

IN THE SUPREME COURT OF BRITISH COLUMBIA

Citation: *1075459 B.C. Ltd. v. Prince George (City)*,
2026 BCSC 1643

Date: 20260828
Docket: S2463281
Registry: Prince George

Between:

1075459 B.C. Ltd. and Encore Promotions Inc.

Plaintiffs

And

**City of Prince George, John Doe, Four Star Communications Inc. and
Commonwealth Campus Corporation**

Defendants

And

**Commonwealth Campus Corporation, John Doe #2, John Doe #3 and John
Doe #4**

Third Parties

Corrected Judgment: The second page of the judgment was corrected on
September 2, 2026.

Before: The Honourable Mr. Justice Tindale

Reasons for Judgment In Chambers

Counsel for the Plaintiffs:

R.J. Stewart, K.C.

Counsel for the Defendant and Third Party
Commonwealth Campus Corporation:

L.A.J. Dunn, K.C.

Place and Date of Hearing:

Prince George, B.C.
April 27, 2026

Place and Date of Judgment:

Prince George, B.C.
August 28, 2026

[1] The plaintiffs 1075459 B.C. Ltd. and Encore Promotions Inc. pursuant to a notice of application filed March 24, 2026 seek leave to amend the Amended Notice of Civil Claim as well as orders adding Paladin Security Group Ltd. (“Paladin”) as a defendant and removing Four Star Communications Inc., City of Prince George and John Doe as defendants.

[2] The defendant Commonwealth Campus Corporation (“Commonwealth”) takes no position regarding the plaintiff’s application to add Paladin as a defendant or the plaintiff’s application regarding service of the Further Amended Notice of Civil Claim.

[3] Paladin takes no position with the plaintiff’s application to add them as a defendant to these proceedings.

BACKGROUND

[4] The plaintiff 1075459 B.C. Ltd. owns land located at 1192 5th Avenue in the City of Prince George (the “Lands”).

[5] The plaintiff Encore Promotions Inc. leases the Lands and operates a nightclub in a building located on the Lands (the “Premises”).

[6] Commonwealth owns the lands and premises located at 422 Dominion Street in the City of Prince George (the “Building”).

[7] The Lands and Premises are located across an alley way which is adjacent to the Building.

[8] On August 22, 2023 the Building was destroyed by an explosion (the “Explosion”). The Building had been used as a restaurant but was vacant and had not been used for several years prior to the Explosion.

[9] The Explosion damaged the Premises and caused the business of the plaintiff Encore Promotions Inc. to cease operations while awaiting repairs to the Premises and the Lands.

[10] Between August 21, 2023 and August 22, 2023 unauthorized persons were able to gain access to the interior of the Building. They broke a gas pipe which resulted in the accumulation of natural gas in the Building which ultimately caused the Explosion.

[11] Paladin was hired by Commonwealth to provide security for the Building at the time of the Explosion.

[12] On January 17, 2024 the plaintiffs filed their Notice of Civil Claim.

[13] On March 3, 2024 the defendant City of Prince George filed their Response to Civil Claim.

[14] On April 12, 2024 the defendant City of Prince George filed a Third Party Notice to Commonwealth and John Doe #2, John Doe #3 and John Doe #4.

[15] On June 24, 2024 Commonwealth filed their Response to Third Party Notice.

[16] On September 5, 2024 the plaintiffs filed an Amended Notice of Civil Claim.

[17] On October 15, 2024 Four Star Communications Inc. filed a Response to Amended Notice of Civil Claim.

[18] On December 23, 2024 Commonwealth filed a Response to Amended Notice of Civil Claim.

[19] On May 9, 2025 the plaintiffs filed a Notice of Discontinuance against Four Star Communications Inc. and the City of Prince George.

POSITION OF THE PARTIES

Plaintiffs

[20] The plaintiffs argue that Paladin is a proper defendant to be added to the proceedings based on their allegations of negligence.

[21] Trevor Sakamoto who is an officer and director of the plaintiffs in his 3rd affidavit attaches as Exhibit B a contract between Paladin and Commonwealth for security services to be provided by Paladin to Commonwealth.

[22] Mr. Sakamoto also attaches as Exhibit A to his 3rd affidavit a Security Inspection Report which contains information regarding the work done by Paladin at the Building.

[23] The plaintiffs argue that the alarm system for the Building was not set on the day of the Explosion nor was it set for a period of weeks preceding the Explosion.

[24] The plaintiffs argue that Paladin's negligence was not discoverable by the plaintiffs until they received a report from the RCMP regarding the Explosion on July 16, 2025.

