

Court of King's Bench of Alberta

Citation: *Questor Technology Inc v Stagg*, 2026 ABKB 47

Date: 20260121
Docket: 1801 11473
Registry: Calgary

Between:

Questor Technology Inc.

Plaintiff/Applicant

- and -

**Richard Stagg also known as Ritchie Stagg, Jeffrey Nelson also known as Jeff Nelson,
Justin Bouchard and Emission Rx Ltd.**

Defendants/Respondents

**Reasons for Decision
of the
Honourable Justice P.R. Jeffrey**

[1] I found each of Misters Stagg, Nelson and Bouchard guilty of civil contempt, in: *Questor Technology Inc v Stagg*, 2024 ABKB 377 (the “*Liability Decision*”). The Court of Appeal upheld the *Liability Decision* at: *Questor Technology Inc v Stagg*, 2025 ABCA 271 (the “*Appeal Decision*”).

[2] This decision addresses the penalty for their civil contempt. Terms defined in the *Liability Decision* have the same meaning in this Penalty Decision. Nothing in this Penalty Decision precludes the parties from seeking other relief the law may allow because of the conduct underlying the civil contempt or the possibility that previous interlocutory decisions in this litigation were based on falsified, erroneous or intentionally under-inclusive evidence.

Law

[3] Rule 10.53 of the Alberta *Rules of Court* contemplates punishment for civil contempt of Court, as follows:

(1) Every person declared to be in civil contempt of Court is liable to any one or more of the following penalties or sanctions in the discretion of a judge:

- (a) imprisonment until the person has purged the person's contempt;
- (b) imprisonment for not more than 2 years;
- (c) a fine and, in default of paying the fine, imprisonment for not more than 6 months;
- (d) if the person is a party to an action, application or proceeding, an order that
 - (i) all or part of a commencement document, affidavit or pleading be struck out,
 - (ii) an action or an application be stayed,
 - (iii) a claim, action, defence, application or proceeding be dismissed, or judgment be entered or an order be made, or
 - (iv) a record or evidence be prohibited from being used or entered in an application, proceeding or at trial.

(2) The Court may also make a costs award against a person declared to be in civil contempt of Court.

(3) If a person declared to be in civil contempt of Court purges the person's contempt, the Court may waive or suspend any penalty or sanction.

(4) The judge who imposed a penalty or sanction for civil contempt may, on notice to the person concerned, increase, vary or remit the penalty or sanction.

[4] In *Ilnicki v Hill*, 2020 ABCA 327, the Court of Appeal reminded us that the Court has not just a discretion but an obligation to deal with any contempt of its authority: at paras 11-12.

[5] “[T]he sanction imposed for disobeying a court order should be proportional to the harm caused: the punishment should fit the crime”: *Jervis v Nendze*, 2002 ABQB 673, at para 28; see also *0678786 BC Ltd v Bennett Jones LLP*, 2023 ABKB 470, at para 33.

[6] In *0678786 BC Ltd*, at paras 36 – 45, I discuss the range of considerations in the case law that influence the setting of a penalty for civil contempt. I am not repeating those here but am guided by them. They were summarized also in *Law Society of Alberta v Beaver*, 2021 ABCA 163 at paras 78 – 79:

[...] The factors which the court should take into account include the proportionality of the sentence to the wrongdoing, the presence of aggravating and mitigating factors, deterrence, reasonableness of a fine and appropriateness of incarceration....

[7] We add to this list of factors, consideration of the concept sometimes (imprecisely) referred to as the “jump principle”, also called the “step principle” or “laddering.”

Parties’ Positions

[8] Questor says the proper penalty for the civil contempt is striking the pleadings of all Defendants. In addition, or in the alternative, it suggests a fine be imposed against the Respondents (that is, the Individual Defendants, or the “**Contemnors**”) in an amount reflective of Questor’s wasted costs in this litigation and, in any event, it says I should order solicitor-client costs in favour of Questor for the contempt proceedings.

