Federal Court  Cour fédérale

Date: 20220727

Docket: T-836-17

Citation: 2022 FC 1129

Ottawa, Ontario, July 27, 2022

PRESENT: The Honourable Mr. Justice Ahmed

BETWEEN:

CANADIAN MARITIME ENGINEERING LTD., a body corporate

Plaintiff

and

IONADA INCORPORATED, a body corporate

Defendant

ORDER AND REASONS

I. Overview

[1] The Plaintiff, Canadian Maritime Engineering Limited ("CME") is a body corporate, incorporated pursuant to the laws of Ontario, and is engaged in the business of custom engineering and ship repair in Canada. At times material to the claims advanced in this proceeding, the Defendant, Ionada Incorporated ("Ionada") was a body corporate incorporated pursuant to the laws of Canada with a registered office in Concord, Ontario. The Defendant was

a contractor to the owner of the Ship NOLHANAVA (the "NOLHANAVA") and engaged the Plaintiff as a subcontractor to repair and otherwise equip the NOLHANAVA by installing a bilge tank and scrubber while it was docked in Nova Scotia (the "Work").

[2] The Plaintiff states that it began the Work in June 2016 and completed the Work in February 2017. In accordance with the subcontract, the Plaintiff issued several invoices for the completion of the Work. When the Defendant did not make complete payment on the invoices, the Plaintiff commenced an action in this Court. On June 20, 2017, the Plaintiff served the Defendant with its Statement of Claim. The Defendant did not file a Statement of Defence.

[3] On September 12, 2017, my colleague Justice St-Louis issued an Order for Default Judgment (the "Default Judgment") against the Defendant. The Default Judgment ordered that:

A. The Plaintiff shall have judgment against the Defendant Ionada Incorporated in the amount of $200,607.96;

B. The Plaintiff shall additionally have judgment against the Defendant Ionada Incorporated for prejudgment interest on the said amount calculated at 5% simple interest from the 27th day of February, 2017 to the date hereof;

C. The Plaintiff shall additionally have judgment against the Defendant Ionada Incorporated for post-judgment interest on the said amount calculated at 5% simple interest from the date of this Order until date of payment;

D. The Plaintiff shall have its costs of this Action, to be taxed.

[4] The Plaintiff seeks assistance from this Court in relation to the enforcement of the Default Judgment against the Defendant.

II. Background

[5] The Plaintiff states that shortly after the Default Judgment was issued, it engaged in reasonable discussions with Ionada and its operating mind, Mr. Edoardo Panziera ("Panziera"), in an attempt to reach an agreement on satisfaction on amounts owing under the Default Judgment (the "Judgment Debt"). The Plaintiff states that these discussions continued throughout 2017 and into May 2018, but no agreement was reached.

[6] The Plaintiff's motion record includes an email exchange from September 14, 2017 between Mr. Daniel Russell ("Russell"), the Chief Executive Officer of CME, and Mr. Panziera. Mr. Russell's email states in part:

> […] Sorry to hear about the situation your company finds itself in. I am the owner of a group of companies that includes Canadian Maritime Engineering and was wondering if there was a mutually beneficial business opportunity we could explore given the situation […]

[7] Mr. Panziera's email response does not acknowledge "the situation" Ionada finds itself in, proposes a meeting the following week, and includes as an attachment the standard information for prospective investors.

[8] From September 2017 to December 13, 2017, Mr. Russell and Mr. Panziera exchanged a number of emails. An email from Mr. Panziera to Mr. Russell dated December 10, 2017 outlines Ionada's financial struggles, and states the following:

> I will be in China all of January and part of February to follow up with multiple investors. These investors will provide the most likely source of new investment. We have multiple term sheets and MOUs in play, and I am confident we can secure new financing with 6 months. This would put us in a position to begin payments to CME in June.
>
> […]
>
> I am available to schedule a conference call next week to answer any questions. Thank you for your understanding, and I am hopeful we can resolve our outstanding debt to CME in the near future.

[9] A later email from Mr. Russell to Mr. Panziera states the following:

> Hi Edoardo,
>
> Sorry to hear about your circumstances.
>
> I talked with John today, and if you are in the final stages of winning a $150,000,000 scrubber project with NB power and seeking government grants and investors; this may be something CME can support you on; and if we can arrange the EDC financing, this will guarantee our payment; and the future benefit/ relationship can quickly negate the current situation we find ourselves in with Ionada.
>
> I look forward to meeting him next week.

