

IN THE SUPREME COURT OF BRITISH COLUMBIA

Citation: *Pacific Reach Capital Ltd. v. Power*,
2026 BCSC 1073

Date: 20260611
Docket: S217407
Registry: Vancouver

Between:

Pacific Reach Capital Ltd.

Plaintiff

And

**Conor Donald Power, Luka Petkovic, and
Parnitha Capital Corp.**

Defendants

Before: Associate Judge Robinson

Reasons for Judgment

Counsel for the Plaintiff:

K. Tirmandi

Counsel for the Defendants:

R. Powell

Place and Date of Hearing:

Vancouver, B.C.
May 8, 2026

Written Submissions:

May 15, 2026

Place and Date of Judgment:

Vancouver, B.C.
June 11, 2026

INTRODUCTION

[1] This is an application by the plaintiff for further and better disclosure of documents pursuant to *Supreme Court Civil Rules*, BC Reg 168/2009 of the Rules 7-1(10) and (11).

[2] The documents for which production is sought are described in the notice of application as follows:

- a) All correspondence between Mr. Power and Mr. Petkovic from January 2018 to the present, including emails, texts, messages and notes discussing or relating to the plaintiff, the plaintiff's investment, Cannalife Capital Corp. ("Cannalife") and LEEF Holdings Inc. ("LEEF") and the formation of Parnitha Capital Corp. ("Parnitha");
- b) All correspondence between the defendants and Cannalife and/or LEEF including emails, text messages and notes discussing or relating to the plaintiff, the placement of the plaintiff's investment, go-public timelines, valuations, requests for information and compensation to be received by the defendants for bringing investments to Cannalife and/or LEEF;
- c) All corporate, financial and accounting records for Parnitha from June 1, 2017 to December 31, 2021, including financial statements, general ledgers, banking correspondence, and wire confirmations demonstrating the initial investment to Cannalife, the return of those funds, and the subsequent transfer to LEEF;
- d) All due diligence records prepared or reviewed by the defendants regarding Cannalife and LEEF from September 1, 2018 to August 13, 2021, including company presentation decks, financial statements, management CVs, notes from physical site visits or management meetings, and any internal notes or correspondence concerning market comparables, valuations, public listing projections, and risks identified; and
- e) Copies of any and all agreements, whether formal, written or records of verbal agreements, between the defendants and Cannalife and/or LEEF, including term sheets, subscription agreements, joinder agreements, and any side agreements relating to compensation (such as stock options, cash fees, or stipends) received by the defendants for promoting or assisting with capital raises for Cannalife or Leef (collectively referred to as the "Requested Documents").

[3] In addition, the plaintiff seeks an order pursuant to R. 7-1(18) requiring the defendants provide an affidavit verifying their List of Documents.

BACKGROUND

[4] This application arises in the context of commercial dispute involving \$250,000 given by the plaintiff to the defendants. The plaintiff alleges that the funds were initially entrusted to the defendants on the understanding that they would be invested in Cannalife. The plaintiff says it was induced to make the investment based on the defendant's misrepresentations and concealment of material facts.

[5] In this regard, the plaintiff contends that, in 2018, it was presented with an investment opportunity by the defendants who allegedly held themselves out as experienced investors with a history of generating positive returns. In presenting the opportunity to the plaintiff, the defendant's allegedly represented that Cannalife was on the precipice of going public at which time the plaintiff would realize a substantial return.

[6] The plaintiff says that it relied on those representations and entered into an agreement whereby it provided \$250,000 to the defendants on the understanding that the monies would be held by Parnitha in trust and invested exclusively in Cannalife.

[7] Ultimately, when Cannalife did not go public, it is alleged that the defendants recommended redirecting the plaintiff's investment to LEEF. The plaintiff says that it was advised by the defendants that a merger between LEEF and Cannalife was imminent, following which, LEEF would go public in early 2020.

[8] That did not occur. In April 2022, LEEF was acquired by another company known as Icanic Brands Company, Inc. and began trading at a value far below the plaintiff's expectations and allegedly at a valuation far below what had been promised by the defendants.

[9] In its notice of civil claim, the plaintiff asserts that the defendants breached their fiduciary obligations by, *inter alia*, acting in their own interests and to the detriment of the plaintiff's interests; and by failing to disclose material facts. The plaintiff further contends that the defendants breached their shared contractual duty

of honest performance, that they deceived the plaintiff, and that they made misrepresentations on which the plaintiff relied.

