IN THE SUPREME COURT OF BRITISH COLUMBIA

Citation: *Ventum Financial Corp. v Woods,* 2026 BCSC 2197

Date: 20261113
Docket: S233955
Registry: Vancouver

Between:

Ventum Financial Corp.

Plaintiff

And

Jeffery Woods and Leede Financial Inc.

Defendants

Before: Associate Judge Vos

Reasons for Judgment

In Chambers

Counsel for the Plaintiff:	L. von Bloedau A. D'Andrea, Articled Student
Counsel for the Defendants:	J.D. Shields
Place and Date of Hearing:	Vancouver, B.C. October 13, 2026
Place and Date of Judgment:	Vancouver, B.C. November 13, 2026

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Introduction

[1] The defendants apply for an order that would sever the liability issues for this action from the other issues in the case and would require the liability issues to be determined before the remaining issues proceed. They also seek orders that would suspend document discovery and examination for discovery procedures until after the enforceability of a non-compete clause is determined. The plaintiff opposes the applications.

Background

[2] The plaintiff claims against a former employee, the defendant, Mr. Woods, for alleged breaches of its employment agreements with Mr. Woods. The plaintiff also alleges that Mr. Woods and the defendant, Leede Financial Inc. ("Leede"), secretly and unlawfully conspired to solicit the plaintiff's clients, unlawfully used the plaintiff's confidential information, and received funds that were improperly diverted from the plaintiff's client accounts.

[3] Mr. Woods commenced employment with PI Financial Corp. ("PI Financial") in June 2016. He worked as an investment advisor at PI Financials' office in Victoria, BC. His employment was pursuant to an employment letter dated April 25, 2016 and an Investor Advisor Agreement dated June 20, 2016.

[4] PI Financial, Mr. Woods and David Cameron were parties to an agreement dated November 30, 2021, whereby Mr. Cameron transferred management of his PI Financial client accounts to Mr. Woods (the "AI Pro Plan Agreement"). Mr. Cameron was an investment advisor with PI Financial. He was in the process of retiring from that employment when he entered into the agreement.

[5] In the notice of civil claim, the plaintiff states that Mr. Woods left his employment with PI Financial on January 13, 2023 and commenced employment with Leede five days later, on January 18, 2023.

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[6] Leede is an extra-provincial company incorporated pursuant to the laws of Canada. Leede is an investment dealer. It provides investment services to individual, corporate and institutional investors. It carries on business throughout Canada.

[7] The notice of civil claim was filed on May 30, 2023, a bit more than four months after Mr. Woods left his employment with PI Financial. It named PI Financial as the plaintiff and Mr. Woods as the sole defendant.

[8] PI Financial changed its name to Ventum Financial Corp. ("Ventum") in April 2024. PI Financial and Ventum were, at the material times, registered as investment dealers throughout Canada and provided a full range of investment products and services for individual, corporate and institutional investors.

[9] An order made on October 22, 2025, granted the plaintiff leave to add Leede as a defendant and to file an amended notice of civil claim that, among other things, changed the identity of the plaintiff from PI Financial to Ventum.

[10] The amended notice of civil claim was filed on February 17, 2026. The defendants' response to the amended notice of civil claim was filed on February 20, 2026.

[11] The litigation is at a relatively early stage. The parties have exchanged lists of documents. The plaintiff sought additional documents from the defendants, which have not yet been produced. Examinations for discovery have not been conducted. A trial date has not been set for the case.

Analysis

[12] Generally, there is a presumption that a plaintiff is entitled to have its claims decided in one trial. Multiplicity of proceedings and "litigation in slices" is to be discouraged: *Marsh Canada Limited v BFL Canada Insurance Services Inc.*, 2014 BCSC 1171, at para 34.

