CITATION: 1001270243 Ontario Inc., 2026 ONSC 3967
COURT FILE NO.: CV-25-00739279-00CL
DATE: 20260707

SUPERIOR COURT OF JUSTICE – ONTARIO
(COMMERCIAL LIST)

RE: In the matter of *Companies' Creditors Arrangement Act*, R.S.C.1985, c.C-36, as amended

AND

In the matter of a Plan of Compromise or Arrangement of 1001270243 Ontario Inc.

BEFORE: Justice J. Dietrich

COUNSEL: *Adam Slavens, Michael Noel,* for the former applicant, Synaptive Medical Inc. and the applicant, 1001270243 Ontario Inc.

Walter Kravchuk, Emily Atkinson, Jake Norris, for Attorney General of Canada on behalf of Employment and Social Development Canada

Andrew J. Hatnay, Robert Drake, and Abir Shamim, for Richard Goldglass and other terminated employees

Stephen Brown-Okruhlik, for Richter Inc. as court-appointed Monitor

HEARD: June 10, 2026

REASONS FOR DECISION

Overview

[1] Synaptive Medical Inc. was formerly an applicant in this proceeding under the *Companies' Creditors Arrangement Act* R.S.C., 1985, c. C-36 (the "**CCAA**"). By way of reverse vesting transaction Synaptive emerged from CCAA protection, continuing operations with approximately 81 retained employees. Synaptive's unwanted assets and liabilities, including agreements with 48 employees whose employment had been terminated, were transferred to 1001270243 Ontario Inc. ("**ResidualCo**"). ResidualCo is also now bankrupt.

[2] Synaptive and ResidualCo seek a declaration that either or both are former employers under the *Wage Earner Protection Program Act,* S.C. 2005, c. 47 (the "**Act**") such that the former employees may be eligible to receive benefits under the Act. Those benefits cover up to a maximum of $8,844.22 per employee for unpaid wages, including vacation and termination pay.

[3] The first issue before the Court is whether ResidualCo, as a CCAA applicant, is a former employer for purposes of the Act, despite the former employees having provided no services to that company. The second issue is whether the Court should decide whether ResidualCo, as a bankrupt, is also a former employer for purposes of the *Act*. As an alternative issue Synaptive also seeks a declaration that it is a former employer under the Act as a company subject to CCAA protection that meets certain criteria prescribed by the *Wage Earner Protection Program Regulations*, SOR/2008-222 (the "**Regulations**").

[4] Similar issues have been addressed by Courts in insolvency proceedings across the country. Notably, the Quebec Court of Appeal recently heard an appeal of *Arrangement relatif à Valeo Pharma inc.*, 2025 QCCS 580 [***Valeo***] but has not yet released its decision on the matter. In *Valeo*, the Quebec Court concluded that following a reverse vesting transaction in a CCAA proceeding, a residualco was a former employer.

[5] The declaration sought in this case is supported by Richter Inc., in its capacity as court-appointed Monitor in the CCAA Proceedings of Synaptive and ResidualCo as well as Richard Goldglass and other terminated employees (the "**Former Employees**"). However, the relief is opposed by the Attorney General of Canada on behalf of Employment and Social Development Canada (the "**Attorney General**").

[6] For the reasons set out below, the relief requested by Synaptive and ResidualCo, as it relates to ResidualCo, is granted.

Background

Procedural Background

[7] Synaptive is a privately held medical device and technology company specializing in hardware and software products focused on surgical planning and navigation, robotic digital microscopy, and magnetic resonance imaging. On March 19, 2025, Synaptive obtained protection from this Court under the CCAA.

[8] After the completion of a sale and investment solicitation process, this Court granted a reverse vesting order (the "**RVO**") on June 18, 2025, approving a subscription agreement. The reverse vesting structure of the transaction provided that on closing of the transaction (i) the purchaser would acquire 100% of Synaptive's issued and outstanding shares in exchange for payment of the purchase price described in the subscription agreement; (ii) Synaptive's "Excluded Liabilities" and "Excluded Assets" would be vested into ResidualCo; and (iii) Synaptive would be removed as the Applicant in this CCAA proceeding and ResidualCo would be added as an Applicant.

