

**CITATION:** Air Liquide Canada Inc. v. 1001020467 Ontario Corp. et. al. 2026 ONSC 2254  
**COURT FILE NO.:** CV-26-103130  
**DATE:** 2026 04 15

**ONTARIO SUPERIOR COURT OF JUSTICE**

**RE:** AIR LIQUIDE CANADA INC., Plaintiff (Moving Party)

**AND**

1001020467 ONTARIO CORP. and MESSINA STEYN NKOSI, Defendants

**BEFORE:** C. MacLeod RSJ

**COUNSEL:** Fraser Mackinnon Blair & Olivia Graham, for the Plaintiff (Moving Party)

No one appearing for the defendants

**HEARD:** April 15, 2026

**ENDORSEMENT**

[1] This is a motion by the Plaintiff seeking judgment against the Defendants in relation to funds that were fraudulently diverted. As set out below, the Plaintiff is entitled to judgment for return of the funds, consequential damages, punitive damages and full indemnity for costs.

[2] By way of background, the Plaintiff is a corporation headquartered in Montreal and engaged in supplying and delivering industrial, medical and specialty gases. The Plaintiff was indebted to a company in Trois Rivieres, H. Blanchette Lteé for steel structure and metal work in the amount of \$221,422.38.

[3] In March of 2025, the Plaintiff received a fraudulent email purporting to be from H. Blanchette, advising that the corporation wished all future payments to be made by electronic transfer rather than by cheque and also advising that it had changed its banking arrangements. The Plaintiff was directed to wire funds to a branch of the Bank of Nova Scotia in Ottawa.

[4] The fraud was reasonably sophisticated since the fraudster had to know that funds were due and owing and was able to inject him or herself into an email chain. In addition, though the Plaintiff made independent attempts to verify the new banking arrangements by contacting the general manager at the email address on Blanchette's web site, the fraudster was able to intercept that email and persuaded the Plaintiff that the new banking arrangements were legitimate.

[5] Consequently, the Plaintiff paid \$221,422.38 to the account at Scotiabank. It turned out that the account in Ottawa was not owned by Blanchette but was owned or controlled by the defendants. The defendants clearly had no right to the funds and it is reasonable to assume they were behind the fraud.

[6] Fortunately the Plaintiff's bank identified the transfer as potentially suspicious and upon checking with Blanchette, the Plaintiff learned that Blanchette had not received the funds and that the company's email system had been hacked. Although the funds could not be retrieved without a court order, it appears the Bank of Nova Scotia froze the account.

[7] In January of this year, the Plaintiff obtained an order in the nature of a "Norwich order" requiring the Bank of Nova Scotia to divulge the identity of the account owner and any account to which the funds had been transferred. That order also permitted substituted service of any subsequent legal proceedings on the "John Doe" account holders by using the email addresses on file with the bank. (Court file no. CV-26-102754).

[8] The names of the Defendants were disclosed by the Bank pursuant to that order. The Bank also advised that the funds were still held in the account and had not been disbursed. The Plaintiff then brought this action.

[9] I am satisfied on the evidence that the named defendants are the individuals or entities who opened and operated the bank account at the Bank of Nova Scotia. I am also satisfied that they were served with the statement of claim by substituted service pursuant to the order of Smith J. mentioned above. The Defendants have not defended the action.

[10] On the facts as pleaded and as set out in the affidavit in support of this motion, there is no legitimate reason why funds due to Blanchette would be owing to the Defendants. It is clear that the Blanchette emails were fraudulent and it is reasonable to conclude that the owner of the account in Ottawa was either the fraudster or was the intended beneficiary of the fraud.

[11] The corporate defendant was incorporated on September 27, 2024 and the individual defendant is its sole director. His address for service shown on the corporate records is also the registered office of the corporation. According to the bank records, Mr. Nkoski opened the bank account in person and provided his email address as his contact information. I am satisfied that service by email to the address on file with the bank would have come to the attention of the defendants and as they did not defend the proceeding or contact the Plaintiff, the Plaintiff is entitled to move for default judgment.

[12] On these facts, the Plaintiff is entitled to judgment for the return of the \$221,422.38. I would also allow the Plaintiff general damages in the amount of \$5,000. I am advised that the Plaintiff was not able to pay Blanchette the funds that were owed to it and Blanchette has commenced an action in Quebec. It is reasonable to infer that some time and trouble has been occasioned as a result of the interference with the business relationship between the Plaintiff and its long time supplier.

[13] The Plaintiff also seeks punitive damages. I recently considered the availability of punitive damages in a very similar case. (See *Mississippi Mills (Town of) v. 16442676 CANADA INC*, 2026 ONSC 2052. I will not repeat the analysis in detail. Suffice to say that this court has repeatedly recognized that simply ordering the return of fraudulently obtained funds may be an insufficient remedy. Punitive damages are appropriately awarded in a case of cyber-fraud such as this to deter

such conduct and to express disapproval of “highly reprehensible misconduct that departs to a marked degree from ordinary standards of decent behaviour”.<sup>1</sup>

[14] I award the plaintiff the sum of \$100,000 as punitive damages.

[15] The plaintiff is also entitled to an award of full indemnity costs. I have reviewed the costs outline. The plaintiff shall have judgment for \$12,815.33 as full indemnity costs.

[16] I have signed judgment accordingly.

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Justice C. MacLeod

**Date:** April 15, 2026

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<sup>1</sup> See *The Bank of Nova Scotia v. Rosario Rosado*, 2024 ONSC 4395 (CanLII). I adopt the analysis of Charney J. at paras. 19 - 28