[13] In 2014 the Supreme Court of Canada indicated that a culture shift was required in order create an environment promoting timely and affordable access to

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the civil justice system. The shift entails simplifying pre-trail procedures and moving the emphasis away from a conventional trial, in favour of proportional procedures tailored to the needs of the particular case: *Hryniak v Mauldin*, 2014 SCC 7, at para 2 [*Hryniak*], Summary judgment motions were identified as an opportunity to achieve those objectives: *Hryniak*, at para 3. The court was of the view that a trial is not required if a summary judgment motion can achieve a fair and just adjudication, if it provides a process that allows the judge to make the necessary findings of fact and apply the law to those facts, and is a proportionate, more expeditious and less expensive means to achieve a just result than going to a full trial *Hryniak*, at para 4. The court concluded that summary judgment rules must be interpreted broadly, favouring proportionality and fair access to the affordable, timely and just adjudication of claims: *Hryniak*, at para 5. The court commented that the interests of justice cannot be limited to the advantageous features of a conventional trial and must account for proportionality, timeliness and affordability: *Hryniak*, at para 56. The court noted that the culture shift requires judges to actively manage the legal process in line with the principle of proportionality: *Hryniak*, at para 32.

[14] *Hryniak* concerned issues relating to summary judgment applications.

[15] The application before the court seeks an order that would sever issues in the case and require trial of the severed issues prior to remaining issues.

[16] There are fundamental differences between a summary judgment application and a severance application.

[17] The British Columbia *Supreme Court Civil Rules*, BC Reg 168/2009 [*Rules*], provide that a party to a civil action is entitled to bring a summary judgment (Rule 9-6) or summary trial (Rule 9-7) application, without leave of the court, to determine some or all of the matters in issue in an action.

[18] A court order is required in order to sever an issue for determination before the trial of the other issues in the action. A severance order is a discretionary order pursuant to Rule 12-5(67). It provides:

> 67. The court may order that one or more questions of fact or law arising in an action be tried and determined before the others.

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[19] When determining whether to make a discretionary severance order, the court is to apply observations outlined in *Hryniak*, including a focus on the nature of the dispute and whether the judge has confidence that the chosen process will resolve an issue in a manner that is proportionate, timely and accessible: *British Columbia (Director of Civil Forfeiture) v Conrad*, 2024 BCCA 10, at para 94 [*Conrad*].

[20] In *Conrad*, at para 161, our court of appeal indicated that when considering whether severance of issues is in the interests of justice in a particular case, the court may consider a number of factors, including:

> 1) Whether the proposed severance could result in significant savings of time and expense. Often a key factor in this analysis is whether the determination of the issues to be severed could be dispositive of the action or could promote settlement. It can be sufficient if the judge finds it is at least arguable that the determination of the severed issues could be dispositive.
> 2) The nature of the issues sought to be tried first, within the context of the action. This includes whether they are threshold issues that are sufficiently distinct and can be tried independently without the trial judge needing to hear all the evidence in the case.
> 3) Proportionality, including the importance of the issues, the value of the property at stake and the comparative financial circumstances of the parties.
> 4) Whether other factors favour the proposed severance. This could include the potential prejudice or benefits to other parties if severance is allowed; the need to have the severed issue determined first in any event; and any benefits that might arise from postponement of discovery on matters that would not be necessary for the severed issues to be decided first.

[21] Severance generally is not ordered where the issue to be severed is interwoven with other issues in the trial: *Nguyen v Bains et al*, 2001 BCSC 1130, at para 11; *Blue Line Hockey Acquisition Co., Inc. v Orca Bay Hockey Limited Partnership*, 2006 BCSC 1716, at para 22. In *Conrad* the court explained:

> [86] Whether or not the issues to be determined first if severance is granted are sufficiently distinct, or are interwoven with other issues to be determined, is of concern to trial judges for two reasons. First a judge will want to have all material evidence relevant to an issue before them when deciding an issue; and second, a trial judge will want to avoid the possibility of inconsistent findings as between the issues decided in the first stage of a trial and those decided in the second stage. These concerns are often discussed in other contexts as well, such as applications for summary trial of one issue before another.

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[22] It can be obvious that if severance is granted, discovery on some issues could be postponed and might never be necessary, depending on the outcome of the severed issues. However, postponement of discovery is not an automatic order following an order of severance. There needs to be a conclusion that it is in the interests of justice to delay some aspects of discovery. If severance is ordered, in most instances it is fair and makes sense that discovery be permitted on matters relevant to the issues to be tried first: *Conrad*, at paras 165-167.

