

Federal Court



Cour fédérale

Date: 20260402

Docket: T-879-21

Citation: 2026 FC 432

Ottawa, Ontario, April 2, 2026

PRESENT: The Honourable Mr. Justice Southcott

ADMIRALTY ACTION *IN REM* AGAINST THE SHIP “KINDNESS”, THE SHIP
“MYSTIQUE V” AKA THE “DESTINY” AND *IN PERSONAM*

BETWEEN:

INGA ZANE

Plaintiff

and

GREGORY ROHLAND, DESTINY YACHTS
HOLDINGS LLC, BOUNDLASS
HOLDINGS LLC, THE OWNERS AND ALL
OTHERS INTERESTED IN THE SHIP
“MYSTIQUE V” AKA THE “DESTINY”, THE
OWNERS AND ALL OTHERS INTERESTED IN
THE SHIP “KINDNESS”, THE SHIP
“MYSTIQUE V” AKA THE “DESTINY”
 (“MYSTIQUE V”), AND THE SHIP “KINDNESS
TO THE WORLD” (“KINDNESS TO THE
WORLD”)

Defendants

REASONS FOR ORDER

I. **Overview**

[1] This decision addresses a motion brought by the Caveator, Global Federal Credit Union [GFCU], by Motion Record filed on February 13, 2026, in writing under Rule 369 of the *Federal Courts Rules*, SOR 98/-106, [Rules], seeking an Order: (a) permitting the judicial sale of the Defendant Vessel “Kindness to the World” [the Vessel], pursuant to Rules 490 to 492; (b) granting GFCU the status of marshal’s expenses for all expenses incurred by GFCU that are required to bring the Vessel to sale; and (c) staying all other Federal Court proceedings relating to the Vessel, pursuant to section 50 of the *Federal Courts Act*, RSC 1985, c F-7 [the Act].

[2] As explained in greater detail below, the Court is prepared to grant the relief sought by GFCU, materially in the form of its proposed Order and related Commission of Sale, although with modifications to a paragraph of GFCU’s proposed Order that addresses the status to be afforded to expenses incurred in connection with the sale of the Vessel. While my Order will be issued as a document separate from these Reasons, so as not to encumber the Order with the added length, these Reasons explain the basis for the Court’s decision to issue the Order.

II. **Background**

[3] GFCU is a not-for-profit credit union, with its main office in Anchorage, Alaska, United States of America [USA], and asserts that it is the mortgagee of the Vessel. CFCU is a Caveator in the within action, in which the Vessel is an *in rem* Defendant.

[4] The Vessel is described as a recreational vessel of 112 gross tons, built in 2005 and registered in the USA. The other Defendants include Destiny Yachts Holdings LLC [Destiny],

described as a limited liability company incorporated under the laws of Florida, USA, and the owner of the Vessel; Mr. Gregory Rohland, who GCFU asserts has held himself out to be a manager/member of Destiny with the authority to contract on behalf of Destiny and the Vessel; and Boundless Holdings LLC [Boundless], another company incorporated under the laws of Florida, USA, in which Mr. Rowland may have an interest. While there are other *in rem* Defendants named in this action, they are not material to the present motion.

[5] The Plaintiff, Ms. Inga Zane, initiated this action by Statement of Claim filed on May 31, 2021, which describes Ms. Zane as a businesswoman with an address on Bowen Island, British Columbia. The Plaintiff asserted a claim against the Defendants for labour, goods, materials and services provided to the Defendant vessel and a claim for a declaration that the Defendants held the Vessel (and another of the *in rem* Defendants) in a constructive trust for her. A Warrant for the arrest of the Vessel was issued on May 30, 2021, and it was arrested on May 31, 2021, where it lay on land on the north bank of the Fraser River in Richmond, British Columbia. On June 30, 2021, a Statement of Defence was filed on behalf of the Defendants (other than Boundless).

[6] This action proceeded to trial before Justice Pamel over six days in May and October 2024. On December 17, 2024, Justice Pamel issued his decision in *Zane v Rohland*, 2024 FC 2048, which granted judgment in the Plaintiff's favour in the amount of \$4032.11 (with \$1330.68 being allocated to the Vessel and \$2701.43 being allocated to another *in rem* Defendant), related to expenses, equipment and material that the Plaintiff purchased for the benefit of the *in rem* Defendants, but dismissed the Plaintiff's claim for a declaration of constructive trust.