[10] According to the affidavit of Mr. Russell on record, Mr. Panziera introduced Mr. Russell to Mr. John Gingerich to explore financing options, including the possibility of converting the amount owing on the Judgment Debt into a form of corporate equity, in order to help Ionada

reduce their debt load. These discussions continued until May 2018. In an email dated March 7, 2018, Mr. Russell wrote:

> Hi Edoardo et al.,
>
> I have given Canadian Maritime Engineering's position significant thought, and while we welcome developing a future relationship with Ionada Incorporated, we need to come to an understanding on how Canadian Maritime Engineering Ltd. is going to get paid, our September 2017 judgement of $200,607 plus simple interest pre and post judgement at 5%.
>
> A simple letter of good faith and a payment plan will suffice at this time.
>
> Otherwise under advise[*sic*] of legal counsel we will be continuous to seek enforcement, and CME will have no interest in working with Ionada Incorporated, until we see a clear path on how [*sic*] will be paid the outstanding judgement.

[11] In another email dated May 24, 2018 – part of a chain of emails discussing the proposed debt conversion agreement – Mr. Russell asked Mr. Panziera:

> Thanks Edoardo. Can you provide us with some information on the company and the preferred shares we are transferring our debt into? There must be some valuation or financial data we can review to make sure this is a reasonable conversion.

[12] Mr. Russell was not satisfied with the information and business model provided by Mr. Panziera. In a later email, dated May 25, 2018, he wrote:

> Edoardo,
>
> We really want to work with your company, however, we need to know how we can get paid, what we are owed, and how we will be

> paid for future work. I want to talk with someone to understand the value proposition of the shares you are proposing... […]

[13] Mr. Russell's affidavit indicates that from May 2018 onward, he lost confidence in the discussions with Mr. Panziera and decided it was not in CME's best interest to enter into an investment of equity-based arrangement with Mr. Panziera and Ionada. The Plaintiff claims it wanted to give Ionada some "breathing room" before taking steps toward execution of the Judgment Debt, in order to give Ionada the chance to recover from its challenging financial situation.

[14] The Plaintiff states it heard nothing further from Mr. Panziera until April 4, 2022, when Mr. Russell received a newsletter from Ionada that spoke of the receipt of grants and investments. In response, Mr. Russell emailed Mr. Panziera to congratulate him and Ionada on this recent success and sought to renew a discussion about the outstanding Judgment Debt. The email from Mr. Russell states in part:

> […] We welcome a discussion with you on how we can now resolve this outstanding debt, whether it is in cash, shares or projects; we have been patient and we are open to being flexible and working with you.

[15] From the same email address used in his 2017 and 2018 communications (edoardo.panziera@ionada.com), Mr. Panziera provided the following response on April 5, 2022:

> Hello Daniel,
>
> Ionada Incorporated, Canadian corporation, provider of marine desulfurization equipment, was dissolved […]. Ionada Carbon Solutions Limited, provider of carbon capture equipment, is an Alberta corporation established in 2020, with no relation to Ionada Incorporated. I hope this clarifies any issues regarding the claims against Ionada Incorporated.
>
> We are always seeking strategic partners and welcome you to contact our financial director, Ms. Violy Salas, to obtain an investor package or become a supplier.

[16] Mr. Russell responded: "Hello Edoardo, So, you are offering us nothing? Just want to clarify this before we take next steps […]". In his reply on the same day, Mr. Panziera advised Mr. Russell that Ionada "no longer exists" and that he would not respond to any communications regarding Ionada.

[17] Accordingly, the Plaintiff brings this motion to Mr. Panziera and the new Alberta-based company referred to by Mr. Panziera, Ionada Carbon Solutions Limited ("Ionada #2").

[18] The Plaintiff alleges that Mr. Panziera arranged for the corporate dissolution of Ionada in May 2021 on false pretenses. In an attempt to avoid Ionada's debts, including the Judgment Debt, the company was voluntarily dissolved on the basis of a misrepresentation: that Ionada has "no liabilities". The record indicates that Ionada was dissolved pursuant to the *Canada Business Corporations Act*, RSC, 1985, c. C-44 (the "*CBCA*") on October 12, 2019. On April 22, 2020, the company was revived pursuant to section 209 of the *CBCA*. On May 19, 2021, Ionada was dissolved pursuant to section 210(2) of the *CBCA*. The Articles of Dissolution were filed by Corazza Palummo LLP, an accounting firm based in Concord, Ontario, and indicate:

> Authority for dissolution:
>
> The corporation has no property and no liabilities and the shareholders have approved the dissolution under subsection 210(2).

