

KING'S BENCH FOR SASKATCHEWAN

Citation: **2026 SKKB 130**

Date: **2026 07 23**
File No.: KBG-RG-02881-2025
Judicial Centre: Regina

BETWEEN:

PARADIGM QUEST INC.

PLAINTIFF

- and -

RICKI-JO STEFFEN and DAYLE FLORA STEFFEN

DEFENDANTS

Appearing:

Braydon Goldstein
Dayle Steffen
No one appearing

for the plaintiff
self-represented defendant
for the defendant, Ricki-Jo Steffen

FIAT
July 23, 2026

BERGBUSCH J.

I. Introduction

[1] Paradigm Quest Inc. [Paradigm] commenced an action against Dayle Flora Steffen and Ricki-Jo Steffen, seeking foreclosure of a mortgage given by the defendants to secure a loan they used to purchase the mortgaged property. Both defendants filed separate statements of defence.

[2] Paradigm now applies, pursuant to Rule 7-9 of *The King's Bench Rules*, for an order striking the defences. Paradigm contends that the statements of defence do

not disclose a reasonable defence; are scandalous, frivolous, or vexatious; and are an abuse of process.

[3] The defendants admit the essential elements of the mortgage foreclosure action. Their primary concern is Paradigm's claim for an award of solicitor-client costs, which they say is contrary to the protection afforded by s. 2 of *The Limitation of Civil Rights Act*, RSS 1978, c L-16 [LCRA]. Ricki-Jo also pleads that she filed for bankruptcy on June 28, 2025, impliedly raising the effect of the stay of proceedings under the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 [BIA], on Paradigm's claim.

[4] Because the security is a purchase money mortgage, Paradigm cannot and does not seek personal judgment against the defendants for any deficiency. Their defences are no answer to Paradigm's foreclosure action and must be struck.

[5] As the positions taken during the chambers hearing revealed confusion about the costs that Paradigm may be entitled to recover in this action, I will attempt to provide some clarity.

[6] For ease of reading, I refer to the defendants by their first names. No disrespect is intended.

II. Background and Procedural History

[7] The underlying facts can be stated briefly.

[8] In April 2022, Ricki-Jo and Dayle purchased a residential property located at 30 Kendrick Place, Regina, Saskatchewan [Property]. As security for loan used to purchase the Property, Ricki-Jo and Dayle entered into a mortgage agreement dated April 19, 2022 [Mortgage], with Computershare Trust Company of Canada c/o Paradigm. Title to the Property was registered in the mortgagors' names on April 27, 2022, and the Mortgage was registered against the title the same day. The Mortgage

was renewed on June 19, 2023, at a fixed interest rate, and its term expires on July 1, 2028. The last monthly payment of \$1,945.45 was made on June 1, 2025.

[9] Leave to commence foreclosure proceedings was granted on February 12, 2026. The affidavit filed in support of the application for leave states that Paradigm does not intend to include a claim based on the respondents' personal covenant to pay the amount owing under the Mortgage. It also refers to paragraph 9.6 of the Mortgage, which provides that the applicant is entitled to recover costs against the respondents on a solicitor-client basis in an action to enforce the Mortgage: Affidavit Regarding the Statement of Respondent's Account Under the Mortgage, sworn November 25, 2025.

[10] A statement of claim was issued on February 25, 2026. According to the claim, arrears owing as of February 4, 2026, totaled \$15,563.60 and the total balance owing under the mortgage as of that date was \$321,779.21. According to an appraisal dated November 17, 2025, the estimated fair market value of the Property is \$300,000.

[11] Dayle and Ricki-Jo filed separate statements of defence on March 10, 2026, and March 12, 2026, respectively.

III. Applicable Law

[12] Rule 7-9 of *The King's Bench Rules* reads:

Striking out a pleading or other document, etc. in certain circumstances

7-9(1) If the circumstances warrant and one or more conditions pursuant to subrule (2) apply, the Court may order one or more of the following:

- (a) that all or any part of a pleading or other document be struck out;
- (b) that a pleading or other document be amended or set aside;

(c) that a judgment or an order be entered;

(d) that the proceeding be stayed or dismissed.

(2) The conditions for an order pursuant to subrule (1) are that the pleading or other document:

(a) discloses no reasonable claim or defence, as the case may be;

(b) is scandalous, frivolous or vexatious;

(c) is immaterial, redundant or unnecessarily lengthy;

(d) may prejudice or delay the fair trial or hearing of the proceeding; or

(e) is otherwise an abuse of process of the Court.

(3) No evidence is admissible on an application pursuant to clause (2)(a).