[7] The Plaintiff has not subsequently moved to have the Vessel sold, and it remains under arrest at a boatyard and repair facility operated by Bracewell Marine Group Ltd. [Bracewell] on property owned by Shelter Island Marina and Boatyard Inc. [Shelter Island] in Richmond, British Columbia. Bracewell has filed a Caveat Release against the Vessel, as has GFCU and another company named Osborn Propellers Ltd. [Osborn].

[8] Asserting that the Vessel is deteriorating in condition and value, GFCU has filed this motion to initiate a process for judicial sale of the Vessel. In this motion, GFCU claims that on or about August 10, 2023, Destiny executed a promissory note in favour of GFCU in connection with a loan of USD \$600,000.00, with interest accruing at a rate of 7.99% per annum, and granted GFCU a mortgage over the Vessel as security for that indebtedness. GFCU also claims that Mr. Rohland negotiated this financing on behalf of Destiny and personally guaranteed Destiny's indebtedness under the promissory note and the mortgage. GFCU also asserts malfeasance on the part of Mr. Rohland, alleging that during the negotiation of the financing Mr. Rohland failed to disclose the fact that the Vessel was under arrest and furnished a falsified survey report related to the Vessel.

[9] GFCU claims that, between September 2023 and October 2024, Destiny or Mr. Rohland made monthly payments to GFCU but that, despite several written demands, no further payments have been made. GFCU asserts that on June 19, 2025, its counsel sent a demand letter to then counsel for the Defendants (copied to the other Caveators), demanding payment of the outstanding mortgage arrears alleged to be owing by Destiny and Mr. Rohland, then in the amount of USD \$609,621.43. In its motion materials, GFCU further asserts that, as of the filing of the motion on February 13, 2026, the total owing was USD \$645,873.98 inclusive of

principal, interest and costs, with interest continuing to accrue at the per diem rate of USD \$125.56.

[10] As previously noted, GFCU's motion seeks an Order granting three categories of relief: (a) permitting the judicial sale of the Vessel; (b) granting GFCU the status of marshal's expenses for all expenses incurred by GFCU that are required to bring the Vessel to sale; and (c) staying all other Federal Court proceedings relating to the Vessel. In connection with the requested stay, GFCU identifies in particular Court files T-592-26 (*Rohland v Destiny Yachts Holdings LLC et al*); T-2977-25 (*Rohland v Destiny Yachts Holdings LLC et al*); 25-T-112 (*Rohland v Destiny Yachts Holdings LLC et al*); T-3225-24 (*Osborn Propellers Ltd v "Kindness to the World" et al*); and T-106-24 (*Osborn Propellers Ltd v "Kindness to the World" et al*) [together, the Other Proceedings].

[11] GFCU's Motion Record includes the following evidence upon which it relies in support of its requested relief:

- A. Affidavit affirmed on February 12, 2025, by Mr. Jeff Gregg, who is the Executive Director, Business and Commercial Services, of GFCU. Mr. Greg provides evidence as to the negotiations leading to GFCU's financing of the Vessel, including attaching copies of relevant loan and mortgage documentation, and the amounts advanced and owing, as well as the alleged malfeasance by Mr. Rohland. Greg's affidavit also attaches a copy of a 2025 survey report prepared by Mr. George Malhiot, a marine surveyor, assessing the Vessel to be in restorable condition and assigning it a value of USD \$699,000 [the 2025 Survey Report];

- B. Affidavit affirmed on February 11, 2026, by Mr. Malhiot, intended to support GFCU's allegation that, in connection with the financing of the Vessel, Mr. Rowland falsified a 2023 survey report as having been prepared by Mr. Malhiot; and

- C. Affidavit affirmed on February 13, 2026, by Ms. Tracee Dooley, a Legal Assistant in the offices of GFCU's counsel, which references steps in this litigation and attaches copies of pleadings and correspondence between counsel. Ms. Dooley also describes efforts to identify brokers to assist with the judicial sale of the Vessel and attaches related correspondence, including identifying the willingness of Accurate Court Bailiff Services Ltd. [Accurate] to perform such services.

