

COURT FILE NUMBER B201-964048

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE Calgary



jg

In the matter of the bankruptcy of Marissa Joy Steenson

DOCUMENT

**CHAMBERS
ENDORSEMENT**

Introduction:

[1] Jon Hodal, Mia Hodal and Dogs Tail Daycare Inc. (collectively the “**Creditors**”) seek an order declaring that the stay of proceedings provided for by s. 69.3 (1) of the *Bankruptcy and Insolvency Act* (“**BIA**”) no longer applies in respect of them and an action they have commenced against the bankrupt, Marissa Joy Steenson, in Court of King’s Bench of Alberta file number 2301-10626 (the “**Action**”).

Background:

[2] The Creditors operate a dog boarding, training and grooming facility in Calgary, Alberta. Ms. Steenson is a former employee of this business.

[3] Ms. Steenson says she observed an instance of potential animal abuse during the course of her work. She reported the incident to the animal’s owner. The applicant Mia Hodal was eventually charged with criminal and/or quasi criminal offences pertaining to the alleged abuse. She was ultimately acquitted of those charges.

[4] Broadly speaking, the Action stems out of these events. Rather than attempting to summarize the salient points, I have appended a copy of the Amended Statement of Claim to this Endorsement. The claim sounds mostly in defamation. However, other causes of action are alleged, including intentional interference with economic relations, civil harassment and intrusion upon seclusion. The Creditors seek monetary damages and declaratory and other relief.

[5] Ms. Steenson assigned into bankruptcy on July 11, 2023. Cameron Okolita Inc. was appointed as trustee of her estate.

[6] Ms. Steenson’s statement of affairs describes the causes of her bankruptcy as overextension of credit, loss of employment, “frequent relocation” and “Ex’s refusal to service debt he ensured he’d pay for”.

[7] The Creditors note that they are not included among the creditors disclosed in Ms. Steenson' statement of affairs. That is unsurprising, given that the Action was not commenced until the month following the assignment.

[8] Ms. Steenson is a first-time bankrupt. At the time of her assignment, she was not expected to have a surplus income obligation. Accordingly, in the normal course, she would have been entitled to an automatic discharge nine months after her assignment. However, the trustee objected to the discharge, noting several outstanding duties, including the provision of income and expense reports, attendance at counselling sessions, trustee fees and tax information.

[9] Ms. Steenson's application for discharge from bankruptcy came before the Court on May 21, 2024. Given the outstanding duties, her discharge application was adjourned *sine die*. She remains an undischarged bankrupt. For reasons that are not entirely clear to me, the trustee has not yet obtained its discharge.

[10] It should be noted that the trustee takes no position on this application.

Issue:

[11] Upon the assignment of an insolvent person into bankruptcy, all actions for the recovery of claims provable in bankruptcy as against that person are stayed: **BIA, s. 69.3 (1)**.

[12] The stay of proceedings can be lifted in certain defined circumstances. I must determine if the Creditors would be materially prejudiced by the operation of the stay and/or if it would be equitable to lift the stay on other grounds: **BIA, s. 69.4**.

Analysis:

[13] As I alluded to above, s. 69.4 is the BIA "lift stay" provision. Here is that section:

Court may declare that stays, etc., cease

69.4 A creditor who is affected by the operation of sections 69 to 69.31 or any other person affected by the operation of section 69.31 may apply to the court for a declaration that those sections no longer operate in respect of that creditor or person, and the court may make such a declaration, subject to any qualifications that the court considers proper, if it is satisfied

(a) that the creditor or person is likely to be materially prejudiced by the continued operation of those sections; or

(b) that it is equitable on other grounds to make such a declaration.