[25] The plaintiffs argue that the discoverability of Paladin's negligence was satisfied after July 16, 2025 pursuant to s. 8 of the *Limitation Act*, S.B.C. 2012, c. 13 which reads:

Except for those special situations referred to in sections 9 to 11, a claim is discovered by a person on the first day on which the person knew or reasonably ought to have known all of the following:

- a) that injury, loss or damage had occurred;
- b) that the injury, loss or damage was caused by or contributed to by an act or omission;
- c) that the act or omission was that of the person against whom the claim is or may be made;
- d) that, having regard to the nature of the injury, loss or damage, a court proceeding would be an appropriate means to seek to remedy the injury, loss or damage.

[26] The plaintiffs seek to remove the City of Prince George, Four Star Communications Inc. and the John Does from the style of cause. The plaintiffs note that they discontinued their action against Four Star Communications Inc. and the City of Prince George.

[27] The plaintiffs seek to amend their pleadings to define the liability of Paladin and to provide information that has recently become available to them.

[28] The plaintiffs argue that they have a factual basis to bring a claim pursuant to the rule in *Rylands v. Fletcher* (1868), L.R. 3 H.L. 330 based on the evidence of Trevor Sakamoto.

[29] The plaintiffs propose to add the following amendment to the Amended Notice of Civil Claim under the heading Relief Sought at para. 7:

Judgment against the defendant, CCC based on the principles of *Rylands v. Fletcher*

[30] Trevor Sakamoto in his 1st affidavit made on May 20, 2024 deposed to the following at paras. 11 and 12:

(11) I am informed by Victoria McGivern, and verily believe it to be true, that on August 21, 2023, the day before the explosion, in her capacity as an employee of the City of Prince George, she was at or near to the Building at approximately 6:15 am and could smell and intense odour of natural gas and could hear a loud hissing sound emanating from the Building.

(12) I am informed by Victoria McGivern, and verily believe it to be true, that she, upon experiencing smell of natural gas, made a telephone call using the 311 exchange to report her experience of smelling the intense odour of natural gas.

[31] Trevor Sakamoto in his 2nd affidavit made on November 17, 2025 deposed to the following at paras. 2 and 3:

(2) On or about July 16, 2025 the plaintiffs' legal counsel, Roy J. Stewart K.C., received from counsel for Commonwealth Campus Corporation (CCC) an electronic copy of the complete file materials of the RCMP associated with their investigation of the August 22, 2023 explosion of a building owned by CCC and located at 422 Dominion Street in the City of Prince George ("the File").

(3) I am informed by legal counsel, Roy J. Stewart, K.C., And verily believe it to be true that upon examination of the File the RCMP had concluded that the cause of the Explosion was the ignition of escaped natural gas within(g) the Building caused by damage to active pressurized natural gas pipes in the Building by itinerant unhoused people addicted to drugs or alcohol or suffering from mental health issues who had occupied the Building seeking to steal copper pipes in the Building.

[32] The plaintiffs argue that liability pursuant to the rule in *Rylands v. Fletcher* can arise from damage caused by the effects of the Explosion. The plaintiffs acknowledge that one of the elements of the strict liability under *Rylands v. Fletcher* is the condition of “non-natural use” of the land: *J.P. Porter Co. Ltd.v. Bell et al* 1954 CanLII 303 at para. 10.

[33] The plaintiffs argue that the issue of non-natural use of the land is a question for trial. The plaintiffs acknowledge that this liability is distinct from nuisance and negligence and is a new cause of action.

[34] The plaintiffs argue that in regard to the *Limitation Act* defence they were aware that injury occurred in August 2023 however they were not aware until the summer of 2025 when they received the RCMP file that Commonwealth kept the Building supplied with gas, that they hired Paladin and that the alarm system in the Building had failed to be activated.

[35] The plaintiffs argue that Commonwealth’s argument that they are out of time to amend the Amended Notice of Civil Claim to include liability based on the rule in *Rylands v. Fletcher* is inconsistent with their discovery of information. The plaintiffs note that they did not receive the RCMP file until July 2025, the information that they requested from the City of Prince George pursuant to a freedom of information request until October 2025 and they examined for discovery a representative of Commonwealth in March 2026.

[36] The plaintiffs argue that the *Supreme Court Civil Rules* allow for the removal of parties. The plaintiffs argue that it will create confusion if the style of cause is not amended.

[37] The plaintiffs seek their costs in the cause for this application.

Commonwealth

[38] Commonwealth takes no position on the plaintiffs’ application to add Paladin as the defendant to these proceedings.