[23] The April 25, 2016, employment agreement between PI Financial and Mr. Woods did not include a non-compete clause that would apply if Mr. Woods no longer worked for PI Financial.

[24] The AI Pro Plan Agreement did include a non-compete clause. It provided:

> 18. For a period of two years following the Effective Date [November 30, 2021] the Acquiring IA [Mr. Woods] will not act as an investment advisor (or in any comparable capacity however designated) with any person or firm other than PI [PI Financial].

[25] The defendants contend that the non-compete clause in the AI Pro Plan Agreement is unlawful. They have indicated they intend to bring an application seeking a summary determination on the enforceability of the non-compete clause. They submit that if the court decides that the non-compete clause is unenforceable, then most, if not all, of the plaintiff's claims will fail (defendants' notice of application, at para 22). However, the defendants' severance application does not only concern their proposed summary application regrading the non-compete clause; the defendants seek an order that would sever all the liability issues from the other issues in this case.

[26] The plaintiff does not agree with the defendants' contention that a determination that the non-compete clause is unenforceable would be dispositive of the overall litigation. The plaintiff has presented claims in addition to the alleged breach of the non-compete clause. The plaintiff alleges that Mr. Woods breached his employment agreement, breached common law obligations and was unjustly enriched. The plaintiff says Mr. Woods had an obligation under his employment

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agreement to not retain or improperly use the plaintiff's confidential information and claims that he did so (plaintiff's application response, at para 22). The plaintiff also alleges that Mr. Woods and Leede conspired to solicit the plaintiff's clients, improperly used the plaintiff's confidential information and received funds from improperly diverted client accounts. The plaintiff argues that the determination of the enforceability of the non-compete clause is not a threshold issue that would dispose of all, or substantially all, of the issues in this litigation. The plaintiff points out that even if the non-compete clause is found to be unenforceable, the remaining causes of action would still have to be determined (plaintiff's application response, at para 23).

[27] The defendants have not yet served their proposed summary application. The plaintiff and the court therefore cannot assess how the application would address the plaintiff's claims based on allegations that the defendants conspired to solicit the plaintiff's clients, improperly used the plaintiff's confidential information and received funds that were improperly diverted from the plaintiff's client accounts. These are significant allegations.

[28] The severance application was essentially presented on the basis that the defendants intend to address the liability issues by attacking the enforceability of the non-compete clause. The defendants' argument that the plaintiff's claims will fail if the non-compete clause is unenforceable is mainly based on the plaintiff's pleadings. Although the plaintiff's pleadings do link some claims to the non-compete clause, other claims are also advanced. Determination of the enforceability of the non-compete clause would not clearly be dispositive of the action, as the other claims presented against the defendants would still be outstanding. Counsel for the defendants also argued that determination of the enforceability of the non-compete clause may promote settlement. Resolution of a significant issue can often prompt discussions regarding possible settlement of the overall case. However, here the determination of the enforceability of the non-compete clause has not been shown, in the overall context of the litigation, to be a defining issue that would recast the case in a manner that would push the parties towards settlement of all claims. From the plaintiff's perspective, it is just one of a number of liability issues.

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[29] The defendants view the determination of the enforceability of the non-compete clause as a threshold issue. The plaintiff does not agree with that view. The plaintiff believes the claims based on conspiracy are their main claims. If the liability issues were severed from the other issues in the case, the significant employment and conspiracy issues would form part of the liability trial. The determination of the conspiracy issues would involve consideration of evidence about the defendants' dealings with the plaintiff's former clients (to determine the defendants' alleged use of the plaintiff's confidential information) and evidence regarding monies paid by the plaintiff's former clients (to determine if funds were diverted from the plaintiff's client accounts). Documents relating to these issues would almost certainly be interwoven with evidence relating to the damages claimed. Because the evidence on the liability issues and damages with respect to the conspiracy claims will be interwoven, those issues should be tried together, to avoid having the evidence heard twice and the possibility of inconsistent findings on that evidence.