[14] In ***Great North Data Ltd. (Re)***, 2020 NLSC 105, Handrigan J. distilled various principles applicable to the s. 69.4 analysis:

11 From my review of section 69.4 of the *BIA*, these are some of the principles that are relevant to its application:

- A creditor applying under section 69.4 of the *BIA* must meet at least one of the two criteria stated in the section, not both;

- A creditor applying under section 69.4 of the *BIA* does not have to show it has a *prima facie* case in its action against the bankrupt: *Ma, Re*;
- The bankruptcy court need only consider the merits of the proposed action to see whether there are ‘sound reasons’ for lifting the stay: *Ma, Re*;
- A bankruptcy court on a leave application must ensure that sound reasons exist for relieving against the automatic stay of proceedings: *Re Francisco*;
- It is an error of law to accept the five circumstances enumerated in *Advocate Mines Ltd., Re* as “a limiting or exhaustive instrument”: *Francisco, Re*;
- If the creditor satisfies the court that one or more of the grounds referred to in *Advocate Mines Ltd., Re* is present and that the creditor is likely to be materially prejudiced or that it is equitable on other grounds to make such a declaration then a court will lift the stay of proceedings: *Panorama Parkview Homes Ltd. (Re)*, 2017 BCSC 2071 (B.C. S.C.); and,
- Fraud alleged by a creditor to have been committed by the bankrupt is a complex matter which should not ordinarily be dealt with on a summary basis and without a full hearing: *Taylor Ventures Ltd., Re*, 2002 BCSC 82 (B.C. S.C. [In Chambers]).

[15] Frequently, claimants seek to lift the stay on the basis that the nature of their claims are such that they will survive the bankrupt’s discharge from bankruptcy under s. 178 of the *BIA*. The Creditors allege that their claim is of this nature. However, they offer no evidence in support of that contention.

[16] I accept that there is a degree of complexity to the claims made by the Creditors in the Action. The summary valuation procedure under s. 135 (1.1) of the *BIA* is an inappropriate mechanism to determine quantum of damages in a complex case of this nature.

[17] Moreover, the Creditors seek declaratory relief in addition to damages. A claim for declaratory relief is not a claim provable in bankruptcy.

[18] To my mind, it makes no sense to have the Creditors “sit on the sidelines”, waiting for the trustee to be discharged, all the while having claims which are not reasonably capable of being valued in a bankruptcy and to which the *BIA* otherwise does not apply.

[19] Further, I agree with the Creditors that the prosecution of the Action is unlikely to interfere with the administration of the Ms. Steenson’s estate.

[20] In practical terms, there is no estate to administer at this point. As noted, Ms. Steenson’s application for her discharge from bankruptcy is adjourned *sine die*. There is little left for the trustee to do other than make the necessary preparations for its discharge. For that reason, I contemplated dismissing the application, given that the trustee’s discharge will have the effect of giving the Creditors what they want. However, the timing of the trustee’s discharge application is unclear, and there is the possibility that Ms. Steenson will seek to complete her bankruptcy duties before the trustee brings its discharge application forward. In any event, as the Creditors point out, the Amended Statement of Claim was filed and served in mid to late December, 2023. They only became aware of the bankruptcy in early January, 2025. There is no evidence that the prosecution of the Action had any adverse effect on the administration of the estate during that time.

[21] Finally, I do not consider that the lifting of the stay in these circumstances will give the Creditors an unfair advantage over estate creditors. As noted, certain of the relief sought in the Action is declaratory in nature. Further, this is a summary administration estate, meaning that none of Ms. Steenson's creditors or potential creditors (including the Creditors) are likely to see any financial recovery, in the context of the bankruptcy or otherwise.

Conclusion:

[22] Overall, I am satisfied that the Creditors have established that they are likely to be materially prejudiced if the stay of proceedings against them is not lifted and that it would be unfair and inequitable for the stay to continue. Therefore, there will be a direction that the stay of proceedings provided for by s. 69.3 no longer operates in respect of the Action. The stay is lifted *nunc pro tunc*.

[23] If the Creditors and Ms. Steenson cannot agree as to costs, they may make written submissions to me on that point within sixty days of the date of these reasons. Such submissions are not to exceed five pages in length, exclusive of exhibits, appendices, etc.