[19] Ionada #2 was incorporated under the laws of Alberta on November 25, 2020. Its registered email address is edoardo.panziera@ionada.com, and its office is located in Calgary, Alberta. Its sole director is Mr. Panziera, and 100 percent of the voting shares are held by Mr. Panziera.

[20] The Plaintiff claims that Mr. Panziera has continued to operate his Ionada business as Ionada #2 and falsely asserts that Ionada #2 has "no relation" to Ionada, when it is in fact a continuation of Ionada and presents itself to the world as such. The Plaintiff maintains that Mr. Panziera, as the sole operating mind, shareholder and director of the Ionada business, relies on corporate formalities to shield against his legal responsibilities. The website https://ionada.com was included in Mr. Panziera's email signature in his emails in 2017 and 2018, as well as those sent to Mr. Russell in April 2022. As of May 12, 2022, the website describes Ionada's "Story" as beginning in 2010. Under the "Media" tab, there are press releases dating back to February 1, 2016, four of which specifically reference "Ionada Incorporated". Under the "About Us" tab, Mr. Panziera is listed as the Managing Director of Ionada #2.

[21] The Plaintiff now seeks to have Mr. Panziera and Ionada #2 identified as debtors liable for payment on the Judgment Debt, both jointly and severally, and related relief to aid in execution of the Judgment Debt.

[22] Neither Mr. Panziera nor Ionada #2 have filed a response to the Plaintiff's Motion. As such, the evidence submitted by the Plaintiff is uncontested.

III. Preliminary Matter

[23] The Plaintiff has indicated that it has discontinued its claim against the owners and all others interested in the ship "NOLHANAVA". It follows that the "THE OWNERS and all others interested in the Ship "NOLHANAVA"" shall be removed as Defendants in this matter. Accordingly, the style of cause is hereby amended to name "IONADA INCORPORATED, a body corporate" as the sole Defendant, with immediate effect (Rule 76, *Federal Courts Rules*, SOR/98-106).

IV. Issues

[24] The issues are the following:

A. *What is the present amount of the Judgment Debt?*

B. *Does this Court have the authority to identify Mr. Panziera and/or Ionada #2 as debtors liable for payment of the Judgment Debt?*

C. *Should this Court "lift the corporate veil" to permit execution against Mr. Panziera and/or Ionada #2 as debtors liable for payment on the Judgment Debt?*

D. *Should the Plaintiff be entitled to conduct examinations of certain individuals to aid in execution?*

V. Analysis

A. *Present Amount of the Judgment Debt*

[25] The Plaintiff submits that as of the date of the hearing for this matter, May 19, 2022, the total amount of the Judgment Debt, inclusive of pre-judgment and post-judgment interest, is $253,067.28. I agree with this amount. The calculations are as follows:

A. At 5% simple interest *per annum* on the principal sum of $200,607.96, the *per diem* amount of interest is $27.48;

B. The duration of prejudgment interest is 198 days. At $27.48 *per diem*, this amounts to prejudgment interest of $5,441.04; and

C. The duration of post-judgment interest is 1,711 days. At $27.48 *per diem*, this amounts to post-judgment interest of $47,018.28.

B. *Authority to Identify Judgment Debtors*

[26] The Plaintiff submits that this Court has the authority to identify Mr. Panziera and Ionada #2 as debtors liable for payment of the Judgment Debt. The Plaintiff relies on *Roxford Enterprises S.A. v Cuba*, 2003 FCT 763, at paragraphs 25-26, in which this Court relies on the Federal Court of Appeal's decision in *Canada v Transport H. Cordeau Inc.*, 2002 FCA 228 ("*Gadbois"*) to note the 'broad jurisdiction' of the Court to permit the enforcement of judgments against non-parties in certain circumstances:

> [25] More recently, the Federal Court of Appeal confirmed that this Court has broad jurisdiction to decide issues which arise in the enforcement of its judgments, including whether the corporate veil should be lifted: *Canada (Minister of National Revenue) v Gadbois*, 2002 FCA 228 (CanLII), [2003] 1 C.T.C. 353 (F.C.A.) (*Gadbois*). The Court in *Gadbois* [at paragraph 29] also concluded that objections to enforcement could adequately be argued on the basis of "documentary evidence in the record, affidavit evidence and cross-examination of affiants".
>
> [26] Cubana has not established that it was in any way prejudiced by having to resort to the usual procedure in connection with motions in the Federal Court. Moreover, leave was never sought to deviate from the general scheme applicable to motions. Consequently, I conclude that this Court has jurisdiction to determine the principal issue in this motion, namely whether Cubana is assimilated to Cuba or a separate juridical personality that is immune from seizure.
>
> [Emphasis added.]

