

KING'S BENCH FOR SASKATCHEWAN

Citation: 2026 SKKB 56

Date: 2026 03 12
Docket: KBG-SA-01435-2025
Judicial Centre: Saskatoon

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
RSC 1985, c C-36, AS AMENDED

AND IN THE MATTER OF A PROPOSED PLAN OF ARRANGEMENT FOR THE
CREDITORS OF AGRACITY CROP & NUTRITION LTD., MPOWER
LOGISTICS LTD., NEWAGCO INC., CARBONTERRA LTD., AGRONOMAX
FARM MANAGEMENT SOLUTIONS INC., 14492676 CANADA INC., VIKING
CROP PROTECTION PARTNERS INC., 101114752 SASKATCHEWAN LTD.,
101072497 SASKATCHEWAN LTD., CATALYST TECHNOLOGIES LTD.,
GENESIS GRAIN & FERTILIZER GP INC., GENESIS OPERATING GP INC.,
101187148 SASKATCHEWAN LTD. and FNA AGRACITY HOLDINGS LTD.

BETWEEN:

AGRACITY CROP & NUTRITION LTD., MPOWER
LOGISTICS LTD., NEWAGCO INC., CARBONTERRA
LTD., AGRONOMAX FARM MANAGEMENT
SOLUTIONS INC., 14492676 CANADA INC., VIKING
CROP PROTECTION PARTNERS INC., 101114752
SASKATCHEWAN LTD., 101072497 SASKATCHEWAN
LTD., CATALYST TECHNOLOGIES LTD., GENESIS
GRAIN & FERTILIZER GP INC., GENESIS OPERATING
GP INC., 101187148 SASKATCHEWAN LTD. and FNA
AGRACITY HOLDINGS LTD.

Applicants

- and -

FARM & FAMILIES OF NORTH AMERICA INC.
d.b.a. Farmers of North America, and JAMES MANN

Respondents

Appearances:

James W. Reid	for the applicants
Khurram R. Awan and Daniel P. Cherian	for the AgraCity Group
Paul E. Fedoroff	for Ernst & Young Inc.
Derek Pontin	for Farmers of North America
James Mann	on his own behalf

FIAT
March 12, 2026

R.S. SMITH J.

[1] On February 24, 2026, the Court had before it a number of applications, three of which were adjourned to March 5, 2026. Two of those applications were brought by James Mann. One was an application to essentially upend the Sale and Investment Solicitation Process [SIS Process] brought under the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36 [CCAA], by the applicants. The second application by James Mann was seeking a money judgment in favour of the respondent, Farmers of North America, against the applicants.

[2] The third application was brought by the applicants against the respondents, seeking an order of contempt against them by reason of violations of orders granted by Justice Danyliuk on July 19, 2017, and a further order of Justice Mills granted March 26, 2024. These orders were not on this file but, rather, previous files which centred on the brothers' competition over who would operate the applicant and respondent companies. See QBG-SA-00948-2017 and QBG-SA-01336-2018.

Background

[3] Two brothers, James Mann and Jason Mann, are at the centre of both the applicants and the respondents. For many years, they had a profitable business. However, starting at least in 2017 (and perhaps before), they became locked in an existential battle of who had the best plan and who should control the corporate entities

comprising both of the applicants and the respondents. Suffice it to say, this has not proved financially healthy for the applicants or the respondents.

[4] In 2025, the applicants sought protection under the CCAA. We now find ourselves in the midst of that process with a view to selling a number of the assets of the applicants in order to satisfy creditors (secured and unsecured, if possible).

[5] The two applications brought by James Mann have now been dismissed although he has leave to reapply on either one if he so chooses, subject to the restriction articulated later on in this fiat. The application to upend the SIS Process has been rendered academic by the fact that an auction of many of the assets of the applicants will take place in early March 2026.

[6] The application for money judgment was an affront to the protective cloak that falls over all applicants who apply under the CCAA. That cloak stays any action against those debtor corporations.

[7] All of the above left one application, namely, the application for contempt brought by the applicants against the respondents. Incidental to the contempt application, the applicants seek a continuation of the order I granted on February 24, 2026, which provided, *inter alia*: “Farmers of North America and James Mann (together the Respondents) or anyone acting on their behalf, are barred from communicating any information about the CCAA Entities to anyone except their legal and financial advisors without prior written consent of the Court-appointed Monitor, Ernst & Young Inc.” [Continuing Restriction].

[8] The applicants’ petition that the Continuing Restriction remain operative until further order of the court. The respondents object to the breadth of the Continuing Restriction as unfairly limiting their right to engage in business activities concerning the CCAA or possibly to raise funds in order to buy assets of the applicants.

[9] Going back to 2017, there have been applications beyond counting between the two brothers. As noted, the original application brought by the applicants against the respondents assert that the respondents have violated the orders of Justice Danyliuk dated July 19, 2017, and Justice Mills dated March 26, 2024.

[10] The applicants also seek an order for solicitor-client costs for the applications from February 24 and March 5. Those applications were brought by the respondents, and everything moved quickly. The applicants' counsel essentially had to drop everything in order to respond. This has been the procedure seen all too often throughout the course of the litigation between the brothers since 2017. Also, the applicants seek costs for their application to extend the Continuing Restriction.

[11] Since 2017, the costs awarded in King's Bench against James Mann and/or Farmers of North America total in excess of \$58,000. In addition, the Court of Appeal has also awarded costs in favour of the applicants against James Mann and Farmers of North America in excess of \$62,000.