[39] Commonwealth argues that the rule in *Rylands v. Fletcher* provides a basis for liability distinct from liability for private nuisance or negligence. Commonwealth notes that the plaintiffs have acknowledged that this is a new cause of action.

[40] Commonwealth argues that pursuant to s. 6 of the *Limitation Act* the proposed amendment is outside of the two-year limitation period.

[41] Commonwealth argues that because the proposed amendments contain a new cause of action and there is a potential limitation defence the court must consider whether it is just and convenient to allow proposed amendments. Further if the court allows the proposed amendments this can be done without prejudice to Commonwealth raising a limitation defence.

[42] Commonwealth further argues that Mr. Sakamoto never addresses when he became aware that the Explosion was caused by natural gas.

[43] Commonwealth says that Mr. Sakamoto in his 1st affidavit made on May 20, 2024 clearly sets out that he was aware that the Building was vacant, that damages occurred because of the Explosion and there was a smell of natural gas emanating from the Building. Commonwealth argues that Mr. Sakamoto probably was aware of the cause of action prior to the limitation period expiring.

[44] Commonwealth argues that the proposed pleadings do not plead the necessary facts to establish their claim pursuant to the rule in *Rylands v. Fletcher*.

[45] Commonwealth notes that the proposed amendments in Appendix A of the plaintiff's notice of application at para. 26 reads as follows:

On the date of the Explosion, an intruder entered the Building and cut and removed a portion of a copper pipe which supplies natural gas to the furnace located in the Building, allowing for an accumulation of natural gas inside the Building, which exploded at approximately 7 AM, due to the actions of the same or other intruders.

[46] Commonwealth argues that the above proposed amendments plead a natural use of the Building. A claim pursuant to the rule in *Rylands v. Fletcher* must establish that the defendant made a non-natural or special use of their land.

[47] Commonwealth says that the plaintiffs' application should be dismissed because they have not pled sufficient material facts to justify the proposed amendments.

[48] Commonwealth says that with regard to the removal of the parties that the plaintiffs have discontinued against this cannot be done in the manner that the plaintiffs propose because the Third Party proceeding has not concluded and remains extant including the issue of costs.

[49] Commonwealth argues that having different versions of the pleadings could lead to confusion and there is no benefit for removal of the parties to the proceeding that the plaintiffs request.

Paladin

[50] Paladin takes no position regarding the plaintiffs' application to add them as a defendant in these proceedings.

DECISION

[51] The plaintiffs seek leave to add Paladin as a defendant in these proceedings. Neither Commonwealth nor Paladin take any position on this application.

[52] The evidence on this application establishes a factual basis to proceed against Paladin in negligence.

[53] The plaintiffs are granted leave to add Paladin as a defendant in these proceedings.

[54] Commonwealth is opposed to the proposed amendments by the plaintiffs pursuant to the rule in *Ryland v. Fletcher* because the limitation period has expired,

this is a new cause of action, and the plaintiffs have not pled the material facts necessary to justify the proposed amendments.

[55] Commonwealth also says that the proposed amendments by the plaintiffs contain material facts that show that the use of the Building was a natural use.

[56] The Ontario Court of Appeal in *Smith v. Inco Ltd.* 2011 ONCA 628 discussed the non-natural user component of the rule at paras. 91 and 92.

[91] La Forest J. viewed the "non-natural user" component of the *Rylands v. Fletcher* rule as providing flexibility that would allow the rule to adjust to changing patterns in society. Those patterns were reflected in various levels of government regulation designed to control how and where various activities could be conducted: *Tock* at paras. 11-12. *Tock* does not measure the reach of strict liability under *Rylands v. Fletcher* exclusively by reference to the risk presented by the activity. As La Forest J. said, at para. 13:

[T]he touchstone for the application of the rule in *Rylands v. Fletcher* is to be damage occurring from a user inappropriate to the place where it is maintained (Prosser cites the example of the pig in the parlour). [Emphasis added.]

[92] The judgment in *Tock* forecloses treating strict liability under *Rylands v. Fletcher* as referable to all "ultra hazardous" activities. As explained in *Tock*, the rule is triggered by "a user inappropriate to the place". The appropriateness of a use depends on factors that include, but are not limited to, the risk posed by the use.

[57] I do not agree with Commonwealth's argument that the proposed amendments show that the Building was used for a natural purpose for the purposes of this application because the rule in *Rylands v. Fletcher* is triggered by "a user inappropriate to the place". The proposed amendments provide sufficient material facts of a user inappropriate to the Building to trigger the rule in *Rylands v. Fletcher*. Ultimately this issue needs to be determined at trial after hearing all of the evidence.

