IN THE SUPREME COURT OF BRITISH COLUMBIA

Citation: *Bradford v. Bradko Enterprises Ltd.,*
2025 BCSC 1398

Date: 20250723
Docket: S231887
Registry: Vancouver

Between:

Stephen Bradford

Petitioner

And

**Bradko Enterprises Ltd., David Allan Chucko,
Judith Lorraine Chucko, 327772 B.C. Ltd. and 371987 B.C. Ltd.**

Respondents

Before: The Honourable Justice Norell

Reasons for Judgment

Counsel for the Petitioner:	A. Crabtree
Counsel for the Respondents David Chucko and Judith Chucko:	F. Lamer
Place and Dates of Hearing:	Port Coquitlam, B.C. January 6-10, 2025
Place and Date of Judgment:	Vancouver, B.C. July 23, 2025

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Overview

[1] This petition concerns a dispute between two families who, through several companies, equally own a valuable piece of property in Surrey (the "Surrey Property"). The Surrey Property was purchased 35 years ago as an investment. It has significantly appreciated in value.

[2] The petitioner Stephen Bradford, and his spouse Mary-Lou Bradford, want to sell the Surrey Property now. The respondents, David and Judith Chucko (the "Chuckos"), do not want to sell now as they believe that if the shareholders wait, the Surrey Property will continue to increase in value, thereby maximizing profit when they do sell.

[3] As the two families cannot agree, Mr. Bradford applies for an order pursuant to s. 324(1)(b) of the *Business Corporations Act*, S.B.C. 2002, c. 57 [*BCA*] to liquidate and dissolve the respondent Bradko Enterprises Ltd. ("Bradko"), which owns the Surrey Property through a subsidiary corporation. The Chuckos oppose the order. The fundamental issue is whether Mr. Bradford has established that it is "just and equitable" to order that Bradko be wound up.

[4] Mr. Bradford argues that three of the four circumstances in which courts have found that it is just and equitable to wind up a corporation apply here: (a) there is an irreconcilable deadlock about when to sell the Surrey Property and no mechanism to address the issue; (b) there is a justifiable loss of confidence between Mr. Bradford and the Chuckos, in particular Mr. Chucko, and their relationship has irretrievably broken down; and (c) the two families were in effect partners in a number of companies, and again, they have lost trust in each other and their relationship has broken down. Although Mr. Bradford alleges all three circumstances, his primary argument is that there is a deadlock.

[5] Mr. Bradford's arguments can be divided into two areas. First, with respect to Bradko and its subsidiaries, he argues that the reasonable expectations of the two families were that they would rezone and develop the Surrey Property and sell it for

a profit. In 35 years of ownership, they have not been able to make any progress. Mr. Chucko has not been pro-active, and they have not been able to agree on steps to try to rezone and improve the value of the Surrey Property. It remains much as it was when it was purchased in 1990. Despite this, the value of the Surrey Property has increased as a result of development that has taken place in the area. The families are deadlocked over the sale of the Surrey Property, which is a core operation of Bradko.

[6] Second, with respect to Bradko and all the other companies which the two families jointly own, there was a reasonable expectation that Mr. Chucko would contribute sufficiently to their "partnership", and there would be financial transparency and proper corporate governance. Mr. Bradford alleges that Mr. Chucko has not sufficiently contributed to their "partnership". Mr. Chucko controlled the accounting for all of their companies. Mr. Bradford has demanded audited financial statements since 2010. The Chuckos have refused to agree to these, and have failed to provide any satisfactory explanation of the accounting concerns he has raised. Mr. Bradford and the Chuckos are no longer on speaking terms and are unable to work together in any meaningful capacity. They are deadlocked with respect to financial and governance issues which have impaired Bradko's core operations.

[7] In addition to a liquidation and dissolution order, Mr. Bradford seeks other orders including: (1) appointment of a receiver-manager to value the assets of Bradko and its subsidiaries and to conduct an audit of all non-arm's length transactions; (2) additionally or in the alternative, compelling Ms. Chucko to purchase his shares in Bradko at fair market value without discount; and (3) if the parties cannot agree on a price, that they be at liberty to apply for an order determining the value for the shares.