DATE OF DECISION: 2025-03-14

Signed:  _____
APPLICATIONS JUDGE M. PARK

COURT FILE NUMBER 2301-10626

COURT COURT OF KING'S BENCH OF ALBERTA

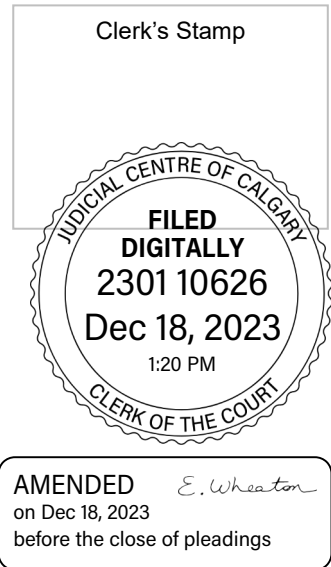
JUDICIAL CENTRE CALGARY

PLAINTIFF JON HODAL, MIA HOLDAL, and DOGS TAIL DAYCARE INC.

DEFENDANT MARISSA STEENSON and JOHN DOE

DOCUMENT **AMENDED STATEMENT OF CLAIM**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT GUARDIAN LAW GROUP
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Calgary, AB T2P 5I5
ATTN: Hon. Jonathan Denis, K.C.
587-315-1118
jdenis@guardian.law



NOTICE TO DEFENDANT(S)

You are being sued. You are a defendant.

Go to the end of this document to see what you can do and when you must do it.

Note: State below only facts and not evidence (Rule 13.6)

Statement of facts relied on:

The Parties

1. The Plaintiff, JON HODAL ("**Jon**") at all material times hereto is an individual resident in the City of Calgary, in the province of Alberta. Jon is the business owner of Dogs Tail Daycare Inc., a duly registered corporation with is registered office in the City of Calgary, in the Province of Alberta.
2. The Plaintiff, MIA HODAL ("**Mia**") at all material times hereto is an individual resident in the City of Calgary, in the province of Alberta. Mia is the daughter of Jon and the co-owner of Dogs Tail Daycare Inc. , a duly registered corporation with is registered office in the City of Calgary, in the Province of Alberta.
3. The Plaintiff, Dogs Tail Daycare Inc. ("**Dogs Tail**"), at all material times hereto is a duly registered corporation pursuant to the *Business Corporations Act (Alberta)* in the City of Calgary in the Province of Alberta, operating as a dog daycare, grooming and, pet

training services to the residents in the City of Calgary, in the Province of Alberta. Dog Tails caters to primarily residents in the southeast quadrant of the City of Calgary.

4. Jon, Mia, and Dogs Tail are hereinafter collectively referred to as the Plaintiffs (**"Plaintiffs"**).
5. The Defendant, MARISSA STEENSON (**"Marissa"**), at all material times hereto was an employee of Dogs Tail and is a resident of the Province of Alberta.
6. The Defendant, JOHN DOE (**"Doe"**) is one or more individuals of unspecified and/or unknown gender, a body corporate, or other party whose identity, domicile, and description is as yet unknown at the juncture of the filing of this Statement of Claim.
7. Marissa and Doe are hereinafter collectively referred to as the Plaintiffs (**"Plaintiffs"**).

Overview

8. This is a Statement of Claim for defamation.
9. The Plaintiffs advance this claim against the Defendants for their publication of false, irresponsible, unfair and malicious attack on the Plaintiffs' reputations.

Employment Background

10. Marisa was hired at Dogs Tail on or about November 21, 2021 and continued her employment until on or about November 30, 2022, when she resigned.

The Defamatory Publications

11. On or about December 1, 2022 to on or about December 28, 2022, the Defendants falsely and maliciously posted the following defamatory comments regarding the Plaintiff via various social media platforms and otherwise:
 - a. "Absolute ROAST to Dogs Tail Inc. dog daycare. They screw over staff with empty promises and threats. The owners promised bonuses before they went to a cushy vacay in Mexico and come back to say nvm "we're too broke now to offer bonuses" while blaming staff for being broke. Right before Xmas lol They don't pay properly and have straight up not paid a past employee for "standing around too much" so they docked off an hour or so worth off their pay check. That's only one instance I know of for sure who knows what else they're up to.... Oh yeah and they turn off their webcams when the rooms are too busy to avoid parents seeing their dogs fight, which happens all the time!
 - b. They're so desperate to make money right now that they are taking literally any type of dog even super aggressive ones and risking their staff and regular clients in the process. Staff are told to suck it up when bitten....Not to mention their trainer is a total SCAM who abuses peoples dogs....Careful where you take your pups, friends. I saw someone else warn about them and it encouraged me to post as well. Trust the big guys.