[9] Under the subscription agreement, all contracts that were not "Retained Contracts" were considered "Excluded Contracts" that were "Excluded Assets" that vested in ResidualCo. No employment agreements of the Former Employees were Retained Contracts and therefore those employment agreements were Excluded Contracts. Further, all of the Former Employees' claims, including claims for unpaid wages, vacation and termination pay, were "Excluded Liabilities." All such Excluded Contracts and Excluded Liabilities

were vested in ResidualCo by operation of the RVO and the subscription agreement on closing of the transaction.

[10] The relief for a declaration under the Act originally was sought as part of the motion by Synaptive for approval of the RVO in June of 2025. At that time, the Attorney General advised it intended to oppose the relief sought and did not have sufficient time to respond. Accordingly, the relief was adjourned.

[11] The transaction closed on June 26, 2025, and based on the terms of the RVO and subscription agreement, the employment contracts for the Former Employees and the corresponding claims for unpaid wages, vacation pay and termination pay were vested in ResidualCo. As well, ResidualCo became an applicant in the CCAA proceedings.

[12] On September 3, 2025, ResidualCo also became bankrupt under the *Bankruptcy and Insolvency Act,* R.S.C. 1985, c.B-3 (the "***BIA***").

[13] Unfortunately, the restructured business of Synaptive encountered difficulties and by separate application (CL-26-00000173-0000) of Export Development Canada, on April 28, 2026, this Court made an order appointing Richter Inc. as receiver of the property of Synaptive.

The Former Employees

[14] The parties agree that of Synaptive's 137 employees earning income in Canada at the time of the CCAA filing, 81 were retained by Synaptive following the transaction, while 48 were terminated (and 8 resigned). It is these 48 employees whose employment was terminated that are considered the Former Employees for purposes of this motion.

[15] According to the Monitor's assessment, the Former Employees:

a. are owed a collective $903,417.03 on account of the specific categories of employment-related claims (including unpaid wages, vacation pay and termination pay) as summarized in the Monitor's claims register;

b. hold a collective $101,017.62 of priority claims (i.e., claims that are entitled to a maximum statutory priority of $2,000 per employee under ss 81.3 or 81.4 of the BIA);

c. will be eligible to receive a collective amount of approximately $375,040.50 of payments under the Act, if the relief is granted; and

d. absent any other sources of recovery, will collectively receive up to $274,022.88 less in recoveries (i.e., the amounts described in subparagraph (c) minus those described in subparagraph (b)) if the relief is not granted.

[16] The Attorney General does not take issue with the estimates of the amounts in issue as set out by the Monitor, but also submits that the exact amount owing to an individual employee under the *Act* is for the Minister of Labour to determine (see s. 9 of the Act). The exact

amount owing is not currently at issue in this motion, but the estimates above provide context as to what is at stake for the Former Employees.

Analysis

Relevant Statutory Provisions

[17] Section 4 of the Act provides that its purpose is "to provide for payments to individuals in respect of wages owed to them by employers who are insolvent": also see *Arrangement relatif à Former Gestion Inc*., 2024 QCCS 3645 [***Just for Laughs***] at para. 19 leave to appeal denied at *Attorney General of Canada c. Former Gestion Inc*., 2024 QCCA 1441 [***Just for Laughs Leave Decision***].

[18] Amounts payable to an individual employee under the Act are a maximum of seven times the maximum weekly insurable earnings under the *Employment Insurance Act*, S.C. 1996, c.23 (see s. 7(1) of the Act). The parties agree this amount is presently $8,844.22.

[19] The conditions for eligibility are set out in s. 5(1) of the Act:

> Conditions for eligibility
>
> 5 (1) An individual is eligible to receive a payment if
>
> (a) the individual's employment ended for a reason prescribed by regulation;
>
> (b) one of the following applies:
>
> (i) the former employer is bankrupt,
>
> (ii) the former employer is subject to a receivership,
>
> (iii) the former employer is the subject of a foreign proceeding that is recognized by a court under subsection 270(1) of the *Bankruptcy and Insolvency Act* and
>
> (A) the court determines under subsection (2) that the foreign proceeding meets the criteria prescribed by regulation, and
>
> (B) a trustee is appointed, or
>
> (iv) the former employer is the subject of proceedings under Division I of Part III of the *Bankruptcy and Insolvency Act* or under the *Companies' Creditors Arrangement Act* and a court determines under subsection (5) that the criteria prescribed by regulation are met; and
>
> (c) the individual is owed eligible wages by the former employer. [Emphasis added]

