

IN THE SUPREME COURT OF NOVA SCOTIA
IN BANKRUPTCY AND INSOLVENCY

Citation: Coyle (Re), 2011 NSSC 238

Date: June 20, 2011

Docket: B 31647

Registry: Halifax

District of Nova Scotia
Division No. 01 - Halifax
Court No. 31647
Estate No. 51-1034823

In the Matter of the Bankruptcy of Leslie Coyle

LIBRARY HEADING

Registrar: Richard W. Cregan, Q.C.

Heard: March 15, 2011

Written Decision: June 20, 2011

Summary: The Applicant received Employment Insurance benefits based on representations made by her which were found to be untrue. She was ordered by the Canada Employment Insurance Commission to pay back the benefits. This was confirmed by a Board of Referees under the *Employment Insurance Act*.

Meanwhile she made an assignment in bankruptcy. The Commission took the position that this debt was one that survived bankruptcy under Paragraph 178(1)(e) of the *Bankruptcy and Insolvency Act*.

Issue: She asks the court to rule that the debt does not survive bankruptcy because there has not been a competent judicial

finding of the fraud to bring the debt under Paragraph 178(1)(e).

The issue is whether a Board of Referees has authority to make such findings of fraud.

Result:

It was held that it does and its findings show that the debt is covered by Paragraph 178(1)(e), subject to an issue yet to be argued, namely how the failure of the Commission to have obtained a lifting of the stay of proceedings under Section 69.4 of the *Bankruptcy and Insolvency Act* before proceeding with the claim affects the validity of the proceedings before the Board.

***THIS INFORMATION SHEET DOES NOT FORM PART OF THE COURT'S DECISION.
QUOTES MUST BE FROM THE DECISION, NOT THIS LIBRARY SHEET .***