role was, that she was also a director, or the fact she would be receiving compensation based on BRC's financial performance. Kozak assumed Sandeman was in an entry level role given she had no oil and gas or OCTG pipe experience. He did not believe it was a conflict. Haderer deposed that he did not turn his mind to whether Sandeman working at BRC may be perceived as a conflict.

[81] When Kozak was presented in questioning with the fact that Sandeman received over \$1 million in compensation in 2019, Kozak laughed and noted that such a level of compensation was not typical for entry level positions.

[82] After Kozak left Cantak in 2020, Haderer reported to Stewart. Haderer did not tell Stewart, his new direct report, anything about Sandeman's role with BRC.

[83] None of Haderer, Roychowdhury or Sandeman ever told anyone else at Cantak of Sandeman's role at BRC, her directorship, or the basis or scope of her compensation or that it was based on BRC's revenues or profitability. Sandeman's belief was that Cantak "just understood I worked for [Roychowdhury] generally".

h. Pre-Action Use of BRC Payments

[84] BRC payments to Sandeman were deposited into her BMO chequing account. The funds benefitted both Sandeman and Haderer. For example, BRC-received funds were used to pay for some of Sandeman and Haderer's family expenses, by Sandeman paying her credit card or e-transferring funds to Haderer so he could pay bills. \$40,000 was paid to Haderer by bank draft at his request so he could max out his TFSA contribution. About \$130,000 was used as a down payment to purchase the couple's Home and BRC funds were used to pay the resulting mortgage payments and a Home renovation. Sandeman also used significant BRC-generated funds to invest in her own RRSP and TFSA.

i. The Investigation and Haderer's Termination

[85] As noted above, the Undelivered Pipe issue (now settled) arose in 2021. In November 2022, in a text with Haderer's friend, Ryan Sherwood, about that, Haderer had this text exchange:

Sherwood: lol I hope to god [Roychowdhury] pays

Haderer: Yup that will sure help

Haderer: then I will be all over him he owes me [\$1 million]

[86] This text exchange suggesting a financial relationship directly between Roychowdhury and Haderer has not been adequately explained.

[87] As a result of Undelivered Pipe, Cantak investigated its relationship with BRC. In October 2022, Haderer was advised of the investigation and the importance of his cooperation. In November 2022, Cantak implemented changes to OCTG pipe purchase approval procedures, which removed Haderer's authority to order OCTG pipe without further approvals.

[88] On December 8, 2022, Haderer was called to a meeting at Cantak, at which Cantak's legal counsel and an accounting firm were present. In questioning, Hader admitted that, during this meeting, he was not truthful when it came to Sandeman's work and income. He walked out of the meeting when questions were asked about Sandeman's income. Haderer's employment was terminated.

[89] On December 9, 2022, the amended statement of claim was filed. Shortly after it was served on Haderer, Sandeman closed her CIBC chequing account⁶ and transferred the balance of the funds there into a new CIBC chequing account.⁷ Sandeman, through her counsel, also admitted that she issued and held a \$222,000 bank draft from CIBC in order to avoid those funds being frozen.

j. Post-Action

[90] Neither Haderer nor Sandeman have earned any material income since December 2022. The family has been living off their assets, child support Sandeman receives from the father of her children, the Canada Child Benefit (**CCB**) received by Sandeman, Condo rental income, and Haderer's Canada Pension Plan (**CPP**) income that started in 2025. Haderer's elderly mother, who resides with Haderer and Sandeman, also has monthly income, some of which she presumably contributes to the household (the details of which have not been disclosed).

[91] As is detailed further later in these Reasons, the Personal Defendants' spending since the Action was commenced has been very significant on both legal fees and personal living expenses. With no income, the obvious result of that spending is that their asset base has diminished significantly since the Action was started. For reasons that are disputed, Haderer and Sandeman liquidated or spent assets that were easily traceable to BRC funds (other than the Home). Other than the Home and the Condo, Haderer's RRSP appears to be the main material asset they have remaining.

⁶ Account ending in 135.

⁷ Account ending in 393.

2. Limitations Defence?

[92] Although not argued on the Application, Haderer’s statement of defence and evidence references a limitations defence under the *Limitations Act*, RSA 2000 c L-12. I find that the limitations defence has no material impact on this Application.

[93] To start, Sandeman does not plead a limitations defence. Further, the evidence is that Cantak did not discover the nature of Sandeman’s relationship with and payments from BRC until November 2022. While there may be a dispute as to whether Cantak should have discovered its claim against Haderer sooner as contemplated by section 3 of the *Limitations Act*, or whether Haderer engaged in concealment as contemplated by section 4 of the *Limitations Act*, neither of which I comment upon further, the claim was filed in December 2022. At a minimum, Haderer’s conduct back to November 2020 is not limitations barred. The BRC payments to Sandeman in 2021 and 2022 totalled over \$1.382 million.

3. Civil Bribery

[94] Cantak relies primarily on its civil bribery claim to support the Application.

[95] Bribery has been described as an “evil” and “corrosive” practice which threatens the foundation of any civilised society and is injurious to the proper operation of the free market and the good governance of public institutions: *Winnipeg (City) v Sheegl*, 2023 MBCA 63 at para 24; *Alberta Treasury Branches v Leahy*, 2000 ABQB 575 at 119 [*Leahy*], aff’d *Alberta Treasury Branches v Ghermezian*, 2002 ABCA 101; *Wood v Commercial First Business Ltd*, [2021] EWCA Civ 471 at para 42.

[96] The public policy against bribery is that a party should not be allowed to put an agent, a person owing another a duty of loyalty, or a person under a “duty to provide information, advice or recommendation on an impartial or disinterested basis” in a conflict of interest *vis a vis* its interests and the interests of the person to which it owes those duties: *Sheegl* at para 39; *Optech Inc v Sharma*, 2011 ONSC 680 at para 24; *Wood* at paras 44, 73, 92; Paul M Perrell, “Remedies for the Victims of a Bribe” (1999) 22:2 Adv Q 198 at 200. The agent or person with the duties should not use, or be tempted to use, their position to obtain a benefit without the fully informed consent of the principal or beneficiary: Perrell at 201; *Optech* at para 24. The principal or beneficiary is “entitled to be confident that the agent will act wholly in the principal’s interest”: *Sheegl* at para 35, citing *Otkritie International Investment Management Ltd & Ors v Urumov & Ors*, [2014] EWHC 191 (BAILII) at para 67, *Hitchcock v Sykes* (1914), 1914 CanLII 5 (SCC), 49 SCR 403 at 422 and *Barry v Stoney Point Canning Co* (1917), 1917 CanLII 620 (SCC), 55 SCR 51 at 73-77; *Ruiter Engineering & Construction Ltd v 430216 Ontario Ltd*, 1989 CanLII 4257 (ONCA).

[97] Accordingly, bribery is viewed with abhorrence by courts: *Leahy* at para 119. To combat the problem and further the policy objectives, a civil cause of action for bribery has long been recognized by Canadian courts. Canadian courts have adopted a strict response to bribery with a broad scope of possible remedies: *Sheegl* at para 31; Perrell at 201.

[98] Bribery allegations will often give rise to multiple, overlapping and sometimes esoteric causes of action in contract, tort and equity: *Sheegl* at para 27. Its basis in tort has often historically been described or treated as being a special case, form, category, species or variant of civil fraud:

Sheegl at para 29; *Optech* at para 23(iv); *M-I Drilling Fluids Canada, Inc v Cottle*, 2018 ABQB 143 at paras 38-48; *Oshawa Group Ltd v Great American Insurance Co et al*, 1982 CanLII 1855 (ONCA); *Frigidaire Corp v Steedman*, 1931 CanLII 785 (ONCA), [1931] 3 DLR 370 at 373; *Ruiter*; *Attorney-General for Nova Scotia v Christian et al*, 1974 CanLII 1320 (NSCA), 49 DLR (3d) 742 at 749; Joost Blom & Peter T Burns, *Economic Torts in Canada*, 3rd ed (Toronto: LexisNexis Canada Inc, 2024) at § 2.02[4] (and cases cited therein); *Wood* at para 61.

[99] More recently, Canadian courts have described civil bribery as its own tort: *Enbridge Gas Distribution Inc v Marinaccio*, 2012 ONCA 650 at para 33, leave to appeal to SCC refused, 35108 & 35110 (25 April 2013); *Sheegl* at paras 31-34.

[100] The nuances of the bases for a bribery claim have not been definitively sorted out by the Alberta Court of Appeal or the Supreme Court of Canada. However, the basic applicable principles are reasonably settled and Alberta cases have recognized liability for bribery: *Alberta Housing Corporation v Achtem*, 1981 CanLII 1138 (ABQB), rev'd in part 1983 ABCA 206; *Calbar Securities Ltd v H&B Construction Ltd*, 1982 CanLII 1166 (ABQB), rev'd 1983 ABCA 301; *Leahy*; *Indutech Canada Limited v Gibbs Pipe Distributors Ltd*, 2011 ABQB 38 at para 396(c), aff'd 2013 ABCA 111.