[20] Section 5(5) of the Act provides that "[o]n application by any person, a court may, in proceedings under Division I of Part III of the Bankruptcy and Insolvency Act or under the

Companies' Creditors Arrangement Act, determine that the former employer meets the criteria prescribed by regulation.". [Emphasis added]

[21] The criteria prescribed by regulation as referred to in both ss. 5(1)(b)(iv) and 5(5) of the Act are set out in s. 3.2 of the Regulations: "For the purposes of subsection 5(5) of the *Act*, a court may determine whether the former employer is the former employer all of whose employees in Canada have been terminated other than any retained to wind down its business operations." [Emphasis added]

[22] Section 6 of the Act provides certain individuals (including former officers or directors of the former employer or those who held managerial positions with the former employer) are not eligible to receive certain payments. Under s. 8 of the Act, individuals are to apply to the Minister for payment. Section 9 of the Act provides that if the Minister determines the applicant is eligible to receive a payment, the Minister is to make the payment.

[23] The Minister may reconsider its decisions (see s. 12 of the Act) with appeals on questions of law or jurisdiction regarding the Minister's decision being made to the Canada Industrial Relations Board (see s. 14 of the Act). The parties also agreed that a request for judicial review of the Canada Industrial Relations Board's decision under the Act would be to the Federal Court of Appeal (not to this Court).

Principles of Statutory Interpretation

[24] There is no dispute that statutory interpretation is guided by the modern principle that "the words of an Act are to be read in their entire context and in their grammatical and ordinary sense harmoniously with the scheme of the Act, the object of the Act, and the intention of Parliament.": *Rizzo & Rizzo Shoes Ltd (Re)*, [1998] 1 S.C.R. 27 (S.C.C.), at para. 21 [Rizzo]. As stated in *La Presse Inc v Quebec*, 2023 SCC 22, 485 D.L.R. (4th) 652 at para. 23, "the plain meaning of the text is not in itself determinative and must be tested against the other indicators of legislative meaning — context, purpose, and relevant legal norms".

[25] Although the text of the statute remains the anchor of the interpretive exercise: see *Quebec (Commission des droits de la personne et des droits de la jeunesse) v. Directrice de la protection de la jeunesse du CISSS A*, 2024 SCC 43, 498 D.L.R. (4th) 316 at para. 24, this does not mean that the statute's purpose can be ignored in interpreting the meaning of the text.

[26] Further, all parties, including the Attorney General, acknowledged that the purpose of the *Act* is a remedial one and therefore the statute should be given a fair, large and liberal construction and interpretation to best ensure the attainment of its objectives: see *Just for Laughs* at para. 27 and the *Interpretation Act,* R.S.C., 1985, c. I-21, s. 12.

[27] Regulatory provisions (such as s. 3.2 of the Regulations) must also be read in the context of their enabling Act: *Amaratunga v Northwest Atlantic Fisheries Organization*, 2013 SCC 66, [2013] 3 S.C.R. 866 at paras. 36 37, 46.

Is ResidualCo, as a CCAA applicant, a former employer under s. 5(1)(b)(iv) of the Act?

Should the CCAA Court Decide this Issue?

[28] There is no dispute that under s. 5(5) of the Act, it is this Court (the CCAA supervising Court) that is to determine whether an entity that is subject to a CCAA proceeding is a former employer for purposes of s. 5(1)(b)(iv) of the *Act*.

[29] In doing so, s. 3.2 of the Regulations provides that the Court may determine whether the former employer is the former employer all of whose employees in Canada have been terminated other than any retained to wind down its business operations.

[30] However, the Attorney General takes the position that it is not this Court's role to identify who the 'former employer' is as between various entities. But rather, the Attorney General argues it is only for this Court to decide if the 'true' former employer meets the criteria set out in s. 3.2 of the Regulations. I do not agree.

[31] It is not possible to determine if an entity meets the criteria established by s. 3.2 of the Regulations without determining if that entity is a former employer. Further the Quebec Court of Appeal in the *Just for Laughs Leave Decision* at para. 9 and 18 held that under the Act and Regulations this Court has broad discretion to decide if the relevant entity is a former employer and meets the criteria prescribed.