[8] The Chuckos disagree with all of Mr. Bradford's allegations. They submit that much of his case rests on his own self-serving emails where he makes false allegations, unsupported by any objective independent evidence, against

Mr. Chucko and the Chucko family. Even if those emails were accepted for the truth, the evidence does not establish a sufficiently serious state of affairs in which the reasonable expectations of the parties are unattainable. The evidence does not establish: (a) a deadlock in the operation of Bradko; (b) a justifiable loss of confidence that reveals a lack of probity, good faith or other improper conduct, or an irretrievable breakdown in their relationship; nor (c) a partnership-like relationship where there is, again, a loss of trust and a breakdown in their relationship.

[9] First, with respect to Bradko and its subsidiaries, the Chuckos argue that the reasonable expectations of the two families were not to rezone or develop the Surrey Property themselves, but to hold it until development reached the Surrey Property, at which point they would sell when the profit was “maximized”. There is no deadlock with respect to a core operation, just a disagreement about when the Surrey Property should be sold, and the parties have always worked on a consensus model. The Chuckos manage Bradko, which is largely a passive investment company, and the Surrey Property.

[10] Second, with respect to Bradko and all the other companies which the two families jointly own, Mr. Chucko denies that he has not sufficiently contributed. To the extent Mr. Bradford’s alleges financial and governance issues which concern other companies, they are not relevant, but in any event, the allegations have no merit and have been manufactured by Mr. Bradford to create the appearance of a deadlock and disagreement. Despite their over 35 years in business together, Mr. Bradford’s allegations have only arisen after May 2020 when the Chucko family refused to buy Mr. Bradford’s interest in the Surrey Property. The two families continue to own and manage all of their other companies for which Mr. Bradford does not seek a winding up order. Their discord therefore cannot be that significant. Any issues can be resolved, not by winding up, but by making orders for an audit, under s. 227(3) of the *BCA* to satisfy Mr. Bradford’s concerns.

[11] For the reasons that follow, I find that it is just and equitable that Bradko be liquidated and dissolved, but due to the unique circumstances of the Surrey Property

and the lack of admissible evidence regarding its marketability (practically, there may be only one possible purchaser – the City of Surrey), I make interim orders and a direction for further attendance once that evidence is obtained. In summary, I find there is a deadlock with respect to Bradko and its subsidiaries that seriously impairs its core function. The relationship between the two families has completely broken down. The reasonable expectations of the parties are unattainable and court intervention is required to remedy the situation.

Legal Principles

[12] The legal principles which apply to an application under s. 324(1)(b) of the *BCA,* were recently summarized by Chief Justice Marchand in *Weisstock v. Weisstock*, 2023 BCCA 352, as follows:

> [43] Section 324(1)(b) of the *BCA* provides that a shareholder may apply to the court for an order that a company be liquidated and dissolved. It empowers the court to make such an order if the court considers it "just and equitable to do so."
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> [44] If the court concludes that it is just and equitable to liquidate and dissolve a company, such an order does not automatically follow. Under s. 324(3), the court may either order the company to be liquidated and dissolved or make "any order under section 227(3) it considers appropriate." Section 227(3) provides the court with the authority (and flexibility) to "make any interim or final order it considers appropriate" to remedy or end "the matters complained of." Section 227(3) also provides a non-exhaustive list of available remedial orders.
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> [45] The "just and equitable" provision allows the court to impose broad and equitable considerations to the strict legal obligations that would otherwise apply to a corporation. It permits a judge to recognize that within and behind a corporation, "there are individuals, with rights, expectations and obligations" and that sometimes this "make[s] it unjust, or inequitable, to insist on legal rights, or to exercise them in a particular way": *Ebrahimi v. Westbourne Galleries Ltd.*, [1972] 2 All E.R. 492 at 496, [1973] A.C. 360 (H.L.) at 500 (per Lord Wilberforce).
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> [46] The cornerstone of the just and equitable analysis is therefore the parties' reasonable expectations. In other words, liquidation is justified where an applicant "demonstrate[s] that the parties regarded, or would have regarded if they had turned their minds to it at the time of formation of the business association, the particular circumstances resulting from the disharmony to constitute the termination or repudiation of the business relationship": *Animal House Investments Inc. v. Lisgar Development Ltd.*, 87 O.R. (3d) 529, 2007 CanLII 82794 (S.C.J.) *[Animal House ONSC*] at para. 57, aff'd 237 O.A.C. 261, 2008 CanLII 27471 (Div. Ct.).

