

Publisher's Note

An Update has Arrived in Your Library for:

Please circulate this notice to anyone in your office who may be interested in this publication. <i>Distribution List</i>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>

DIRECTORS AND OFFICERS IN CANADA: LAW AND PRACTICE

Carol Hansell, B.A., M.A., LL.B., M.B.A.

Release No. 2, April 2026

Directors and Officers in Canada: Law and Practice is a comprehensive text on the current legal framework of corporate governance in Canada. It considers and compares the *Canada Business Corporations Act* and the corporate statutes in each of the provinces and territories, describes relevant case law in detail, and discusses current themes in corporate governance.

Thomson Reuters®

Customer Support

1-416-609-3800 (Toronto & International)

1-800-387-5164 (Toll Free Canada & U.S.)

E-mail CustomerSupport.LegalTaxCanada@TR.com

This publisher's note may be scanned electronically and photocopied for the purpose of circulating copies within your organization.

This release features updates to the Case Summaries — The Oppression Remedy in Chapter 16. Shareholder Remedies Against Corporate Directors. This release also features updates to Oppression Claim Proceedings Brought in Ontario Under the *Canada Business Corporations Act* or the Ontario *Business Corporation Act* — Summary of Procedure in Chapter 16. Shareholders Remedies Against Corporate Directors.

Highlights

Shareholder Remedies Against Corporate Directors — Case Summaries — The Oppression Remedy — Failure to Comply with Corporate Governance Requirements Case — Justice Kraft was satisfied that the wife identified expectations as a Director of Rovimat that she claimed had been violated by the husband’s conduct, particularly, since his conduct had the effect of exposing her to liability as a Director of Rovimat. When the husband signed the Articles of Revival of Rovimat he did not do so in “good faith.” Justice Kraft was persuaded that the husband’s conduct resulted in unfair prejudice to the wife, because his failure to communicate, or otherwise advise her that he was dissolving Rovimat, and then reconstituting the shareholding and Directors of Rovimat was not done in good faith, nor did he exercise the care and diligence that a reasonably prudent person would exercise in comparable circumstances, as required by him to do under s. 122 of the *CBCA*. The husband’s actions resulted in unfair consequences to the wife by exposing her to personal liability for corporate debt starting on August 11, 2019, when he dissolved the company. Similarly, Justice Kraft concluded that the husband’s conduct constituted an unfair disregard of the wife’s interests. The husband’s failure to file corporate financial statements and income tax returns or pay employee deductions and HST suggested that he disregarded the wife’s liabilities and role as a Director, and that was contrary to the wife’s reasonable expectations. Justice Kraft was satisfied that the remedy sought by the wife that she be removed as a Director effective August 11, 2019, when the husband first dissolved Rovimat, was necessary to satisfy the wife’s reasonably held expectations (*Ror v. Pires*, 2025 CarswellOnt 1823, 2025 ONSC 828 (Ont. S.C.J.)).

Shareholder Remedies Against Corporate Directors — Case Summaries — The Oppression Remedy — Improper Payment of Salaries, Bonuses, Stock Options, Fees and Expenses — The plaintiff RonCo was a 50% shareholder in Pacific. The plaintiff, Nelson, was the owner and a director of RonCo and was a director and officer of Pacific. The plaintiffs sought damages arising from alleged oppressive acts in the operation of the defendant Pacific. The defendant Beamer was a 50% shareholder in Pacific. The defendants Scott and Natalie Fyfe were the owners and directors of Beamer, and directors and officers of Pacific. Pacific provided scuba diving instruction and related sales. The plaintiffs alleged that the defendants acted oppressively in the operation of Pacific, in that the Fyfes caused Pacific to improperly redirect funds from Pacific to Beamer. Section 227(3) of the *BCA* permits the court to fashion a remedy appropriate to rectify the oppressive conduct suffered by a party. Remedies set out in the subsection, while not exhaustive, include orders directing a company to pay a shareholder for their shares, to purchase shares, and to compensate a person (*2059041 Alberta Ltd. v. Pacific Pro Dive (2019) Ltd.*, 2024 CarswellBC 3065, 2024 BCSC 1894, 2024 A.C.W.S. 5360, 58 B.L.R. (6th) 321 (B.C. S.C.)).