[32] Further, engaging in a statutory interpretation exercise under the Act has been held to be the supervising CCAA Court's role in *Re Lynx Air Holdings Corporation and 1263343 Alberta Inc Dba Lynx Air*, 2025 ABKB 182 [*Lynx Air*] at paras. 30-32. In that case the question was whether the term "eligible wages" under the Act include payments in lieu of notice under the *Canada Labour Code*. The same statutory interpretation analysis applies in determining who may qualify as a former employer under the Act.

[33] Accordingly, I am satisfied that this Court should decide if ResidualCo, as a CCAA Applicant, is a former employer under the Act.

How Should Former Employer be Interpreted?

[34] The Attorney General also takes the position that ResidualCo is not a former employer for the purposes of the Act because it is not the 'true' former employer in that the employees provided no services to ResidualCo. If ResidualCo is found to be a former employer, the Attorney General does not take issue that the remaining requirements of s. 3.2 of the Regulations are satisfied. This is in contrast to the Attorney General's arguments in respect of the requested declaration regarding Synaptive. The Attorney General admits Syanptive is a former employer, however it submits Synaptive does not satisfy the criteria in s. 3.2 of the Regulations in that not all of its employees in Canada have been terminated.

[35] ResidualCo may now hold the employment contracts and the employment claims of the Former Employees, but the Attorney General argues that no services were ever provided by the Former Employees to ResidualCo so it cannot be a former employer.

[36] When interpreting the term 'former employer' in this context, it is important to keep in mind the purpose of the Act as set out in s. 4 thereof "…to provide for payments to individuals in respect of wages owed to them by employers who are insolvent."

[37] The Attorney General argues that the purpose of the Act is narrower and is only to provide payments to individuals whose true former employer will cease business operations. In part, the Attorney General relies on various legislative history including the commentary surrounding the addition to s. 5(1)(b)(iv) to the Act in 2021. This includes the *Regulatory Impact Analysis Statement* from August 12, 2021 (Canada Gazette Part II, Vol. 155, No 18) where the inclusion of the relevant provision is described as broadening access to the wage earner protection program by enabling earlier payments when an employer engages in liquidating restructuring proceedings.

[38] The Attorney General agrees, however, that this amendment does not change the overall purpose of the Act as set out above, and the other parties rely on various commentary surrounding the introduction of the Act in 2005 including numerous comments that the program is about fairness and helping the most vulnerable workers.

[39] The argument by the Attorney General that the purpose of the Act is more narrow was also argued before the Quebec Court in *Just for Laughs*, at para. 29. However, the issue before the Quebec Court in *Just for Laughs* was slightly different – it was whether what was referred to as the RVO Entities in that decision were the former employers. The RVO Entities were, in effect, the equivalent of Synaptive in this case. In other words, the RVO Entities in *Just for Laughs* were originally CCAA applicants who had continued operations outside of the CCAA following a reverse vesting transaction that transferred their unwanted assets and liabilities into a residualco. The Attorney General was arguing the RVO Entities did not qualify as prescribed former employers because their business was continuing and therefore the requirements of s. 3.2 of the Regulations did not apply.

[40] That is different from the argument being put forward here that ResidualCo is not the former employer.[1] However, Collier J. in *Just for Laughs* rejected the narrowed purpose of the Act put forward by the Attorney General and wrote:

> The problem or "mischief" sought to be cured by WEPPA is the absence of a solvent employer who can pay wages owing to former employees. Seen in this context, the cessation of the employer's business operations, or the transfer of its liabilities to an insolvent third party, are irrelevant to the application of the Act. In the case of both an

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[1] The Supporting Parties here seek a declaration that ResidualCo is the former employer to overcome a practical problem faced by the former employees in *Just for Laughs*. The practical problem being that despite the declaration issued by the Quebec Court that the RVO Entities were the former employers for purposes of s. 5(1)(b)(iv) of the WEPPA and s. 3.2 of the WEPP Regulations, the Minister denied payments on the basis that the former employees were no longer owed outstanding wage amounts by the RVO entities (as such claims had been vested in the residualco). In *Valeo* the Quebec Court held that the residualco entity was the former employer, however the Quebec Court of Appeal in *Attorney General of Canada c. Valeo Pharma inc*., 2025 QCCA 483 granted leave in respect of that decision. The appeal was heard on September 30, 2025, and no decision has been issued at the date hereof.

asset sale and a reverse vesting order, employees who have lost their jobs have no solvent employer from whom they can claim lost wages.

