

SUPREME COURT OF NOVA SCOTIA

Citation: *ALPC Housing Solutions Inc. v. Martin*, 2017 NSSC 49

Date: 20170315

Docket: Hfx. No. 446514

Registry: Halifax

Between:

ALPC Housing Solutions Inc.,
a body corporate

Applicant

v.

Kris Martin and Jacques Martin

Respondents

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Judge: The Honourable Justice C. Richard Coughlan

Heard: November 1, 2 and 3, 2016 in Halifax, Nova Scotia

Written Decision: March 15, 2017

Subject: Business associations – Directors and officers – Fiduciary duties.

Summary:

Bryony House is a transition house which provides shelter to women and their children in Halifax, Nova Scotia. In 2013 its Board of Directors was considering a capital campaign to raise funds to expand the facility. Through Maria Sancho, a former resident of Bryony House, ALPC Housing Solutions Inc., (ALPC) became involved in the project. Kris Martin, a director of ALPC, suggested her home be the main prize.

Since their marriage, Ms. Martin and her husband Jacques Martin built houses, sold them and moved. Jacques Martin, who held legal title to the home, sold it to Bryony House for

\$1,075,000 plus adjustments. After the draw, Ms. Martin negotiated with the winners to repurchase the home. One week after the draw, Mr. Martin repurchased the home from the winners for \$621,500.

Issue: Did Kris Martin breach her fiduciary duty to ALPC Housing Solutions Inc.?

Result: Kris Martin owed a fiduciary duty to ALPC, a company of which she was a director. Ms. Martin breached her fiduciary duty to ALPC when she and her husband purchased their former home from the lottery winners. The opportunity came to her as a result of her position as a director of ALPC. She did not make full disclosure about the purchase from the lottery winners to ALPC and obtain consent for the purchase.

Jacques Martin had knowledge of facts which would put a reasonable person on notice about the possible breach of fiduciary duty and is personally liable for his involvement in Kris Martin's breach of fiduciary duty.

Mr. and Ms. Martin are to account for the difference between the amount they sold their home for and amount for which they repurchased it and pay the amount owing, if any, to ALPC.

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