[101] In summary, the principles of civil bribery currently include the following:

- (a) a bribe is a commission, gift, payment, benefit or inducement given by a third party (briber) to an agent (bribee) that is secret from the bribee's principal or beneficiary: *Sheegl* at para 33; *Alberta Housing Corporation* at paras 19-20; *Indutech* at para 396(c); *Oshawa Group*; *Wood* at paras 40-41, 83; *Ruiter*; *YMCA v Burns*, 2022 ONSC 3548 at para 48; *Procon Mining & Tunnelling Ltd v McNeil*, 2010 BCSC 487 at para 93. It is not necessary for the bribee to be a fiduciary (however, where a fiduciary relationship exists the remedies can also be analyzed in terms of a breach of fiduciary duty): *Sheegl* at para 39; *Wood* at para 45-52;
- (b) liability for bribery requires these three things: the bribe must (1) be made by the briber to the agent of the person with whom he is dealing; (2) the bribe must be made at a time the briber knows that the bribee is acting as the agent of the other person with whom he is dealing; and (3) the bribe is not disclosed to the principal: *Sheegl* at para 34; *Optech* at para 23(i); *Enbridge Gas* at para 33;
- (c) the bribe must create the "realistic prospect of a conflict of interest" between the bribee and their principal: *Sheegl* at para 36, citing *Fiona Trust & Holding Corporation Ors v Privalov Ors*, [2010] EWHC 3199 (BAILII) at para 73; *Otkritie* at para 67; and *Eze v Conway & Anor*, [2019] EWCA Civ 88 (BAILII) at para 35;
- (d) the Court does not inquire into the briber's motives in making the bribe or the bribee's motives in accepting it: *Sheegl* at para 37; *Alberta Housing Corporation* at para 20; *Oshawa Group*; *Optech* at para 23(ii); *Enbridge Gas* at para 34, citing *Ruiter* and *Barry v Stoney Point Canning Co*, 1917 CanLII 620 (SCC), [1917] 55 SCR 51, at 74; *Leahy* at para 120; *Wood* at para 43; *Procon* at para 93. If the elements necessary to attract liability exist, there is an irrebuttable presumption that

the parties acted with a corrupt motive or otherwise acted in bad faith: *Sheegl* at para 37, citing *Fiona Trust* at para 72; *Enbridge Gas* at para 34; *Eze* at para 35;

- (e) once the bribe is established, there is an irrebuttable presumption in favour of the principal and against the briber and bribee, that the bribee agent was influenced by the bribe: *Sheegl* at para 37; *Alberta Housing Corporation* at para 20; *Optech* at para 23(ii); *Calbar* at para 29; *Wood* at para 43; *Procon* at para 93;
- (f) in instances where the agent is the buyer of goods for his principal, there is a rebuttable presumption that the true price of the goods is less than the price paid by at least the value of the bribe: *Alberta Housing Corporation* at para 20; *Attorney-General for Nova Scotia v Christian et al*, 1974 CanLII 1320 (NSCA) at 751 [*Christian CA*], citing *Industries & General Mortgage Co Ltd v Lewis*, [194] 2 All ER 523 at 577; *Oshawa Group*; *Optech* at para 23(iii); *M-I Drilling Fluids* at paras 45-46; *Calbar* at para 29; *Chura v Batten Industries Inc*, 2023 BCSC 1040 at para 313; *Procon* at para 93;
- (g) the principal has a separate and distinct cause of action against the briber and the bribee: *Sheegl* at paras 30, 39. The principal may also recover against the briber and bribee jointly and severally: *Leahy* at paras 119, 280; *Procon* at para 162; and
- (h) non-exhaustive possible remedies for bribery include damages, a proprietary claim to the bribe, equitable and restitutionary remedies such as constructive trust, tracing and profit disgorgement, and contract rescission: *Enbridge Gas* at para 43 (damages for amount of bribe); *Leahy* at para 119 (proprietary claim to bribe and tracing); *Christian CA* at 750-751 (damages for either bribe or excess price); *ICBC v Lo*, 2006 BCCA 584 (equitable and restitutionary remedies, including constructive trust); *Indutech* at para 396(c) (disgorgement); *Ruiter* (contract rescission); and *Wood* at paras 97-101 (contract rescission).

[102] In this case, in the context of Cantak’s Amendment Application to specifically plead bribery and Haderer’s application for summary dismissal, AJ Prowse concluded that the “evidence to date indicates a strong *prima facie* case of bribery”. The Personal Defendants assert that AJ Prowse erred in his analysis and failed to consider what they argue is an absurdity if bribery is applied to the facts of this case, namely that the “agent” or bribee could be multiple people (Haderer and Sandeman). Cantak accuses the Personal Defendants of collaterally attacking AJ Prowse’s decision which was never appealed. It asserts that, while I am not bound by AJ Prowse’s decision, it should be given deference. The Personal Defendants argue that AJ Prowse’s finding of a strong *prima facie* case was *obiter* because it was not a required finding to decide the applications before him.

[103] I agree that AJ Prowse’s decision and reasons are not binding on me, that his finding about the merits of the civil bribery claim is *obiter*, and that it is not owed deference. However, in my view AJ Prowse did not err in reaching his conclusion. I reach the same conclusion on the record now before me.

[104] The Personal Defendants argue that the bribery claim is weak, including because BRC paid Sandeman (not Haderer) and because Cantak has not pointed to specific particulars of the bribery transactions. I address these positions below.

[105] First, the Personal Defendants argue that the application of civil bribery to these facts creates the possibility of there being multiple individuals that might be construed as the “agent” (or bribee) which would lead to absurd results. They argue there must be a singular person or “agent” to which the test for civil bribery is applied. They say that the test for civil bribery ought to be construed narrowly.

[106] I find this argument unpersuasive. A finding of a strong *prima facie* case of bribery here does not lead to absurd results or there being multiple individuals that are the “agent”. Rather, it recognizes the reality that at times complex and creative schemes are used to distance bribes from the agent or to obfuscate what is actually going on, including schemes involving *indirect* payments, inducements or benefits to the agent which give rise to a real potential for conflict of interest. I agree with AJ Prowse that “one would not expect that an agent [Haderer] receiving a secret payment could avoid liability simply by having the payment made to his/her spouse rather than directly to the agent”. Whether a payment, inducement or benefit is *de facto* made to the agent through another person, or otherwise puts the agent in a conflict of interest, will depend on the circumstances.

[107] Jurisprudence supports this view.

[108] In *Christian CA*, the bribery finding included amounts paid to the agent’s spouse: *Christian CA* at 745.

[109] In *671122 Ontario Ltd v Sagaz Industries Canada Inc*, 2001 SCC 59, although the decision was about vicarious liability in a related civil matter, the bribee in that case had set up a sham corporation with a token employee to receive the bribes as the bribee’s “surrogate” or “puppet”. The bribee and the surrogate/puppet were criminally convicted of accepting benefits: *671122 Ontario* at paras 7-8.

[110] In *YMCA*, the bribery finding included amounts paid to the agent’s companies: *YMCA* at paras 47-48.

[111] In *Chura*, the Court found an employee liable for recommending a web developer supplier to her employer when her husband was then paid by the supplier. The Personal Defendants argue *Chura* was not a bribery case, but I disagree upon a review of the case as a whole and the cases cited and incorporated into the reasons: *Chura* at paras 309-313, citing *Procon* at para 93 (in turn citing *Alberta Housing Corporation*) and para 135 (citing Perrell).

[112] Finally, in *Winnipeg (City) v Caspian Projects Inc et al*, 2022 MBQB 53 at para 213(e) [*Sheegl QB*], aff’d in *Sheegl*, the Court cited *Eze* at para 35: “The payments (or other benefits) do not have to be made directly to the fiduciary ... the test is whether the payment puts the fiduciary in a real (as opposed to fanciful) position of conflict of interest and duty”. This paragraph of *Eze* was referenced and adopted in *Sheegl* at paras 36-37.

[113] The Personal Defendants’ second main argument is that Cantak has not provided particulars of “any pipe order, other than the [Undelivered Pipe], as having formed part of the

[Alleged Scheme]”.⁸ They argue there is no link or factual correlation between the amounts paid by BRC to Sandeman and Cantak’s purchases from BRC.

[114] These arguments are misguided. First, Cantak has particularized its claim: it claims that *all* amounts paid by BRC to Sandeman (or at least the amount paid to her allegedly as director of BRC Tubular) constitute bribes. Second, a bribe need not be specifically linked to a particular transaction; it is sufficient if the agent is tainted by the bribery at the time of the transaction between the briber and the bribee’s principal: *Sheegl QB* at para 213(g), citing *Eze* at para 35; *Otkritie* at para 69 and *Fiona Trust* at para 73.

[115] I am satisfied Cantak has met the merits burden for civil bribery under both the attachment order and *Mareva* injunction standards. I find on the record before me that there is a strong *prima facie* case of civil bribery against Haderer. Clearly, when it reached agreements to supply pipe to Cantak, BRC knew that Haderer was Cantak’s agent and the compensation BRC paid to Sandeman as a director was not disclosed to Cantak. I disagree with the Personal Defendants’ argument that the general knowledge of some people at Cantak that Sandeman was somehow involved with BRC, or Haderer’s brief, one-time and vague description of Sandeman’s role at BRC to his superior (Kozak), was sufficient disclosure or somehow made the BRC payments to Sandeman non-secretive.

[116] Further, given that Sandeman’s asserted BRC Tubular director-based payments were understood by each of Haderer, Sandeman and Roychowdhury to be based on BRC’s revenues or profitability (which would include the sales by BRC to Cantak), it created a realistic prospect of conflict of interest between Haderer and Cantak. In my view, if Sandeman had only been paid her \$2,600 per month salary for performing administrative and support work, with no connection to BRC’s revenues or profitability, this alone may not have created a realistic prospect of conflict of interest (particularly during the period until November 2019 when Sandeman was performing those duties).

[117] A key issue in this matter may ultimately be whether the compensation paid by BRC to Sandeman for being a BRC Tubular director was *de facto* a payment to Haderer. While the evidence at trial may be more complete, on the record before me the evidence strongly supports that the payments were, at least in part, *de facto* made to Haderer or for his direct benefit. The irregular, random, undiscussed, undocumented and extreme payments to Sandeman bore no reasonable connection to her effort, contribution or risk associated with being a BRC Tubular director. In my view, on this record, the alleged compensation based on her BRC Tubular directorship appears to have been a sham.

[118] Further, and in any event, Haderer benefited directly from those payments, both before and since the Action was filed, in the form of increased family income, payments toward family expenses, purchase of the family Home and payment of its mortgage, increasing his personal investments, and payment of a cost award against him.

[119] As noted above, Haderer’s evidence that he did not even speak to Sandeman about the amounts she was receiving from BRC, but was well aware of it and did not disclose it to Cantak,

⁸ Personal Defendants’ Brief at para 19.

is telling. Further, Haderer admitted being dishonest to Cantak about Sandeman's compensation when questioned by Cantak about it before he left the meeting in December 2022.

