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<p>THE OPPRESSION REMEDY By David S. Morritt, Sonia L. Bjorkquist and Allan D. Coleman Release No. 2, December 2024</p>

What’s New in this Update:

This release features substantial updates to Chapter 2 (Who Can Claim Relief), Chapter 5 (Conduct to Which the Oppression Remedy Applies), Chapter 6 (Remedies: General Principles and Practical Applications), Chapter 7 (The Oppression Remedy and Other Statutory Remedies) and Chapter 8 (Litigating an Oppression Claim).

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Highlights:

- **Who Can Claim Relief—Claims Brought in a Representative Capacity—Trustees in Bankruptcy**—The court found that the bankrupt corporation did not have the required interest for the court to exercise its discretion to allow the trustee-in-bankruptcy to bring an application under the oppression remedy. Although the bankrupt corporation was a creditor of the defendant, it never had any interest qua creditor that brought it sufficiently “inside” the affairs of the debtor that would permit an oppression claim: *Syndicat de KPH 11*, 2023 QCCS 4540.
- **Conduct to Which the Oppression Remedy Applies—Conduct in the Context of a Takeover Bid**—The court found that, even if the court assumed that the Mayfair board of directors had agreed to amend certain employment agreements in response to complainant’s efforts to replace the board, the triggering of the change-of-control payments did not amount to a form of “poison pill” that had the effect of entrenching the current board: *Muddy Waters Capital LLC v. Mayfair Gold Corp.*, 2024 BCSC 1233.
- **Remedies: General Principles and Practical Applications—Other Remedies Available to Rectify Oppression—Generally**—The court fashioned a unique remedy to ensure that the respondent corporation was managed appropriately going forward and that the respondent rectified her unprofessional conduct. The court granted an order prohibiting the respondent director from chairing the next three annual general meetings and also required her to prepare a detailed annual report to the other shareholder explaining her actions on behalf of the company, the expenditures she incurred and the amount and basis for her remuneration. The British Columbia Court of Appeal affirmed the lower court’s exercise of discretion demonstrating the wide discretion that the court has to make any order that it deems fit: *Jahnke v. 436537 B.C. Ltd.*, 2023 BCSC 2166, 2024 BCCA 276.