[12] In short, in addition to the finding of contempt against James Mann and Farmers of North America, the applicants look to receive a significant order for solicitor-client costs on the various applications. Further, they petition that I direct the respondents to put up \$25,000.00 as security for costs for other unsuccessful applications by the respondents which the applicants posit are preordained to come.

[13] The orders of Danyliuk J. and Mills J. which form the basis for the applicants' argument for contempt essentially precluded the respondents from disparaging the applicants to their customer base, being primarily those who are members of Farmers of North America. As noted, the applicants and the respondents have been engaged in a years-long ruthless cage match for control of the corporations.

[14] James Mann has conducted a number of townhall meetings comprised of

himself and former or present employees of Farmers of North America, and many members (primarily farmers) of Farmers of North America.

[15] In the process of conducting those meetings, there has no doubt been some disparaging of the applicants, primarily his brother, Jason Mann, but it is mostly a focus on who could do a better job for the farmers in running the business of Farmers of North America.

Law of Contempt

[16] In 2020, the Saskatchewan Court of Appeal issued two helpful judgments reviewing the elements of contempt.

[17] In *Mryglod v Kelln*, 2020 SKCA 60, the Court noted at paragraph 10:

[10] ... As explained in *Carey v Laiken*, 2015 SCC 17 at paras 32-35, [2015] 2 SCR 79, civil contempt has three elements: (a) the order in issue must state clearly and unequivocally what was to have been done; (b) the party said to have been in contempt must have had actual knowledge of the order; and (c) the party said to have been in contempt must have intentionally failed to do the act that the order compels.

[18] Also, in *Jones v Jones*, 2020 SKCA 141, the Court noted at paragraph 20:

[20] As set out in *Carey v Laiken*, 2015 SCC 17 at paras 32-35, [2015] 2 SCR 79, a finding of civil contempt requires that three elements be established beyond a reasonable doubt:

- (a) the order alleged to have been breached must state clearly and unequivocally what should and should not be done;
- (b) the party alleged to have breached the order must have had actual knowledge of it; and
- (c) the party allegedly in breach must have intentionally done the act that the order prohibits or intentionally

failed to do the act that the order compels.

[19] The applicants' right to an order for contempt is not absolute. In *Carey v Laiken*, 2015 SCC 17, at paragraph 36, the Supreme Court noted:

[36] The contempt power is discretionary and courts have consistently discouraged its routine use to obtain compliance with court orders: see, e.g., *Hefkey v. Hefkey*, 2013 ONCA 44, 30 R.F.L. (7th) 65, at para. 3. If contempt is found too easily, "a court's outrage might be treated as just so much bluster that might ultimately cheapen the role and authority of the very judicial power it seeks to protect": *Centre commercial Les Rivières Ltée v. Jean Bleu inc.*, 2012 QCCA 1663, at para. 7. As this Court has affirmed, "contempt of court cannot be reduced to a mere means of enforcing judgments": *Vidéotron Ltée v. Industries Microlec Produits Électroniques Inc.*, [1992] 2 S.C.R. 1065, at p. 1078, citing *Daigle v. St-Gabriel-de-Brandon (Paroisse)*, [1991] R.D.J. 249 (Que. C.A.). ...

Analysis

[20] With all respect to the applicants, I have no appetite to hold Farmers of North America and/or James Mann in contempt because they were loose with their language in speaking to the membership about which way to go, in terms of who is best able to operate the various corporations in question. However, I remind the respondents that the Danyliuk J. and Mills J. orders are still extant and in force.

[21] As requested, I will extend the Continuing Restriction I granted on February 24, 2026, but narrow its application. I do this to attempt to assure a smooth process in the sale of the applicants' assets and subsequent sale closings but, at the same time, to allow James Mann to continue to attempt to gather equity for the purchase of some or all of the applicants' assets however quixotic that quest might be.

[22] Therefore, the interim order of February 24, 2026, is to continue, as a

final order of the Court saving and excepting that paragraph 1 of the order of February 24, 2026, is varied to read as follows:

- a. Farmers of North America and James Mann, collectively [Respondents], or anyone acting on their behalf, are barred from making or disseminating communications that are disparaging of the within CCAA parties and/or the court-appointed Monitor, Ernst & Young Inc., in connection with any matters related to or arising from the CCAA proceedings and processes underway pursuant to the Orders of the Court rendered in KBG-SA-01435-2025.
- b. For certainty, the Respondents are not barred from communicating with or to anyone for the purposes of raising capital and otherwise in furtherance of any strategic commercial alternatives for parties to engage in the CCAA proceedings, provided that such communications are not in contravention of paragraph (a) of this order.
- c. Paragraphs 2, 3 and 4 of the order of February 24, 2026, remain unchanged.

Costs

[23] Throughout the many years of litigation, James Mann indicated he would be making efforts to pay the costs awarded against him. Suffice it to say, his efforts have been unblemished by success. The applicants' request for an order of the Court to compel the payment of costs is not misplaced, in the least.

[24] Therefore, I order costs in favour of the applicants against the respondents for the hearings on February 24 and March 5, 2026, and the Continuing Restriction in the amount of \$25,000.00. The costs are to be paid within 60 days from the date hereof.

[25] I further order, that of the over \$58,000 costs owing from previous King's

Bench awards, a further sum of \$20,000.00 is to be paid within 60 days of the date hereof. There are no applications to be brought by the respondents until the aforesaid \$45,000.00 costs is paid. The only exception is in an emergency, where an application shall be made, without notice, to me or, in my absence, some other judge of the Insolvency Panel of the King's Bench, for permission to bring the emergency application without the necessity of paying the \$45,000.00.

"R.S. SMITH"

J.

R.S. SMITH