[13] Applications to strike statements of claim are far more common than applications to strike defences and the relevant principles are well-established: see, e.g., *Collins v Saskatchewan Rural Legal Aid Commission*, 2002 SKQB 201 at para 11. In *Smith v The Toronto-Dominion Bank*, 2023 SKCA 81 at para 13, Richards C.J.S. explained how these principles apply to an application to strike a statement of defence:

[13] As noted, Queen's Bench Rule 7-9 provides that a statement of defence may be struck out if it discloses no reasonable defence. The same principles apply to striking a statement of defence on this basis as apply to striking a statement of claim on the basis that it discloses no reasonable cause of action. This means several things. First, a statement of defence should be struck only if, assuming that the defendant proves everything alleged, there is no reasonable chance of success. Second, the jurisdiction to strike a statement of defence should be exercised only in plain and obvious cases where the matter is beyond doubt. Third, the court should consider only the statement of defence, the particulars provided pursuant to a demand and any document referred to in the statement of defence upon which the defendant must rely in order to establish its case.

[14] As a slight refinement to the first point, the court assumes all facts pleaded are true unless they are manifestly incapable of being proven: *R v Imperial Tobacco Canada Ltd.*, 2011 SCC 42 at para 22. The court must review the pleading as a whole to determine whether a reasonable defence has been alleged: *Harpold v Saskatchewan (Corrections and Policing)*, 2020 SKCA 98 at para 26 [*Harpold*]. Moreover, as indicated by Richards C.J.S., only the statement of defence, particulars provided by the defendant in response to a demand, and any documents referred to in the statement of defence required to establish a defence can be considered on an application to strike under Rule 7-9(2)(a).

[15] Pleadings that do not comply with the technical requirements of *The King's Bench Rules* should not be struck if they adequately serve their purpose, which is to define the issues and give notice to the other side of what is in dispute. The focus is the substance of the pleading rather than its form: *Thirsk v Public Guardian and Trustee of Saskatchewan*, 2017 SKQB 66 at paras 21 and 23 [*Thirsk*]; *Harpold* at para 32. However, while the court is often less exacting when reviewing pleadings drafted by self-represented persons, leniency has its limits: *Gaskin v Canada (Attorney General)*, 2026 SKKB 53 at para 22 [*Gaskin*]. Ultimately, “[s]creening out claims and defences that have no chance of success enhances efficiency, promotes fairness, and avoids unnecessary costs”: *Gaskin* at para 22.

[16] An application to strike a claim or defence on the ground that it is scandalous, frivolous, vexatious or an abuse of process involves different considerations. Evidence other than the pleadings is admissible and the judge may consider the merits of the claim or defence and the motives of the party advancing it: *Sagon v Royal Bank of Canada*, 1992 CanLII 8287 at para 18, 105 Sask R 133 (SKCA).

[17] Paradigm objects to the defences on the grounds that they are scandalous, frivolous, or vexatious. Each of these objections has a distinct meaning. As explained

in *Siemens v Baker*, 2019 SKQB 99 at para 23 [*Siemens*], a pleading is scandalous if it “levels degrading charges or baseless allegations of misconduct or bad faith against an opposite party”. A pleading is frivolous if it is “plain and obvious” or “beyond reasonable doubt” that the claims are “groundless and cannot succeed”: *Siemens* at para 25; *Yashcheshen v Janssen Inc.*, 2022 SKCA 140 at para 20 [*Janssen*]. A pleading is vexatious if it has been “commenced for an ulterior motive (other than to enforce a true legal claim) or maliciously for the purpose of delay or simply to annoy the defendants”: *Siemens* at para 24; *Janssen* at para 20. Again, these principles apply with necessary modification to applications to strike statements of defence: e.g., *Bank of Montreal v Giesbrecht*, 2005 SKQB 18.

[18] Finally, Paradigm also seeks to strike the defences pursuant to Rule 7-9(2)(e) as an abuse of process. The doctrine of abuse of process “is flexible and is unencumbered by specific doctrinal requirements...”: *Walker v Mitchell*, 2020 SKCA 127 at para 24. It must be “plain and obvious” that a claim or defence is bound to fail before it can be struck as an abuse of process: *GHC Swift Current Realty Inc. v BACZ Engineering (2004) Ltd.*, 2022 SKCA 38 at paras 25-26; *Merchant Law Group LLP v Slusar*, 2022 SKCA 75 at para 42.

[19] If a deficient pleading can be rehabilitated through amendments, leave to amend should be granted before the pleading is struck: *Yashcheshen v Teva Canada Ltd.*, 2022 SKCA 49 at para 43; *Wilson v Saskatchewan Water Security Agency*, 2023 SKCA 16 at paras 19-20 [*Wilson*]. This is so even if the plaintiff or defendant has not expressly applied to amend the pleading: *Thirsk* at para 11; *Wilson* at para 21.