- c. Anyway, whoever sees this, if you wanna chat with me about working in the dog industry, slide into my DM's and maybe I can help you avoid where I used to be a manager and worked for over 4 years. They (as in the owner) treated me, and everyone else, like complete shit. Almost ALL of them do. People think "oh, a dog business? The owners must be awesome. "no. They're all fucking crazy.
12. On or about April 1, 2023, another posting by the Defendants' friend was made on facebook about the Plaintiffs as follows:
 - a. Rant to dogs tail day care....my friend used to work there and I was always in at the back and how would they clean otherwise she was fully drenched to the point she was soaked and I could smell it in another room away from her and they never change their mop bucket other than emptying it at 8:30 pm and on top of that the last time I brought her there which after that I refused to bring them she was drenched in poop water and chemicals...I'm glad my friend quit and ended up being able to drive a bit after leaving them.
13. On or about December 14, 2023, the Defendants selectively edited a video to create a false, malicious and entirely incorrect impression that Mia, while working at Dogs Tail, caused or allowed an animal to be in distress when in fact the said plaintiffs were rescuing the said dog from harm (specifically and without limitation preventing the dog from ingesting its collar), the particulars of which to be proven at the trial of this action.
14. Furthermore, the Defendants have continuously harmed the Plaintiffs by circulating false and malicious comments about criminal charges against the Defendant, Mia for dog abuse.

(the "Defamatory words).
15. The Defendants have republished the Defamatory Words throughout social media and otherwise.
16. The Defamatory Words, in their natural and ordinary meaning and by innuendo, meant and were understood to mean that:
 - a. The Plaintiffs pay under the table wages against the Employment Legislation;
 - b. The Plaintiffs are using funds from the business to fund their own personal leisurely activities;
 - c. The Plaintiffs neglect, abuse, and scam their clients and animals;
 - d. The Plaintiffs are being charged criminally for their abuse and neglect of the animals;
 - e. The Plaintiffs have poor hygiene practices for the business;

- f. The Plaintiffs do not care and disregard their staffs' safety, personal well-being, and care; and
 - g. Such further and other natura, ordinary, and inferential meanings to be proven to the trial of this action.
17. The Defamatory Words are false and defamatory of and concerning the Plaintiffs and were circulated by the Defendants with malice, consisting of injurious harm and with ill intent, the particulars of which to be proven at the trial of this action.
 18. The Defamatory Words, and the innuendo arising from them, are false and were made by the Defendants with malice, knowing that they were false or with careless disregard as to whether they were true or not.
 19. The Defendants have encouraged and/or caused the Defamatory Words to be republished throughout the internet, social media, and otherwise, the particulars of which to be proven at the trial of this action.
 20. The Defamatory Words were made by the Defendants notwithstanding the fact that they knew, or ought to have known the Plaintiffs would suffer irreparable harm, the particulars of which to be proven at the trial of this action.
 21. As a result of the Defamatory Words, the Plaintiffs have been subjected to ridicule, hatred, odium, and contempt, and have suffered damages to their reputation personally and in the way of their business and personal affairs, the particulars of which to be proven at the trial of this action.
 22. The Defamatory Words /_\ have caused the Plaintiffs to be humiliated, embarrassed, ridiculed, threatened, and their persona reputation has been damaged both personally and professionally, the particulars of which to be proven at the trial of this action.
 23. Furthermore, the Plaintiffs, Jon and Mia have each suffered serious mental health aggravation and exacerbation as a result of the Defendants' actions, the particulars of which to be proven at the trial of this action.
 24. The malicious, high-handed, callous and arrogant conduct of the Defendants, as the aforementioned shows a flagrant disregard for the Plaintiff's rights, the particulars of which to be proven at the trial of this action.
 25. Particularly of the malice and false Defamatory words by the Defendants, inter alia are as follows:
 - a. Threats and hostility towards the Plaintiffs;
 - b. Evidence of personal animosity and discrimination;
 - c. Personal vendetta and vindictiveness against the Plaintiffs;

