

CITATION: Pembroke Lumber Kings v. Central Canada Hockey League, 2026 ONSC 4332
COURT FILE NO.: CV-26-61
DATE: 20260724

ONTARIO
SUPERIOR COURT OF JUSTICE

BETWEEN:	)	
	)	
2695193 ONTARIO INC. carrying on	)	
business as PEMBROKE LUMBER KINGS	)	
HOCKEY CLUB	)	
	)	Trent Morris, Counsel for the Applicant
Applicant	)	
– and –	)	
	)	
CENTRAL CANADA HOCKEY LEAGUE	)	John Paul Zubec, Counsel for the
	)	Respondent
Respondent	)	
	)	
	)	
	)	
	)	HEARD: May 26, 2026

REASONS FOR DECISION ON INTERLOCUTORY INJUNCTION

HOOPER J.

Overview

[1] The Pembroke Lumber Kings are a Junior A ice hockey team based in Pembroke, Ontario. They are a member team in the Central Canada Hockey League, a twelve-team junior hockey league in Eastern Ontario. The applicant, 2695193 Ontario Inc. is the corporate owner of the Pembroke Lumber Kings. (“PLK”)¹. Alex Armstrong is the owner of PLK. He describes the team as one of the CCHL’s marquee teams and as a substantial local enterprise in the Pembroke area.

¹ I am referring to the applicant as PLK for ease of reference in this decision. Using PLK in this way is not meant to be determinative of whether or not the applicant owns the name and trademark of the Pembroke Lumber Kings. That issue is not before the court on this motion.

[2] The Central Canada Hockey League (“CCHL”) is a not-for-profit corporation governed by the *Not-for-Profit Corporations Act, 2010*, S.O. 2010, c.15 (“*Act*”) and its own by-laws. Each member club is represented on the CCHL’s Board of Governors. The Governors are typically principals of member teams and, in that capacity, are also competitors of one another.

[3] On October 1, 2025, the Board of Governors passed a special resolution terminating PLK’s membership in the CCHL. PLK appealed that decision to the CCHL Appeals Committee, the Hockey Eastern Ontario Appeals Committee and the Hockey Canada National Appeals Committee. Each appeal was dismissed. Hockey Canada released the final appeal decision on April 10, 2026.

[4] After receiving Hockey Canada’s decision and being officially terminated from the CCHL, PLK brought this motion for interlocutory relief. It seeks an order staying or setting aside, on an interim basis, the internal decisions that resulted in the termination of its membership. It also seeks to prevent CCHL from replacing the Pembroke franchise, inviting new membership applications for Pembroke, or otherwise taking steps that would make the application moot before it can be heard on its merits.

[5] For the reasons that follow, this application for an interlocutory injunction is dismissed.

Procedural Note

[6] The parties attended a case conference before me on July 13, 2026 while this decision was still pending.

[7] During that attendance, counsel provided updates regarding matters that had arisen following the hearing of the injunction motion. I advised counsel that the attendance was a case conference and not a continuation of the injunction hearing, and that any submissions made during the conference did not constitute evidence on the motion. I specifically canvassed with counsel whether either party wished to schedule a further evidentiary hearing or deliver additional affidavit material. Neither party sought a further hearing or requested leave to file additional evidence. Accordingly, this decision has been determined solely on the evidentiary record and submissions that were properly before the court on the injunction motion. I have not considered any

submissions, information, updates, or factual assertions provided during the July 13, 2026 case conference in reaching this decision.

Background

[8] Alex and Jackie Armstrong purchased a team known as the Pembroke Lumber Kings in 2019 for approximately \$1.2 million. Alex Armstrong became the principal operator of the club and acted as its general manager and head coach until he was suspended in February 2025². The club's annual operating budget is stated to be between approximately \$150,000 and \$200,000 before coaches, league fees and equipment costs. PLK says the team typically has about 25 players between the ages of 16 and 20, including players from outside Ontario and Canada, and draws between 500 and 800 spectators per game. This team is the Armstrong family's principal source of livelihood.

