

# Court of King's Bench of Alberta

**Citation: HTE Investments Ltd v Rutledge, 2026 ABKB 39**

**Date:** 20260116  
**Docket:** 2401 14454  
**Registry:** Calgary

Between:

**HTE Investments Ltd. And Howard Gordon Rutledge**

Plaintiffs/Defendants  
by Counterclaim

- and -

**Lynn Dianne Rutledge also Known as Lynn Freeman**

Defendant/Plaintiff  
by Counterclaim

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**Costs Endorsement  
of the  
Honourable Justice Michael J. Lema**

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## **I. Introduction**

[1] What costs are payable to the successful corporation and its principal against the respondent, formerly a director and employee of the corporation, on various applications and cross-applications required in the aftermath of the respondent's ouster in both capacities?

[2] The answer is Schedule-C-level costs of \$8,050, with payment deferred, as explained below.

## II. Analysis

[3] The parties each provided written costs submissions in response to the direction provided in an unpublished November 27, 2025 endorsement (para 3).

[4] I find that, as the substantially successful parties, HTE Investments Ltd and Mr. Rutledge are entitled to costs of the application(s) and cross-application(s) in question.

[5] As to the scale of costs, I find that Schedule C is appropriate i.e. no solicitor-client-level or other enhanced costs, for these reasons:

- 1) the plaintiffs' costs brief refers to "misconduct" and "numerous aggravating factors" but largely does not particularize them;
- 2) costs have already been awarded on the "authenticity" front (to the extent the plaintiffs sought to invoke that factor on the "aggravating" aspect): see *HTE Investments Ltd v Rutledge*, 2025 ABKB 256 (para 108).
- 3) concerning passwords, I find that:
  - Ms. Rutledge had a good-faith position, at the outset, that she was entitled to retain access to the passwords on the basis that she was still a director and, for a period afterwards, that she would be reinstated as a director;
  - as discussed in a July 31, 2025 endorsement (unpublished), it appeared that the parties had reached their own solution to the password issues; and
  - when it became apparent that that was not so, or that the solution was not sufficient or was no longer applicable, and when the plaintiffs pressed the point and I directed that the passwords and associated information be provided, it appears that Ms. Rutledge provided the required information promptly. In any case, the plaintiffs have not asked for any follow-up directions, from which I infer that any password-disclosure-related shortcomings were not material; and
- 4) Ms. Rutledge's position on the various issues in the application(s) and cross-application(s) reflected her earnest and thoughtful assessment of the issues. I find that she was not motivated by, and her actions did not reflect, obstructionism, mischief-making, bad faith or vexatiousness. Instead, she took good-faith positions and advanced them with coherent, logical, and proportionate positions. And she did so in a measured and always respectful manner i.e. advancing her positions forcefully and effectively but without aggression or hostility.

[6] All in all, there is no basis on which to award solicitor-client-level or other enhanced costs.

[7] Accordingly, I approve the essentials of the draft bill of costs built on Schedule C submitted by the plaintiffs (featuring a total costs award of \$8,050), albeit would ask Ms. Martin

to retitle it “Schedule C Costs Award” and submit the new draft for signature via SharePoint i.e. without the need for any party or counsel signatures.

[8] Payment of these costs is deferred to the conclusion of the family-property proceedings involving Mr. and Ms. Rutledge, whether by agreement or court order and shall be paid, in first instance, by set-off against any amount which Mr. Rutledge may be found to owe to Ms. Rutledge via such agreement or court order. If no such amount (or any liability is inadequate to clear the costs award), Ms. Rutledge shall have one year from that point to pay the costs award.

### **III. Closing note**

[9] I thank Ms. Martin and Ms. Rutledge for their helpful written and oral submissions on this file from start to finish.

Heard by way of written submissions provided on December 12, 2025 and January 2, 2026.

**Dated** at Calgary, Alberta this January 16, 2026

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**Michael J. Lema**  
**J.C.K.B.A.**

### **Appearances:**

Christopher Dormer / Alicia M. Martin  
Dunphy Best Blocksom LLP  
for the Plaintiffs/Defendants by Counterclaim

Lynn D. Rutledge  
Self-Represented Defendant/Plaintiff by Counterclaim