[120] Finally, in his evidence on this Application, Haderer did not even try to explain the text to his friend that Roychowdhury owed Haderer \$1 million in 2022 (in re-direct in his questioning or otherwise). There was no evidence of any business relationship between the BRC Group and Haderer.

[121] There is a strong *prima facie* case of civil bribery, which gives rise to a claim for damages against Haderer, a strong *prima facie* claim to a proprietary interest in the amounts paid by BRC to Sandeman, and strong *prima facie* right to trace and claim those funds.

[122] I need not go any further in my assessment of the merits of Cantak's claims against the Personal Defendants to decide the Application. However, in case I am wrong about civil bribery, I briefly address some of Cantak's other claims, some of which I find also support a finding of a strong *prima facie* case.

4. Civil Fraud / Fraudulent Misrepresentation

[123] Civil fraud or fraudulent misrepresentation requires: (a) a false representation by the defendant; (b) some level of knowledge of the falsehood of the representation on the part of the defendant (whether through knowledge or recklessness); (c) the false representation caused the plaintiff to act; and (d) the plaintiff's actions resulted in a loss: *Bruno Appliance and Furniture, Inc v Hryniak*, 2014 SCC 8 at para 21; *Hryniak v Mauldin*, 2014 SCC 7 at para 87; *Toronto Dominion Bank v Wilde*, 2022 ABCA 128 at paras 38-39; *Precision Drilling Canada Limited Partnership v Yangarra Resources Ltd*, 2017 ABCA 378 at para 21; *Wang v Shao*, 2019 BCCA 130 at para 24, leave to appeal to SCC refused, 38704 (14 November 2019).

[124] The Personal Defendants argue that Cantak cannot point to any representation made by Haderer to Cantak to support a civil fraud claim.

[125] A false representation sufficient to support civil fraud can arise through express representations but also in other ways, including non-disclosure, silence, half-truths, partial disclosure, or failing to correct known misrepresentations: *Alberta Securities Commission v Hennig*, 2021 ABCA 411 at para 113; *CM Callow Inc v Zollinger*, 2020 SCC 45 at para 89; *Xerex Exploration v Petro-Canada*, 2005 ABCA 224 at para 57; *Toronto Dominion Bank v Whitford*, 2020 ABQB 802 at paras 231-232; *Alevizos v Nirula*, 2003 MBCA 148 at para 24.

[126] Haderer's failure to disclose his and Sandeman's personal interest in Cantak's purchases of OCTG pipe from BRC entered into based on his authority and recommendation could arguably be construed as: (1) a false representation to Cantak by silence or concealment that he was not in a conflict of interest and that the transaction met Cantak's Code; (2) when he had knowledge that this was untrue or was reckless about it; and (3) Cantak relied on Haderer in completing the transactions. Again, I am not persuaded by the Personal Defendants' argument to the effect that Cantak knew that Sandeman was working with BRC. It is one thing to be involved in an administrative role and another to be paid many thousands of dollars as a BRC director, based on the success of BRC's business.

[127] However, there is presently no evidence of the loss suffered by Cantak in the BRC transactions beyond what might be inferred by the benefits obtained through the BRC payments to Sandeman. As a result, on this record, I find the claim against Haderer for civil fraud meets the “reasonable likelihood” standard but not the strong *prima facie* case standard.

5. Breach of Fiduciary Duty / Knowing Assistance / Knowing Receipt

[128] *Serinus Energy PLC v SysGen Solutions Group Ltd*, 2023 ABKB 625 summarizes fiduciary relationships at para 196:

[196] Fiduciary relationships may be either *per se* or *ad hoc*. The former refers to those relationships that the law presumes to be — and characterizes as — fiduciary: *Professional Institute of the Public Service of Canada v Canada (Attorney General)*, 2012 SCC 71 at para 113; *Galambos v Perez*, 2009 SCC 48 at paras 36–37. The recognized categories give rise to fiduciary duties because of their inherent purpose or their presumed factual or legal incidents: *Professional Institute* at para 113. The historically recognized *per se* fiduciary relationships are the traditional categories of trustee-*cestui que trust*, executor-beneficiary, solicitor-client, agent-principal, director-corporation, and guardian-ward or parent-child: *Professional Institute* at para 115; *Alberta v Elder Advocates of Alberta Society*, 2011 SCC 24 at para 33.

[129] An employee is not typically a fiduciary to their employer; however, employees can be *ad hoc* fiduciaries: *Garbage King Inc v Voth*, 2025 ABKB 661 at para 30.

[130] For an *ad hoc* fiduciary duty to arise, the claimant must show, in addition to the vulnerability arising from the relationship as described by Wilson J (dissenting) in *Frame v Smith*, 1987 CanLII 74 (SCC), [1987] 2 SCR 99 at 136, (1) an undertaking by the alleged fiduciary to act in the best interests of the alleged beneficiary or beneficiaries; (2) a defined person or class of persons vulnerable to the fiduciary’s control; (3) a legal or substantial practical interest of the beneficiaries that stands to be adversely affected by the alleged fiduciary’s exercise of discretion or control: *Elder Advocates* at para 36; *Williams Lake Indian Band v Canada (Aboriginal Affairs and Northern Development)*, 2018 SCC 4 at para 162 (Brown J in dissent); *Manitoba Métis Federation Inc v Canada (Attorney General)*, 2013 SCC 14 at para 50; *Breen v Foremost Industries Ltd*, 2023 ABKB 552 at para 385.

[131] In *Abt Estate v Cold Lake Industrial Park GP Ltd*, 2019 ABCA 16 at para 73 and *HRC Tool & Die Mfg Ltd v Naderi*, 2016 ABCA 334 at para 6, leave to appeal to SCC refused, 37374 (6 April 2017), the Alberta Court of Appeal has described the *ad hoc* fiduciary relationship test this way:

- (a) the fiduciary has scope for the exercise of some discretion or power;
- (b) the fiduciary can unilaterally exercise that power or discretion so as to affect the beneficiary’s legal or practical interests;
- (c) the beneficiary is peculiarly vulnerable to, or at the mercy of, the fiduciary holding the discretion or power; and

- (d) the existence of an undertaking by the alleged fiduciary to act in the best interests of the alleged beneficiary or beneficiaries.

[132] Mere vulnerability or reliance is not sufficient to create a fiduciary relationship: *Elder Advocates* at para 28; *Abt Estate* at para 73.

[133] Fiduciary obligations are usually limited to “key employees” and/or senior or executive management: *People Corporation v 2578649 Alberta Ltd (Quinn Advisory Group)*, 2024 ABKB 711 at para 96. Further, “[a] fiduciary employee usually makes important management decisions and plays a key role in the employer’s business”: *ServiceMaster of Canada Limited v Meyer*, 2019 ABCA 130 at para 136, citing *BrettYoung Seeds Ltd Partnership v Dyck*, 2013 ABQB 319 at para 95; *People Corporation* at para 96.

[134] Ultimately, “whether an employee owes fiduciary obligations is a fact specific determination, assessed on a case by case basis”: *Flag Works Inc v Sign Craft Digital (1978) Inc*, 2007 ABQB 434 at para 31. The scope of an employer’s vulnerability depends on the substance of the employee’s actual authority or control over the employer’s operations based on a functional analysis, not job titles or descriptions, or whether the employee is a good or valuable employee: *Garbage King Inc* at paras 38-39; *RBC Dominion Securities Inc v Merrill Lynch Canada Inc*, 2008 SCC 54 at para 50; *People Corporation* at para 96; *Southwest Design & Construction Ltd v Janssens*, 2024 ABKB 502 at para 20; *1731271 Alberta Inc v Reimer*, 2024 ABKB 446 at para 30; *Jetco Heavy Duty Lighting v Fonteyne*, 2018 ABQB 345 at para 58; *Questor Technology Inc v Stagg*, 2020 ABQB 3 at para 63; *Flag Works* at para 47.

[135] As per Mah J in *1731271 Alberta* at para 31:

The key concept in these cases is that the employer’s vulnerability is created by the employee’s ability to exercise unilateral power or discretion so as to affect the employer’s legal or practical interests. The critical question is whether the employee has “actual authority or control over the employer’s operation” (*RBC* at para 50) or “is imbued with discretion or control” (*Firemaster Oilfield Services Ltd v Safety Boss (Canada) (1993) Ltd*, 2000 ABQB 929] at para 42).

[136] On the record before me, I find that Cantak has established a strong *prima facie* case that Haderer was a fiduciary employee, at least as it related to sourcing and ordering pipe from suppliers or distributors, including BRC. He had unilateral authority to make that decision and to bind Cantak and/or adversely affect its practical interests. Further, as the employee with the most experience in OCTG pipe, his recommendations were heavily relied on and rarely (if ever) not followed when Cantak authorized payment of the order.

[137] With respect to a fiduciary’s obligations, “generally speaking, a fiduciary is required to act in the best interests of the person on whose behalf it is acting, to avoid all conflicts of interest, and to strictly account for all property held or administered on behalf of that person”: *Manitoba Métis Federation* at para 47, citing *Lac Minerals Ltd v International Corona Resources*, 1989 CanLII 34 (SCC), [1989] 2 SCR 574 at 646–47.

[138] Cantak has established a strong *prima facie* case of breach of fiduciary duty against Haderer based on his involvement in arranging for Cantak to purchase OCTG pipe from BRC while in a conflict of interest.

[139] The next question is the strength of the related “knowing assistance” and “knowing receipt” claims against Sandeman.

[140] The elements of a knowing assistance claim have been settled by the Supreme Court of Canada in *Christine DeJong Medicine Professional Corp v DBDC Spadina Ltd*, 2019 SCC 30, through the Court’s unanimous adoption of the dissenting reasons of van Rensburg JA in *DBDC Spadina Ltd v Walton*, 2018 ONCA 60 [*DBDC Spadina*]. The elements are set out in *DBDC Spadina* at para 211:

[211] The elements of knowing assistance in a breach of fiduciary duty were described by this court in *Harris v. Leikin*, at para. 8, as: (1) a fiduciary duty; (2) a fraudulent and dishonest breach of the duty by the fiduciary; (3) actual knowledge by the stranger to the fiduciary relationship of both the fiduciary relationship and the fiduciary’s fraudulent and dishonest conduct; and (4) participation by or assistance of the stranger in the fiduciary’s fraudulent and dishonest conduct.