[58] Commonwealth also says that the proposed amendments by the plaintiffs regarding the rule in *Rylands v. Fletcher* is a new cause of action and it is brought outside of the limitation period.

[59] There is no disagreement between the parties that the proposed amendments regarding the rule in *Rylands v. Fletcher* is a new cause of action. Potentially the

plaintiffs may have missed the limitation period of two years pursuant to s. 6 of the *Limitation Act*.

[60] There is however the issue of when the plaintiffs reasonably could have discovered the new cause of action which has been raised in the materials.

[61] In *Eastern Platinum Limited v. Cameron*, 2020 BCSC 1353 Mr. Justice Taylor summarized the relevant factors when considering to allow an amendment in circumstances where there is or may be a limitation issue at paras. 37 and 38:

[37] With respect to the issue of a potentially expiring limitation period on an application to amend pleadings, the first question to be addressed is whether the proposed amendments raise a new cause of action: *Swiss* at para. 21, and *Taylor v. Blenz The Canadian Coffee Company Ltd.*, 2019 BCSC 906 at para. 35. If the amendments do not raise a new cause of action, there will be no issue as to the potential expiry of a limitation period. If they do raise a new cause of action, and it is possible that the limitation period applicable to the new cause of action has expired, the court should determine whether it is just and convenient to allow the amendments assuming that the limitation period has expired: *KPMG Inc. v. IMO Industries (Canada) Inc.*, 2008 BCCA 317 at paras. 47-49; *Blenz* at para. 37.

[38] Where there is a dispute whether a limitation period has expired or where it is inappropriate to decide that issue summarily, an amendment may be allowed without prejudice to the defendant raising the limitation defence at trial: *The Owners, Strata Plan No. VIS3578 v. John A. Neilson Architects Inc.*, 2010 BCCA 329 at paras. 46-48; *KPMG* at paras. 47-49.

[62] The applicable test is whether it is just and convenient to allow the proposed amendment assuming that the limitation period has expired. There is a dispute between the parties as to whether or not the limitation period has expired based on the evidence of Mr. Sakamoto.

[63] In my view it would be inappropriate to determine whether or not the limitation period has expired on a summary proceeding without hearing all of the evidence.

[64] In my view it would be just and convenient to allow the proposed amendments with regard to the rule in *Rylands v. Fletcher* without prejudice to Commonwealth to raise a limitation defence at trial.

[65] Commonwealth is opposed to removing the City of Prince George, Four Star Communications Inc. and John Doe from the style of cause because the Third Party proceeding has not been resolved and there are issues of costs.

[66] The Third Party Notice was filed by the City of Prince George against Commonwealth. While I agree that the Third Party proceeding has not been resolved particularly as it relates to the issue of costs this is an issue between Commonwealth and the City of Prince George not Four Star Communications Inc. or John Doe.

[67] I accept that there are issues that may affect Commonwealth such as costs in relationship to the Third Party proceeding which have not been dealt with however there is no reason not to grant the order that the plaintiffs seek in relation to the removal of Four Star Communications Inc. and John Doe from the style of cause. Four Star Communications Inc. and John Doe did not initiate the Third Party proceedings and they are not parties to that proceeding.

[68] I order that Four Star Communications Inc. and John Doe be removed as defendants.

[69] The plaintiffs' application to remove the City of Prince George as a defendant and the Third Party proceedings from the style of cause are dismissed.

[70] Finally the plaintiffs seek an order that they are not required to serve the Further Amended Notice of Civil Claim upon the City of Prince George and Four Star Communications Inc.

[71] There is no opposition to this order from Commonwealth.

[72] In my view there is no need to serve the City of Prince George or Four Star Communications Inc. with the Further Amended Notice of Civil Claim given that proceeding has been discontinued against them.

SUMMARY

[73] In summary I make the following orders:

- 1) Paladin be added as a defendant in the within proceedings;
- 2) Four Star Communication Inc. be removed as a defendant in the within proceedings;
- 3) John Doe be removed as a defendant in the within proceeding;
- 4) the plaintiffs' application to remove the City of Prince George as a defendant and the Third Party proceedings from the style of cause is dismissed;
- 5) the plaintiffs are granted leave to amend the Amended Notice of Civil Claim in the form attached to the notice of application as Appendix A with the exception that the plaintiffs are not granted leave to remove the City of Prince George as a defendant or the Third Party proceedings from the style of cause; and
- 6) The plaintiffs are not required to serve the Further Amended Notice of Civil Claim upon the City of Prince George and Four Star Communications Inc.

COSTS

[74] The plaintiffs have been substantially successful on this application and are entitled to their costs in the cause.

"The Honourable Mr. Justice Tindale"