[9] PLK remained a member of the CCHL until a membership termination process was initiated in 2025. On June 23, 2025, Ian MacInnis, acting as Deputy Commissioner for the CCHL, sent a letter to PLK advising it was more than 30 days in arrears of league fees and calling for payment. Mr. MacInnis is associated with the Cornwall Colts. PLK says the letter was invalid because the by-laws required notice from a properly appointed Commissioner who did not have a financial interest in a member club. CCHL's position is that the June 23 letter was only a notice of indebtedness and that the termination process began later, after the debt was not paid within 30 days and another member invoked the by-laws.

[10] On July 25, 2025, the representative of the Kemptville 73's delivered written charges seeking termination of PLK's membership in the CCHL. The charges relied on three grounds under the CCHL by-laws: failure to pay indebtedness after written notice, conduct affecting the CCHL's relationship with a supplier, and conduct adversely affecting the reputation, wellbeing or operation of the CCHL or its members. The equipment or supplier charge was later withdrawn. The

² Mr. Armstrong's suspension is not relevant to the issues before the court on this interlocutory motion.

reputational charge did not result in a special resolution. The indebtedness charge remained and ultimately formed the basis for the special resolution terminating membership.

[11] The Board of Governors held a special meeting on September 23, 2025. Extensive written submissions were exchanged in advance. Counsel for both sides made oral submissions on September 23, 2025. The matter was adjourned and reconvened on September 30, 2025 to allow a cooling off period. On October 1, 2025, the Board passed a special resolution to terminate the applicant's membership. The resolution provided that PLK's termination would take effect after all appeal rights were exhausted.

[12] PLK pursued all available internal appeals. It appealed to the CCHL Appeals Committee, which dismissed the appeal on January 30, 2026. It then appealed to Hockey Eastern Ontario ("HEO"), which dismissed the appeal on February 13, 2026. The Hockey Canada National Appeals Committee dismissed the final appeal on April 10, 2026. As a result, PLK was terminated from the CCHL as of that date.

[13] With the termination in effect on April 10, 2026, CCHL issued a public notice announcing the termination and its intention to seek a new buyer to operate a team in Pembroke. CCHL also took steps for the 2026–2027 season, including conducting the draft on behalf of the Pembroke club. That draft occurred before this interlocutory motion was heard.

[14] There is separate disciplinary litigation involving Mr. Armstrong under Hockey Canada's Independent Third-Party process. The CCHL relies on those matters in support of its position before the court. PLK says the Board did not terminate membership on a reputational ground and that unresolved third-party allegations should not be treated as evidence supporting termination on this motion.

Positions of the Parties

Applicant's Position

[15] PLK submits that the termination process was not carried out in accordance with the CCHL by-laws or the *Act*. It says the June 23, 2025 notice was sent by Mr. MacInnis, who signed as Deputy Commissioner, even though there was no lawfully appointed Commissioner between

March 2024 and September 3, 2025, the position of Deputy Commissioner did not exist under the by-laws, and Mr. MacInnis could not perform the responsibilities of the Commissioner as he had a financial interest in a competing team. PLK says the Commissioner requirement mattered because members were entitled to have the rules enforced by a neutral person without a financial interest in another member team.

[16] PLK also submits that it was treated unequally. It points to evidence that Pembroke, Cornwall and Smiths Falls were all more than 30 days in arrears when the MacInnis June 23, 2025 letter was sent. Cornwall did not receive an equivalent letter. Smiths Falls, which owed more than PLK, received a similar letter yet was permitted to pay less than the amount claimed. PLK says that given how the CCHL treated the indebtedness of these other teams, the ultimate decision to terminate on the sole basis of the applicant's indebtedness was selective, inconsistent with prior CCHL practice and contrary to good faith.

[17] PLK takes the position that the termination decision was unreasonable because the Board gave no reasons explaining why it chose the ultimate penalty rather than a fine, suspension, payment arrangement, or other progressive discipline. PLK says the arrears had been paid by the time of the Board hearing, most of the amount claimed was disputed fines, and previous arrears issues in the CCHL had been handled through fines, forgiveness of fines, payment arrangements or restrictions on hockey operations rather than termination.