[47] As the judge identified, historically, courts have typically found it "just and equitable" to liquidate a company in one of four sets of circumstances:

1. loss of a company's substratum;
2. a justifiable lack of confidence among the members;
3. a deadlock among the parties; and
4. the partnership analogy.

(*Petersen BCCA* at para. 28, citing Markus Koehnen, *Oppression and Related Remedies* (Toronto: Thomson Carswell, 2004) at 369–97).

[48] The authorities are clear, however, that the court's discretion under s. 324(1)(b) is not limited to these categories. The words "just and equitable" have been described as words "of the widest significance" that confer a "broad discretion" on the court to make a liquidation order in any circumstances it considers appropriate: *Vivian* at para. 64. A categorical approach to the court's jurisdiction is "wrong". While categories and illustrations are helpful, "general words should remain general and not be reduced to the sum of particular instances": *Ebrahimi* at 496 (per Lord Wilberforce).

[49] Determining what is "just and equitable" is a fact-and context-specific exercise. For example, the test may be applied more liberally in the context of a family company than a conventional commercial enterprise: *Safarik* at para. 102; *Petersen v. Hawley*, 2021 BCSC 2348 [*Petersen BCSC*] at para. 14, aff'd *Petersen BCCA*.

[50] No finding of oppression, or even wrongdoing, is necessary to ground an order under s. 324: *Petersen BCCA* at para. 28. While misconduct on the part of the applicant may be grounds to refuse equitable relief on a liquidation application, "such a determination falls within the discretion of the judge, and it is not an absolute bar": *Petersen BCSC* at para. 61 and the authorities cited there.

[51] Where neither party comes to court with "clean hands", "the court is not required to decipher which party bears more blame": *Petersen BCSC* at para. 61, citing *Dia-Kas Inc. v. Virani*, 1997 CanLII 4118 (BCCA) at para. 22. The conduct of the parties may however be relevant to "contextualizing the conflict" and to whether the court should exercise its discretion to grant relief: *Petersen BCSC* at para. 61, citing *Mayer v. Mayer*, 2012 BCCA 77 at para. 208.

[52] While the words "just and equitable" provide broad discretion for the court "to intervene to relieve against an injustice or inequity", the discretion has boundaries: *Vivian* at paras. 66–67. Liquidation and dissolution have been described as "drastic remedies" and remedies of "last resort": *Esposito* at para. 30. The discretion to order liquidation and dissolution "must be exercised judicially, on a principled basis, and in recognition of the reluctance of the Court to interfere lightly in the internal affairs of a company": *Vivian* at para. 67, citing *Pasnak v. Chura*, 2004 BCCA 221 at paras. 26–28; *Paulson v. Dogwood Holdings Ltd.*, [1990] B.C.J. No. 2281, 1990 CarswellBC 1798 (S.C.). For example, s. 324 is not a mechanism to simply allow a minority

shareholder "to monetize [their] investment": *Boffo Family Holdings Ltd. v. Garden Construction Ltd.*, 2011 BCSC 1246 at para. 156.

Evidence

[13] I have divided the evidence of the parties as follows:

a) a review of the overall structure of the Bradford family and the Chucko family businesses, how Bradko and the two numbered respondent companies fit into that structure, and the respective roles of the personal parties;

b) the 35-year history of events involving the Surrey Property;

c) the lack of contribution, lack of financial transparency and corporate governance issues which Mr. Bradford raises, which mostly concern companies other than Bradko and its subsidiaries; and

d) the relationship between the two families.

[14] For the evidence below, unless I have indicated that there is a dispute, I accept the evidence. Where there is conflicting evidence, to the extent necessary, I address it in the Analysis section. As will be discussed, most of the conflicts do not need to be resolved, and to the limited extent they do, they can be determined on the evidence without resort to other procedures or a trial.

Bradford Family and Chucko Family Businesses and Roles

[15] The Bradford family and the Chucko family have been in business together for over 35 years, with each family directly or indirectly owning 50% of their businesses and investments. Their companies can be divided into two silos.