[27] Indeed, the Court has the power to ensure its judgments are enforced. In *London Life Insurance Company v Canada*, 2014 FCA 106, Justice Gauthier, writing for the Federal Court of Appeal, states at paragraph 62: "In my opinion, the Court does not need a specific rule allowing it to give directions or to dispose of issues incidental to the enforcement of its judgments […]", affirming the Court's finding in *Gadbois* at paragraph 14:

> [14] There is no doubt that the Court has the power to ensure that its judgments are enforced, and in that context, it may be required to dispose incidentally of issues under provincial law that are raised against that enforcement: *Le Bois de Construction du Nord (1971) Ltée* v *The Queen*, [1986] 2 CTC 227 (F.C.A.). As Mr. Justice Marceau wrote at page 233, "the Court's power to rule on a point of provincial law which arises incidentally in the course of exercising its proper jurisdiction is not in any doubt." The Supreme Court of Canada expressly recognized that jurisdiction in *ITO – Int'l Terminal Operators* v *Miida Electronics*, 1986 CanLII 91 (SCC), [1986] 1 S.C.R. 752, at page 781:

> The Federal Court is constituted for the better administration of the laws of Canada. It is not, however, restricted to applying federal law in cases before it. Where a case is in "pith and substance" within the court's statutory jurisdiction, the Federal Court may apply provincial law incidentally necessary to resolve the issues presented by the parties.

[28] I therefore agree with the Plaintiff that this Court has the authority to lift the corporate veil in order to enforce the Default Judgment and payment of the Judgment Debt.

C. *Lifting the Corporate Veil*

[29] The Plaintiff submits that, having established that the Court has the authority to lift the corporate veil to enforce its judgment, the Plaintiff should be entitled to lift the corporate veil in order to pursue satisfaction of the Judgment Debt against both Mr. Panziera and Ionada #2.

[30] In *Weldpro Limited v Weldworld Corp*., 2018 FC 312, at paragraph 35, my colleague Justice Gleeson notes that the threshold for lifting the corporate veil is high and summarizes the conduct that would warrant such a result:

> The threshold for lifting the veil is high. The nature of egregious conduct that has warranted such a result has included corporate directors lying to the court (*642947 Ontario Ltd v Fleischer* (2001), 2001 CanLII 8623 (ON CA), 56 OR (3d) 417, 209 DLR (4th) 182 (Ont CA)), the misappropriation of funds by corporate directors (*Shoppers Drug Mart Inc v 6470360 Canada Inc (Energyshop Consulting Inc/Powerhouse Energy Management Inc)*, 2014 ONCA 85) or the transfer of business to a corporation for the sole purpose of evading a default judgment (*Asics Corporation v 9153-2267 Québec Inc*, 2017 FC 257). The applicant's record does not disclose any such evidence. Even if the

> passing off claim had been founded, there is no evidence of the type of egregious conduct that would warrant lifting the corporate veil and imposing personal liability on Mr. Kocken.

[31] The Plaintiff submits that the common theme in cases where the corporate veil was lifted is to prevent an injustice in circumstances of dishonesty or deceit. In *Foresight Shipping Co. v Union of India*, 2004 FC 231 ("*Foresight Shipping*"), at paragraphs 14 and 15, this Court described the test for lifting the corporate veil in the following way:

> [14] In order to lift the corporate veil, the Court must find that the corporate entity is "completely dominated and controlled" by the owner, and that by this domination, it is used to disguise the owner's part in fraudulent or improper conduct or to shield it from liability for such actions (*Transamerica Life v Canada Life Insurance* (1996) 1996 CanLII 7979 (ON SC), 28 O.R. (3d) 423).
>
> [15] The complete domination referred to is more than mere ownership. The control must be such that the company does not, in fact, function independently. This, Foresight has failed to show.