[9] I kept the possibility of time in prison as a penalty before the parties throughout the process following the findings of contempt. Questor says incarceration also falls within the range of appropriate penalties, given the circumstances of the contempt. However, Questor is not pressing for incarceration as a penalty. It says that if I impose a custodial penalty, it should be in addition to striking pleadings, a substantial fine, and solicitor-client costs, not in lieu of any of them.

[10] The Respondents oppose incarceration, oppose the striking of their pleadings, oppose a fine that reflects the costs Questor says it was caused, and oppose any award of solicitor-client costs for the contempt application proceedings. They suggest a fine of \$5000 per incident of contempt found, of which it counted nine, therefore a total fine of \$45,000. They accept they will have to pay costs to Questor but say any such costs should be set on a party and party scale because, first, there was nothing offside in their litigation conduct throughout the contempt proceedings, and because, second, they say this contempt proceeding was not needed to coerce the Contemnors to remedy their contempt. The Records Decision was the interlocutory application that flushed out the facts that the Contemnors had falsified and withheld evidence, plus lied about doing so, in a common scheme with each other extending some 3 years. By the time the contempt application was commenced, because the Records Decision went against them the Contemnors had come clean and corrected substantial portions of their lies. Therefore, they say, the Court should not award solicitor-client costs to keep Questor whole for going to great effort and expense to reveal to the Court the civil contempt. It was evident to the Court long before the contempt application was commenced. They also say Questor went excessively overboard in its approach to the contempt application, for which they should not bear costs.

[11] The Respondents point out that they now bear the public censure of being found in civil contempt, which they imply is its own form of penalty, and they acknowledge that in the remaining litigation their credibility overall will suffer. They propose any additional penalty beyond those consequences be limited to their proposed \$45,000 aggregate fine and nominal costs. They say justice requires nothing more in these circumstances and therefore the Court would err by imposing any greater further penalty. This principle is endorsed by the Court of Appeal in *Beaver, supra*, at para 83. The Contemnors remind the Court that it must continue to be guided by restraint through the Penalty phase.

[12] Judicial restraint is essential for the Court to maintain the public’s confidence. The Court’s powers should not be wielded in any individual case just because the Court can, and particularly not when a subset of those powers will suffice to achieve the law’s purposes. The Court must guard against allowing its self-interested desire to vindicate the integrity of its own process to over-ride its self-restraint. It would be ironic if the one time the Court would lose its self-restraint is when it

penalizes a litigant for losing theirs and offends the Court. If the Court does over-react, it demonstrates it has lost its objectivity and it thereby ceases to act justly.

[13] But judicial restraint in penalizing civil contempt does not require turning a blind-eye to the offending conduct. Stagg, Nelson and Bouchard invite the Court to do just that by trivializing the nature and significance of their contempt, re-framing their disreputable conduct as relatively harmless. In a sort of marketing-spin submission, they start off their written submissions by characterizing their civil contempt as merely a “failure to provide completely accurate evidence.”

[14] If that is the conduct for which they say a fine of just \$45,000 will suffice, then the \$45,000 fine recommendation is of little use to the Court in its deliberations because this was not a case of a mere failure to provide completely accurate evidence. This was intentional deception. Suppressing evidence. Knowingly falsifying under oath. Agreeing with two other litigants in a common scheme to propagate the deceit. If a \$45,000 fine is sufficient punishment for a “failure to provide completely accurate evidence”, then any fine in this case will need to be markedly higher than \$45,000.

[15] Indeed, the hubris of that audacious introductory mischaracterization of their contumacious behaviour leaves the Court wondering if the Contemnors truly appreciate the profound gravity of their conduct. They have offered no expression of regret, let alone contrition to disabuse me of that doubt.

[16] For the Contemnors’ sakes, I am attributing that grossly understated mischaracterization of the contumacious conduct to ill-advised advocacy on their behalf. That theory of the offending conduct, as mere evidentiary slips in the normal course of early stage litigation, was dismissed in the *Liability Decision*. Counsel may continue to disagree with the Court’s conclusion, but they do themselves and their clients a disservice by clinging to that theory of their clients’ case, continuing to pitch a different version of the facts than those found by the Court, collaterally attacking the Court’s ruling even after their failed appeal.