[30] The proportionality considerations do not necessarily favour the severance proposed by the defendants. It is by no means clear that an order to severe all liability issues from the other issues in the case would necessarily result in savings of litigation expenses and court time. If the defendants' application to dismiss the case on liability fails, the case would, of course, proceed in full. There is a chance that a judge hearing the proposed liability trial may find that the conspiracy issues should not be decided on a summary application as full evidence on matters relating to the defendants' transactions with the plaintiff's former clients is necessary to decide the conspiracy issues. If the liability trial only results in a decision on the enforceability of the non-compete clause, the claims based on allegations that the defendants conspired to solicit the plaintiff's clients, improperly used the plaintiff's confidential information and received funds from improperly diverted client accounts would continue. On these potential scenarios, there would be no significant saving of litigation expenses or court time.

[31] The materials on this application do not support a finding that the comparative financial circumstances of the parties is a factor that would favour severance.

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[32] There are no other factors that would clearly favour the proposed severance.

[33] The proposed severance, and the companion application to suspend discovery procedures on all non-liability issues until after the liability issues are determined, would prejudice the plaintiff in their ability to proceed with this litigation in a timely manner. It would delay discovery on important issues and could generate uncertainty as to whether documents relating to some transactions relate solely to the damages claimed or provide evidence that might assist in determining the conspiracy issues.

[34] On the factors to be considered, it would not be in the interests of justice to order that all liability issues for this action be severed from the other issues in the case and tried first. The defendants' application seeking that order is dismissed.

[35] Even though all liability issues will not be severed from the rest of the case, the defendants have the right to bring a summary trial application seeking an order that would determine the enforceability of the non-compete clause. The defendants have indicated they intend to bring such an application and seek orders that would suspend some document discovery and examination for discovery procedures until after the enforceability of the non-compete clause is determined.

[36] The defendants' application to suspend discovery procedures is brought pursuant to Rule 7-1(22). It provides:

> **Determination of issue before discovery**
>
> (22) If the party from whom discovery, inspection or copying of a document is sought objects to that discovery, inspection or copying, the court may, if satisfied that for any reason it is desirable that an issue or question in dispute should be determined before deciding on the right to discovery, inspection or copying, order that the issue or question be determined first and reserve the question of discovery, inspection or copying.

[37] In *Tophay Leo Farms Ltd. v Wu*, 2023 BCSC 992, the court provided the following observations on the scope of Rule 7-1(22):

> [75] Rule 7-1(22) cannot be relied on to postpone discovery of documents pending determination of an issue if those documents may be relevant to the preliminary issue and the nature of the issue to be determined must be such that its resolution may make discovery of the requested documents

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> unnecessary: *Kwantlen University College Student Association v. Canadian Federation of Students Association – British Columbia,* 2017 BCSC 163 at para. 23, referring to the decision in *Belzberg v. North American Trust Co.,* [1994] B.C.J. No. 3326 (S.C.) at para. 22.

[38] The defendants argue that the if the non-compete clause in the AI Pro Plan Agreement is determined to be unlawful, or is not binding on the defendants, then Mr. Woods' transactions with his own clients and clients he obtained from Mr. Cameron cannot be the basis for damages claimed by the plaintiff (defendants' notice of application, at para 29). The defendants seek orders that would suspend the plaintiff's right to conduct documentary discovery and examinations for discovery on all issues except liability until a proposed summary application concerning the enforceability of the non-compete clause is decided.

[39] The plaintiff contends that the conspiracy claims would continue regardless of whether the non-compete cause is enforceable. The plaintiff wants to proceed with discovery procedures on all claims they have presented against the defendants, including discovery on the communications, dealings and transactions the defendants had with the plaintiff's former clients.

[40] Parties to litigation are presumed to be entitled to the document discovery and examination for discovery procedures available under the Rules. The court can make a discretionary order that delays document discovery procedures pursuant to Rule 7-1(22) if it is satisfied that a question should be determined before document discovery proceeds further. When determining whether to exercise its discretion to make an order to delay discovery procedures, the court should consider whether the order would be in the interests of justice. A party seeking to suspend an opposite party's ability to avail themselves of discovery procedures therefore bears the onus to show that the suspension would be in the interests of justice.

