

CITATION: Stajic v. Wayland Group Corp., 2026 ONSC 1680
COURT FILE NOs.: CV-21-00665194-00CP
CV-22-00687490-00CP
CV-23-00693650-00CP
DATE: 20260319

SUPERIOR COURT OF JUSTICE - ONTARIO

RE: MARKO STAJIC, MORDECAI BOBROWSKY, and KYLE YAMAMURA,
Plaintiffs

– and –

WAYLAND GROUP CORP. and BENJAMIN ALLAN WARD, Defendants

AND RE: MARKO STAJIC, Plaintiff

– and –

SCOTT LANGILLE, GERHARD MÜLLER, PAUL PATHAK, ERIC SILVER,
MICHAEL STEIN, and JOHN DOES 1-3, Defendants

AND RE: MICHAËL BORDELEAU-TASSILE, Plaintiff

– and –

CANACCORD GENUITY CORP. and GMP SECURITIES L.P., Defendants

BEFORE: Justice E.M. Morgan

COUNSEL: *Andrew Morganti, Vincent Demarco, and Jonathan Bradford*, for the Plaintiffs

Dana Peebles, for the Litigation Guardian to the Defendant, Wayland Group Corp.

Shawn Irving and Emilie Dillon, for the Defendants, Scott Langille, Gerhard Muller, Paul Pathak, Eric Silver, and Michael Stein

John Fabello and Colette Koopman, for the Defendants, Canaccord Genuity Corp., GMP Securities L.P. (now known as RF Securities Clearing LP)

HEARD: March 9, 2026

SETTLEMENT ENDORSEMENT

[1] The parties, with the exception of Benjamin Allen Ward (“Ward”), seek approval of a Settlement Agreement dated January 22, 2026, along with ancillary orders and class counsel fees, in respect of all three of these related actions.

[2] The actions are securities class actions brought under the *Class Proceedings Act, 1992*, S.O. 1992, c. 6 (“CPA”). They were certified as class actions and ordered to be heard together on February 4, 2026: *Stajic v. Wayland Group Corp.*, 2026 ONSC 647 (“*Wayland Certification*”).

[3] All three actions raise similar allegations and arise out of the same set of facts and issues relating to the business practices and public filings and statements of Wayland Group Corp. (“Wayland”). The claims allege that during the period from December 13, 2017 to August 2, 2019 (the “Class Period”), Wayland misrepresented material facts regarding its business, capital structure, finances, operations, and in particular, the build-out of its cannabis production facility in Langton, Ontario. The material portions of the claim are more fully described in *Wayland Certification*, at paras. 6-7.

[4] The Settlement Agreement does not include the defendant Benjamin Allan Ward, who is in default and is the subject of a separate motion for default judgment. On December 2, 2019, Wayland filed for and was granted bankruptcy protection under the *Companies’ Creditors Arrangement Act*. On July 9, 2020, the stay of proceedings was lifted by order of the Superior Court of Justice (Commercial List) for the purpose of granting leave to pursue class actions against Wayland’s insurers and certain other Defendants. It is my understanding that on February 22, 2022, the stay of proceedings expired.

[5] The Settlement Agreement was reached following negotiations conducted at arm’s length among experienced parties, all represented by counsel who are long experienced in practice relating to securities class actions and investor claims. It was negotiated following more than 5 years of litigation in multiple proceedings before this Court. Class Counsel submit that they have considered the proposed settlement and the benefit of it to the class in light of the litigation risks associated with protracted class actions. They indicate that they have also taken into account the financial situation of the settling Defendants, the applicable insurance policies, the statutory measure of damages and corresponding liability limits.

[6] The Settlement Agreement provides that the settling Defendants, or their insurers and reinsurers, will pay \$8,000,000 the (“Settlement Amount”) in exchange for full and final settlement of all claims against those Defendants. The Settlement Amount, less class counsel’s fees and disbursements, Administrator’s expenses, and taxes (the “Net Settlement Amount”), will be distributed to class members in accordance with the proposed Plan of Allocation. This provides for a distribution on a *pro rata* basis up to each class member’s actual loss for Wayland securities purchased and held during the Class Period.

[7] Class counsel point out that the Settlement Agreement is not an admission of liability on the part of any Defendant. They describe the key features of the Settlement Agreement as follows:

- (a) it will be automatically terminated if an order in substantially the form of the Settlement Approval Order is not granted by the Court, or if the Settlement Approval Order is reversed on appeal and the reversal becomes a final order;
- (b) the Settlement Amount will be the sole monetary contribution in the Settlement of the Actions against the Settling Defendants;
- (c) if the Settlement Agreement is approved, the Settling Defendants and their insurers, among others, will receive customary releases; and,
- (d) the approval of the Settlement Agreement is not contingent on approval of Class Counsel Fees.

[8] I note that the proposed settlement Order contains a ‘bar order’ in reference to any claims-over brought by Benjamin Ward – who, as noted at the outset, is in default and is not a party to the Settlement Agreement. That portion of the Order provides:

10(d) for greater clarity, any and all claims for contribution, indemnity or other claims over relief by Ward or any other person against any of the Releasees are barred in respect of the Released Claims.

[9] The draft Order goes on to contain a certain protection for Mr. Ward, which I understand was added at the Defendants’ request. This is appropriate under the circumstances, and provides as follows:

For greater clarity, the bar term contained in this subparagraph (d) does not restrict, impeded or effect the ability of Mr. Ward or any other person to raise any defenses in respect of the Released Claims, including a defense that Mr. Ward or any other person are only liable to the Plaintiffs for the proportion of the damage for which they are directly responsible.