[17] The conduct being penalizing was not a mere “failure to provide completely accurate evidence.” The conduct being penalized is Stagg’s, Nelson’s and Bouchard’s joint “scheme to mislead, conceal and falsify”: *Liability Decision*, at para 118. As the Court of Appeal summarized the contempt (at para 2, *Appeal Decision*), the Contemnors “offered intentionally false evidence in affidavits and during cross-examination under oath, intentionally withheld evidence when swearing their affidavits of records, and intentionally falsified and withheld evidence when swearing other affidavits.” They “collectively persisted” in their joint scheme to mislead, conceal and falsify for roughly 3 years. They declined each successive opportunity under oath to end the deceptions, correct the record, and speak truthfully. The Court of Appeal correctly inferred I considered the conduct to be egregious (*Appeal Decision*, at para 62).

[18] They collaterally attack the findings of fact in the *Liability Decision* a second time when they imply that they voluntarily corrected their evidence without Court coercion. That was not the finding of fact in the *Liability Decision* (see para 134). The Contemnors were not miraculously overtaken by a momentary jolt of good character, honesty and integrity. Their Correct the Evidence Letter disclosing some but not all of their deception was coerced by the Court’s Records Decision.

Decisions & Reasons

[19] In the interests of restraint, and for the reasons that follow, I decline to imprison the Contemnors or to strike their pleadings. I impose a single fine and solicitor-client costs, both payable forthwith and both for which each Contemnor shall be jointly and severally liable. These conclusions and others are explained in my remaining comments under the following outline:

1. Incarceration;
2. Striking pleadings;
3. Quantifying the fine;
4. Costs.

1. Incarceration

[20] Nothing might better achieve both specific and general deterrence of such egregious civil contempt than a short, sharp time in prison for the Contemnors. No other penalty might so clearly communicate to the Contemnors and the public at large the depth of the Court's outrage at conduct calculated to undermine and subvert the very justice system the Contemnors are asking to come to their aid as they defend Questor's lawsuit. Nevertheless, I am declining to include time in prison as part of the penalty for this contempt.

[21] First, while the contempt here was egregious, the Contemnors are correct that it was not primarily designed to defy the Court's authority. It did have that effect, but that effect was ancillary to conduct that was primarily designed to gain personal advantage in the lawsuit by deception; it was directed at victimizing Questor in the litigation, not victimizing the justice system for the sake of doing so. Personal gain drove the behaviour, not defying the authority and role of the Court in maintaining an orderly society. The objective of the Contemnors was avarice not anarchy. The fit penalty should respond in kind, by monetary loss, not loss of liberty.

[22] Second, this is not a case like *Braun (Trustee of) v. Braun*, 2006 ABCA 23, in which successive terms of imprisonment were imposed in progressively more harsh measure to coerce compliance with the Registrar in Bankruptcy's order. As egregious as the contempt was here, once discovered it was largely if not fully corrected. Not so in *Braun*, which compelled the Court to resort to imprisonment to motivate compliance. The contempt here having been largely, if not fully, corrected, I do not consider incarceration to be necessary as a component of the penalty to denounce, deter or punish.

[23] Third, the offending conduct in civil contempt of the Court here is not as extreme in terms of the nature of harm caused to third parties, to the legal profession, and to the authority of the courts, as the cases in which lawyers were sentenced to imprisonment, discussed in *Beaver, supra*, at para 86.

[24] Questor believes that the Defendants continue in their civil contempt of Court or are highly likely to repeat their civil contempt. This proceeding is about the penalty for incidents of civil contempt already proven, not an occasion for proving fresh allegations of civil contempt. Without now entertaining any new allegations of civil contempt in this Penalty Phase, or assuming the Contemnors will repeat their contempt despite the imposition of this penalty that is designed to dissuade them, I simply observe that if any such new allegations of civil contempt by the Contemnors are successfully made in a subsequent application, then I would be hard-pressed to conceive of the associated penalty not including time in prison, *ceteris paribus*.