[12] The process and deadlines for filings by GFCU and responding parties in this motion, to be adjudicated in writing under Rules 369, were established in an Order issued on January 13, 2026, by Case Management Judge Ring. In addition to GFCU's Motion Record, the record before the Court in this motion includes the following:

- A. Motion Record dated March 2, 2026, described as filed on behalf of the responding Defendants other than Mr. Rohland and Boundless [the Non-Rohland Defendants];

- B. Motion Record dated March 2, 2026, filed on behalf of Bracewell;

- C. Motion Record dated March 2, 2026, which references both Mr. Rohland and Boundless as respondents [the Rohland Defendants]; and

D. Reply written representations filed on behalf of GFCU on March 9, 2026.

[13] The Non-Rohland Defendants consent to the requested judicial sale of the Vessel pursuant to Rule 490 (including the form of Order proposed by GFCU), agreeing with GFCU's position that the sale is in the best interest of all parties, given the prolonged arrest of the Vessel since May 31, 2021, and the need to realize value for the benefit of all interested parties and creditors. The Non-Rohland Defendants take no position on GFCU's request for a stay of other proceedings involving the Vessel and take no position on the classification of GFCU's legal fees or survey costs as marshal's expenses or on the quantum of such costs, stating that these matters may be determined in a subsequent adjudication of priorities following the Vessel's sale.

[14] Bracewell also agrees with GFCU's position that the sale of the Vessel is necessary at this stage in the litigation, and it supports GFCU's position that a stay is necessary to ensure an orderly resolution of all claims to the Vessel, to protect the priority of all claims, and to avoid unnecessary costs. However, Bracewell asks that GFCU's proposed form of Order be amended to recognize as marshal's costs the preservation costs that Bracewell says it has incurred and will continue to incur to preserve the Vessel for the benefit of all interested parties.

[15] Bracewell's Motion Record includes an Affidavit sworn on February 2, 2026, by its President, Mr. Jason Curtis. He describes the Vessel having entered Bracewell's boatyard on March 2, 2021, for the purpose of certain repairs and maintenance, and states that the Vessel was arrested "while on the hard" in Shelter Island's property on or about May 31, 2021, where it has remained since that date. Mr. Curtis asserts that Mr. Rowland has performed various

modifications to the vessel that have compromised its integrity, such that it cannot be safely returned to the water without further work, precluding its removal from the boatyard.

[16] Mr. Curtis further asserts that, from the date of the Vessel's arrest to present, Bracewell has incurred significant expenses with respect to the preservation of the Vessel and the supply of electricity to it [Bracewell Preservation Expenses]. He notes that Bracewell operates on Shelter Island property, pursuant to which arrangement Bracewell is invoiced and obliged to pay Shelter Island monthly for vessels on that property, including being required to pay electricity charges for a Vessel even if no electricity is used. Supported by documentation attached as exhibits, Mr. Curtis states that Bracewell invoices Mr. Rohland for Bracewell Preservation Expenses and that Mr. Rohland has made payments toward same, but that the current balance owing is \$146,263.02, exclusive of costs of repair work to the Vessel performed by Bracewell and accrued interest.

[17] Mr. Curtis also asserts that Bracewell did not become aware of the claim of GFCU until on or about June 4, 2025, when it was served with GFCU's Caveat Release.

[18] The Rohland Defendants also do not in principle oppose a judicial sale of the Vessel, if the Court determines that sale is appropriate under Rule 490. However, they oppose aspects of the relief sought by GFCU, arguing that GFCU's motion improperly seeks to: (a) expand the scope of Rule 490; (b) secure priority findings in advance of a priority hearing; (c) elevate survey fees and legal costs to the status of marshal's expenses; (d) impose a broad stay of unrelated proceedings (although the Rohland Defendants acknowledge that a stay limited to procedural steps necessary to achieve sale of the Vessel may be appropriate); and (e) obtain findings

concerning alleged fraud, mortgage validity, or quantum of indebtedness, which are irrelevant to the Rule 490 motion.