[32] The Plaintiff submits that the first part of the test is satisfied, as both Ionada and Ionada #2 have been completely controlled by Mr. Panziera at all material times. With this complete control, Mr. Panziera orchestrated a wrongful and dishonest dissolution of Ionana and continues his business as Ionada # 2, all while pointing to corporate formalities as an improper shield against the Judgment Debt. The Plaintiff maintains that there is a remarkable degree of continuity between Ionada and Ionada #2, and the evidence indicates that Mr. Panziera has been in complete control of both Ionada and Ionada #2:

A. Mr. Panziera was the sole or majority shareholder, sole and/or managing director and "President" of Ionada. He arranged for the initial incorporation in December 2013, arranged for revival in 2020, and was the sole director by the time he orchestrated the dissolution in 2021. In addition, Mr. Panziera led the investment-related discussions with CME at all times during an attempted negotiation on the Judgment Debt from September 2017 until May 2018.

B. Mr. Panziera is the sole shareholder, sole director and managing director of Ionada # 2. His longstanding email address (edoardo.panziera@ionada.com) is listed on the corporate profile, along with his address on Pennsylvania Avenue in Concord, Ontario.

C. The same website address and email addresses are used for both Ionada and Ionada #2. As such, there is a comingling of the trade name 'Ionada' between the two companies without any substantive demarcation.

[33] Furthermore, the Plaintiff notes that the second element of the test for lifting the corporate veil involves demonstrating that, beyond complete control, there is also "[…] a sham or the existence of a vehicle for wrongdoing, or some conduct akin to fraud." (*Nevsun Resources Ltd. v Delizia Limited*, 2016 FC 393 ("*Nevsun*") at para 44, aff'd 2017 FCA 187). The Plaintiff submits that Ionada was wrongfully dissolved and Mr. Panziera now tries to evade the Judgment Debt by the sham of formal distinction between Ionada and Ionada #2. In these circumstances, such egregious conduct is akin to fraud and is sufficient to lift the corporate veil.

[34] Subsection 210(2) of the *CBCA* stipulates:

Dissolution if no property **(2)** A corporation that has no property and no liabilities may be dissolved by special resolution of the shareholders or, where it has issued more than one class of shares, by special resolutions of the holders of each class whether or not they are otherwise entitled to vote.	**Dissolution lorsqu'il n'y a pas de biens** **(2)** La société sans biens ni dettes peut être dissoute par résolution spéciale soit des actionnaires soit, en présence de plusieurs catégories d'actions, des détenteurs d'actions de chaque catégorie assorties ou non du droit de vote.

[35] The Plaintiff asserts that in support of the Certificate of Dissolution, Mr. Panziera, as shareholder, must have authorized and directed the accountants (Corazza Palummo LLP) to file the necessary Articles of Dissolution, which affirmed that Ionada had no property and no liabilities. Yet it was false to assert that Ionada has "no liabilities", given the Judgment Debt, which both Mr. Panziera and Ionada were aware of at the time as indicated in the email communications from September 2017 to May 2018. As such, the Plaintiff argues that Mr. Panziera knowingly directed a dishonest dissolution and now attempts to benefit from this misconduct.

[36] I find that the uncontradicted evidence in the Plaintiff's motion record indicates that the Defendant has engaged in egregious conduct that merits lifting the corporate veil to allow the Plaintiff to pursue satisfaction of the Judgment Debt. In keeping with the test set out in *Foresight Shipping*, I agree with the Plaintiff's position that both Ionada and Ionada #2 were controlled by Mr. Panziera during the material times.

[37] Furthermore, in *Asics Corporation v 9153-2267 Québec Inc*., 2017 FC 257 ("*Asics*"), this Court writes at paragraphs 67 and 69:

> [67] […] Indeed, in my view, the evidence establishes on a balance of probabilities that 9279 is the *alter ego* of its principals, Joseph Nassar and Jean-Pierre Nassar. It also establishes that the jbloom business was transferred from 9153 to 9279 over the course of 2014 and 2015 for the dishonest and improper purpose of evading the Default Judgment, and potentially other judgments, issued against 9153 by this Court (*Corp d'hébergement du Québec*, above; *Nevsun*, above). I am satisfied that such transfer was effected in bad faith and in a manner that masked what was being done, so as to prevent or impair the Plaintiff, and potentially others, from exercising their right to recover monetary awards granted to them in judgments of this Court (*Méthot*, above). Stated differently, I have concluded that 9279, which appears to have been dormant prior to the service of the Default Judgment, was used as a vehicle for wrongdoing, namely, to avoid the execution of that Judgment. In my view, a failure to lift the corporate veil in these circumstances would yield a result "flagrantly opposed to justice" (*Kosmopolous*, above).
>
> […]
>
> [69] The evidence also establishes a comingling of the jbloom trade name, its website and its e-mail address, each of which was used by both 9153 and 9279 between at least August 1, 2014 and July 1, 2015 (*Setanta Sports Canada Ltd v 1053007 Ontario Inc*, 2011 FC 99, at para 16 [*Setanta*]).
>
> [Emphasis added.]