[18] PLK further submits that the internal appeal process did not cure the defects. It says the CCHL Appeals Committee accepted that the notice was inconsistent with the by-laws, treated actual notice as sufficient, and then granted special dispensation without first determining whether the termination produced an unjust result. PLK says the Appeals Committee misinterpreted Article 8.04(d), failed to decide a central appeal issue, and left HEO and Hockey Canada to uphold a defective decision.

[19] Finally, PLK submits that the interlocutory injunctive relief it is requesting is necessary to preserve its position within CCHL until the application is heard. It says the loss of membership, goodwill, players, community identity and practical ability to operate in Pembroke is irreparable harm that cannot be fully addressed by damages. It says CCHL's public announcement and

planned membership or sale process will effectively determine the application before the merits are heard.

Respondent's Position

[20] CCHL submits that the motion must be dismissed because the applicant seeks mandatory relief that would restore a terminated membership and force CCHL to reinstate the applicant into a private voluntary association. CCHL says the operative status quo is that the applicant's membership has been terminated after all appeal rights were exhausted. As the relief sought is mandatory, not prohibitory, the respondent submits that the applicant must establish a strong prima facie case and has not done so.

[21] CCHL submits that the termination process complied with the by-laws and the *Act*. It says the June 23, 2025 letter was appropriately sent by Mr. MacInnis, a member of the Executive Committee. More importantly, the June 23rd letter did not trigger termination by itself. The process began only after the applicant failed to pay within 30 days and a member brought charges under Article 6.13. CCHL says the charges were supported by the required members, the applicant filed written responses, counsel exchanged extensive written submissions, both sides made oral submissions, the meeting was adjourned to comply with the statutory cooling-off period, and the Board passed the special resolution on the ground of indebtedness.

[22] CCHL rejects the Commissioner argument. It submits that the Commissioner's role in the termination process was administrative, and that Sue Collis, as Chair, oversaw the process. It says Mr. MacInnis and Terry Nichols were temporarily assigned Commissioner-type responsibilities during that position's vacancy as members of the Executive Committee under Article 3.03, after the prior Commissioner resigned. CCHL says Mr. MacInnis' involvement was limited and did not affect the Board's decision or the subsequent appeals.

[23] CCHL submits that PLK's debt history was chronic and serious. It says indebtedness was a recurring problem from the time PLK entered the CCHL in 2019. It says that by June 2025 the debt was \$69,960.63, that PLK did not pay within the 30-day period, did not answer the June 23 letter, and paid too late and under protest on the day the Board met to decide termination. CCHL

also says PLK incurred a further debt after the termination process and did not answer later demands.

[24] CCHL submits that PLK received more process than the by-laws and natural justice required. It says PLK pursued every internal appeal and lost each one. It says the CCHL Appeals Committee was independent, composed of three lawyers, and decided the matter after extensive written submissions and oral argument. It says the requested relief would, in substance, set aside decisions of HEO and Hockey Canada even though those bodies have not been named or notified.

[25] CCHL submits that the balance of convenience favours dismissal. It says the Court should not force PLK back into the CCHL because the record contains serious concerns about Mr. Armstrong's treatment of players, the Independent Third Party process, player refund issues, player fee issues, prospect camp concerns and ongoing complaints involving young players and their families. It says dismissal protects the CCHL, its volunteer Board, the players and the integrity of Junior A hockey in Pembroke while permitting another owner to operate a team in the community.

Issues

[26] There are two preliminary issues on this motion:

- 1) Is leave required to amend the Style of Cause?
- 2) Should HEO and Hockey Canada be named as parties to this proceeding?

[27] The remaining issues on this motion are:

- a) whether the injunctive relief sought is mandatory or prohibitory and what test applies;
- b) whether PLK has established the required strength of its case;
- c) whether PLK has established irreparable harm;
- d) whether the balance of convenience favours granting the injunction; and
- e) whether the undertaking as to damages provides adequate protection if interlocutory relief is granted.