[41] As the Act or Regulations do not define the term, "former employer" or "employer", resort must also be had to the common law to shed light on its meaning, *Canada (Attorney General) v British Columbia Investment Management Corp*., 2019 SCC 63, [2019] 4 S.C.R. 559, at para. 57. See also *Interpretation Act*, at ss. 8.1 and 8.2. The Former Employees submit that not only should ResidualCo be determined to be a former employer on a plain meaning of the words but also under the common law doctrine of common employer.

[42] A number of orders have been granted by this Court in CCAA proceedings, in connection with the approval of a reverse vesting transaction, declaring that the residualco entity is the former employer for purposes of the *Act*: see for example, *In the Matter of a Plan of Compromise or Arrangement of Just Energy Group Inc et al* (3 November 2022), Toronto CV-21-0065842 (ONSC) (Approval and Vesting Order), *In the Matter of a Plan of Compromise or Arrangement Involving Validus Power Corp et al* (4 January 2024), Toronto CV-23-00705215-00CL (ONSC) (Approval and Vesting Order), and *In the Matter of a Plan of Compromise or Arrangement of Contract Pharmaceuticals Limited et al* (17 April 2024), Toronto CV-23-711401-00CL (ONSC) (Ancillary Relief Order).

[43] The Attorney General argues that nothing can be taken from these orders as no specific reasons as to why the applicable residualco was determined to be the former employer for the purposes of the Act were provided. I disagree. In my view these orders support the argument that a plain reading of the words 'former employer' encompass a residualco entity in the context of a reverse vesting transaction because the employment contracts and employment liabilities have been transferred to that entity.

[44] I am also satisfied that ResidualCo is a common employer. The Ontario Court of Appeal in *O'Reilly v. ClearMRI Solutions Ltd.*, 2021 ONCA 385, 460 D.L.R. (4th) 487, [***O'Reilly***] summarized the applicable law at para. 2: "this common law doctrine recognizes that an employee may simultaneously have more than one employer. If an employer is a member of an interrelated corporate group, one or more other corporations in the group may also have liability for the employment obligations. However, and importantly, they will only have liability if, on the evidence assessed objectively, there was an intention to create an employer/employee relationship between the employee and those related corporations."

[45] As noted in para. 49 of *O'Reilly*, the common employer doctrine does not involve piercing the corporate veil, rather it imposes liability on companies within a corporate group[2] only if, and to the extent that, each can be said to have entered into a contract of employment with the employee. Whether the relevant corporation undertook to perform the employee obligations is a question of contractual formation. Did the parties objectively act in a way

[2] There is no dispute that Synaptive and ResidualCo shared at least one officers and director: being Magnus Momsen.

that shows they intended to be parties to an employment contract with each other: *O'Reilly* at para. 65.

[46] The Attorney General argues that such intention cannot be found in the present case, as the former employees did not provide services to ResidualCo. Rather employment ceased prior to the employment agreements being transferred to ResidualCo. I do not agree. Court orders made in insolvency proceedings may change the parties to contracts without the consent of a party (see for example s. 11.3 of the CCAA). In this case, the RVO transferred the employment contracts and the employment claims to ResidualCo upon closing of the transaction. Consent, nor intention, of the employees was required. The court order is sufficient, in the circumstances, to form the contract necessary for a finding the ResidualCo is a former employer of the Former Employees based on the doctrine of common employer. Under this doctrine, ResidualCo may not be the only former employer – but it is one former employer.

[47] In that light, concerns that the Attorney General raises in interpreting s. 6 of the Act do not arise. For example, under s. 6 of the Act, former employees who are also officers of the former employer are not eligible to receive payments. When one considers that the former employee has two former employers under the common employer doctrine, there should be no concern that a former officer of Synaptive will receive compensation contrary to s. 6 of the Act simply because ResidualCo. is also a former employer.