- d. Evidence of the Defendants' knowledge of the Defamatory Words being circulated as being false and unfounded at the time of circulation and posting;
 - e. Repetition and recirculating of the Defamatory Words through various social media platforms in Calgary and elsewhere; / \
 - f. Failure of the Defendants to investigate or to make such inquiries as to whether the Defamatory Words were accurate or true; and
 - g. Such further and other particulars to be proven at the trial of this action.
26. The Plaintiffs complain of and intend to rely on the entirety of the Defamatory Statements, including all accompanying headlines, display, graphics, pictures and text, in support of his action, and earlier and subsequent versions of the Defamatory Statements published or republished, in any form whatsoever, in whole or in part, by the Defendants, the particulars of which to be proven at the trial of this action.
27. In that regard, the Defendants caused, participated in, consented to, authorized, permitted and/or condoned the publication and broad dissemination of the Defamatory Statements on the Defendant's Facebook page and other social media pages, and other social media pages currently unknown to the Plaintiffs, the particulars of which to be proven at the trial of the actions.
28. At no time have the Defendants published a formal retraction or apology for the Defamatory Words and the serious damage to the Plaintiffs that arose from it, nor have they removed the Defamatory Statements from the internet.
29. By their conduct, the Defendants have further aggravated the damages caused by them to the Plaintiffs, in particular, but without limitation:
- a. The Defendants have posted a one-sided, sensational account of untrue events conveying false and defamatory claims of illegal conduct, and knowingly misstating information to the public concerning the conduct of the Plaintiffs;
 - b. The Defendants have has conjured and manipulated facts and set out to destroy and discredit the reputation of the Plaintiffs;
 - c. At all times, the Defendants have unfair, irresponsible and motivated by malice towards the Plaintiffs;
 - d. The Defendant has continued to publish, and/or have authorized, intended, consented to and/or condoned the continued publication of the Defamatory Statements, in whole or in part, on her Facebook page and other social media pages. As a result of the Defendants' conduct, the Defamatory Words, and the innuendo arising from them, will forever remain online for the public to view and

will forever falsely signal to the public of the inferential meanings of the defanation;

e. Such further and other particulars to be proven at the trial of this action.

30. As a result of the Defamatory Words, the Plaintiffs have suffered and will continue to suffer the following:

a. As to the Plaintiff, Jon:

- i. Emotional distress;
- ii. Loss of time off work;
- iii. Loss of business revenue;
- iv. Sleep disturbances; /_\
- v. Loss of opportunity; and
- vi. Such further particulars to be proven at the /_\ trial of this action.

b. As to the Plaintiff, Mia:

- i. Exacerbation an aggravation of pre-existing depression and anxiety and other mental health issues;
- ii. Hospitalization;
- iii. Sleep disturbances;
- iv. Loss of time off work and business revenue; and
- v. Such further particulars to be proven at the /_\ trial of this action.

c. As to the Plaintiff, Dogs Tail:

- i. Loss of business revenues; /_\
- ii. Loss of opportunity; and
- iii. Such further particulars to be proven at the /_\ trial of this action.

Intentional Interference with Economic Relations

31. The Plaintiffs advance that the Defendants have intended to injure the Plaintiffs' economic interests, with such interference being calculated and done by illegal and/or unlawful means, and that, as a direct result of the Defendants' conduct as aforesaid and otherwise, the Plaintiffs have suffered economic harm and/or loss as a result, resulting

in a separate and distinct claim for intentional interference with economic relations. The particulars this claim include without limitation as follows:

- a. Loss of reputation;
- b. Loss of opportunity;
- c. Reduction of income;
- d. Loss of good will;
- e. Mental distress; and
- f. Such further and other particulars to be proven at the trial of this action.