[10] As class counsel point out, litigation is inherently risky, expensive and time-consuming. The resolution of these actions on the terms contained in the Settlement Agreement achieves certainty for all parties involved, and does so in a timely way that avoids protracted legal proceedings. The Settlement Amount, and overall terms of the Settlement Agreement, have been recommended by class counsel and are supported by the representative Plaintiffs. It is a very good result and is in the best interest of the class members.

[11] Likewise, the proposed Plan of Allocation creates a comprehensive method for distributing the Net Settlement Amount to class members in a fair, equitable and efficient manner. The proposal that class counsel act as Administrator of the settlement is also a reasonable one. Class counsel has experience carrying out administrative functions on previous settlements involving securities class actions, and this will be an efficient and cost saving way to proceed through the settlement process. It will also provide heightened accountability and communications between members of the class and class counsel, with the result being a more streamlined claims administration process.

[12] The proposed methodology for distributing the proceeds of settlement is consistent with the methodology that has been used to distribute settlement funds in other securities class actions: see *Relvas v Auxly Cannabis Group Inc.*, 2023 ONSC 6394, at paras. 5. Class counsel explain that, consistent with the Plaintiffs' theory of liability, the distribution of settlement funds will be on a pro rata basis depending on when during the Class Period each class member purchased and held their shares. In the event of any disagreement over the distribution to an individual class member, class counsel have appointed Eliezer Karp, a well-known class action litigator with considerable experience in securities cases, to act as independent mediator.

[13] The test on a motion for settlement approval under the *CPA* is whether it is fair, reasonable and in the best interests of the class members. In analyzing the proposal, “[c]onsideration must be given to the totality of the circumstances, including the factual context and the prevailing legal issues: *Robinson v Medtronic, Inc.*, 2020 ONSC 1688 at par. 63. The settlement need not be perfect: *Fraser v. Falconbridge Ltd.*, [2002] O.J. No. 2383, at para. 13 (SCJ). Rather, it “must fall within a zone of reasonableness. Reasonableness allows for a range of possible resolutions and is an objective standard that allows for variation depending upon the subject-matter of the litigation and the nature of the damages for which the settlement is to provide compensation”: *Mancinelli v. Royal Bank of Canada*, 2017 ONSC 2324, at para. 39.

[14] The Settlement Agreement in issue here meets this test. There are no objectors to the settlement, it is a reasonable financial result for the investors, it was negotiated at arm's length against Defendants represented by experienced counsel, it is recommended by experienced class counsel, and it is proposed as an efficiently administered and equitably distributed scheme. In my view, it is in the best interests of the class to approve the settlement.

[15] Class counsel propose a second Notice of the settlement that appears to also be efficient and effective. The Second Notice will be published on Canadian Newswire in English and French. It will advise of the settlement approval, the claims bar deadline, and how to file a claim. The Notice will also be posted on websites administered by class counsel, and, in addition, will be emailed in English and French to any prospective class member who has provided class counsel with their email address.

[16] In the circumstances of this case, these proposed methods of giving notice are comprehensive and are likely to reach the vast majority of class members.

[17] In addition, class counsel seek approval of legal fees for the three actions in the amount of 30% of the settlement amount, being \$2,400,000, plus disbursements and HST. This includes the fees of Quebec counsel that prosecuted the parallel Quebec action from 2019 to 2024.

[18] Generally speaking, contingency fees that are fully understood and accepted by the representative Plaintiffs – and, in the present case, there is no suggestion that the representative Plaintiffs did not understand and accept the 30% arrangement – are presumptively valid and enforceable: *Cannon v. Funds for Canada Foundation*, 2013 ONSC 7686, at para. 8. As Justice Strathy observed in *Baker (Estate) v. Sony BMG Music (Canada) Inc.*, 2011 ONSC 71, the 24%

to 36% range is typical in Ontario class actions, and in most cases reflects an appropriate ratio of risk to reward for class counsel.

[19] Here, the representative Plaintiffs support class counsel's request for fees. Class counsel themselves observe that they have committed time to these actions equivalent to approximately \$4,000,000. The requested fee is therefore substantially less than class counsel's docketed time. I see no reason not to approve the requested legal fee. It is a fair and reasonable amount given the risks taken on by class counsel and the result produced for class members.

[20] Finally, class counsel seek approval of an honorarium for each of the representative Plaintiffs in the amount of \$5,000. Class counsel explain that each of Mr. Stajic, Mr. Yamamura, Mr. Bordeleau-Tassile, and Mr. Bobrowsky have earned the requested honorarium by taking time to participate in the prosecution of the actions, including always making themselves available to communicate with class counsel to discuss the progress of the litigation, including times that were prior to their formal involvement. The four of them also fully participated in and provided instructions regarding settlement negotiations.

[21] Class counsel submit that Mr. Stajic, Mr. Yamamura, Mr. Bordeleau-Tassile, and Mr. Bobrowsky have each had a significant impact on the litigation by advocating strongly for an early resolution, and by holding class counsel accountable for the passage of time. Given their extraordinary efforts, honoraria in the amount of \$5,000 each is well within the range of honoraria that courts have deemed appropriate: *Somwar v. Fly Jamaica Airways Ltd.*, 2024 ONSC 209, at para. 16. In fact, courts have awarded larger honoraria than this in similar circumstances: see *Kirsch v Bristol Myers Squibb*, 2024 ONSC 7191, at para. 26.

Disposition

[22] I hereby approve the Settlement Agreement, class counsel fees, honoraria for the representative Plaintiffs, and other ancillary matters as set out in the Notice of Motion herein.

[23] There will be an Order to go as submitted by class counsel.

Date: March 19, 2026

Morgan J.