2. *Striking Pleadings*

[25] The proposal by Questor that I strike Emission's pleadings is also not without merit as a logical consequence. The acts of contempt were taken to benefit the Contemnors' common business undertaking, Emission. The acts were committed jointly and were defended in common. Striking Emission's pleadings should have the effect of penalizing each of the Contemnors proportionate to their interests in it and therefore proportionate to what they stood to gain by their contempt. Nevertheless, I am also declining to strike Emission's pleadings.

[26] First, Emission was not found to be in civil contempt. I am not persuaded by any of Questor's arguments that Emission should bear the paramount penalty for civil contempt of its owners or agents in the absence of it being found in contempt directly.

[27] Second, the focus of a penalty for civil contempt is not remedying the harm caused to those adversely affected by the contempt. If it were, benefiting Questor by striking Emission's Defence would make more sense. Such harm is a consideration in determining the penalty, but any penalty is not compensatory for that harm. Any penalty imposed does not reduce any compensation to which a victim of the offence may be entitled. Compensatory remedies are not precluded by the imposition of a penalty but they do require separate application in the circumstances of this case.

[28] Third, striking the Defence of Emission will likely adversely impact third parties, not just the Contemnors. The Contemnors are not Emission's only stakeholders. It has suppliers, at least one major creditor, and a contractual arrangement with an exclusive reseller of all its products. It may have other employees. It may have obligations under a lease for its business premises. Striking its pleadings will needlessly affect all such stakeholders.

[29] Fourth, striking a defence is effectively denying that party's opportunity to answer in Court a claim against it. The courts do not lightly deny audience to any party. The requisite degree of defiance of the Court's authority necessary before the Court will deny audience, described for example in *Dickie v Dickie*, 2007 SCC 8, is not present here. The Supreme Court of Canada in *Dickie* affirmed the court's jurisdiction to not entertain a party's appeal where the record showed "a continuing disobedience with court orders" (paras 4 and 6). As stated above, the Contemnors are not continuing in their defiance of the Court's authority. They have largely if not fully admitted their falsehoods and attempted to rectify all their falsified evidence. Accordingly, striking any of the Defendant's pleadings is harsher than these circumstances warrant. See also *Zack v Popp*, 2019 ABCA 50, at para 16.

[30] I also decline to strike the pleadings of the Contemnors. I am not persuaded that their contempt has prevented Questor from now fully prosecuting their claims against the Defendants. Relatedly, the Contemnors have largely if not fully purged their contempt. Very often the penalty of striking pleadings is imposed when a contemnor persists in defiance of the authority of the court. Such an extreme consequence exceeds what is necessary in this case, given I am satisfied that lesser consequences can suffice. More practically, striking only the pleadings of the Contemnors and not Emission would not actually end the litigation but would very likely unduly complicate the ensuing trial for all concerned, including the Court.

3. *Quantifying a Fine*

[31] The evidence offers little basis for any differentiation among the three Contemnors on either the gravity of their offences or their degrees of moral culpability, other than perhaps that more honourable character might be expected from the more senior in workplace experience or

the more senior professional engineer. In the vacuum of evidence of their individual circumstances, roles and interactions over the course of their common scheme, I am unable to reliably differentiate between the Contemnors.

[32] The Contemnors were not each responsible as the primary contemnor for the same number of incidents of contempt, but they were each found complicit with each other in all the incidents and in their common scheme. Opportunity was given to them to differentiate themselves as less or more morally culpable than the others for penalty purposes, but none opted to break ranks in that way. All three also continued with common counsel, implying that if there was any conflict between their interests, they were waiving those differences or at least agreeing to not assert them. Alternatively, they all agreed to the common scheme and their individual roles to perpetrate the scheme, in which case they are equally culpable morally. Accordingly, I am setting a common fine as a penalty, for which each Contemnor shall be liable jointly and severally.