LAW

[10] A party's obligation to disclose documents is perhaps the most basic obligation owed in litigation. In this regard, R. 7-1(1) requires a party to serve a List of Documents, setting out all documents that are or have been in that party's possession or control and that could, if available, be used by any party of record at trial to prove or disprove a material fact, and all other documents to which that party intends to refer at trial.

[11] Upon receiving a List of Documents under subrule (1), a demand for further and better production may arise. The process contemplated by the *Rules* requires the parties to engage in a dialogue aimed at resolving any disclosure issues and obviating the needs for the court's intervention. The demand for further and better production may be brought pursuant to subrules (10), (11), or, as in the present case, both of those subrules.

[12] A demand for further and better production under subrule (10) seeks disclosure of documents which ought to have been disclosed at first instance. Namely, documents capable of proving or disproving a material fact and documents to which a party intends to refer at trial. A demand under subrule (11) is broader. It is not limited to documents in a party's possession or control but includes documents in that party's *power*. Moreover, subrule (11) applies to documents which relate to any or all matters in question in the action. The test for disclosure under subrule (11) is not dissimilar to the standard described in the longstanding authority in *Compagnie Financiere du Pacifique v. Peruvian Guano Co.* (1882), 11 Q.B.D. 55.

[13] In assessing whether documents are subject to disclosure under subrules (10) or (11), the applicant has the onus of satisfying the court that the documents exist in the possession, control or power of the party from whom documents are sought and that the documents are relevant: *Parise v. Adelson*, 2021 BCSC 891 at para. 11.

[14] Relevancy in this context is subject to being determined with reference to the pleadings.

[15] A further consideration on an application of this kind is that the documents sought must be described with reasonable precision. It is not appropriate for an applicant to cast a wide net in the expectation that the court may pare down the application and limit the order to those documents which meet the standard for disclosure. This principle was recently discussed by Associate Judge Muir in *Montaigne Group Ltd. v. St. Alcuin College for the Liberal Arts Society*, 2026 BCSC 588 at para. 17:

I have in the past relatively routinely pared down document disclosure orders sought to craft narrower production orders without having had these authorities drawn to my attention. As noted in *Mann*, that defeats the object of the *Supreme Court Civil Rules*, which is for counsel to have a dialogue about document production with a view to consensus and narrowing the document demands to what is truly relevant and producible. For the court to cure problems by paring down the orders sought encourages parties to make the broadest possible demands, which is clearly contrary to the intent of the *Rules*, and I also note that it results in often unnecessary and frequently overbroad applications for production of documents.

[16] It is not the role of the court, on an application for further and better production of documents, to parse out that which is produceable from that which is not. If the order sought is overbroad and would result in an obligation to produce documents that do not meet the test for relevancy (along with those that are relevant), the order must not be granted. To find otherwise would be to encourage applicants to cast as wide a net as possible and entrust the court to perform the task that properly belongs to the litigants and their representatives.

[17] These principles apply to the present application.

DISCUSSION

[18] At the outset, there is no question that the plaintiff has followed the process contemplated by R. 7-1. After being served with the defendant's initial List of Documents on May 19, 2022, the plaintiff sought further and better production. The

demands were made and reiterated in writing in correspondence dated October 11, 2024, December 27, 2024 and January 16, 2026.

[19] The defendants have resisted those demands and in doing so, have consistently taken the position that the scope of the demands is too broad. In this respect, the defendants assert that the Requested Documents are irrelevant based on the pleadings.

[20] Regarding the existence of the documents sought, the plaintiff relies primarily on the defendants' evidence given during examinations for discovery. Specifically:

- a) Mr. Power confirmed communications between him and Mr. Petkovic related to the issues in the litigation occurred and stated that he did not believe that emails and text messages had been disclosed;
- b) Both Messrs. Power and Petkovic further confirmed the existence of email communications with representatives of Cannalife and LEEF including periodic updates on the status of those companies;
- c) Mr. Power confirmed the existence of banking records related to the withdrawal of Parnitha's investment in Cannalife;
- d) Mr. Petkovic testified that Parnitha maintained records tracking each investor's shares in LEEF;
- e) Both Messrs. Power and Petkovic testified that prior to making any investment decisions they would undertake due diligence which included: meetings with representatives of the companies for which investments were being considered; reviewing the histories of corporate management and corporate managers; and undertaking market industry analysis; and
- f) Mr. Petkovic confirmed arrangements with each of Cannalife and LEEF to compensate the defendants for success in generating investment.