Preliminary Issue #1- Amending the Style of Cause

[28] The parties agree that the Style of Cause does not accurately reflect the names of the parties. Corporate profiles have been filed. The applicant's corporate name is the Pembroke Lumber Kings Junior Hockey Club Inc. The respondent should be named Central Ontario Junior "A" Hockey League.

[29] The applicant has leave of the court to file an amended Notice of Application to correct the parties' names.

Preliminary Issue #2 - Should HEO and Hockey Canada be named as parties to this proceeding?

[30] Rule 5.03(1) of the *Rules of Civil Procedure* ("Rules"), R.R.O. 1990, Reg. 194, provides that every person whose presence is necessary to enable the Court to adjudicate effectively and completely on the issues in a proceeding shall be joined as a party. The relief sought on this interlocutory motion is directed only at the CCHL and would bind only the CCHL. Whether HEO or Hockey Canada should be added as parties is an issue that can be addressed, if necessary, once PLK determines the issues it still intends to pursue in the main application. It is not necessary to decide that issue on this interlocutory motion.

Substantive Issues on this Motion

Is the injunctive relief sought mandatory or prohibitory?

[31] Before considering the merits of the request, it is necessary to determine the nature of the relief sought. PLK characterizes the order as preserving the status quo pending the determination of the application. CCHL takes the position that the relief is mandatory as it requires CCHL to take certain steps to reinstate PLK into its organization and treat it as a member until the final application is heard.

[32] The substance of the relief, not the label attached to it, is determinative. The Court must examine the practical effect of the order requested.

[33] In *R. v. Canadian Broadcasting Corp.*, 2018 SCC 5 (CBC), the Supreme Court of Canada held that a mandatory interlocutory injunction is one that requires a respondent to undertake a positive course of action, including steps to restore the status quo or put the situation back to what

it should be. Because that form of relief can be burdensome and may effectively determine the litigation before trial, the moving party must establish a strong prima facie case rather than merely showing a serious issue to be tried.

[34] To support its argument that the nature of the relief is prohibitive, PLK relies heavily on the decision of *Richmond Hill Zone Hockey Association v. Ontario Minor Hockey Association*, 2023 ONSC 2137 (*Richmond Hill*), a similar injunction case in which the Ontario Minor Hockey Association had announced a decision to dissolve the Richmond Hill association at the end of the 2022-2023 hockey season. In that case, the court found the injunction was prohibitory because the injunction was heard prior to the dissolution of the hockey association and sought to preserve the status quo.

[35] Here, PLK's membership in the CCHL has already been terminated. CCHL has announced the termination and proceeded with the 2026-2027 draft. The order sought would require CCHL to reinstate PLK as a member in good standing, restore PLK's access to CCHL operations and player registration systems, recognize the applicant's trading rights, and otherwise deal with it as a continuing member pending the determination of the application.

[36] In my view, the orders sought direct the CCHL to undertake a "positive course of action, such as steps to restore the status quo, or to otherwise, 'put the situation back to what it should be'": *CBC* at para. 15. The applicant's current legal position is a terminated member. An order reversing that position is restorative, not preservative.

[37] I find the relief sought is a mandatory injunction. The applicant must therefore satisfy the more stringent test by demonstrating a strong prima facie case that it is likely to succeed on the application.

Has the Applicant Established a Strong Prima Facie Case?

[38] The Supreme Court has equated the showing of a "strong prima facie case" with the burden of showing a case of such merit that it is very likely to succeed at trial. In order to find PLK has met the first prong of the injunctive test, I must be satisfied that there is a strong likelihood on the law and the evidence presented that the applicant will ultimately be successful at the application:

CBC at para. 17. As this is interlocutory relief, the court does not finally determine disputed issues at this stage, but the claims being advanced must be sufficiently compelling to justify the exceptional remedy of mandatory relief before the merit of the application is decided.