[19] The Rohland Defendants' motion record includes an Affidavit sworn by Mr. Rohland on March 2, 2026, in support of the above positions. Mr. Rohland also refers to having obtained an arbitration award confirming unpaid wages that he is owed and that he advanced, for which he asserts maritime lien status, and to having paid in excess of \$150,000.00 toward storage and preservation of the Vessel. Mr. Rohland also disputes Bracewell's entitlement to its claim for unpaid storage fees.

[20] Neither the Plaintiff nor Osborne has filed a response to GFCU's motion.

[21] On March 20, 2026, the Court issued a Direction to the parties, seeking additional information on the mechanics of sale intended to be reflected in the proposed form of Order included in GFCU's motion materials. On March 27, 2026, having consulted with the other parties, GFCU's counsel provided a joint response to this Direction [the Direction Response], including furnishing a revised version of the proposed Order capturing that response.

III. **Issues**

[22] This motion raises the following issues for the Court's determination:

- A. Should the Court issue an Order for sale of the Vessel under Rule 490 and, if so, on what terms?

B. If the Court issues an Order for sale of the Vessel, what determinations, if any, should be made at this stage of the sale process with respect to marshal's expenses?

C. Should the Court order a stay of all other Federal Court proceedings relating to the Vessel?

IV. **Analysis**

A. *Should the Court issue an Order for sale of the Vessel under Rule 490 and, if so, on what terms?*

[23] Rule 490 provides that, on motion, the Court may order the sale of property under arrest, by public auction or private contract, with or without appraisal as to its value, and through various methods of identifying a purchaser.

[24] As explained in *Offshore Interiors Inc v Worldspan Marine Inc*, 2014 FC 655 at paragraph 34, the only formal requirement for the exercise of the power of sale under Rule 490 is that the property to be sold be under arrest. That requirement is met that in the case at hand, as the Vessel remains under the arrest of the Plaintiff in the within action.

[25] GFCU refers the Court to the explanation in *Canada (Ship-Source Oil Pollution Fund) v Cormorant (Ship)*, 2019 FC 977 [*Cormorant*] at paragraph 20 that, in deciding whether to exercise its power to order the sale of a vessel before judgment (described as a sale *pendent lite*), relevant elements to be considered by the Court include:

D. The value of the vessel compared with the amount of the claim;

- A. Whether there is an arguable defence;
- B. Whether the owner can carry on or whether it reasonable to assume that there must be a sale of the vessel at some point;
- C. Whether there will be any diminution in the value of the vessel or of the sale price by the delay, including the cost of keeping crew aboard the vessel, the cost of maintaining the vessel and the cost of insuring the vessel;
- D. Whether the vessel will depreciate by further delay; and
- E. Whether there is any good reason for a sale before trial.

[26] *Cormorant* also explains that these elements do not represent a mechanical test, but rather are intended to assist the Court in balancing the competing considerations of the interests of the creditors in preserving the value of the vessel and the ownership interest of the owners (at para 21).

[27] While the Plaintiff has already obtained a Judgment against the Vessel, this motion might nevertheless be characterized as a motion for sale *pendent lite*, as the moving party (GFCU) does not have the benefit of a judgment on its mortgage claim against the Vessel. In any event, I am satisfied that the Court should be guided by the elements articulated above.

[28] As previously noted, the Vessel was assessed in 2025 as having a value of USD \$699,000. The claims against the Vessel evident from the record before the Court include GFCU's mortgage

claim, which Mr. Gregg's Affidavit quantifies at USD \$645,873.98 plus interest that continues to accrue; Bracewell's claim, which Mr. Curtis' Affidavit quantifies as exceeding \$146,263.02; Mr. Roland's claim, which his Affidavit quantifies as exceeding \$150,000 for storage and preservation, plus a claim for master's wages and the advance of crew wages; and, the Plaintiff's judgment for \$4032.11. As such, the volume of claims against the Vessel exceeds its value based on the assessment before the Court.

[29] As for whether the owners of the Vessel have an arguable defence to GFCU's mortgage claim (or, for that matter, to any of the other claims) and whether it is reasonable to assume that there must be a sale of the Vessel at some point, all parties that have responded to GFCU's motion either consent to or do not oppose GFCU's request for an Order for sale of the Vessel. This includes the Non-Rohland Defendants and the Rohland Defendants (which, together, I understand represent all parties with an ownership interest in the Vessel). The evidence and submissions of all responding parties also reference the Vessel's ongoing deterioration.