[41] The defendants' summary application materials concerning their proposed application on the enforceability of the non-compete clause have not been served. A hearing date has not been reserved for the application. Counsel for the defendants indicated that he anticipates he will not be able to serve the application materials

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until after he carries out further discovery procedures. Therefore, the defendants' application is effectively an application to suspend discovery procedures on all matters except the liability issues for an indefinite term. The length of the suspension would be controlled solely by the defendants, as they would decide when the application materials would be served. This would create a situation that would be fundamentally unfair to the plaintiff, as it would prevent the plaintiff from pursuing their claim in a timely manner. It would offend the object of the Rules: to secure the just, speedy and inexpensive determination of the proceeding on the merits. It would not be in the interests of justice to grant the applications.

[42] The defendants' applications to suspend discovery procedures are also not merited on the factors to be applied on their application under Rule 7-1(22). The enforceability of the non-compete clause is one of several issues in this case. Although the defendants are entitled to seek summary judgement on the enforceability of the non-compete clause, the potential resolution of that issue does not mean that further discovery is unnecessary. The plaintiff has raised liability issues unrelated to the non-compete clause. Discovery procedures on those issues will involve discovery concerning the defendants' interactions with the plaintiff's former clients and the transactions that resulted. Although this could be characterized as evidence relating primarily to the quantum issues, it may also inform the liability issues on the conspiracy issues. The plaintiff should be able to proceed with discovery on those issues.

[43] In *Hryniak*, at para 32, it was suggested that when a summary judgement application is brought, the court should actively manage the legal process in line with the principle of proportionality. In order to do so, the summary judgment or summary trial application and supporting affidavits should be available to all parties and to the court. That way, the parties and the court would have a better basis on which to consider case management directions that would be appropriate. Attempting to case manage a summary application without knowing the exact nature of the application is problematic, because the parties control the materials that are filed for a case and

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a case plan based on a general notion of a potential application may be inappropriate for the application that is eventually filed.

[44] The defendants' applications for orders that would suspend all document discovery and examination for discovery procedures until after the enforceability of the non-compete clause is determined are dismissed.

Orders

[45] The applications at Part 1, para 1(c) of the notice of application filed on behalf of the defendants on May 19, 2026, seeks an order that "the determination of liability be severed from damages with liability determined first". That application is dismissed.

[46] The applications at Part 1, paras 1(a) and (b) seek orders that no further document disclosure and no examinations for discovery as to damages proceed before the "legality of the Plaintiff's purported non-complete clause is determined". Those applications are dismissed.

Costs

[47] Submissions were not provided during the hearing regarding costs for the application.

[48] Rule 14-1(12) sets out the usual order for costs for an application; costs in the cause. The plaintiff successfully opposed all of the defendants' applications. Under Rule 14-1(12)(b) the plaintiff would be entitled to costs. As the hearing lasted more than two hours, those costs would be assessed under Appendix B of the Rules at full day rates for preparation and attendance at the hearing of an opposed application (three units for Item 21 plus five units for Item 22).

[49] If either party wishes to make submissions on whether an order other than costs to the plaintiff pursuant to Rule 14-1(12)(b) should be made for this application, they can do so by way of written submissions. The party seeking a different costs order must file their brief of argument with the registry within 14 days of the date of

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these reasons. The brief is to be no more than five double spaced pages and is to include no more than five case authorities. They must immediately serve a registry stamped copy of the brief on the other party. If the other party opposes the proposed alternate order for costs, they must respond within 14 days of when the applicant's brief was filed. The responding parties' brief is to be no more than five double spaced pages and is to include no more than five case authorities.

[50] If neither party files a brief of argument seeking an alternate order for costs for this application within 14 days of the date of these reasons, the plaintiff is entitled to costs of the application, pursuant to Rule 14-1(12)(b).

"Associate Judge Vos"

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