[33] In respect of the harm caused Questor, it referred to the “wasted years of litigation” as the Contemnors “showed flagrant disregard for the Court’s processes” preventing “Questor from uncovering the truth.” I agree that the offending conduct needlessly extended the litigation process for over 5 years. That is the combined duration of the roughly 3 years the Contemnors perpetuated their ruse, followed by the further over 2 more years since the Contemnors’ Correct the Evidence Letter. Over that latter 2+ years the parties fought vigorously every conceivable assertion of the other in these contempt proceedings. Both parties contributed to that delay by their resolute and intense advocacy, but that does not change the fact that, but for the Contemnors’ contempt, the main action could have been litigated efficiently without a 5+ year diversion.

[34] Questor also attempted to quantify their economic harm, providing evidence that it incurred significant legal expenses as a direct result of the contempt. It presented unchallenged evidence of “approximate legal fees incurred in connection with the Defendants’ false evidence and withholding of records,” broken down by interlocutory application as follows (not counting disbursements and GST) (I have rounded each to the nearest \$5,000):

| | |
|----------------------------|------------------------|
| Injunction Application | \$665,000 |
| Preservation Application | \$185,000 |
| Compel Records Application | \$410,000 |
| Contempt Application | \$635,000 ¹ |

In addition, Questor says it is out of pocket a further \$103,000, which are the costs it was ordered to pay the Defendants following the dismissal of its Injunction Application.

[35] The Contemnors say the amounts incurred in the first two applications are unrelated to the civil contempt and believe the decisions were unaffected by the contempt. I am not assessing whether a compensatory award to reimburse Questor all those costs has been proven and is warranted. This application is not about undoing the litigation consequences of the contempt, or about restitution for Questor of its potential economic losses caused by the contempt, it is about a fit penalty for the contempt considering the harm caused. It remains open to Questor to pursue

¹ This figure does not represent Questor’s full costs for the contempt process, it represents the costs incurred up to the date of Questor’s evidence, in July 2025. The Contemnors say that it also includes, but should not, Questor’s legal costs incurred for the appeal and cross appeal of the *Liability Decision*, leading to the *Appeal Decision*.

such further relief if it wishes by separate application. Nothing in this contempt Penalty decision precludes Questor from claiming whatsoever relief may remain available to it in respect of the contempt. This application determines only what is the appropriate penalty for the contempt.

[36] In quantifying that harm caused from the evidence presented, I find the costs Questor incurred on the Injunction Application are in the range of what it would have spent even if the Contemnors did not commit their acts of civil contempt. Therefore, I do not include that amount as part of the economic harm caused Questor. There is a strong argument to be made, however (which I do not need to decide for these purposes), that absent the contempt the outcome of the Injunction Application would have been reversed, that is, that Questor would not have lost that application or had to pay the Defendants' costs. If so, further, it is very unlikely Questor would have pursued the ensuing three applications had it succeeded on the Injunction Application.

[37] The Contemnors say the contempt application was not necessary, because before it was commenced the Contemnors had already corrected the false evidence. It is correct that the contempt application was not necessary for the Contemnors to disclose their lies and deception. But it was necessary for the full scope of their falsified and omitted evidence to be known, and it was necessary to place the conduct before the Court so that the Court had the opportunity to denounce it. Further, it was necessary so the Court could declare the Contemnors' conduct to constitute contempt, because they vigorously denied it to be so.

[38] The Contemnors say the Court should reduce any penalty it will impose to recognize the "foreseeable ... reputational harm" the engineers (Nelson & Bouchard) will suffer and that Stagg "may" be caused in his role in sales and marketing. They refer to my decision in *0678786 BC Ltd.* where I did take into account reputational harm. The difference, however, is that in that case there was evidence of the importance of each of the Contemnors' public reputations, one as a well known and civically recognized philanthropist and the other as a self-proclaimed highly regarded litigator. The Contemnors here offered no comparable evidence, on this aspect or indeed on any other. Nothing they presented, even by their counsel's theories, suggests to me the contempt findings have moved them in any way to regret or to self-report to their professional association or, as was the evidence in *0678786 BC Ltd.*, to take the wind out of any self-promotional sails. I wouldn't disagree that the contempt findings *ought* to be to their great shame, both personally and professionally. But nothing on this record suggests to me that it has had that effect. That is despite the Court in diverse ways availing them opportunity to convey that to the Court.