[141] In *Paul First Nation v K & R 2014 Inc*, 2021 ABQB 32 at paras 71-73, Feth J (as he then was) set out that the knowledge component of the third element can be established through actual knowledge, or if the defendant was wilfully blind or reckless, citing *Gold v Rosenberg*, 1997 CanLII 333 (SCC) at para 32 (in dissent but not on these points) and *Citadel General Assurance Co v Lloyds Bank Canada*, 1997 CanLII 334 (SCC) at paras 22-23, among other cases.

[142] Liability based on “knowing receipt” is established where strangers to a trust receive or apply trust property taken by another in breach of trust for the stranger’s own use or benefit: *Citadel* at para 25. “Knowing receipt” has a lower threshold of knowledge (constructive knowledge will suffice), because more is expected of the recipient who is necessarily enriched at the plaintiff’s expense: *Citadel* at para 48. Knowledge can be based on any one of: actual knowledge; shutting one’s eyes to the obvious; wilfully and recklessly failing to make the inquiries an honest and reasonable person would make; knowledge of circumstances which would indicate the facts to an honest and reasonable person or would put that person on inquiry: *Paul First Nation* at para 76, citing *Gold* at para 74 and *Eaton v HMS Financial Inc*, 2010 ABQB 635 at para 28.

[143] I have already found a strong *prima facie* case of breach of fiduciary duty. There is strong evidence that Haderer dishonestly concealed Sandeman’s involvement and his conflict of interest from Cantak. On the record before me, there is a strong inference that Sandeman had actual, or at least constructive, knowledge of Haderer’s conflict of interest and concealment, and that she assisted Haderer and benefitted personally by receiving payments from BRC (some of which she kept for herself and some of which she shared with Haderer). Sandeman’s attempted explanation of the significant payments from BRC as being her director compensation is weak and unpersuasive on this record. There is a strong *prima facie* case of one or both of knowing assistance and knowing receipt against Sandeman.

6. Other Claims

[144] As I have found a strong *prima facie* case on several claims, I need not consider Cantak’s other claims for the purposes of this Application.

B. Has Cantak Met the Requirement for an Attachment Order?

[145] Section 17(2) of the *CEA* provides that a court may grant an attachment order if it is satisfied that: (i) there is a reasonable likelihood the claimant’s claim will be established; and (ii) there are reasonable grounds for believing the defendant is dealing with or is likely to deal with its property other than for the purpose of meeting its reasonable and ordinary business or living expenses and in a way that is likely to seriously hinder the claimant in enforcing judgment against the defendant: *Qualex-Landmark Towers* at para 17.

[146] I recently summarized the legal framework for an attachment order under section 17 of the *CEA* in *Distinct Real Estate* at paras 72-76, and I incorporate those paragraphs here. Distilled down: an attachment order is a powerful statutory pre-judgment remedy that can be used to restrict a defendant’s dealings with their exigible property (*CEA* section 17(3)); it is not granted lightly; the burden is on the applicant to show the required elements set out in section 17(2) of the *CEA*; the applicant must undertake to pay any damages or indemnity required by the Court (*CEA* section 17(4)); and the Court’s statutory powers have limits to ensure the attachment order is tailored to what is necessary and is not overbroad (*CEA* sections 17(5)-(6)).

1. Is There a Reasonable Likelihood that a Claim Against the Personal Defendants Will be Established?

[147] I have already found that the requirement of section 17(2)(a) of the *CEA* is met: “there is a reasonable likelihood” that Cantak’s claims against both Haderer and Sandeman will be established.

2. Are there Reasonable Grounds to Believe the Personal Defendants are Dealing with their Exigible Property as Contemplated in Section 17(2)(b) of the *CEA*?

[148] Section 17(2)(b) is a “rigorous and specific” requirement, and requires “solid evidence”, not merely the applicant’s belief: *Distinct Real Estate* at para 97, citing *Athabasca Minerals Inc v Syncrude Canada Ltd*, 2017 ABQB 47 at para 129; *GEMBA LLC v Nixious Investments Inc*, 2014 ABQB 197 at para 44; *Welcome Ford Sales Limited v Hellec*, 2011 ABQB 753 at paras 39-40; *1498587 Alberta Inc v Devani*, 2012 ABQB 324 at para 35 [*Devani*]; *Ridge Development Corporation v Crestwood Condominiums Inc*, 2008 ABQB 599 at para 34; *Edmonton Region Community Board for Persons with Developmental Disabilities v Pearl Villa Homes Ltd*, 2003 ABQB 1026 at para 29; *First Mortgage Fund (V) Inc (Receiver-Manager of) v Boychuk*, 2003 ABQB 217 at para 30.

[149] As summarized in *Distinct Real Estate* at para 98:

[98] When assessing this part of the *CEA* test, the Court may look to various non-exhaustive factors, including:

- (a) the timing of the creation of debts by the defendant;
- (b) whether the debts were created out of the ordinary course of business;

- (c) whether assets have disappeared;
- (d) whether assets have been sold to non arms-length parties for less than market value;
- (e) whether the value of the defendant's exigible assets greatly exceeds the sum of the plaintiff's claims;
- (f) unexplained transfers of funds;
- (g) hidden bank accounts;
- (h) liquidation of real property or investments; and
- (i) attempts to move assets outside Alberta

See: *Kleiman* at para 49, citing *Edmonton Region Community Board* at para 28; *Welcome Ford Sales* at paras 42-43; *Devani* at para 38; *Simonelli v Ayrton Developments Inc*, 2010 ABQB 565 at para 156.

a. Otherwise than for the Purpose of Meeting Their Reasonable and Ordinary Living Expenses?

[150] There is no evidence that the Personal Defendants operate a business, so the issue is whether there are reasonable grounds to believe that they have been using or are likely to use their exigible assets otherwise than for the purpose of meeting their reasonable and ordinary living expenses.

[151] Cantak asserts that the Personal Defendants' spending on living expenses as well as legal fees has been unreasonable since the Action was filed. Both aspects are hotly contested. I find that I do not need to decide whether past legal fee expenses were unreasonable to decide whether Cantak has met this element of the test. The Personal Defendants' personal spending is sufficient.

[152] "Expenses" must be read broadly, not technically, and may include useful or necessary legitimate investments, dividends, deposits or security: *Cho* at para 17.

[153] Further, it is an objective-subjective test: whether a defendant is dealing with their assets otherwise than for the purpose of meeting the defendant's reasonable and ordinary business or living expenses is a question of fact based on determining the usual or regular type of transactions engaged in by people in the defendant's business or, I would add, the defendant's personal situation: *Stone Sapphire Ltd v Transglobal Communication Group Inc*, 2008 ABQB 575 at para 49; *1482221 Alberta Ltd v Haney Farms (1985) Ltd*, 2009 ABQB 760 at para 49 [*Haney Farms*].

[154] In the normal course, a defendant is entitled to maintain the same standard of living the family maintained prior to the attachment order or injunction: *Canadian Imperial Bank of Commerce v Credit Valley Institute of Business and Technology*, 2003 CanLII 12916 (ONSC) at para 40 [*Credit Valley*]; *Kiosk Design Inc v El-Riffaey*, 2025 ONSC 6651 at para 19; *Metalworks Canada Ltd v Warrack*, 2014 ABCA 389 at para 30. Thus, a family's past standard of living and related spending informs the determination of reasonable and ordinary living expenses. The

Personal Defendants rely heavily on this principle. However, this principle has at least two limits engaged in this case.

[155] First, courts must be mindful of whether the past standard of living was enabled by the very wrongdoing alleged in the action. “Luxuries that are affordable only because of monies wrongfully obtained from the plaintiff should not be counted as part of the normal standard of living”: *Credit Valley* at para 40; *Marlowe et al v Barlas et al*, 2025 NWTSC 3 at para 41. Further, a defendant should provide evidence of the standard of living before the alleged wrongdoing, failing which the Court may limit what is a reasonable and ordinary living expense: *Credit Valley* at para 40.

[156] Second, reasonable and ordinary expenses cannot be viewed in a vacuum. The determination of reasonable and ordinary living expense under the *CEA* must be viewed in light of the object and purpose of the *CEA*, which is to allow for “pre-judgment action” and to give “workable remedies” against debtors to avoid the unreasonable hindrance of future judgment enforcement pending trial: *Campbell v Paradise Petroleums Ltd*, 2019 ABCA 410 at para 32; *Phan v Lee*, 2005 ABCA 142 at para 44.

[157] In my view, to further the purpose of the *CEA*, the defendant’s overall financial situation, including the defendant’s financial means, needs and circumstances must be considered in appropriate cases. For example, in my view, whether personal spending is reasonable and ordinary must be calibrated against the defendant’s personal income and cash available from other sources. As with any person, all else equal, a defendant with less monthly cash inflow can more reasonably spend more, and a defendant with less cash inflow can reasonably spend less. Decisions to maintain spending by drawing down on capital assets or savings must be carefully considered in assessing whether spending is reasonable and ordinary.

[158] Like in *Credit Valley*, the Personal Defendants have not adduced specific evidence about their standard of living or their spending habits before Sandeman became a director of BRC Tubular and began receiving money from BRC in 2016.

[159] The best evidence, excluding the BRC payments made to Sandeman related to her directorship, is that Haderer’s employment income was approximately \$255,000 in 2016, and Sandeman’s employment salary BRC was \$31,200 per year. Haderer’s income fluctuated and peaked in 2022 at approximately \$486,000. Using that high-water mark, the parties would have had joint employment income ranging from about \$286,000⁹ (or about \$23,000 per month before tax) to about \$517,000¹⁰ (or \$43,000 per month before tax), excluding the payments to Sandeman attributed to her directorship. But that all ended in 2022.

[160] Neither Haderer nor Sandeman have had any material employment income since the Action was commenced in December 2022, over three years ago. As noted earlier, their sources of monthly cash include Condo rent (\$2,200), child support (\$446), CTB (\$901) and, since April 2025, Haderer’s CPP (\$973). Haderer’s mother receives about \$1,900 per month, but it is unclear what amount she may contribute. The Personal Defendants did not adduce or quantify any monthly investment income available.