[30] As such, it is evident that there is a good reason for sale of the Vessel at this stage in this proceeding, and I am prepared to issue an Order to initiate that process.

[31] As for the terms of such an Order, GFCU's motion includes a proposed form, to which the Non-Rohland Defendants consent. Bracewell also appears to approve of GFCU's proposed form of Order, other than seeking an amendment to afford marshal's expense status to the Bracewell Preservation Expenses and ongoing expenses of the same nature. While the Rohland Defendants oppose aspects of the relief sought in this motion, they have not identified concerns with the proposed sale terms.

[32] I will address shortly, under the remaining issues in this motion, the points on which Bracewell and the Rohland Defendants seek to amend or oppose aspects of the relief claimed by GFCU. Subject to considering the elements of GFCU's proposed form of Order that are directed at those points, I agree that, with the benefit of non-material adjustments, its terms (in the version provided with the Direction Response) including the Commission of Sale attached as a schedule to the Order represent an appropriate process for seeking a sale for the Vessel and completing that sale. That process will employ the services of Accurate as an acting Sheriff, with the proceeds of sale to be held in the trust account of GFCU's legal counsel (and deemed to be funds held in Court), pending further motion to, and Order by, the Court adjudicating priorities and distributing the proceeds. As reflected in the Order, the completion of any sale identified through this process will be subject to prior approval of the Court.

B. *If the Court issues an Order for sale of the Vessel, what determinations, if any, should be made at this stage of the sale process with respect to marshal's expenses?*

[33] GFCU's form of Order provides for the treatment as marshal's expenses, costs of sale, or Sheriff's costs (terms which I interpret to be interchangeable) various categories of fees and costs that may be incurred by Accurate as acting Sheriff of this Court in achieving the sale of the Vessel. The principal provisions to this effect are found in paragraphs 3, 6 and 11 of the draft Order. However, GFCU submits that the Court should also afford such status to expenses it has incurred and will incur in bringing the Vessel to sale, including without limitation the cost of the 2025 Survey Report, GFCU's legal fees and disbursements (on a solicitor-client basis) in connection with this action and the sale of the vessel including its Caveat Release and this motion, and Sheriff's fees for the sale of the vessel.

[34] The disagreement among some of the parties on this issue focuses in part upon paragraph 11 of the proposed form of Order, which provides as follows:

11. All reasonable expenses of advertisement of the sale, agency fees and all other costs, disbursements, commissions and other expenses such as reproduction of plans, photographs, courier services, and survey fees, necessary or inherent to giving effect to this Order and the commission of sale, shall be treated as Sheriff's costs, who, upon notice to the other parties identified herein, shall be paid out to them or as they may direct out of the proceeds of sale in priority to all other claims. Any party shall have seven (7) days from receipt of notice of such fees to deliver written objection thereto, failing which the fees shall be deemed approved. For greater certainty, pre-sale maintenance of the vessel, including insurance, officer and crew wages, benefits, and repatriation, as well as berthage, remain the responsibility of, and shall be paid for by the Vessel owners.

[35] Bracewell takes particular issue with the final sentence of this paragraph, which it submits is inconsistent with precedent and was included by GFCU in an effort to preclude the Bracewell Preservation Expenses from being afforded the status of marshal's expenses. Bracewell submits that it is standard practice in this Court for a sale order to recognize as marshal's expenses costs incurred prior to sale in relation to berthage, security, preservation, safekeeping, and maintenance of a vessel. Bracewell proposes that paragraph 11 be revised to expressly provide that costs related to the preservation, safekeeping or maintenance of the Vessel, incurred by the Sheriff and/or funded on behalf of the Vessel owners, Bracewell and GFCU, from the date of the Vessel's arrest, be treated as marshal's expenses.

[36] In the alternative, Bracewell submits that, if the Court is not prepared to recognize as Sheriff's costs the Bracewell Preservation Expenses incurred to date, the sale Order should at least afford such status to such expenses from the date of the sale Order forward and preserve

Bracewell's right to assert at a subsequent priorities hearing a claim that the Bracewell Preservation Expenses incurred to date be recognized as akin to marshal's expenses.