[39] The Contemnors are correct that I am to treat their contempt as a first offence, not as a continuing offence where each new day of their perpetuating their ruse is considered a separate offence. Similarly, over the duration of their ruse, during which at each opportunity to come clean they doubled down on their common scheme of deception, until their hands were forced by the Records Decision, each such repetition of the deception during that period of time does not escalate the penalty 'up the ladder' (see *Braun*, at paras 12-23). As the Court of Appeal recently stated in *Lymer v Jonsson*, 2025 ABCA 423, at para 50: "the continued failure to comply with a court order is one contempt, which cannot be the subject of repeated sanctions". The Contemnors have not had opportunity to resist a repeat of such contempt with the benefit of this experience and penalty. A second offence *after* imposition of this penalty, however, would likely move the Court 'up the ladder' of sentencing severity.

[40] While the Contemnors were found to have self-disclosed their ruse by the Correct the Evidence Letter, thereby largely purging their contempt (only to try to get out in front of the

conduct to mitigate the potential fall-out), the fact remains they did at that point self-disclose. This has some ameliorative effect on their penalty. It is in that sense a mitigating factor. As the Contemnors say, this “weighs in favour of a less severe sanction.” Further, as already discussed, the fact the contempt is now largely if not fully purged means no coercive element to the penalty is required (like incarceration or progressively escalating fines).

[41] The Contemnors say further that their Correct the Evidence Letter shows they “took responsibility for their actions”. However, this is inconsistent with the finding of fact in the *Liability Decision*, as described above. It was their attempt at damage control upon realizing they would be found out.

[42] Questor draws the Court’s attention to the fact the Contemnors offer no evidence to explain or to convey any remorse. They have not tendered any formal apology to Questor or to the Court or displayed any sign of contrition. However, this is not an aggravating factor. Had they tendered an apology or showed any genuine sign of contrition it would mitigate the penalty. But the absence of a mitigating factor is not an aggravating factor.

[43] The parties differ on whether there was contumacious intent here. Where it is present a higher penalty is in order, *ceteris paribus*. It was not expressly determined in the *Liability Decision* whether contumacious intent had been proven because, as stated therein, it need not be proven for there to be civil contempt. The Court did not need to determine that as if it was an element of the offence of civil contempt. It goes to the severity of any penalty if contempt is found.

[44] The Contemnors mistakenly imply that contumacious intent only exists where a contemnor intends to mislead the court *as their primary objective*. It can be found to exist where, as here, the primary motivation was not an intention to mislead the Court, but that intention nevertheless existed. In this case I find the two intentions or motivations not easily extricable. The two are not necessarily mutually exclusive, where the presence of one precludes the presence of the other. The nature of the civil contempt here, that was designed to gain advantage over the Contemnors’ litigation adversary Questor, was also known to be a lie under oath and to undermine the integrity of the Court’s process. More to the point, as the Court of Appeal said in the *Appeal Decision*, at para 42:

In most cases it could be inferred from a finding of knowingly giving false evidence that it was done to mislead the court. To the extent there may be circumstances where that inference cannot be drawn, the court has the discretion not to find someone in contempt should that be appropriate. In any event, while there may be cases in which knowingly providing false evidence would not support the inference that it was done to mislead the Court, this is not one of them.

[45] I concur. In this case it is an aggravating factor on penalty that in committing their acts of civil contempt the Contemnors did so knowing they were also misleading the Court and lying to it, as well as the party opposite, and, it appears, their own counsel. It was a calculated plan in which each chose to participate.

[46] The bottom line is that the offending conduct was egregious. It is that character that most drives the need for a significant penalty.

[47] A by-product of the extraordinary nature of the contempt here is that this is a very rare case. Rarely does the Court get proof of civil contempt involving lying by common design among

three common interest litigants ageing together to subvert the interests of justice. The opportunity for the Court to address it may not come again.