[48] This conclusion is consistent with the Quebec Court's finding at para. 35 of *Just for Laughs* that "[i]t would be contrary to the object of the Act to deny compensation to a terminated employee simply because the former employer transfers its liability to a third party under a reverse vesting order." In understanding this statement, it is important to recognize that the Attorney General admits that if the transaction had taken place by way of asset sale (rather than reverse vesting transaction), the Former Employees would be eligible for the payments under the Act. In both transactions the overall impact on employment is the same. There are approximately 81 employees who continue to have employment and 48 employees that do not. The only difference is that on one hand, in an asset sale, the 81 employees who have continued employment get transferred to a new entity and the contracts of the 48 terminated employees remain with the same entity. On the other hand, in a reverse vesting transaction the opposite occurs. Neither is in the employee's control. The mischief to be addressed by the Act as expressed in *Just for Laughs* above – the absence of a solvent employer who can pay wages owing to former employees - is the same.

The conclusion that ResidualCo is a former employer is consistent with treatment of terminated employees after an asset sale

[49] The Attorney General also argues that there is a substantive difference between a traditional asset sale and a reverse vesting transaction that justifies different treatment under the Act. Specifically, the Attorney General submits that in a traditional asset sale, recovery for unsecured creditors, including employment claims, is possible. However, in a reverse vesting transaction any recovery is illusory. The Attorney General argues the lack of potential recovery for the government after payment of claims under the wage earner

protection program in a reverse vesting transaction supports the argument the Act should not apply to that structure. I do not agree with this submission for two reasons.

[50] First, I am not persuaded that the Act is only intended to apply in situations where some recovery is expected. There is no evidence or statutory language to support that argument. It is, unfortunately, often the case that there is no recovery in an asset sale, bankruptcy or receivership for unsecured creditors, including employment claims.

[51] Second, the possibility of recovery is no different in an asset sale than a reverse vesting transaction. In an asset sale, an insolvent Corporation A, sells certain assets to a purchaser, Corporation B, in exchange for certain consideration including, typically, the assumption of certain obligations. By way of approval and vesting order, Corporation B ends up with the desired assets free and clear of all unwanted claims and Corporation A ends up with the proceeds of sale, any remaining unwanted assets and any remaining unassumed liabilities.

[52] In a reverse vesting transaction, a purchaser buys shares in an insolvent Corporation A in exchange for certain consideration which also typically includes the assumption of certain obligations. By way of a reverse vesting order, Corporation A retains certain obligations and ends up with the desired assets free and clear of all unwanted claims where Corporation B (known typically as residualco) ends up with the remaining proceeds of the transaction, any unwanted assets and any liabilities that were not retained.

[53] Whether creditors of the unwanted liabilities need to look to the proceeds and assets held by Corporation A (following an asset sale) or Corporation B (following a reverse vesting transaction) does not dictate the amount of recovery. The level of recovery is simply a result of the value of the assets and amount of liabilities that existed prior to the transaction. It is not a result of the structure of the transaction. In the present case, it is clear there is some value – the evidence is that ResidualCo holds $101,017.62 to satisfy employee priority claims (i.e., claims that are entitled to a maximum statutory priority of $2,000 per employee under ss 81.3 or 81.4 of the BIA).

[54] Accordingly, I find that ResidualCo is a former employer under s. 5(1)(b)(iv) of the Act.

Is ResidualCo, as a bankrupt, a former employer under s. 5(1)(b)(i) of the Act?

Should the CCAA Court Decide this Issue?

[55] Under s. 5(1)(b)(i) of the Act, coverage applies to a former employer that is bankrupt. There is no requirement that the criteria established by s. 3.2 of the Regulations also apply.

[56] The relief requested includes a declaration that ResidualCo is a former employer who is bankrupt under this section. There is no dispute that ResidualCo is bankrupt. However, the Attorney General argues that this question should not be answered by this Court. I disagree.

[57] The Attorney General takes the position that this Court does not have jurisdiction to make a declaration under s. 5(1)(b)(i) of the Act, because s. 5(5) of the Act is limited to providing

this Court jurisdiction to make a determination under s. 5(1)(b)(iv). In other words, this Court is called upon by the Act to determine if a former employer in a CCAA proceeding meets the relevant criteria but has no role in doing so in a bankruptcy.