[37] As previously noted, the Rohland Defendants dispute Bracewell's claim and, more generally, argue that the purpose of a Rule 490 motion is to achieve the preservation of value through the sale of the *res*, not to determine either the validity of claims or their priorities. The Rohland Defendants submit that the status of marshal's expenses should be confined to Court-directed arrest expenses, Sheriff's statutory fees, and necessary preservation expenses authorized while a vessel is *in custodia legis*. The Rohland Defendants therefore oppose Bracewell's efforts to achieve such status for any components of its claim, as well as GFCU's effort to afford such status to its litigation costs.

[38] In its reply written submissions, GFCU disputes Bracewell's position that the Bracewell Preservation Expenses were incurred for the benefit of all creditors. GFCU takes the position that creditors have not benefited from these expenses, which relate to passive storage and power supplied to the Vessel in the past. GFCU cites authorities in support of its position and further argues that elements of Bracewell's claim may be time-barred.

[39] As a general principle, the Rohland Defendants are correct that the Court's role at this stage in the vessel sale process is to endorse a process for the efficient and cost-effective sale of the *res*, with the adjudication of liability, quantification, and priorities of competing claims to be addressed at a later stage of the litigation. The exception to this principle is that it is standard practice for the order initiating the process for sale of a ship to recognize that the cost of achieving that sale should be treated as marshal's expenses, which are traditionally treated as the highest priority claim against

the proceeds of sale. Indeed, consistent with paragraph 11 of the proposed form of Order, it is not unusual for a sale order to provide a process for payment of marshal's expenses from the proceeds of sale prior to the parties embarking upon a process for adjudication of other categories of competing claims (see. e.g., *Fraser Shipyard and Industrial Centre Ltd v Expedient Maritime Co*, [1998] FCJ No 1676 at para 2; *Ballantrae Holdings Inc v Phoenix Sun (Ship)*, 2016 FC 570 [*Phoenix Sun*] at para 33).

[40] Bracewell has cited a number of authorities that it argues support its position that expenses incurred for the preservation, safekeeping and maintenance of a vessel while under arrest and even before the issuance of an order for sale may be properly assessable as marshal's expenses (*Tam International Inc v MCP Altona (Ship)*, 2012 FC 1168 at para 32; *Hawker Siddeley Canada Ltd v St. Ninian (Ship)*, [1978] FCJ No 413; *Phoenix Sun* at para 76; *Nordea Bank Norge ASA v Kinguk (Ship)*, 2007 FC 434 at paras 10-12).

[41] However, as I read these authorities, they all relate to priorities decisions made following the sale of a vessel. It is of course available to Bracewell to argue at a later stage of this litigation, when priorities are being adjudicated, that the Bracewell Preservation Expenses incurred following the Vessel's arrest and up to the date of the sale order should be afforded a high level of priority, as akin to marshal's expenses, pursuant to a possessory lien, or through an equitable adjustment of priorities. Bracewell also cites *Holt Cargo Systems Inc v ABC Containerline NV (Trustee of)*, [1997] FCJ No 626, in which marshal's expense status was afforded to the cost of removing containers from a containership in order to facilitate its judicial sale. However, that case is distinguishable from the claim for the Bracewell Preservation Expenses which extends to a period significantly predating the current efforts to sell the Vessel.

[42] The Court is not at this stage prepared to afford marshal's expense status to the Bracewell Preservation Expenses incurred from time of the Vessel's arrest to the present. As for comparable charges for services provided by Bracewell moving forward, it may be that they would qualify for marshal's expense status under the Order that the Court will issue in this motion. While the Court is not prepared to prejudge this point through an express reference to Bracewell's services in the Order, Bracewell will remain at liberty to advance that position after those charges are incurred. I also agree with Bracewell that GFCU's drafting of paragraph 11 of the proposed Order is inadequate. Unlike a number of precedent sale orders identified by Bracewell, GFCU's draft makes no mention of marshal's expense status being afforded to costs incurred for berthage, security, preservation, safekeeping or maintenance of the relevant vessel. Indeed, as Bracewell notes, the final sentence of GFCU's paragraph 11 expressly excludes expenses such as berthage and pre-sale maintenance from being afforded such status.