IV. Analysis

[20] Before reviewing the defences, it is helpful to start with a summary of the essential elements of Paradigm’s foreclosure action. They are the following:

- (a) The parties entered into the Mortgage;
- (b) The Property is subject to the Mortgage; and
- (c) The defendants have committed a material default of the Mortgage.

See: *First National Financial GP Corporation v Churko*, 2024 SKKB 118 at para 72.

[21] Both defendants are self-represented and filed statements of defence that they obviously prepared without legal assistance.

[22] Dayle's statement of defence set out details of the breakdown of her relationship with Ricki-Jo, the dates when Dayle resided on the Property, and her efforts to list the Property for sale, none of which is responsive to Paradigm's foreclosure action. In addition, Dayle's statement of defence states the following:

- (a) Dayle agrees with all the relief Paradigm seeks (foreclosure of the Mortgage, sale of the land, possession or immediate possession, and appointment of a receiver of the rents, issues, and profits of the mortgaged land) except for costs on a solicitor-client basis. She denies responsibility for such costs; and
- (b) She pleads and relies upon s. 2 of the *LCRA*.

[23] Ricki-Jo's statement of defence contains a summary of the history of the Mortgage and states she vacated the Property on May 30, 2025. In addition, Ricki-Jo's defence states the following:

- (a) Ricki-Jo and Dayle purchased the Property in April 2022;
- (b) Paradigm holds a mortgage registered against title to the Property;
- (c) Both defendants signed the Mortgage;

- (d) After the Mortgage was converted to a fixed interest rate, on June 6, 2023, the monthly payment was \$1,945.45;
- (e) After Dayle moved out, Ricki-Jo paid the Mortgage, property taxes, and home insurance on her own. The last mortgage payment she made was on June 1, 2025;
- (f) Ricki-Jo filed for bankruptcy on July 28, 2025, pursuant to the *BIA*. She says her interest in the Property vested in her licensed insolvency trustee; and
- (g) Ricki-Jo pleads and relies upon the protections available under the *LCRA* with respect to any claim for personal judgment or deficiency.

[24] The defences either expressly or impliedly admit each element that Paradigm must prove in its mortgage foreclosure action.

[25] Given these admissions, I will turn to the two issues expressly raised by the defences in response to Paradigm's claim for solicitor-client costs.

Since Paradigm Does Not Seek Personal Judgment, Section 2 of the LCRA Is Not a Defence to the Foreclosure Action

[26] Both defences dispute liability for Paradigm's solicitor-client costs, relying on the protection in s. 2 of the *LCRA*. These costs are expressly claimed by Paradigm at paras. 7(f) and 9(e) of the statement of claim.

[27] In response, Paradigm refers to paragraph 9.6 of the Mortgage, which states:

9.6 ***Payment of Lender's Expenses and Costs.*** The Borrower will pay to the Lender on demand any Costs. Costs form part of the indebtedness and will bear interest in accordance with the terms of an Agreement and this Mortgage

as they relate to Costs.

[28] “Costs” is defined in the Mortgage and includes Paradigm’s costs to enforce the Mortgage, including “all legal fees and disbursements of the Lender, or a Receiver, on a full solicitor-client or substantial (*i.e.* full) indemnity basis.” (Affidavit of Mortgagee sworn November 25, 2025, Exhibit “B”). Paradigm also relies upon the common law principle that mortgagees who act reasonably in foreclosure actions are entitled to their costs on a solicitor-client basis if the mortgage agreement provides for this, citing *Royal Bank of Canada v Bennett*, 2026 SKKB 70 at para 8 [*Bennett*].

[29] Section 2 of the *LCRA* reads:

Action on personal covenant prohibited in certain cases

2(1) Where land is hereafter sold under an agreement for sale in writing, or mortgaged whether by legal or equitable mortgage for the purpose of securing the purchase price or part of the purchase price of the land affected, or where a mortgage is hereafter given as collateral security for the purchase price or part of the purchase price of land, the vendor’s or mortgagee’s right to recover the unpaid balance due shall be restricted to the land sold or mortgaged and to cancellation of the agreement for sale or foreclosure of the mortgage or sale of the property, and no action shall lie on the covenant for payment contained in the agreement for sale or mortgage.

[30] The meaning of this provision was explained in *National Trust Co. v Mead*, 1990 CanLII 73, [1990] 2 SCR 410 at p 419 (SCC) [*Mead*]:

Section 2 of the Act provides that when land is mortgaged for purposes of securing the purchase price of land, the mortgagee’s recovery rights are restricted to foreclosure and sale of the mortgaged land. No action on the personal covenant lies against the mortgagor for any deficiency. ...