[58] The Supporting Parties argue that this Court has jurisdiction to grant declaratory relief under s. 97 of the *Courts of Justice Act*, RSO 1990, c. C 43 as the criteria for doing so set out in *Bryton Capital Corp GP Ltd v CIM Bayview Creek Inc*, 2023 ONCA 363 [***Bryton Capital***] are satisfied. The Ontario Court of Appeal at para. 63 of *Bryton Capital*, stated that declaratory relief is discretionary and the criteria for granting such relief were set out in *S.A. v. Metro Vancouver Housing Corp.*, 2019 SCC 4, [2019] 1 S.C.R. 99, at para. 60 being: (a) the Court has jurisdiction to hear the issue, (b) the dispute is real and not theoretical, (c) the party raising the issue has a genuine interest in its resolution, and (d) the responding party has an interest in opposing the declaration being sought.

[59] The only criteria in dispute between the parties is whether this Court has jurisdiction to hear the matter. The Attorney General argues that the Minister is to make a determination under s. 9 regarding claims submitted under the Act and therefore the relevant relief requested would needlessly intrude on that administrative process. As set out in *Brewers Retail Inc. v Campbell*, 2023 ONCA 534 at paras. 64-65, to oust the jurisdiction of this Court in civil proceedings, "clear and unequivocal wording" in the statute is required. I am not persuaded that the Act includes such language. Therefore, I am satisfied I have jurisdiction to interpret the Act. This is also consistent with the holding in *Lynx Air*, at paras. 30-32 referred to above.

[60] The Attorney General argues that even if this Court has jurisdiction, it should decline to exercise it in this circumstance. First, the Attorney General submits that doing so will take away the Minister's power to determine eligibility under the Act. I do not agree. The Minister still must consider individual claims and determine whether such individual claims meet all the criteria required for payment and how much is to be paid.

[61] Second, the Attorney General relies on the reasoning in *GLP NT Corp., v Canada (Attorney General)* (2003), 65 O.R. (3d) 840 (Ont. S.C.) [***GLP NT Corp***.] at paras. 18-21, where Cumming J. of this Court declined to exercise jurisdiction to issue a declaratory order that would interfere with a hearing before the Tax Court of Canada. He noted two reasons for doing so, respect for the laws of Canada and the Tax Court of Canada's greater expertise in the specialized subject matter. The issue before the Court in *GLP NT Corp*. is distinct from the current declaration requested. The issue of whether ResidualCo is a former employer is something this Court is specifically tasked with deciding under s. 5(5) of the Act.

[62] Having gone through the exercise, as required by the legislature, for the purposes of ss. 5(5) and 5(1)(b)(iv) of the Act, the concerns raised in *GLP NT Corp*. do not arise. Rather, should this Court decline jurisdiction under s. 5(1)(b)(i) of the Act, there is a risk of inconsistent findings in ResidualCo being a former employer for purposes of a CCAA proceeding and for purposes of a bankruptcy proceeding. This risk of inconsistent findings should be avoided. As such, I am not persuaded that I should decline jurisdiction in this situation.

[63] Based on the reasoning above, I am satisfied that ResidualCo is a former employer. As there is no dispute that ResidualCo is bankrupt, I am satisfied that the declaration sought pursuant to s. 5(1)(b)(i) of the Act should be granted.

In the alternative to (a) & (b), is Synaptive a former employer under s. 5(1)(b)(iv) of the Act and s. 3.2 of the Regulations?

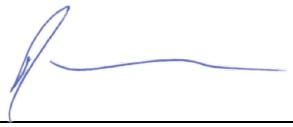
[64] There is no dispute that Synaptive is a former employer, however, the Attorney General argues that it is not a former employer that meets the criteria set out in s. 3.2 of the Regulations as Synaptive, at the relevant time, was not a former employer all of whose employees in Canada had been terminated other than any retained to wind down business operations.

[65] Given my finding that ResidualCo is a former employer as contemplated by s. 5(1)(b)(i) and (iv) of the Act there is no need to decide if Synaptive is also a former employee that meets the criteria set out in s. 3.2 of the Regulations.

Disposition

[66] For the reasons set out above, the relief requested as it relates to ResidualCo is granted. Specifically, ResidualCo (i) is a former employer as contemplated by s. 5(1)(b)(i) of the Act; and (i) is a former employer as contemplated by s. 5(1)(b)(iv) of the Act and meets the criteria prescribed by s. 3.2 of the Regulations.

[67] The parties have agreed that no costs are sought and no costs are ordered.



The Honourable Justice J. Dietrich

Date: July 7**,** 2026