[43] My Order will not include that final sentence and will adopt language for paragraph 11 more compatible with the precedents that Bracewell has identified. I note that my language will allow for payment of Sheriff's costs from the proceeds of sale following taxation but will not include language that appears to have been included in some precedents in order to override the application of Rules 490(5) and (6). Those Rules provide for assessment and the right of any interested party or caveator to be heard in such assessment. In the absence of any submissions from the parties on this point, and particularly given the potential for disputes as to the qualification and quantification of particular costs as marshal's expenses, I see no reason why the application of those Rules should be excluded.

[44] The precedent language that I will adopt will include a reference to marshal's expense status being afforded not only to costs incurred by the Sheriff but also to costs funded by or on behalf of GFCU or any other party or caveator.

[45] For ease of reference in reading the above Reasons, the language I will adopt in paragraph 11 of my Order is as follows:

11. All reasonable expenses of advertisement of the sale, agency fees, insurances and all other costs, disbursements, commissions and other expenses such as costs of berthage, security, reproduction of plans, photographs, courier services, survey reports, and appraisal necessary or inherent to giving effect to this Order and the commission of sale and for the preservation, safekeeping or maintenance of the Vessel incurred by the Sheriff and/or funded by or on behalf of GFCU or any other party or caveator shall be treated as Sheriff's costs payable immediately after taxation by an assessment officer in priority from the proceeds of the sale.

[46] I will address GFCU's claim to have its litigation costs treated as marshal's expenses when addressing costs of this motion later in these Reasons.

C. *Should the Court order a stay of all other Federal Court proceedings relating to the Vessel?*

[47] GFCU requests that the Court exercises its discretion under subsection 50(1) of the Act to stay the Other Proceedings, which are five other actions involving the Vessel. GFCU refers the Court to the explanation in *Swift v Canada*, 2001 FCT 1388 at paragraph 10, to the effect that a multiplicity of proceedings is to be avoided whenever possible and that the issuance of a stay of one proceeding may serve to avoid the risk of inconsistent findings, excessive costs, and duplication of effort.

[48] Applying that principle to the case at hand, GFCU argues that a stay of the Other Proceedings is necessary to protect the Court's control over the *res* and to prevent conflicting orders. GFCU submits that parallel actions risk duplication of steps, prejudice to parties, and interference with the sale process, while the requested stay would ensure an orderly resolution of all claims against the Vessel, protect the priority of such claims, and avoid unnecessary costs.

[49] GFCU's request for a stay is unopposed other than by the Rohland Defendants, although they do not necessarily oppose some form of stay. The Rohland Defendants argue that a limited administrative stay for purposes of sale mechanics may be appropriate but that a broad stay of all proceedings is not. In support of this position, the Rohland Defendants recognize that stay is appropriate to avoid a multiplicity of proceedings or conflicting findings but argue that the sale of a vessel does not require staying priority disputes, wage claims, or enforcement proceedings.

[50] The Rohland Defendants have not articulated the details of the sort of stay that they consider appropriate or provided any submissions as to how their interests in the Other Proceedings could not be pursued through a priorities adjudication process in the case at hand. Nor have they explained how a multiplicity of proceedings and conflicting findings could be avoided without ensuring that the adjudication of all claims and priority disputes takes place in one proceeding. At the risk of stating the obvious, the Vessel can only be sold (and its proceeds of sale distributed among claimants) once. The Court therefore agrees with the other parties that it is in the interests of the efficient administration of justice, including the avoidance of a multiplicity of proceedings and conflicting findings and the minimization of costs, that the Court issue a stay to achieve a single process for the adjudication of claims and priorities.

[51] In its reply written submissions, GFCU states its understanding that Mr. Rohland wants one of the Other Proceedings to be the lead action through which all claims and priorities would be determined. It is not apparent to the Court that the Rohland Defendants are taking that position. However, if the question is which of the various proceedings involving the Vessel should be employed to achieve the required determination of all claims against it, I agree with GFCU that the Court should select the matter at hand, in which GFCU has taken the initiative to pursue judicial sale of the Vessel.

