

IN THE SUPREME COURT OF BRITISH COLUMBIA

Citation: *Four Points Insurance Company Ltd. v.
Stratford Underwriting Agency Inc.,*
2026 BCSC 1221

Date: 20260429
Docket: S251313
Registry: Vancouver

Between:

**Four Points Insurance Company Ltd.,
The Mutual Fire Insurance Company of British Columbia, and
Everest Insurance Company of Canada**

Petitioners

And

Stratford Underwriting Agency Inc.

Respondent

Before: The Honourable Justice Doyle

Oral Reasons for Judgment

(In Chambers)

Counsel for the Petitioners: E. Pitre

Counsel for Ernst & Young: J. Fiddick

Counsel for Colin Brown: R. Doran

No other appearances

Place and Date of Hearing: Vancouver, B.C.
April 24, 2026

Place and Date of Judgment: Vancouver, B.C.
April 29, 2026

[1] **THE COURT:** On February 20, 2025, the petitioners brought this proceeding. On February 25, 2025, Mr. Justice Masuhara made an order. Among other things, the order appointed Ernst & Young as the receiver. Paragraph 10 of the order states:

No proceeding against or in respect of Stratford or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all proceedings currently underway against or in respect of Stratford or the Property are stayed and suspended pending further Order of this Court; provided, however, that nothing in this Order shall prevent any Person from commencing a Proceeding regarding a claim that may otherwise become barred by statute or by an existing agreement if such proceeding is not commenced before the expiration of the stay provided by this paragraph and provided that no further step shall be taken in respect of the proceeding except for service of the initiating documentation on the debtor and receiver.

The recitals to that receivership order define the respondent as Stratford; namely, Stratford Underwriting Agency Inc. The Property is defined in para. 3.

[2] The petitioners are insurance companies. In simple terms by no means intended to comprehensively describe the arrangements among the parties, Stratford was an insurance underwriting agency that offered optional automobile insurance products through insurance agencies and acted as a broker and administrator for policies underwritten by the petitioners.

[3] The petitioners allege that Stratford was to hold premiums collected from customers in separate trust accounts and deal with them in accordance with the underlying broker agreements.

[4] The petitioners intend to sue Stratford for breach of trust, breach of fiduciary duty, breach of contract, and negligence. The petitioners cannot do that at present due to the stay imposed by para. 10 of the order.

[5] The petitioners also intend to sue one or more directors of Stratford, including Colin Brown. On the evidence before me Mr. Brown was, at least at some times, a director of Stratford.

[6] With regard to suing Stratford, the petitioners seek to remove the stay.

[7] The receiver takes no position.

[8] Colin Brown opposes the relief sought. He submits that his position is straightforward in Part 4, paras. 1 and 2 of his response, stating that this application is about whether the petitioners should be allowed to proceed against him personally.

[9] The draft notice of civil claim referred to on this application is against Stratford, Mr. Brown, and Jane and John Doe.

[10] With regard to lifting the stay against Stratford, I have reviewed and am mindful of the suggested guidance for Courts expressed at para. 30 of *Romspen Investment Corporation v. Courtice Auto Wreckers Limited*, 2017 ONCA 301 and, correspondingly, the principles in *Advocate Mines Ltd. (Re)*, [1984] OJ No. 2330, succinctly summarized *In the Matter of the Proposal of Maple Homes Canada Ltd.*, 2000 BCSC 1443 [*Re Maple Homes Canada Ltd.*], by Madam Justice L. Smith, including paras. 28 and 33.

[11] I have also reviewed the principles discussed by Justice Loo in *Zheng v Anderson Square Holdings Ltd.*, 2023 BCSC 2215. In that decision, Loo, J. noted *Advocate Mines Ltd. (Re)* and *Re Maple Homes Canada Ltd.*, at para. 8 and then at para. 9 stated:

[9] Before granting an order to lift a stay, the court need only be satisfied on any one or more of these grounds. It is not necessary that they all need to be satisfied: *Save-A-Lot Holdings Corp. v. Christiansen*, 2021 BCSC 2546 (“*Save-A-Lot*”).