⁹ \$255,000 plus \$31,200.

¹⁰ \$486,000 plus \$31,200.

[161] As of December 2022, Sandeman had built up her RRSP (approximately \$189,000), a TFSA (approximately \$34,000) and an investment account (approximately \$844,000), all of which appear to have been reasonably traceable to funds paid to her by BRC. Haderer had an RRSP (approximately \$500,000), an RESP (approximately \$19,000), a TFSA (approximately \$47,000), a small self-directed RSP (\$1,000) and life insurance policy investments (approximately \$130,000). Together, these collective assets were significant (over at least \$1.7 million).

[162] By December 2025, it appears that the Personal Defendants had liquidated and spent all of those assets other than Haderer's small self-directed RSP and his RRSP. As of November 25, 2025, Haderer deposed that these few remaining assets were then worth approximately \$700,000. It is undisputed that there was significant spending during this time when the Personal Defendants were earning no employment income. Much of the Personal Defendants' available assets are now gone.

[163] As of November 2025, approximately \$615,000 of the Personal Defendants' spending was for legal fees related to the Action. However, the non-legal fee spending was also significant. The Personal Defendants' brief, at paras 54-59, is illustrative. After deducting amounts paid to Haderer's adult daughter for university (\$30,000), mortgage payments for the Home (approximately \$100,000), the payment of Haderer's cost award (approximately \$57,000), and amounts paid to Haderer's insurance company (approximately \$23,000), the Personal Defendants calculate their *other* family spending at approximately \$19,300 per month from December 2022 to July 2025.

[164] On the record before me, I disagree that the Personal Defendants' spending on living expenses was reasonable post-Action. At a macro level, non-legal fee monthly spending of this excessive magnitude, in the context of their limited monthly cash inflows, was not sustainable or reasonable. A review of credit card statements supports this conclusion. As just one example, based on Sandeman's CIBC credit card summaries for *one* of her credit cards, for purchases categorized by CIBC as "Restaurants", in 2022 Sandeman spent \$31,174 (684 transactions)¹¹, in 2023 Sandeman spent \$22,521.74 (709 transactions)¹², in 2024 Sandeman spent \$33,491.73 (859 transactions),¹³ and in 2025 (up to October 19) Sandeman spent \$29,972.96 (890 transactions).¹⁴ Using 2025 as an example, the restaurant spending averaged over \$3,000 per month,¹⁵ averaging multiple restaurant transactions per day. That spending alone would have significantly exhausted the family's available monthly cash inflows. This is before their significant travel expenses (some of which came after AJ Prowse's finding of a strong *prima facie* case of bribery). With the greatest of respect, this is not spending on "reasonable and ordinary" living expenses in the circumstances.

[165] I find that Cantak has established that, since the Action was filed, the Personal Defendants have been spending their assets other than for their "reasonable and ordinary" living expenses. There are reasonable grounds to believe that the Personal Defendants have been dealing, are dealing, and are likely to deal with their exigible property (including monies likely to be taken out of Haderer's RRSP) other than for reasonable and ordinary living expenses.

¹¹ Up to December 20, 2022. Sandeman Undertaking Responses to December 1, 2025 Questioning, PDF page 14.

¹² Up to December 19, 2023. Sandeman Undertaking Responses to December 1, 2025 Questioning, PDF page 103.

¹³ Up to December 19, 2024. Sandeman Undertaking Responses to December 1, 2025 Questioning, PDF page 201.

¹⁴ Up to October 19, 2025. Sandeman Undertaking Responses to December 1, 2025 Questioning, PDF page 295.

¹⁵ Based on \$29,972.96 over 9.61 months (based on 9 months plus 19/31 (.61) of a month for October).

[166] This element of the test is met.

b. In a Manner That Would be Likely to Seriously Hinder Judgment Enforcement Against the Personal Defendants?

[167] The spending or use of assets must involve a “serious hindrance” based on a serious examination of the defendant’s situation: *Cho* at para 17; *Simonelli* at para 159; *Haney Farms* at para 58.

[168] I find that Cantak has established this element of the test. I find that without court intervention it is likely that by the time this matter gets to trial the Personal Defendants will have exhausted all of the assets available to them. I reach this conclusion for several reasons.

[169] Upon the Action being commenced, Sandeman moved money into a new account and wrote and held a bank draft to avoid funds being frozen. She did not disclose all of her bank accounts until well into the conduct of the Action. There may still be unknown bank accounts.

[170] Further, the Personal Defendants have not adjusted their spending to reflect their new financial reality. They have an unrealistic and unreasonable view on what constitutes reasonable personal spending in their financial circumstances, as reflected in their position on the Application. I note that they do not appear to have curtailed their spending even after AJ Prowse found a strong *prima facie* case of bribery. Nor did they provide any evidence on the Application of any inclination or intention on their part to reduce their spending, which they continue to assert is reasonable. I take from the evidence and their position that they intend to continue to spend as they have for the past three years.

[171] During this period of high spending, the Personal Defendants have not obtained new employment when they are both capable of working and are not yet of retirement age. Haderer’s minimal effort in seeking employment is particularly telling. He upped his job search effort briefly following AJ Prowse’s decision, but then stopped applying for jobs altogether after April 2025. It can be inferred from his conduct that, if an order is not granted, he does not intend to seriously pursue employment. Therefore, it is likely the Personal Defendants will continue to have a significant monthly shortfall between their available cash and their personal spending. There will likely be rapid deterioration of Haderer’s RRSP.

[172] It is also notable that, during the post-Action period, the Personal Defendants chose to leave Haderer’s RRSP as the last fund to liquidate to cover their monthly spending shortfall. Haderer’s RRSP happens to be their main non-real property asset that is clearly not traceable to payments from BRC to Sandeman. The Personal Defendants’ arguments as to why this may have been a reasonable approach are not persuasive in these circumstances.

[173] Further, a failure to comply with disclosure obligations can support an inference that a defendant will likely use assets so as to hinder judgment enforcement: *Kleiman* at paras 53-55; *Qualex-Landmark Investments Inc v Soroya*, 2009 ABQB 689 at paras 21-22. The Personal Defendants have taken the position (right up to and including at the Application) that their credit card statements (and therefore their spending) are not relevant and material. In my view, the Personal Defendants unreasonably delayed voluntary production of records relevant and material to the potential remedy and the tracing of the flow of the BRC funds paid to Sandeman (although, for its part, Cantak could have made its requests clearer earlier in the process); *Leahy* at para 119;

Mustard v Brache, 2006 ABCA 265 at para 20; *Yellowstone Property Consultants Corp v Abusalim*, 2008 ABCA 348 at paras 13-15; *Talisman Energy Inc v Flo-Dynamics Systems Inc*, 2015 ABQB 100 at paras 30-32. Had the Personal Defendants earlier disclosed specifically where the BRC payments were going, for what they were being used, and the quantum of that use, it would have become obvious much sooner that assets were being spent at an alarming and unsustainable rate.

[174] In all the circumstances, on the record before me, I find that the Personal Defendants' approach has been to use the fruits of the BRC payments received by Sandeman to maintain an inflated and unreasonably high standard of living in all the circumstances.

[175] Finally, some or all of the requirements of section 17(2)(b) of the *CEA* can sometimes be inferred, including where allegations of dishonesty, fraud, conversion or breach of trust are determined to have a reasonable foundation: *Distinct Real Estate* at para 119 (and cases cited therein); *1964769 Alberta Ltd v Eltayeb*, 2025 ABKB 173 at para 91 [*Eltayeb*]. There is sufficient evidence of dishonesty to support an inference that the requirements of section 17(2)(b) are met. However, this element of the test would be met even without this inference.

[176] This element of the test is established.

3. Conclusion re Attachment Order

[177] I find that Cantak has met the requirements to justify an attachment order.

C. Has Cantak Met the Requirements for a *Mareva* Injunction?

1. Legal Framework for *Mareva* Injunction

[178] Authority to order a *Mareva* injunction derives from the Court's equitable jurisdiction to grant injunctive relief pursuant to the *Judicature Act*, RSA 2000, c J-2, section 13(2): *Athabasca Minerals* at para 134; *1007374 Alberta Ltd v Ruggieri*, 2013 ABQB 420 at para 23.

[179] To obtain a *Mareva* injunction, the applicant must meet certain procedural requirements and must show, among other things, a strong *prima facie* case for success at trial and a real or genuine risk that the respondent will remove assets from the jurisdiction or dissipate them to avoid judgment execution: *Lloyd Gardens* at para 5, citing *Cho* at para 5; *Secure 2013 Group* at para 67; *Aetna Financial Services v Feigelman*, 1985 CanLII 55 (SCC) at para 26; *Google Inc v Equustek Solutions Inc*, 2017 SCC 34 at para 33.

[180] This Court has summarized the procedural and substantive requirements for a *Mareva* injunction as requiring the applicant to establish or provide:

- (a) a strong *prima facie* case on the merits;
- (b) some grounds for believing the defendant has assets in the jurisdiction;
- (c) a real risk that the defendant is about to remove assets to avoid a judgment or is otherwise disposing of assets out of the ordinary course so as to render a future tracing impossible or remote;

- (d) irreparable harm to the applicant if relief is not granted;
- (e) the balance of convenience favours granting the injunction pending trial; and
- (f) the applicant's undertaking as to damages.

See: *Piteau v Drinkwater*, 2025 ABKB 252 at para 45; *Eltayeb* at para 78 and *Henenghaixin Corp v Deng*, 2021 ABQB 168 at para 6, rev'd in part 2022 ABCA 271, both citing *Chitel v Rothbart*, 1982 CanLII 1956 (ONCA), *Cho* and *Secure 2013 Group; Athabasca Minerals* at para 148.

[181] I address these elements below.

2. Is there a Strong *Prima Facie* Case against the Personal Defendants?

[182] I have already concluded that there is a strong *prima facie* case against both Haderer and Sandeman.