[38] The circumstances in *Asics* bear several similarities to the matter at issue here. Despite Mr. Panziera's assertion that there is "no relation" between Ionada and Ionada #2, the evidence demonstrates a continuity between Ionada and Ionada #2: Mr. Panziera has continued to carry on business under Ionada #2 using the same name, website, and email address as Ionada. As was the case in *Asics*, the evidence reveals a "comingling" of the Ionada name. The website also

includes several press releases that relate to projects that predate the creation of Ionada #2. In fact, the very project (in relation to the NOLHANAVA) that led to the Judgment Debt is advertised on the ionada.com website currently associated with Ionada #2, in press releases dated March 21, 2016 and October 17, 2016.

[39] As emphasized in *Nevsun,* this Court and many other Canadian jurisdictions "[…] require wrongdoing or conduct akin to fraud before piercing the corporate veil" (at para 45). With respect to the test articulated in *Nevsun*, I agree with the Plaintiff that the Defendant's conduct can be characterized as a vehicle for wrongdoing that is akin to fraud. In my view, the Defendant evaded the Default Judgment, and Mr. Panziera, through his communications with Mr. Russell in April 2022, has attempted to distance himself from Ionada to avoid paying the Judgment Debt. Mr. Panziera's email to Mr. Russell also attempts to draw a distinction between the activities of Ionada and Ionada #2, by emphasizing that the now-dissolved Ionada was a Canadian corporation and "provider of marine desulfurization equipment", whereas Ionada #2 is an Alberta corporation and a "provider of carbon capture equipment" with "no relation to Ionada Incorporated".

[40] However, as pointed out by the Plaintiff's counsel during the hearing, in an email communication from Mr. Panziera to Mr. Russell dated February 23, 2018 – at a time when Mr. Russell was trying to negotiate a payment of the Judgment debt with Mr. Panziera and before the existence of Ionada #2 – Mr. Panziera writes:

> Hello Daniel,
>
> I am very happy to announce that we have Preliminary Feasibility approval from NB Power to proceed with the Belledune Pilot Carbon Capture Project.
>
> GCS is actively seeking financing for the Pilot, and John Gingerich has been successful in securing 80 % (US $ 8 million). He is seeking a second financier for 20 % (US $ 2 million) to complete the Pilot. The financing will be with the same terms and simultaneous, with funds dispensed on milestones. […]
>
> [Emphasis added.]

[41] This email from Mr. Panziera was sent on behalf of Ionada and predates the existence of Ionada #2, yet discusses a carbon-capture project. As such, I agree with the Plaintiff's submission that Mr. Panziera's emails from April 2022 are an attempt to create a distinction between Ionada and Ionada #2 where one does not in fact exist.

[42] Furthermore, it is troubling that Ionada was dissolved without addressing the pending liability of the Judgment Debt. At the time of dissolution, Mr. Panziera was Ionada's sole director and appears to have been its sole shareholder. The Articles of Dissolution explicitly state that the shareholders approved of the dissolution under subsection 210(2) of the *CBCA*, and indicate: "the corporation has no property and no liabilities […]". However, contrary to the statement in the Articles of Dissolution, the evidence demonstrates that Mr. Panziera was aware of the unsatisfied Judgment Debt.

[43] The evidence in this case reveals that both Ionada and Ionada #2 have been under the complete control of Mr. Panziera in the material times, and that Mr. Panziera engaged in wrongful conduct in order to evade paying the Judgment Debt. I therefore find that, as in *Asics*

(at para 77), this case meets the test to lift the corporate veil for the Plaintiff to pursue satisfaction of the Judgment Debt against Ionada #2, since the named debtor on the Judgment Debt (Ionada) no longer exists. I also extend this order to include Mr. Panziera as a judgment debtor, as the evidence demonstrates that he was the controlling mind behind Ionada and now controls Ionada #2.