[16] The first silo is comprised of the operating companies (the "Operating Companies"), being Kinpack Polyethylene Ltd. ("Kinpack") and Kinpack USA Inc. ("Kinpack USA"). The shares of these companies are owned by KPK Holdings Ltd.

("KPK"). The shares of KPK are in turn equally owned by companies and family trusts owned or controlled by the two families.

[17] The second silo is comprised of passive investment companies (the "Investment Companies"). Bradko is one of those companies. Mr. Bradford and Ms. Chucko are the equal shareholders and directors of Bradko. Bradko owns all of the shares of the respondents 327772 BC Ltd. (the "Parksville Company") and 371987 BC Ltd. (the "Surrey Company"). Bradko also owns an apartment unit in Burnaby (the "Bartlett Court Property"). The Parksville Company is in good standing, but has been dormant after it sold its last investment property 15 years ago. The Surrey Company owns the Surrey Property. The Bartlett Court Property was occupied for many years by Mr. Bradford's mother but she passed away two years ago, and the apartment has sat empty since then. The value of the apartment pales in comparison to the alleged potential value of the Surrey Property. Thus, the main asset of Bradko is the shares of the Surrey Company, which owns the Surrey Property. I will refer to the Operating Companies and the Investment Companies together as the "Joint Companies".

[18] Ms. Bradford and Ms. Chucko were childhood friends, and Mr. Bradford and Mr. Chucko met through them. Although Ms. Bradford and Ms. Chucko are shareholders and directors of some of the Joint Companies, the two people who are actually involved in the management and operation of all the Joint Companies are Mr. Bradford and Mr. Chucko. Only Mr. Bradford and Mr. Chucko provided evidence on this petition. When I refer to the Bradford family or the Chucko family, I am primarily referring to Mr. Bradford or Mr. Chucko.

[19] In the 1980s Mr. Bradford and Mr. Chucko began discussing a potential "partnership". At the time, Mr. Bradford was a businessman with experience in the plastics packaging business, and Mr. Chucko was a partner at what is now known as PricewaterhouseCoopers. Kinpack was incorporated with an equal financial contribution by each family.

[20] Mr. Bradford and Mr. Chucko generally agree that their roles in the "partnership" were that Mr. Bradford would concentrate on operating Kinpack, and Mr. Chucko would look after the accounting, finances, and taxes of Kinpack and other Joint Companies, and use his business connections to source investment opportunities outside Kinpack. These were the Investment Companies. Excess funds from the Operating Companies would be used to invest in the Investment Companies.

The Surrey Property

1990 – 2012: Purchase and First 22 Years

[21] Bradko was incorporated in 1987 to facilitate the purchase of property and other investments. The Surrey Company was incorporated in 1989 to purchase the Surrey Property, and it was purchased in 1990.

[22] The Surrey Property is 17.6 acres located south of Highway 1 in the Anniedale-Tynehead area of Surrey. It was and remains zoned as A1 General Agricultural. It is vacant land with a dated residence and outbuildings. It is not fully serviced. The purchase price was $845,000, and was financed by a loan from Kinpack. The two families had targeted property that could be rezoned for higher density development in the future.

[23] Mr. Bradford states that Mr. Chucko represented that he was well connected and understood the process of development and rezoning in the Surrey area. The parties agreed that: (a) while the Surrey Property would not be a quick "flip" and they would hold it for several years, there would be a plan implemented to rezone it or sell it to a developer. While they never set specific deadlines, at one point they targeted a timeline of 10 to 15 years; (b) decision-making relating to rezoning, development, or sale would be by consensus; and (c) Mr. Chucko would oversee the operations and take responsibility for its accounting and banking. Mr. Bradford states that the two families' intention was always to realize a significant profit as soon as practicable.

[24] Mr. Bradford states that from 1990 to 2012 there were no substantial steps taken with respect to the Surrey Property. The parties were unable to agree on any material decisions that could increase the value of the Surrey Property through more favourable rezoning, or establish a business to generate revenue sufficient to cover expenses. However, he does not state what those discussions or business were. Mr. Chucko rented the home on the Surrey Property to a tenant, and it never generated sufficient revenue to cover expenses. The Surrey Property has accumulated hundreds of thousands of dollars in losses since it was acquired because of taxes and operating expenses. Until recently, those losses have been financed by Kinpack. Mr. Bradford states that there was never an agreement for Kinpack funds to be used in this manner.