[31] The purpose of s. 2 of the *LCRA* is to protect individual mortgagors from personal liability on a mortgage and restricts the mortgagee’s remedy to the property: *Mead* at p 422.

[32] Where the mortgagee is not seeking a personal judgment against the mortgagor on the covenant to pay, s. 2 of the *LCRA* does not come into play. That is the case here. Consequently, s. 2 of the *LCRA* is not an answer to Paradigm's foreclosure action as constituted. The parts of the statements of defence that refer to the *LCRA* must be struck because they do not disclose a reasonable defence.

[33] Since this may be confusing to the defendants, I will provide a more complete explanation. Paradigm's entitlement to recover costs is limited in this case. As a starting point, costs are in the court's discretion and must be assessed at the end of the foreclosure action: *Toronto-Dominion Bank v Schell*, 2014 SKQB 344. Generally, a mortgagee who has acted reasonably in conducting a foreclosure proceeding is entitled to costs on a solicitor-client basis if the mortgage agreement so provides: Rule 11-7 of *The King's Bench Rules*; *Central Mortgage and Housing Corporation v Johnson*, 1971 CanLII 818, 20 DLR (3d) 622 at pp 624-625 (SKCA); *Bennett* at para 8.

[34] Because the Mortgage was a purchase money mortgage, the defendant mortgagors are protected from an action on the covenant to pay contained in the mortgage: *LCRA* at s 2(1). This protection extends to all costs that the mortgagee may be entitled to claim under the Mortgage. As Rothery J. said in *Royal Bank of Canada v Partridge*, 2018 SKQB 216 at para 13: "It logically follows that the protection of s. 2 of the *LCRA* pertains to all costs which are part of the outstanding mortgage amount." See also: *Royal Bank of Canada v Alexander*, 2019 SKQB 58 at para 11; *Conexus Credit Union 2006 v Engen*, 2025 SKKB 29 at paras 18 and 94-100.

[35] In this case, and subject to the court's discretion, Paradigm could recover its assessed costs in two scenarios:

- (1) If the mortgagors opt to reinstate the Mortgage by paying the arrears that are in default or to redeem the Mortgage by paying the entire

mortgage balance, they must also pay Paradigm its reasonable costs incurred in the foreclosure action: *The King's Bench Act*, SS 2023, c 28 at ss 10-11; *Royal Bank of Canada v Hiebert*, 2010 SKQB 92 at para 7; *Royal Bank of Canada v Millsap*, 2006 SKQB 464;

- (2) If the Property is sold by judicial sale and a surplus remains after payment of any property taxes owing, the expenses of the sale, and the principal and accrued interest due under the Mortgage, Paradigm is entitled to recover its assessed costs from the surplus paid into court. However, because of the protection of s. 2 of the *LCRA*, Paradigm will not be able to obtain personal judgment for any deficiency against either Dayle or Ricki-Jo.

[36] If Paradigm obtains a final order of foreclosure, that order will operate in full satisfaction of the debt secured by the mortgage: *LCRA* at s 6; *Scotia Mortgage Corporation v Yamniuk*, 2024 SKKB 48 at para 32. If Paradigm obtains a final order for judicial sale of the Property, it can only recover its costs from the net proceeds of sale, if any.

A Mortgagor's Status as a Bankrupt is Not a Defence to the Foreclosure Action

[37] Ricki-Jo also relies upon her status as a bankrupt as a defence to the foreclosure action.

[38] A stay of proceedings under s. 69.3(1) of the *BIA* does not prevent a secured creditor from realizing on or otherwise dealing with its security, unless the court otherwise orders: *BIA* at s 69.3(2). However, the stay does prevent Paradigm from pursuing a personal judgment against Ricki-Jo for a deficiency under the mortgage, including costs: *Primewest Mortgage Investment Corporation v Waynert*, 2017 SKQB 360 at paras 34-36. This would only matter if the Mortgage was a non-purchase money

mortgage and s. 2 of the *LCRA* did not apply. As Paradigm does not seek a personal judgment against Ricki-Jo, the stay of proceedings under the *BIA* is irrelevant.

[39] I agree with Paradigm's submission that Ricki-Jo's status as a bankrupt is not a defence to the foreclosure action.

V. Conclusion

[40] For the foregoing reasons, I make an order striking the statements of defence because they do not disclose reasonable defences to Paradigm's statement of claim. I do not find it necessary to consider Paradigm's alternate grounds for striking the defences under Rules 7-9(2)(b) and (e) of *The King's Bench Rules*.

[41] Ordinarily, as the successful applicant Paradigm would be entitled to its costs. In the circumstances, I leave the costs of this application to the discretion of the judge who will assess Paradigm's costs at the end of the foreclosure action.

J.
P.T. BERGBUSCH