D. *Examinations in Aid of Execution*

[44] As related relief, the Plaintiff seeks to confirm details of assets for purposes of effective execution and therefore seeks to conduct examinations in aid of execution. Rule 426(1) off the *Federal Courts Rules,* SOR/98-106 (the "*Rules*") provides:

Examinations	**Interrogatoire**
426 (1) A person who has obtained an order for the payment of money may	**426 (1)** Toute personne qui a obtenu une ordonnance exigeant le paiement d'une somme d'argent peut :
(a) conduct an oral examination of the judgment debtor or, if the judgment debtor is a corporation, of an officer of the corporation, as to the judgment debtor's assets; and	a) soumettre le débiteur judiciaire, dans le cas où celui-ci est une personne morale, l'un de ses dirigeants, à un interrogatoire oral au sujet des biens du débiteur judiciaire;
(b) bring a motion for leave to conduct an oral examination of any other person who might have information regarding the judgement debtor's assets.	b) demander, par voie de requête, l'autorisation de procéder à l'interrogatoire oral de toute autre personne qui pourrait détenir des renseignements au sujet des biens du débiteur judiciaire.

[45] The term “officer” as it is used in paragraph 426(1)(a) has been interpreted broadly by this Court to include persons in positions of authority and senior-level management who make decisions for the company (*James Fisher & Sons Plc v. Pegasus Lines Limited S.A.*, 1999 CanLII 8652 (FC) at para 31).

[46] The Plaintiff submits that in this context, it is entitled to an examination of Mr. Panziera, as an officer of Ionada. Yet given the circumstances, the Plaintiff anticipates that Mr. Panziera will be “less than forthcoming” with information and thus seeks leave pursuant to Rule 426(1)(b) to examine other individuals who may have material and relevant evidence on assets. The individuals listed on the Plaintiff’s Notice of Motion are all those named on the Ionada.com website under the heading “Our Team”. The Plaintiff explains that without further details, it is difficult to assess fully the identity of those individuals that may have such evidence. At a minimum, the Plaintiff seeks to examine the following individuals associated with Ionada and Ionada #2:

A. Violy Salas (“Salas”), who was identified by Mr. Panziera as the “financial director” of Ionada # 2 in his April 5, 2022 email to Mr. Russell. She is listed on the ionada.com website as “Finance Director”; and

B. Jeff Qian (“Qian”) accepted service of the Statement of Claim in this proceeding on June 20, 2017, and identified himself as a Mechanical Engineer for Ionada at the time. He is now listed on the ionada.com website as “Engineer”.

[47] Rule 426(3) of the *Rules* provides the criteria for leave to conduct an oral examination:

Criteria for leave	**Critères d'autorisation**
(3) On a motion brought under paragraph (1)(b), the Court may grant leave to conduct the oral examination and determine the time and manner of conducting the examination, if it is satisfied that	**(3)** Sur requête présentée en vertu de l'alinéa 1b), la Cour peut autoriser l'interrogatoire et fixer la date et l'heure de celui-ci ainsi que la façon de procéder si elle est convaincue, à la fois :
(a) the person to be examined may have information as to the judgment debtor's assets;	a) que la personne qui sera interrogée peut détenir des renseignements au sujet des biens du débiteur judiciaire;
(b) the moving party has been unable to informally obtain the information from the person to be examined or from another source by any other reasonable means;	b) que le requérant n'a pu obtenir ces renseignements sans formalité de la personne qui sera interrogée ou d'une autre source par des moyens raisonnables;
(c) it would be unfair not to allow the moving party to conduct the examination; and	c) qu'il serait injuste de ne pas permettre au requérant de procéder à l'interrogatoire;
(d) the examination will not cause undue delay, inconvenience or expense to the person to be examined or to the judgment debtor.	d) que l'interrogatoire n'occasionnera pas de retards, d'inconvénients ou de frais déraisonnables à la personne qui sera interrogée ou au débiteur judiciaire.

[48] The Plaintiff also seeks leave to examine David Corazza ("Corazza") and Robert Palummo ("Palummo"), the founding partners of the accounting firm Corazza Palummo LLP and the firm that signed and filed the Articles of Dissolution on behalf of Ionada in May 2021. The Plaintiff indicates that Mr. Corazza and Mr. Palummo are likely to have information about Ionada's assets.

[49] The Plaintiff submits that the examinations should not be lengthy and agrees to conduct the examinations in a manner that will not cause undue delay, inconvenience or expense.