[52] I also note that the Direction Response conveyed the following further submission on behalf of the Rohland Defendants:

On behalf of greg Rohland and Boundlass holdings llc we consent to the draft order with the exception that the stay on judgement T-592-26 which was granted by the court is not hindered in any way with respect to completion of that judgment with respect to providing certified copy and proof of service or compliance with Para 3) of that order.

[53] The Direction Response reiterated GFCU's position that all actions, including T-592-26, should be stayed for the reasons advanced in its motion record.

[54] The Rohland Defendants' submission appears to relate to the Order of Justice Strickland dated February 18, 2026, which recognized an arbitration award in Mr. Rohland's favour as binding and enforceable as if it were a judgment of the Court. Paragraph 3 of that order provided that the judgement would come into effect following certain service and filing obligations to be met by Mr. Rohland.

[55] As Mr. Rohland's submission does not articulate a basis for the Court to treat that step in T-592-26 differently from the steps necessary to advance the other matters constituting the Other Proceedings, the Court declines to adopt that position.

[56] However, I note that it is of course available to the Rohland Defendants (or any interested party) to move in the future pursuant to subsection 50(3) of the Act to make a case that the stay of the Other Proceedings (or any of them) should be lifted or varied.

[57] My Order will include a stay of the Other Proceedings materially on the terms of GFCU's proposed form of Order. As a housekeeping point, I note that, while paragraph 15 of the proposed form of order (which imposes the stay) includes all the Other Proceedings, the list of matters in paragraph 16 (which identifies the files in which a copy of this Order is to be placed) omits T-592-26. My Order will include all the Other Proceedings in paragraph 16.

V. Costs

[58] As previously noted, GFCU seeks to have its litigation costs, including costs of this motion, awarded on a solicitor-client basis and treated as marshal's expenses. I note that, in support of such treatment, GFCU relies on a provision of its loan documentation that it submits entitles it to claim its legal fees and expenses on a solicitor-client basis. I make no current comment on this provision, other than to say that a determination of whether GFCU may be able to claim its solicitor-client costs with the priority afforded by its mortgage is for another day, when the Court is adjudicating competing claims and their priorities.

[59] GFCU also cites *Phoenix Sun* (at para 8) in support of its position but, again, that decision was made in the context of a priorities determination, in the course of which the Court analysed various components of the costs claim of the party that had brought the ship to sale and awarded priority to only some of those costs and not on a solicitor-client basis (at paras 34-38).

[60] That said, as previously noted, GFCU has taken the initiative to present this motion, which has been for the benefit of all creditors and, with the exception of modifications to paragraph 11 of the proposed Order, it has succeeded in obtaining its requested relief. My Order will therefore award GFCU its costs of this motion, payable not by the other parties but from the proceeds of sale of the Vessel, but will reserve adjudication as to the priority and quantification of those costs, including whether such quantification should be on a solicitor-client or party-and-party basis.

"Richard F. Southcott"

Judge

FEDERAL COURT
SOLICITORS OF RECORD

DOCKET: T-879-21

STYLE OF CAUSE: INGA ZANE v GREGORY ROHLAND, DESTINY YACHTS HOLDINGS LLC, BOUNDLASS HOLDINGS LLC, THE OWNERS AND ALL OTHERS INTERESTED IN THE SHIP “MYSTIQUE V” AKA THE “DESTINY”, THE OWNERS AND ALL OTHERS INTERESTED IN THE SHIP “KINDNESS”, THE SHIP “MYSTIQUE V” AKA THE “DESTINY” (“MYSTIQUE V”), AND THE SHIP “KINDNESS TO THE WORLD” (“KINDNESS TO THE WORLD”)

MOTION DEALT WITH IN WRITING

REASONS FOR ORDER: SOUTHCOTT J.

DATED: APRIL 2, 2026

WRITTEN SUBMISSIONS:

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David S. Jarret	FOR THE DEFENDANTS (THE CAVEATOR, GFCU)
Gregory Rohland	FOR THE DEFENDANT (ON THEIR OWN BEHALF)
Darren Williams	FOR THE DEFENDANTS (THE CAVEATOR OSBORN PROPELLERS LTD.)
Andrew Stainer	FOR THE DEFENDANTS (THE CAVEATOR BRACEWELL MARINE GROUP LTD.)

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