[21] Based on this, I am satisfied that the existence of the various documents sought on this application has been established or, at the very least, can be inferred. To use an example, it stands to reason that having conducted due diligence, the defendants would have obtained and created documentation integral to that process.

[22] Turning to the relevancy of the Requested Documents, I will deal with the specific categories as they are set out in the notice of application.

[23] I have no hesitation in finding that communications among the defendants, as well as communications between the defendants, Cannalife and LEEF are relevant. These communications are relevant in determining the state and extent of the defendants' knowledge regarding the investment opportunities they presented to the plaintiff. This is a central issue in the litigation. Moreover, the request sought is appropriately circumscribed in such a way that it will not capture documents that are irrelevant. Accordingly, the orders sought at paras. 1(a) and (b) of Part 1 of the notice of application are granted.

[24] Similarly, the due diligence records are undeniably relevant. Those documents will shed light upon the steps taken and the information gleaned by the defendants prior to presenting investment advice and presenting investment opportunities to the plaintiff. They are likewise relevant to the defendants' state of knowledge which is at the heart of this dispute. Moreover, the plaintiff has properly framed its request so as to address the risk of irrelevant documents being subject to production. The order sought at para. 1(d) of Part 1 of the notice of application is granted.

[25] Finally, I am satisfied that agreements or written arrangements between the defendants and Cannalife and/or LEEF meet the standard for relevancy. These documents are relevant to assessing whether the defendants were in a conflict of interest and potentially in breach of their alleged fiduciary obligations to the plaintiff. Given the manner in which the order sought is framed, there are no concerns about irrelevant documents being caught by the order sought at para. 1(e) of Part 1 of the notice of application and it is granted.

[26] The order sought at para. 1(c) is somewhat problematic. While there is no question that certain financial and accounting records for Parnitha are relevant in this litigation, the plaintiff's proposed order appears to cast an unduly wide net in seeking "... all corporate, financial and accounting records including financial statements, general ledgers (and) banking correspondence ...". Such an order, if made, would offend the principle discussed by Associate Judge Muir in *Montaigne Group Ltd. v. St. Alcuin College for the Liberal Arts Society*, 2026 BCSC 588. However, this concern is capable of being addressed in a manner that does not require the court to pare down the order sought. Rather, it can be addressed by reading the scope order sought as being subject to the express qualification that the documents are limited to those which demonstrate "the initial investment to Cannalife, the return of those funds, and the subsequent transfer to LEEF". In my view, this reflects the intent of the plaintiff and ensures that clearly irrelevant documents are not made subject to disclosure. Accordingly, and subject to the qualification set out herein the order sought at para. 1(c) of Part 1 of the notice of application is granted.

[27] In summary, all of the orders sought in para. 1 of Part 1 of the notice of application are granted. The defendants are required to prepare and serve an Amended List of Documents listing each of the Requested Documents within 30 days of the release of these reasons for judgement. Concurrently, they are required to provide the plaintiff with copies of the Requested Documents.

[28] Regarding the plaintiff's application for an affidavit verifying the defendants' List of Documents, that is not an order that I am inclined to grant at this time. While I accept that the court has discretion under R. 7-1(18) to grant the order sought, the discretion typically arises in circumstances a party has failed to disclose documents without adequate explanation or in circumstances where a party has demonstrated a dilatory and casual attitude to production of documents giving the other party reasonable cause to suspect that relevant documents may be hidden from them.

[29] While I have found that the Requested Documents are subject to production and have granted the orders sought at para. 1 of Part 1 of the notice of application, I am satisfied that the dispute concerning production was genuine. That dispute having hopefully been resolved with these reasons for judgement means that an Affidavit verifying the defendants' List of Documents is not warranted.

CONCLUSION

[30] The orders sought at para. 1 of Part 1 of the notice of application are granted. The defendants are required to prepare and serve an Amended List of Documents listing each of the Requested Documents and to do so within 30 days of the release of these reasons. Concurrent with serving the Amended List of Documents, the defendants are to provide the plaintiff with copies of each of the Requested Documents.

[31] I dismiss the application insofar as it seeks an order compelling the defendants to swear an Affidavit verifying their List of Documents. That order is not warranted in the circumstances.

[32] Regarding costs, the plaintiff has been substantially successful, and shall receive costs of this application, in the cause.

“Associate Judge Robinson”