[39] One of the difficulties on this motion is that the applicant's factum proceeds on the premise that the injunction is prohibitory and thus governed by the serious issue threshold. It does not advance an alternative argument that the applicant meets the strong prima facie case standard if the relief is characterized as mandatory. Even so, I will consider each of the arguments raised by PLK and determine if it meets this higher threshold.

Was the process fundamentally flawed by the involvement of Mr. MacInnis?

[40] The applicant submits that the entire process against it was fundamentally flawed because the June 23, 2025 notice of default was issued by Mr. MacInnis, who was not a duly appointed Commissioner under the by-laws. The applicant says that this deprived the Board of jurisdiction to terminate membership.

[41] I do not agree for the following reasons:

- a) While there was no position of Deputy-Chairman under the bylaws, it is not disputed that Mr. MacInnis was a member of the Executive Committee at the time he provided the applicant with its notice of default. Section 3.03 of the CCHL's by-laws state the following:

3.03 Duties of the Executive Committee

The Executive Committee, appointed by the Chairman in accordance with subsection 6.04, shall assist the Chairman in exercising his duties and responsibilities, and perform any other tasks reasonably assigned by the Board of Governors or the Chairman.

Given this provision within the by-laws specifically contemplates Executive Members performing tasks assigned by the Board or Chairman, the fact that Mr. MacInnis sent the default notice does not appear to violate the by-laws.

- b) In addition, PLK's termination from CCHL was not triggered by Mr. MacInnis' correspondence. In my view, the termination process commenced when Kemptville

73's, acting under Article 6.13, brought written charges against the applicant. From that point forward, the applicant received formal notice of the charges, filed written responses, made extensive submissions through counsel, and participated in the hearing before the Board. The materials were placed before the Board in accordance with the by-law procedure. The applicant knew the case it had to meet and knew that termination was being sought.

[42] I am not satisfied that PLK has demonstrated a strong prima facie case that Mr. MacInnis sending this letter was in violation of the by-laws such that it caused a fundamental flaw to the entire process that followed.

Was the process unfair to the PLK?

[43] In order to evaluate the process followed in PLK's termination both CCHL's by-laws and section 51 of the *Act* must be considered. Section 51 states:

Power to discipline or terminate a member

51 (1) The articles or by-laws may provide that the directors, the members or any committee of directors or members have power to discipline a member or to terminate their membership. If the articles or by-laws provide for such a power, they must set out the circumstances and the manner in which that power may be exercised. 2010, c. 15, s. 51 (1).

Good faith requirement

(2) Any disciplinary action or termination of membership must be done in good faith and in a fair and reasonable manner. 2010, c. 15, s. 51 (2).

Fair and reasonable procedure

(3) For the purposes of subsection (2), a procedure is fair and reasonable if,

(a) a member is given at least 15 days notice of a disciplinary action or termination with reasons; and

(b) the member is given an opportunity to be heard, orally, in writing or in another format permitted by the corporation's articles or by-laws, not less than five days before the disciplinary action or termination of membership becomes effective, by the person with authority to impose or revoke the disciplinary action or termination. 2010, c. 15, s. 51 (3).

[44] In addition to the above, CCHL's by-laws have very detailed termination provisions commencing at Article 6.12. They include the following:

- CCHL by-laws permit the suspension or termination of a member on one of the grounds set out in Article 6.12, including where a member fails to pay dues or other indebtedness owing to the corporation within 30 days of receiving a notice of default. PLK received the notice of default on June 23, 2025. They did not pay within 30 days.
- Under Article 6.13, a member may bring written charges against another member, supported by the required number of members. The charges were brought on July 25, 2025 after the 30 day notice period had expired. Nine of eleven members supported the charges brought by Kemptville.
- The charged member must be given notice of the charges and an opportunity to file a written response. There is no issue that PLK had notice and filed extensive submissions in advance of the Board hearing.
- If at least six members of the Board request a special meeting, the Board hears the matter, considers the information and argument, and may dismiss the charges, adjourn for further information or deliberation, suspend the member, impose a fine or other financial penalty, or terminate the membership. PLK has not raised any argument about whether this process was followed.
- Any decision to suspend, fine, or terminate must be made by special resolution. If no special resolution is passed, the charges are deemed dismissed. Of the three original charges, a special resolution passing the charge of indebtedness was passed.
- A member who is not satisfied with the Board's decision may appeal under section 8 of the by-laws, provided the notice of appeal is delivered within 48 hours of receiving the Board's decision. PLK appealed in accordance with this provision. That appeal was eventually dismissed.