3. Do the Personal Defendants Have Assets in the Jurisdiction?

[183] The Personal Defendants have assets in the jurisdiction, including (at least) the Home, the Condo, Haderer's RRSP and some vehicles.

4. Is There a Real Risk of Removal or Dissipation of Assets?

[184] There is no evidence to suggest that the Personal Defendants intend to move assets outside Alberta. However, based on my findings above in relation to section 17(2)(b) of the *CEA*, I am satisfied that there is a real risk that the Personal Defendants intend to and will continue their excessive spending so as to avoid them being executed upon after trial. I find that this will likely result in significant dissipation of assets that will frustrate judgment execution.

5. Irreparable Harm?

[185] For the same reason as the previous paragraph, I find that Cantak has established it will suffer irreparable harm if an order is not granted.

[186] The Condo and the Home currently have CLPs registered against them. The best evidence I currently have is that the Condo's equity is approximately \$187,000¹⁶ and the Home's available equity is approximately \$470,000¹⁷, for a total of \$697,000. This equity is significantly less than Cantak's strong *prima facie* claims against the Personal Defendants.

[187] As acknowledged by the Personal Defendants, any trial in this Action will not be for many months. In the circumstances, I find that it is likely that, without court intervention, the Personal Defendants' spending will likely liquidate Haderer's RRSP long before trial, rendering any judgment nugatory. This constitutes irreparable harm in this case: *Henenghaixin Corp* at paras

¹⁶ Based on tax assessment value of \$449,000 and mortgage balance of \$262,000.

¹⁷ Based on tax assessment value of \$936,000, less the mortgage balance of \$426,000 and a principal residence exemption of \$40,000 under section 37(1)(e) of the *Civil Enforcement Regulation*, Alta Reg 276/1995 (*CEA Regulation*).

69-72 (and cases cited therein); *Ice District Development Partnership v Hahn*, 2020 ABQB 786 at paras 48-51.

6. Balance of Convenience?

[188] In all the circumstances, I find the balance of convenience favours granting a *Mareva* injunction. Cantak has a strong *prima facie* case. Since the Action was filed, the Personal Defendants moved money to new bank accounts, attempted to protect assets from execution, delayed giving full disclosure, and engaged in unreasonable and excessive personal spending of all (or almost all) non-real property assets that were easily traceable to the Alleged Scheme (as well as other assets), while at the same time not gaining employment when having the capacity to do so. Any potential prejudice or hardship to the Personal Defendants, at this stage, can be addressed by the scope of the injunction and possible exceptions to allow for spending for their reasonable living expenses and legal fees (something that Cantak itself proposed).

[189] I find that Cantak has brought the application in good faith and has taken a reasonable position to allow for some reasonable spending. The factor militating against Cantak is its lengthy delay in bringing the Application. Cantak argues that there was no evidence of dissipation until more recently due to the Personal Defendants' unreasonable position and approach to records disclosure. I find that Cantak could have and probably should have started this process earlier and, had it done so, it likely could have preserved more assets than are currently available. However, this delay benefitted the Personal Defendants. Cantak's delay caused no prejudice to the Personal Defendants given their position now, it is likely they would have opposed the application if it had been brought earlier. Cantak's delay does not, in this case, outweigh the other factors supporting injunctive relief.

7. Undertaking?

[190] Cantak has provided its damages undertaking.

8. Conclusion re *Mareva* Injunction

[191] Cantak has met the test for a *Mareva* injunction.

D. What is an Appropriate Order?

[192] Since *Secure 2013 Group*, our Court has published a "Mareva Injunction Attachment Order Template" form of order: <https://albertacourts.ca/kb/areas-of-law/commercial/templates-and-forms>. This form of order was used as the basis for the Application, with some modifications. In this case, the template form of order is appropriate, founded both under statute (as an attachment order under the *CEA*) as well as in equity (as a *Mareva* injunction). Under both these bases, it is at this stage I must consider the scope of the order so it is not overbroad and does not unnecessarily or unreasonably impinge on the Personal Defendants' freedom to access and spend their assets, recognizing that the matter has not been finally determined at trial.

[193] The main issues between the parties are the quantum and mechanics for the treatment of the Personal Defendants' monthly income or available cash, spending on living expenses and legal fees, and additional provisions for the further discovery of the Personal Defendants' assets. These matters are addressed below.

1. Creation of an Unrestrained Operating Account

[194] As noted, the Personal Defendants currently do not work or have employment income, but they may in the future, and Cantak agrees that this income should be available to be used to fund their living expenses and legal fees. Further, they have the other sources of cash previously noted (Condo rent, child support, CTB, Haderer's CPP, and likely from Haderer's mother).

[195] It is not uncommon for the Court to approve the creation of a separate bank account to facilitate the deposit of exempted or unrestrained income or other funds as they come in, and from which the payment of appropriate or approved expenses can be made: *Credit Valley* at para 38; *Ainsworth Management Services Inc v Hadweh et al*, 2025 ONSC 1276 at para 63; *Wayne Safety* at para 120.

[196] Given the Personal Defendants' numerous sources or potential sources of monthly funds, I find that to be an appropriate step in this case. The Personal Defendants shall forthwith set up a bank account, ideally but not necessarily with CIBC (**Operating Account**), into which their future employment income (if any), Condo rent, child support, CTB, CPP, monies contributed by Haderer's mother to the family expenses, or any such other amounts agreed to by Cantak, shall be deposited. The Operating Account shall not be restrained or attached without further order. The Personal Defendants shall provide the particulars of the Operating Account to Cantak's counsel and Cantak shall be provided copies of monthly statements immediately upon their issuance.

[197] The Personal Defendants shall be permitted to make payments from the Operating Account for their reasonable and ordinary living expenses (as discussed below), as otherwise approved by the Court, or as agreed in writing by Cantak.

2. Allowance to Use Restrained Assets

[198] On the record before me, the Personal Defendants' main remaining assets are the Condo, the Home and Haderer's RRSP. At this time, only the Home appears readily traceable to BRC funds over which Cantak has a proprietary claim, although Cantak may yet prove other assets are traceable. However, Cantak acknowledges that Haderer's RRSP is not traceable to BRC funds but rather to Haderer's legitimate Cantak employment income.

[199] Cantak's position is that the Personal Defendants should be entitled to withdraw \$25,500 from Haderer's RRSP to fund three months of net living expenses (based on \$8,500 per month, arrived at after accounting for existing sources of available monthly funds), plus \$50,000 paid to their legal counsel as an initial retainer for future legal costs incurred in the Action. The Personal Defendants argue that Haderer's RRSP should be exempt from the order and available to pay the Personal Defendants' living and legal expenses. They further argue that Cantak's proposal is "unrealistic and cruel".

a. Legal Framework for Allowances from Frozen/Restrained Assets

[200] Attachment orders and *Mareva* injunctions are often obtained *ex parte* and freeze of all assets. Defendants often then apply to vary the order so they may have access to assets to pay living and legal expenses. In the unique circumstances of this case, the Application was brought on notice well into the conduct of the Action. I find that the same legal framework applicable to

an application to vary an *ex parte* order to allow the use of funds is applicable here, where the need for attachment or *Mareva* relief is established, adjusted as necessary to apply to an initial application made on notice.

[201] In the context of *Mareva* injunctions, Alberta courts have adopted the test for determining when to permit payments out of frozen or restrained assets, as set out in *Credit Valley: Eltayeb* at para 11; *Simonelli* at paras 101-102; *Toronto Dominion Bank v Jaikaran*, 2004 ABQB 297, 2004 CarswellAlta 1884 at para 5 [*Jaikaran*].¹⁸

[202] At one time, it was not clear whether it was appropriate to apply the *Credit Valley* test in the context of attachment orders: *Metalworks* at para 25. However, since then, *Credit Valley* has been applied in the context of attachment orders: *Silverado Oilfield Ventures Ltd v Davidson*, 2015 ABQB 39, rev'd in part 2015 ABCA 156; *Gemba Fund One LLC v Tolosa Development Corp*, 2016 ABCA 241 at para 7 [*Gemba Fund*].

[203] Section 17(3)(g) of the *CEA* provides the court broad discretion to include any “term, condition or ancillary provision that the Court considers necessary or desirable”. In my view, there is nothing improper for a court to apply the *Credit Valley* framework in the context of the exercise of its discretion in crafting the terms of an attachment order. This is particularly so where the parties agree it is the appropriate test: *Metalworks* at para 25. Here, both parties argued based on the *Credit Valley* framework, and I find it is an appropriate framework to use in exercising my discretion in this case.

[204] The four part *Credit Valley* test is:

- (i) Has the defendant established on the evidence that they have no other assets available to pay their expenses other than those frozen by the injunction?
- (ii) If so, has the defendant shown on the evidence that there are assets caught by the injunction that are from a source other than the plaintiff, i.e. assets that are subject to a *Mareva* injunction, but not a proprietary claim?
- (iii) The defendant is entitled to the use of non-proprietary assets frozen by the *Mareva* injunction to pay their reasonable living expenses, debts and legal costs. Those assets must be exhausted before the defendant is entitled to look to the assets subject to the proprietary claim.
- (iv) If the defendant has met the previous three tests and still requires funds for legitimate living expenses and to fund their defence, the court must balance the competing interests of the plaintiff in not permitting the defendant to use the plaintiff's money for their own purposes and of the defendant in ensuring that they have a proper opportunity to present their defence before assets in their name are removed from them without a trial. In weighing the interests of the parties, it is relevant for the court to consider the strength of the plaintiff's case, as well as the extent to which the defendant has put forward an arguable case to rebut the plaintiff's claim.

¹⁸ Although cited as 2004 ABQB 297, this citation for *Jaikaran* does not appear to be available on CanLII.

[205] I turn to these elements.

b. Have the Personal Defendants Established They Have No Other Assets Available to Pay Expenses?