[50] On May 10, 2022, the Plaintiff's counsel sent an email to Mr. Panziera, Ms. Salas, Mr. Qian, Mr. Corazza and Mr. Palummo and provided them with the Notice of Motion in advance of this hearing. The complete Motion Record was sent in a separate email with a secure access link. On May 12, 2022, the Plaintiff's counsel sent an email to Mr. Corazza and Mr. Palummo to seek their consent in relation to the provision of information about assets or former assets of Ionada and/or in relation to its corporate dissolution. Mr. Panziera was copied on this email. The email stated, "If I have not received a response from you by close of business on Monday, May 16, 2022, I will conclude that you are not willing to consent." As of May 19, 2022, no response was received, however the Plaintiff's counsel did receive a confirmation that Mr. Panziera had read the email.

[51] Also on May 12, 2022, the Plaintiff's counsel sent an email to Ms. Salas and Mr. Qian to seek their consent in relation to the provision of information about assets or former assets of Ionada and/or Ionada #2. Mr. Panziera was also copied on this email. The email stated, "If I have not received a response from you by close of business on Monday, May 16, 2022, I will conclude that you are not willing to consent." As of May 19, 2022, no response was received, yet the Plaintiff's counsel received a confirmation that Mr. Panziera had read the email to Ms. Salas.

[52] As noted by the Plaintiff's counsel, execution of a Judgment Debt is only meaningful when there is adequate information about assets.

[53] I grant the Plaintiff's request for leave to conduct oral examinations of Mr. Panziera, Ms. Salas and Mr. Qian as individuals affiliated with Ionada and Ionada #2. I also grant the Plaintiff's request for leave to conduct oral examinations of Mr. Corazza and Mr. Palummo with respect to any information related to the assets or former assets of Ionada and the corporate dissolution of Ionada.

VI. Costs

[54] The Plaintiff seeks costs on this motion in the amount of $38,314.55 in legal fees, and $1,609.28 in disbursements, for a total of $39,923.83. I find that an award of costs in favour of the Plaintiff and in the amount proposed is appropriate in this case. In accordance with the factors set out in Rule 400(3) of the *Rules*, costs are fixed in the amount of $39,923.83, to be paid by the Defendant to the Plaintiff.

VII. Conclusion

[55] For the reasons above, I find that the uncontested evidence supports the finding that Ionada #2 and Mr. Panziera are liable for the Judgment Debt totalling $253,067.28 as of May 19, 2022, both jointly and severally. I therefore grant the Plaintiff's request to identify Mr. Panziera and Ionada #2 as the debtors liable for payment on the Judgment Debt. I also grant the

Plaintiff's request for leave to require Examination in Aid of Execution of Mr. Panziera, Ms. Salas, Mr. Qian, Mr. Corazza and Mr. Palummo.

ORDER in T-836-17

THIS COURT ORDERS that:

1. The style of cause is amended to name "IONADA INCORPORATED, a body corporate" as the Defendant.

2. The total amount of the Judgment Debt as of May 19, 2022 is $253,067.28.

3. Mr. Panziera and Ionada #2 are identified as debtors liable for payment on the Judgment Debt, both jointly and severally.

4. The Plaintiff's request for leave to require Examination in Aid of Execution of Mr. Panziera, Ms. Salas and Mr. Qian as individuals affiliated with Ionada and Ionada #2 is granted.

5. The Plaintiff's request for leave to require Examination in Aid of Execution of Mr. Corazza and Mr. Palummo as individuals who may possess information related to Ionada's assets or the corporate dissolution of Ionada is granted.

6. Costs on this motion are awarded in the amount of $39,923.83, payable by the Defendant to the Plaintiff.

"Shirzad A."
Judge

FEDERAL COURT

SOLICITORS OF RECORD

DOCKET:	T-836-17
STYLE OF CAUSE:	CANADIAN MARITIME ENGINEERING LTD., a body corporate v IONADA INCORPORATED, a body corporate
PLACE OF HEARING:	BY VIDEOCONFERENCE
DATE OF HEARING:	MAY 19, 2022
ORDER AND REASONS:	AHMED J.
DATED:	JULY 27, 2022

APPEARANCES:

Scott R. Campbell	FOR THE PLAINTIFF

SOLICITORS OF RECORD:

Stewart McKelvey Barristers and Solicitors Halifax, Nova Scotia	FOR THE PLAINTIFF