[48] It came to the court's attention only because Questor commendably stood its ground until the law could do its work, patiently forbearing as repeatedly the Contemnors seemed to be rewarded for their cunning falsehood. It must have been as if, as it was once described centuries ago, 'justice ... was turned back' as 'truth stumbled in the street' and no one would intercede. Most other litigants would have thrown in the towel and just grown cynical at the justice system. Yet Questor found the resolve to not give up. The magnitude of the fine I impose needs to reflect this aspect, not to now reward Questor for its fortitude or repay its economic investment, but to not lose the rare opportunity thanks to Questor to declare how outrageous was the conduct and to reprimand it suitably.

[49] Such extraordinary thwarting of the Court's truth finding function by parties purporting to plead to the Court to come to their aid in defending an action warrants a significant penalty. The penalty cannot be merely a license fee or a light slap on the wrist for this subversion of justice, for cheating their way to winning their lawsuit. That would serve neither the need for general or specific deterrence.

[50] Next, in setting the amount of a sufficient and suitable penalty, I factor in the magnitude of costs I am awarding below by awarding them on a solicitor-client basis. The magnitude is in part just the natural consequence of the scope of the Contemnors' deception and of the Contemnors' litigation choices to mount total and absolute resistance at every step of the way in the two stages of the Contempt Application. This significantly escalated Questor's costs of them. But the resulting magnitude of the solicitor-client costs has had the effect of reducing the amount of the fine I impose from what it might otherwise have been.

[51] Finally, of course, I reflect in the penalty I set that I am penalizing three people not just one.

[52] I order payable forthwith by the Contemnors to Questor a total fine in the amount of \$150,000.00, for which each Contemnor is jointly and severally liable.

4. Costs

[53] I award Questor its reasonable solicitor-client costs throughout the Contempt Application. Questor ought not to have been put to the expense of this application. It should not have been resisted in entirety as it was or on many of the bases that it was. In this way, the order of costs follows the events.

[54] Questor's reasonable solicitor-client costs are those contained in its evidence for the costs up to the date of the most recent legal invoice, less its costs attributable to the appeal and cross appeal, which are the jurisdiction of the Court of Appeal to set, plus the added costs incurred between that most recent invoice in Questor's evidence up to the conclusion of finalizing the order resulting from this decision.

[55] As the Court of Appeal said in *Demb v Valhalla Group Ltd*, 2017 ABCA 340, at para 9, "It is generally fit to make the contemnor pay the costs of contempt proceedings, both as a form of sanction, and because the innocent party should not have to bear the costs of enforcing court orders." I have not been given reason to deviate from that practice here. Nor have the reasonableness of those costs been meaningfully challenged beyond the bald assertion that they are high.

[56] I am not persuaded by any of the Contemnors' arguments that Questor's legal costs exceeded what was reasonable to protect and advance Questor's interests in prosecuting the contempt application in a detailed manner. The contempt of the Contemnors did not give Questor the liberty of knowing where all the lies may have been hidden, for example. They were not fully forthcoming; Questor had to incur considerable cost to ferret out further errors in the evidentiary record attributable to the contempt. And Questor's pursuit of relief was vigorously denied and resisted at every step of the way. Questor enjoyed substantial success on all contempt matters and is entitled to all its solicitor-client costs, but not its solicitor and own-client costs, as differentiated by the Court of Appeal in *Luft v Taylor, Zinkhofer & Conway*, 2017 ABCA 228, at paras 77-78.

[57] The costs, like the penalty, are payable forthwith. Each Contemnor is responsible jointly and severally for their payment.

Conclusion

[58] This application only addresses the appropriate penalty for the contempt described in the *Liability Decision*. It does not preclude, or offset or reduce, any other remedy to which Questor may be entitled at law or in equity.

[59] The Contemnors are together and individually each liable to pay Questor the total fine of \$150,000.00. That is, they are liable to Questor jointly and severally for that total amount. In addition, they are also jointly and severally liable for the costs of Questor on a solicitor-client basis, for all the contempt proceedings in this Court.

Heard on the 16th and 17th days of December, 2025.

Dated at the City of Calgary, Alberta this 21st day of January, 2026.

P.R. Jeffrey
J.C.K.B.A.

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