[206] Once assets are restrained (or, as in this case, have been found to be appropriately restrained), the onus is on the defendant to show it has no other assets available, other than the restrained (or to-be restrained) assets, to pay their reasonable and ordinary expenses and/or legal fees: *Marlowe* at paras 24, 38, citing *Waxman v Waxman*, 2007 ONCA 326 at para 39; *Wayne Safety Inc v Gendelman et al*, 2024 ONSC 1642 at para 16; *Li v Hendren*, 2021 ONSC 1692 at para 31; *HMQ v Madan*, 2020 ONSC 8093 at para 16 [*Madan*].

[207] A defendant seeking to use restrained assets is expected to be candid in their financial disclosure: *Marlowe* at para 36; *The Regional Municipality of Peel v Dualeh et al*, 2025 ONSC 4389 at para 23; *Riar v Khudal*, 2023 ONSC 4529 at para 36; *Trade Capital v Peter Cook*, 2015 ONSC 7776 at paras 41, 48; *Wayne Safety* at para 17; *Madan* at paras 16-19. Courts will have a “very healthy scepticism” about unsupported assertions by a defendant about the absence of assets: *United States Securities and Exchange Commission v Friesen*, 2025 BCCA 109 at paras 37, 55, 88 [*SEC CA*].

[208] Failure to provide full and frank evidence can lead to an inability to meet the burden, an adverse inference, or may itself disentitle the defendant to relief: *Marlowe* at para 31, citing *Waxman* at para 43; *Wayne Safety* at paras 18-19; *Royal Bank v Welton*, 2009 CanLII 46165 (ONSC) at para 35 [*Welton*]; *Li* at paras 37-38; *International Offtake Corporation v Incryptex Ltd*, 2017 ONSC 7537 at para 43; *Riar* at para 37-38; *Mining Technologies International, Inc v Krako Inc*, 2013 ONSC 7280 at paras 215-216.

[209] A defendant should provide disclosure and evidence about what exactly it seeks the funds for and why: *Marlowe* at para 36; *Wayne Safety* at paras 30, 82. In my view, if the use of the funds is for reasonable and ordinary living expenses, there should be some evidence of what those reasonable and ordinary living expenses are expected to be. Similarly, if the use of the funds is for legal expenses, there should be some evidence of what the expected legal expenses will be. Without that information, in some cases the Court may not be able to reasonably assess whether the defendant should have access to unrestrained funds available to pay those expenses.

[210] Cases have expressly or impliedly considered other available sources of funds from which to fund proposed expenses, including:

- (a) the defendant’s available unrestrained income: *Sakab Saudi Holding Co v Al Jabri*, 2025 ONSC 1955 at para 28; *Madan* at paras 24, 26; *Wayne Safety* at paras 45, 82, 103-107; *Riar* at paras 98, 103; *Li* at paras 32-38; *Welton* at paras 15-17;
- (b) potentially available funds from family or friends: *Waxman* at paras 38-45; *Kiosk Design* at para 22; *Wayne Safety* at para 19; *Welton* at para 27;
- (c) potentially available funds from related corporations or businesses: *Kroontje v Q Private Jets Limited Partnership*, 2015 ABCA 158 at paras 24-27; *Madan* at para 19, citing *International* at para 44; *Mining Technologies* at para 215; *Right Business Limited v Affluent Public Limited*, 2012 BCSC 1541 at para 34; and

- (d) potentially available funds available through other third parties: *Sakab Saudi* at para 40.

[211] There is some authority in British Columbia arguably to the effect that there is no requirement that a defendant adduce evidence of an inability to access funds from third party sources: *ICBC v Dragon Driving School Canada Ltd*, 2004 BCSC 1580 at paras 9, 10; *United States Security and Exchange Commission v Sharp*, 2024 BCSC 2208 at paras 34-40, aff'd 2025 BCCA 109 (*SEC CA*). This potential nuance is not engaged on the record before me, and I need not comment on it.

[212] The Personal Defendants have been reluctant, until more recently, to provide proactive disclosure of their post-Action assets and financial circumstances. In their most recent affidavits, and in their Brief, they effectively acknowledge that they have not yet provided full disclosure of all their assets, although they argue “there is essentially nothing left to provide” other than Haderer’s TFSA statement and Sandeman’s RRSP statements after September 2024. It is not clear to me that this is all the disclosure that remains outstanding.

[213] Further, the Personal Defendants consent to the swearing of a Form 13 and to a third party production order. However, agreeing to a third party production order is not the same as providing candid disclosure. The *Rules* mandate a self-discovery system for records in a party’s control, reliant on the good faith of parties and their counsel; a party cannot shirk its obligations and suggest that the other party can find the records themselves: *Demb v Valhalla Group Ltd*, 2017 ABCA 340 at paras 4-5; *H2 Canmore Apartments LP v Cormode & Dickson Construction Edmonton Ltd*, 2024 ABKB 424 at paras 42-45.

[214] The Personal Defendants have not provided evidence to what they assert are their reasonable and ordinary living expenses. This is likely because their position is that their living expenses since December 2022 have been reasonable. I have found otherwise.

[215] The Personal Defendants have also not provided any evidence of their expected legal expenses moving forward. They have incurred approximately \$615,000 over three years since the Action was commenced (approximately \$17,000 per month on average).

[216] Haderer deposed that, other than his RRSP, his vehicles, and his real property, he has no other substantial liquid financial assets. Although there has not yet been full disclosure, Sandeman does not appear to have many assets left in her name other than the Home. In her December 2025 undertaking responses, she provided post-Action credit card statements.

[217] Overall, I find that the Personal Defendants’ lack of candid disclosure and necessary evidence is sufficient to disentitle them to an allowance because they fail the first element of the *Credit Valley* test.

[218] However, given Cantak’s overall position (including that it proposes an allowance for living expenses and legal fees), and in case I am wrong, I will continue my analysis.

[219] As noted above, neither of the Personal Defendants have jobs or any current employment income. While they have the capacity to earn employment income (a matter I address later), that is not relevant at this stage of the analysis (at least for the attachment order): *Metalworks* at para 27.

[220] Further, as noted above, the Personal Defendants have not provided information about their reasonable and ordinary expenses.

[221] The Personal Defendants' current monthly sources of non-restrained funds are limited to Condo rent (\$2,200), child support (\$446), CTB (\$901) and CPP (\$973). Even if it is assumed that a material amount of the Mother's income is contributed to the family expenses, on any metric there is a significant monthly shortfall in available funds to pay living expenses and legal fees.

[222] Therefore, if it is assumed the Personal Defendants have provided sufficient disclosure, then they would meet the first element of the *Credit Valley* test.

c. Have the Personal Defendants Established That There are Assets That Are From a Source Other than Cantak?

[223] I need not proceed to consider this element of the *Credit Valley* test due to my conclusion above. However, again due to Cantak's position and in case I am wrong, I provide some brief analysis.

[224] As per *Marlowe* at para 47:

[47] The inquiry into whether the restrained assets are proprietary to the plaintiff or available for release by default involves a split burden of proof. It begins with the plaintiff having to make a *prima facie* showing that the frozen assets are rightfully their property: [*Metalworks*] at paras 40-41; *Credit Valley* at para 25. Once the plaintiff has satisfied this threshold, the onus shifts to the defendant to "put forward credible evidence that the funds are from a source other than the plaintiff": *Gemba Fund* at para 25; *Credit Valley* at para 25.

[225] Cantak concedes that Haderer's RRSP, although funded by Cantak, was from Haderer's ordinary employment compensation and is not traceable to the BRC payments to Sandeman over which Cantak claims a proprietary interest. Thus, it is not an asset over which Cantak asserts a proprietary claim.

[226] Haderer has owned the Condo since 2011, long before the BRC payments to Sandeman. Mortgage payments on the Condo have been paid out of Haderer's bank account. Some of the BRC funds paid to Sandeman were transferred to Haderer's bank account. The strength of Cantak's potential extent of a tracing claim to the Condo is unclear at this time.

[227] Cantak points to the fact that Sandeman and Haderer had other assets that were traceable to the BRC funds, but those assets have been preferentially spent by the Personal Defendants. Cantak argues that the Personal Defendants should not be rewarded for preferentially and rapidly dissipating BRC-traceable assets.

[228] It may be that, had the Application been brought earlier (and, in my view, there is no reason it could not have been brought much earlier in this Action), the Personal Defendants would have been required to access and spend other non-BRC traceable funds in priority to those assets over which Cantak has a strong *prima facie* proprietary claim. However, for the purposes of considering allowances to use restrained assets, attachment orders and *Mareva* injunctions are forward looking and based on the current evidence. As noted in *Trade Capital*, at para 21(c), it is an assessment of

the defendant's current financial situation, not what they had months ago. Further, in my view, it is not appropriate for the Court to elevate Cantak's claim to funds that may come out of Haderer's RRSP to the same status as those that are or were subject of Cantak's proprietary claim. I note that the Personal Defendants' conduct prior to the Application may very well be relevant to costs.

[229] In this event, the Personal Defendants will have established that there are assets that are not subject to a proprietary claim, and will have met the second element of the *Credit Valley* test.

d. If there are Non-Proprietary Assets Available, What are the Personal Defendants' Reasonable Living Expenses, Debts and Legal Costs?

[230] I again consider this next step due to Cantak's position and in case I am wrong about the Personal Defendants' lack of disclosure.

[231] Defendants are entitled to use frozen assets not subject to a proprietary claim to pay reasonable living expenses, debts and legal costs: *Credit Valley* at para 26(iii). I address these below.

i. Reasonable and Ordinary Living Expenses

[232] If a defendant has sufficient unrestrained income to pay their reasonable living expenses, then there is no need for them to access restrained assets for that purpose: *Wayne Safety* at para 103.

[233] Cantak argues that the Court should infuse an "imputation of income" concept into its analysis, relying on cases in the family law context with respect to determining income for the purposes of the *Federal Child Support Guidelines*, SOR/97-175 (*Guidelines*); *Peters v Atchooay*, 2022 ABCA 347. Determining *Guidelines* income for child support purposes is necessary to calculate a parent's positive statutory obligation to pay child support. That is for a different statutory purpose in a completely different context than an attachment order or *Mareva* injunction. It would not be appropriate to apply statutory imputation of income rules from the *Guidelines* into this context.