[45] When the by-laws and section 51 of the *Act* are read in conjunction with one another, the overriding concern is procedural fairness to ensure the member has notice of the complaint, the penalties being considered and can fully respond. All of this occurred.

[46] PLK argues that its payment of the outstanding indebtedness before the Board hearing cured the default and rendered further proceedings unnecessary. I do not accept that submission. Nothing in the by-laws provides that a member may avoid termination simply by rectifying the impugned conduct after a complaint has been commenced. Nor do the by-laws require the Board to discontinue the process upon a member bringing itself into compliance. In the absence of such language, the Board retained the discretion to determine whether termination was warranted notwithstanding that the default had been corrected before the hearing.

Was the process driven by the CCHL rather than the Board members?

[47] PLK's argues that, although the formal charge was brought by Kemptville 73's, the surrounding facts show the termination process was really driven by CCHL itself rather than being a genuinely member-initiated process under Article 6.13. It points to the fact that after the charges were sent, Sue Collis, the Board Chair, assumed control of the hearing procedure. PLK also relies upon a legal opinion obtained by the CCHL in 2023 regarding PLK's termination to suggest that the CCHL had wanted to terminated PLK's membership for years and used Kemptville's charges as the excuse.

[48] I do not accept that this argument establishes a strong prima facie case. The by-laws permitted a member to bring charges, and the charges were brought by Kemptville 73's. It was not improper for the Chair to manage the procedural steps once the charges were brought. The record shows that the Board received written and oral submissions from both sides. The outcome reflects a distinction between the allegations. One charge was withdrawn. One proposed ground did not receive the necessary support. Only the indebtedness charge resulted in the special resolution required by the by-laws. Those decisions are inconsistent with the assertion that the Board simply rubber-stamped the charges or predetermined the outcome. The fact that the CCHL had previously received legal advice, or that it participated in the appeal process, does not transform the Article 6.13 proceeding into an invalid or bad faith process. On this record, PLK has not shown a strong

likelihood that the termination will be set aside on the basis that the process was CCHL-driven rather than member-initiated.

Was the decision to terminate unjust?

[49] The applicant's position is that the unjustness of the decision arises because the debt process was selectively used against it and because termination was disproportionate. For the purposes of this motion, an unjust result may include a result that is inconsistent with the governing by-laws, reached through an unfair process, affected by bad faith or lack of neutrality, or disproportionate in a way the governing appeal provision permits the appeal body to correct.

[50] The applicant's principal bad faith argument is that Pembroke was not the only team in arrears when the June 23, 2025 letter was sent. The applicant says Cornwall and Smiths Falls were also more than 30 days in arrears, and that Smiths Falls owed more than Pembroke.

[51] The CCHL denies unequal treatment. It says Smiths Falls received a similar letter on the same day. It says both Pembroke and Smiths Falls received reductions against some amounts claimed, with Pembroke receiving a larger reduction. Smiths Falls corrected the arrears before the start of the season and the applicant did not.

[52] The record also contains evidence that PLK had been warned about indebtedness on prior occasions. The evidence includes a November 2023 letter from the Chair referring to outstanding debt of \$84,000 and stating that it was the second time in 18 months that this had occurred. Although PLK asks the Court to compare its treatment to other teams, it has focused only on the 2025 season. PLK has not offered a comparison of the history of indebtedness for the other teams. Without that history, there is insufficient evidence to support a finding that PLK has been unfairly treated.