Civil Harassment

32. The Plaintiffs advance that the Defendants engaged in repeated communications, threats, insults, or other forms or harassing behavior, through various means and that the Defendants knew or ought to have known that their conduct was unwelcome. The said actions resulted in the Plaintiffs' dignity being impugned, causing a reasonable person to fear for their safety or the safety of their loved ones and/or reasonably foreseeing emotional distress as a result, all of the foregoing constituting the tort of civil harassment at law.
33. The Plaintiffs have suffered harm as a direct consequence of the Defendants' actions in civil harassment, the particulars of which to be proven at the trial of this action.

Intrusion Upon Seclusion (Invasion of Privacy)

34. The Plaintiffs advance that the Defendants have intruded upon the Plaintiffs' seclusion or solitude and/or into their private affairs by disclosing to the public embarrassing and untrue allegations about the Plaintiff and drawing publicity which places the Plaintiffs in a false light in the public eye. The Plaintiffs advance that the foregoing constitutes the tort of intrusion upon seclusion (invasion of privacy) at law.
35. The Plaintiffs have suffered harm as a direct consequence of the Defendants' actions in intrusion upon seclusion (invasion of privacy), the particulars of which to be proven at the trial of this action.

Aggravated, Punitive, and Exemplary Damages

36. The Plaintiffs advance that the conduct of the Defendants has been so deplorable that it warrants the condemnation of this court, in this instance and in terms of public policy. The Plaintiffs therefore claim aggravated, punitive, and exemplary damages in an amount set by this Court, the particulars of which to be proven at the trial of this action.

Further Relief and Concluding Items

37. The Plaintiffs reserve the right to amend the pleadings should further particulars be established of any kind, including without limitation the true and actual identify of Doe.
38. The Plaintiffs plead and rely upon the provisions of the *Defamation Act* (Alberta), the *Judgment Interest Act* (Alberta), the *Contributory Negligence Act* (Alberta), the *Tort Feasors Act* (Alberta), and such further and other statutes and regulations to be referenced at the trial of this action.

Remedy Sought

Wherefore the Plaintiffs claim against the Defendants, Marissa Steenson and John Doe as follows:

- a. A declaration that the Defamatory Words constitute defamation pursuant to the *Defamation Act* (Alberta) and at common law;
- b. An interlocutory and permanent injunction requiring the removal of the Defamatory Words restraining the Defendant from any and all further publication of the Defamatory Statements or similar statements and requiring the Defendant to remove the Defamatory Statements from the internet and otherwise;
- c. A tracing of any and all electronic data evidencing the conduct of the Defendant, whether it be in her hands or that of an unrelated third party estranged from this action;
- d. General damages in the amount of \$150,000.00;
- e. Special damages in the amount of \$50,000.00;
- f. Aggravated, punitive, and exemplary damages in an amount to be proven at the trial of this action;
- g. Damages for loss of income and loss of opportunity to be proven at the trial of this action;
- h. Judgment interest pursuant to the *Judgment Interest Act* (Alberta);
- i. Costs on a solicitor-client (full indemnity) basis; and
- j. Such further and other interim and permanent relief as the nature of the case may require, and this Court may deem just and proper including without limitation amendments to the Pleadings and thereto; and

NOTICE TO THE DEFENDANT(S)

You only have a short time to do something to defend yourself against this claim:

20 days if you are served in Alberta

1 month if you are served outside Alberta but in Canada

2 months if you are served outside Canada.

You can respond by filing a statement of defence or a demand for notice in the office of the clerk of the Court of Queen's Bench at Calgary, Alberta, AND serving your statement of defence or a demand for notice on the plaintiff's(s') address for service.

WARNING

If you do not file and serve a statement of defence or a demand for notice within your time period, you risk losing the law suit automatically. If you do not file, or do not serve, or are late in doing either of these things, a court may give a judgment to the plaintiff(s) against you.