[234] However, including for the reasons noted above when considering reasonable and ordinary living expenses in the context of the *CEA*, this does not necessarily mean that a defendant's income, or failure to earn income when a defendant has capacity to do so, is irrelevant in determining what are reasonable and ordinary living expenses and from where those expenses should be paid. This is particularly so where the defendant has not adduced sufficient evidence, or the evidence before the court is that it is likely that the defendant's available assets over which there is no proprietary claim will be insufficient to cover proposed living expenses and legal fees before trial. See, for example: *Credit Valley* at para 56; *Jajj v Jajj*, [2015] OJ No 7064 (ONSC)(QL) at paras 28-31; *Warner Bros Entertainment Inc v White (Beast IPTV)*, 2023 FC 164 at paras 62-64; *Seissan v Zafari*, 2010 ONSC 1396 at para 8; *SNC-Lavalin Profac Inc v Sankar*, 2009 CanLII 12122 (ON SC) at paras 40-43; *Ainsworth Management* at paras 61-63; *Marlowe* at paras 12, 13, 25, 41; *Riar* at para 103.

[235] In *Credit Valley*, the Court's ability to determine appropriate reasonable living expenses was complicated by shortcomings in the defendant's evidence, including that the defendants had

not provided evidence of their standard of living before the alleged misconduct: *Credit Valley* at para 40. That is the case here, but I am in an even worse position than the Court in *Credit Valley* because in that case the defendants had at least provided a proposed monthly budget and a specific requested amount of allowance. Here, the Personal Defendants have effectively asked for unfettered and immediate access to the entirety of Haderer's RRSP. In *Credit Valley* at para 40, the Court considered certain expenses as luxuries given that the defendants were not working. Again, that is the same situation here. The Personal Defendants' lack of detailed evidence or specific proposed use of funds to be taken out of Haderer's RRSP is highly problematic.

[236] On the other hand, Cantak has provided a detailed analysis with the information it has available, based on which Cantak argues that monthly reasonable and ordinary expenses for the Personal Defendants' family is in the range of \$13,000 per month, assuming they continue to have Condo rental income, child support, CTB, and CPP income, and assuming they have collective gross annual employment income of approaching \$140,000 per year annually. In that scenario, the Personal Defendants would have sufficient net monthly funds to cover their reasonable living expenses. The Personal Defendants did not provide any contrary evidence, or any reasonable expense or income proposals.

[237] I do not necessarily accept Cantak's suggestion that Sandeman could earn over \$65,000 per year. Given the evidence of her work history and job search efforts, I find her likely earning capacity is less than this.

[238] However, I find that this is likely offset by what I find to be Haderer's greater earning capacity. His base salary (before sales bonuses) was \$193,850 as of 2022. As noted earlier, he earned, on average, almost \$350,000 per year from 2016 to 2022 (inclusive of bonuses). Haderer put in minimal effort to find a job before 2025, although he also states that he has made 50-60 job applications and had no interviews. He provides no details of those efforts or the types of jobs for which he has applied. Likewise, he has provided minimal details to support his assertion that the Action has destroyed his reputation and impeded his job search efforts.¹⁹ Overall, I find Haderer's lack of recent effort and the generalized or conclusory nature of his evidence does not justify a finding that his job prospects are as bleak as he suggests. On balance, he appears to have made a choice not to work or to reasonably search for work while at the same time participating in the spending of BRC-payment traceable assets over which Cantak would have had a strong *prima facie* proprietary claim.

[239] On balance, on the record before me and in these circumstances, and without full disclosure or meaningful proposals, I find Cantak's proposal to be reasonable in the aggregate. At this time, I am not persuaded that it is necessary, reasonable or appropriate to allow them to access funds in Haderer's RRSP for living expenses, beyond the \$25,500 amount proposed by Cantak. This is an interim measure and may be revisited in the future on a different record; this possibility is contemplated in Cantak's proposed order.

ii. Legal Expenses

[240] Assuming there are no other non-restrained sources available to the Personal Defendants, the Personal Defendants would be entitled to access funds from Haderer's RRSP to fund their legal

¹⁹ There was some evidence that this Action may have impacted Haderer's ability to get one specific job.

fees related to the Action: *Credit Valley* at paras 18, 26(iii), 43; *Wayne Safety* at paras 36, 39; *Simonelli* at para 104. It is important not to undermine the solicitor-client relationship of the defendant and unfairly put the defendant in the position of having their lawyers constantly looking over their shoulders to worry about how much is being spent: *Wayne Safety* at para 36.

[241] The access to restrained assets over which there is no proprietary claim has been described as “unfettered”: *Simonelli* at para 104. However, where those funds are limited and insufficient to cover everything requested or needed by the defendant, in the context of a *Mareva* injunction courts have discretion to limit an allowance for legal fees to only permit *reasonable* legal fees: *Credit Valley* at paras 18, 43; *Wayne Safety* at para 38.

[242] In this case, there is a dispute about whether the Personal Defendants’ legal fees to date were reasonable. I need not determine that question on this Application. I can take judicial notice that defending claims of the nature made by Cantak is usually very expensive.

[243] I find that, given the nature of this dispute and the funds expended on legal fees defending it to date, it is unlikely that Haderer’s RRSP, or other assets not subject to a propriety claim, will be sufficient to cover the Personal Defendants’ legal fees unless the matter is resolved reasonably soon. This may change over time depending on whether the Personal Defendants earn employment income or the amount thereof, or the extent to which there are other assets available.

[244] I am again hampered by the lack of any estimate or proposal from the Personal Defendants on their expected legal fees, in the short, medium or long term. However, for present purposes I can take judicial notice that \$50,000-\$75,000 will be sufficient for some material next steps in the Action or toward resolution, but nowhere near enough to advance the matter to a completed trial.

[245] On an interim basis, I am satisfied in all the circumstances that it is appropriate to restrict the Personal Defendants’ access to their assets for the payment of *reasonable* legal fees going forward. Without any other evidence or position, I am satisfied it is appropriate to immediately approve the payment of \$75,000 from Haderer’s RRSP to the Personal Defendants’ legal counsel and agree it is appropriate to use the procedure set out at paragraph 43 of *Credit Valley* as proposed by Cantak in its form of order.

[246] This is an interim measure without prejudice to a future variation application by the Personal Defendants on better evidence about the expected legal fees.

[247] The parties are encouraged to attempt to resolve this matter or to agree to a process to bring the matter to trial expeditiously. I remind the parties of this Court’s Notice to the Profession and Public NPP#2024-02: *Setting Civil Trial Dates by Order – Pilot Project*.

e. Assets Over Which There is a Proprietary Claim?

[248] This element of *Credit Valley* is not engaged on the record before me. The Personal Defendants have not, at this time, sought an allowance to access the equity in the Home. This element of the *Credit Valley* test may be engaged in the future.

3. Cap / Limit

[249] Cantak proposes that the assets subject to the order be capped at \$3.6 million. In my view, at this time, the order should be limited to the BRC payments received by Sandeman that were over and above her \$2,600 per month salary. Accordingly, the prohibition in the order shall be capped at \$3,312,375. This may be revised if it can be shown that Sandeman was not actually paid her monthly salary – in the spirit of time this is not something I have attempted to pick out of the thousands of pages of bank records filed on this Application.

4. Disclosure and Questioning

[250] Cantak requests that the Personal Defendants swear a Form 13 under the *CEA Regulation* and then be subject to questioning on it. The Personal Defendants agree to the Form 13 but appear to resist the need for questioning. Given their approach to date, and the need for all parties and the Court to have full information about their financial situation moving forward, I find that questioning on the Form 13 is appropriate: *Jaikaran* at para 15. Further, and in any event, Cantak is entitled to take interim steps to trace the BRC payments: *Leahy*.

[251] Cantak also seeks disclosure from the banks about the Personal Defendants' assets, the reasonable cost of which to be paid by Cantak. This is consented to by the Personal Defendants and the banks take no position. The proposed order is reasonable and appropriate: rule 5.13; *Elhert v Sailer*, 2023 ABCA 371 at paras 23, 26; *CNOOC Petroleum North America ULC v 801 Seventh Inc*, 2023 ABCA 97 at para 27.

VI. Conclusion

[252] I grant the form of order proposed by Cantak, as augmented above to comply with my directions herein, and also with the exception of paragraph 23 thereof related to costs.

[253] Cantak has been substantially successful and is presumptively or *prima facie* entitled to its costs: rule 10.29; *JWS v CJS*, 2022 ABCA 63 at para 24; *McAllister v Calgary (City)*, 2021 ABCA 25 at para 21. Cantak seeks costs on a solicitor-own-client basis. The parties did not address this in detail in argument. I find it is appropriate to provide the parties an opportunity to resolve costs (or the Action in its entirety) or, failing that, to make costs submissions.

[254] If the parties are unable to agree on costs within four weeks of these Reasons, then the following process shall apply:

- (a) within six weeks of these Reasons, the parties shall file and serve on each other, and submit to my office, a written submission setting out their costs position;
- (b) within eight weeks of these Reasons, the parties shall file and serve on the opposing party, and submit to my office, their response cost submissions; and
- (c) each party's costs submission shall provide: (a) their position with respect to the factors set out in rule 10.33; (b) any formal offer or other settlement offer they wish considered that predates these Reasons; (c) a draft proposed bill of costs pursuant to Schedule C of the *Rules*; and (d) a summary of their proposed reasonable and proper costs that the party incurred in respect of the Application. These submissions

will be a maximum of seven pages in letter format, single spaced (excluding authorities, offers, or proposed bills of costs).

[255] Given the volume and my knowledge of the evidence, I seize myself of any application made under, or to vary, my order, although if my schedule becomes an unreasonable constraint I may direct the parties to the Commercial List. I am not otherwise seized with respect to this Action.

Heard on the 17th day of December, 2025.

Dated at the City of Calgary, Alberta this 11th day of February 2026.

M.A. Marion
J.C.K.B.A.

Appearances:

Jordan R.M. Deering and Regan S. Christensen
for Cantak Corporation

Natalie L. Leclerc and Alan Crang-Semadeni
for Scott Haderer and Briar Sandeman