[53] The by-laws specifically allow for termination on the basis of indebtedness. PLK had received warnings and other penalties in the past yet continued to ignore its financial obligations to the CCHL. By doing so, it created a situation in which termination was possible. On the record before me, PLK has not established a strong likelihood that it will be successful in proving CCHL's decision to terminate was unjust.

Was the CCHL Board required to issue written reasons when deciding to terminate PLK's membership?

[54] PLK argues that because the CCHL Board did not provide written reasons as to why termination was chosen over a lesser sanction, it has deprived meaningful appellate review. There is some merit to this argument. Although nothing in CCHL's by-laws or the Act specifically requires written reasons for a decision, courts have debated whether this should be required: *Dillon v. Carp Agricultural Society*, 2024 ONSC 1858 at paras. 66-68 (*Dillon*).

[55] Notwithstanding this debate, what is clear from the jurisprudence is that boards of not-for-profit corporations will not be held to a standard of perfection: *Dillon* at para. 67. In addition, a court will not second-guess a decision rendered by a board as long as it acted fairly and reasonably: *Maple Leaf Foods Inc. v. Schneider Corp.* (1998), 1998 CanLII 5121 (ON CA). Directors and officers are considered to be in a far better position on making decisions affecting their corporations than a court reviewing the matter: *UPM-Kymmene Corp. v. UPM-Kymmene Miramichi Inc.* (2004), 2004 CanLII 9479 (ON CA) at para. 6.

[56] Although the court in *Dillon* did find that meaningful reasons should have been provided by the Board in its decision to terminate, the court made that determination after acknowledging that the Board had improperly handled the entire process and did not follow the termination provisions set out in its own by-laws. That is entirely distinguishable from the case before me where the CCHL appears to have closely followed the termination provisions.

[57] In my view, although written reasons would have been preferable, the question on this motion is whether the absence of written reasons demonstrates a strong likelihood that PLK will succeed in setting aside the termination decision. On this record, it does not.

Has PLK established it will suffer Irreparable Harm?

[58] Irreparable harm concerns the nature of the harm, not its magnitude. It includes harm that cannot be adequately compensated by damages or cannot readily be quantified in monetary terms. The applicant submits that refusal of interlocutory relief will place PLK's continued existence at risk.

[59] I accept that the applicant has established a risk of irreparable harm. The evidence indicates that exclusion from the CCHL affects the club's ability to recruit players, conduct camps, engage in trades, participate in CCHL operations, preserve sponsorships, maintain community relationships and retain goodwill. Those types of damages cannot be adequately compensated by a monetary award: *Richmond Hill* at para. 101.

[60] I am satisfied that PLK has demonstrated a substantial risk of irreparable harm if interlocutory relief is refused.

Does the Balance of Convenience weigh in favour of granting the injunction?

[61] The balance of convenience is practical and comparative. The Court weighs the harm to PLK if relief is refused against the harm to CCHL if relief is granted.

[62] The CCHL raises significant concerns. It has already terminated the applicant's membership, publicly announced the decision, and begun taking steps to ensure that Junior A hockey continues in Pembroke. Interlocutory reinstatement would require CCHL to reverse or suspend those steps and continue dealing with an owner it says has repeatedly failed to meet financial and governance obligations. It also says reinstatement may create uncertainty for players, families, other member teams and any prospective new owner.³

[63] PLK also raises compelling concerns. Unlike CCHL, which will continue to operate regardless of the outcome of this motion, PLK says refusal of relief places the continued existence of its club at risk. If the injunction is refused and the applicant ultimately succeeds, the value of that success may be substantially lost.

[64] Although both of the parties have strong arguments on this issue, in my view, this factor favours PLK. The CCHL would suffer real prejudice from interlocutory reinstatement, but PLK faces the more serious risk that the franchise will cease operating before the application can be

³ CCHL also raised issues on this prong of the test regarding a separate disciplinary proceeding against Mr. Armstrong. I have declined to consider that separate proceeding as the record regarding that separate proceeding is incomplete and it did not form the basis of PLK's termination.

decided: *West Hill Minor Hockey Association v. Scarborough Hockey Association*, 2009 CanLII 26609 (ON SC). The balance of convenience therefore weighs in favour of granting the injunction and preserving PLK's position pending the hearing of the full application.