The grounds referred to by Loo, J. at para. 9 were those he referred to in para. 8, with reference to *Advocate Mines Ltd. (Re)* and *Re Maple Homes Canada Ltd.*

[12] On the materials on this application, including the affidavit material from Mr. Williamson and Mr. Christopherson, in my view there is sufficient evidence supporting a fair issue to be tried with respect to a breach of trust and fiduciary duty in relation to the trust funds such that discharge would not be a defence.

[13] This action is one for which the petitioners are seeking an unliquidated or contingent debt, the determination of which would be, in my view, more complex than contemplated by the summary procedures in s. 95(2) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3.

[14] My view is also that Stratford is a necessary party for the action. And, finally, Stratford was required to provide errors and omissions insurance and lifting the stay would enable the petitioners to seek to recover that insurance.

[15] Accordingly, I am satisfied to the extent necessary on this sort of application that it is appropriate to lift the stay in relation to Stratford.

[16] The receivership order does not stay anything with respect to Mr. Brown.

[17] The petitioners could have and can still sue Mr. Brown and anyone other than Stratford, regardless of the claim against Stratford. As formidably pressed by counsel for Mr. Brown, any such action would be subject to challenge. But that is not the issue before me and is not for me to comment upon, let alone decide it, at this time.

[18] This application is allowed in relation to Stratford. The stay is lifted against Stratford and, to be more clear, against Stratford Underwriting Agency Inc.

[19] I would anticipate that costs in this matter would be in the cause. Any comments on that?

[20] CNSL R. DORAN: We'd be seeking costs of attendance. I mean, I have no strong submissions on that.

[21] CNSL E. PITRE: We would submit that -- I don't have strong -- we had to bring an application anyway. However, it did become an opposed application that was more significant than if Mr. Brown hadn't filed the response that he had.

[22] THE COURT: Okay. Well, Mr. Fiddick.

[23] CNSL J. FIDDICK: The Receiver doesn't have any submissions.

[24] THE COURT: Thank you. In the circumstances, I am anticipating that there is going to be a lawsuit filed and I am anticipating that Mr. Brown is going to be named as a defendant, and I am anticipating that Mr. Brown is going to try to extricate himself from that lawsuit on many of the bases that he set out in opposing this application. Absent the receiver consenting, the application had to be brought to this Court. Mr. Brown has a position which he has made clear. Success ultimately in that matter is yet to be determined. So, I am going to provide that costs be in the cause.

[25] CNSL R. DORAN: I guess just as I think of it, Justice, this cause –

[26] THE COURT: Well, not this cause.

[27] CNSL R. DORAN: Correct, yes. This cause is more or less over.

[28] THE COURT: This cause is over. The costs are going to have to be in the cause of any action brought against Mr. Brown.

[29] CNSL R. DORAN: May we seek costs of \$500 all inclusive?

[30] THE COURT: My finding, Mr. Doran, is that the arguments were premature essentially. So, no

[31] CNSL R. DORAN: Okay.

[32] THE COURT: But if you succeed in extricating Mr. Brown from the anticipated action, I do not see any reason why you should not be entitled to have the Court consider the costs of this application.

[33] THE CLERK: Justice, just for clarification, in regard to the notice of application, just are you granting the entire thing?

[34] THE COURT: It is a little more limited answer.

[35] The order I will make is a declaration that the stay outlined in s. 10 of the Receivership Order does not operate in respect of the action that will be commenced by the applicants in the Vancouver registry of this Court by filing a notice of civil claim against Stratford Underwriting Agency Inc., and I will make an order for leave to commence and continue the action against Stratford Underwriting Agency Inc.

[36] I will make an order permitting entry of a duplicate copy of the order lifting the stay of proceedings in the action against Stratford Underwriting Agency Inc. on meeting any requirements imposed by the Registrar of this Court.

[37] Who wants to draft that order?

[38] CNSL J. FIDDICK: I will.

[39] THE COURT: Thank you. All right. Anything else? Thank you.

[40] THE CLERK: Order in chambers. Chambers is adjourned.

“Doyle J.”