[65] However, this finding does not displace PLK's failure to establish a strong prima facie case or the problem with the undertaking as to damages as will be discussed below.

Has PLK provided a sufficient Undertaking as to Damages?

[66] Rule 40.03 of the *Rules* requires a moving party seeking an interlocutory injunction or mandatory order to undertake to abide by any order concerning damages that the Court may make if it later appears that the injunction caused damage for which the moving party should compensate the responding party. The undertaking is a substantive protection. It is not a procedural formality. Failure to give a proper undertaking to damages can be fatal to seeking injunctive relief: *Cash Cloud v. BitAccess*, 2022 ONSC 5622 at para. 58; *Guelph Taxi v. Guelph Police Service*, 2016 ONSC 3671 at para. 16.

[67] The party giving the undertaking is obliged to disclose whether it or its principals have sufficient assets to recover any reasonable award of damages: see *642947 Ontario Ltd. v. Fleischer* (2001), 56 O.R. (3d) 417 (C.A.) at para. 63. The undertaking in this case was first given in Jackie Armstrong's affidavit on PLK's behalf given Alex Armstrong's suspension. During the hearing, counsel clarified that the undertaking was also being offered personally on behalf of Jackie and Alex Armstrong. However, the record contains insufficient financial information to provide the court with confidence that the undertaking has practical substance.

[68] The financial information before the Court is limited. The team was purchased approximately seven years ago for about \$1.2 million. Typical attendance is said to be between 500 and 800 spectators per game, with adult admission of \$14. The annual operating budget is said to be between \$150,000 and \$200,000 before coaches, CCHL fees and equipment. The team is currently indebted, although the extent of the debt is disputed. There are no financial statements, bank records, balance sheets, tax returns, asset lists, liability statements, insurance information or other disclosure showing the current ability of the applicant or Jackie and Alex Armstrong to satisfy an award of damages if the undertaking is called upon.

[69] On this record, the undertaking is not supported by evidence showing that PLK has meaningful financial backing. I am therefore not satisfied that the undertaking provides adequate protection to CCHL if it is later determined that an injunction should not have been granted.

Disposition

[70] PLK has established a risk of irreparable harm. The balance of convenience, considered on its own, favours preserving PLK's position pending the determination of the application. However, those findings do not overcome PLK's failure to satisfy the first branch of the test applicable to a mandatory interlocutory injunction. I am not persuaded that the applicant has established a strong prima facie case that it is likely to succeed on the merits of the application.

[71] I am also not satisfied that the undertaking as to damages provides meaningful protection to the CCHL if it is later determined that an injunction should not have been granted. The record does not show that PLK or the individuals offering the undertaking have the financial capacity to satisfy a future damages award.

[72] For these reasons, the motion for interlocutory injunctive relief is dismissed.

[73] Leave is granted on the main application for the applicant to amend the style of cause.

[74] The CCHL is entitled to its costs of this motion. If the parties cannot agree on costs, the CCHL shall serve and file written costs submissions of no more than five pages, excluding any bill of costs and offers to settle, by August 7, 2026. PLK shall serve and file responding costs submissions with equal page restriction by August 14, 2026.

Justice Jaye Hooper

Released: July 24, 2026

CITATION: Pembroke Lumber Kings v. Central Canada Hockey League, 2026 ONSC 4332
COURT FILE NO.: CV-26-61
DATE: 20260724

ONTARIO

SUPERIOR COURT OF JUSTICE

2695193 ONTARIO INC. carrying on business as
PEMBROKE LUMBER KINGS HOCKEY CLUB

Applicant

– and –

CENTRAL CANADA HOCKEY LEAGUE

Respondent

**REASONS FOR DECISION
ON INTERLOCUTORY INJUNCTION**

Justice Jaye Hooper

Released: July 24, 2026