[25] Mr. Chucko states that the Surrey Property was purchased on the understanding that it would be held as a long-term investment to be sold to a developer when the growth of Surrey made development viable. At the time they purchased the Surrey Property, they discussed that they would hold it until it gained "maximum value" to developers as developable land and then sell. There was no expectation that they would hold the Surrey Property for several years while they worked on rezoning and development plans. When the Surrey Property was purchased, there were no services such as sewer, which made residential development impossible. They did not expect to be the developers because they do not have the resources or expertise to do that. They anticipated that decades might be required before services could be made available to make development viable. Even as of today, while services have now been extended to the general area (1.3 miles) from the Surrey Property, there are no services available to it.

[26] Mr. Chucko states that both families decided to invest profits not required by the Operating Companies to make long term passive investments in land. He and Mr. Bradford were of the view that this would allow for larger profits down the road if rezoning could be obtained. While the Surrey Company did require loans from

Kinpack due to rising municipal taxes as property values rose, that has been addressed by other steps taken by the Chuckos, discussed below.

2012: Neighbourhood Concept Plan

[27] In 2012, the City of Surrey (the "City") adopted a Neighbourhood Concept Plan ("NCP") for the area where the Surrey Property is located. The NCP designated the Surrey Property as a "park". Mr. Bradford states that since 2012, all documents from the City confirm that the Surrey Property is part of a "cornerstone park" in the NCP. The park designation is an impediment to developing the Surrey Property.

[28] Sometime after the park designation, Mr. Bradford and Mr. Chucko met with a lawyer who specialized in land acquisitions involving the City and they both understood that the City has and would purchase properties designated as park, and would pay fair market value as developable land. The truth of the legal advice is inadmissible hearsay, but both parties agree they received this advice which informed their beliefs. I assume they received advice based on constructive taking or expropriation provisions of applicable legislation.

[29] Following this for the next several years, there is no evidence that either party suggested that they engage with the City to have the park designation changed.

2018 – 2020: Beech Westgard and Proposed Consultants

[30] Around 2018, a company by the name of Beech Westgard was accumulating land in the NCP and proposing to install infrastructure necessary for development. Mr. Bradford believed a relationship with Beech Westgard could be beneficial. Mr. Bradford asked his son to review what Beech Westgard was planning. Mr. Bradford asserts that this was a "window of time" in which action could be taken to try to rezone the Surrey Property. Mr. Bradford states that while he was initially content to sell the Surrey Property to the City, he felt the two families could potentially profit more if they could build off of Beech Westgard's momentum and have the Surrey Property rezoned. He and Mr. Chucko discussed this.

[31] Mr. Bradford alleges that Mr. Chucko was “non-committal” and not pro-active with respect to attempting to rezone, develop, or sell the Surrey Property. He states that Mr. Chucko was dismissive of the utility of a relationship with Beech Westgard as it was a small developer that would need an investor to carry through with its project. Ultimately, in 2020 Beech Westgard was able to find an investor, and subsequently was successful in rezoning some of its lands, which were sold for a profit. Mr. Bradford alleges that meanwhile he and Mr. Chucko “could not agree on what to do” with the Surrey Property. He alleges that Mr. Chucko’s conduct “effectively paralyzed” the Surrey Property and Mr. Bradford, as he was unable to proceed unilaterally without his equal shareholder.

[32] Mr. Chucko disputes that he caused the Surrey Company to squander a window of time to engage with Beech Westgard or to try to rezone the Surrey Property. Mr. Chucko states that he was willing to meet with Beech Westgard, and talked to Mr. Bradford about different types of financial arrangements that could possibly work. Mr. Bradford’s son was to arrange a meeting with Beech Westgard, but this was never done. Mr. Chucko states that he had a reasonable basis to be skeptical about potential benefits of a Beech Westgard relationship. Beech Westgard’s land assembly was 1.3 miles away from the Surrey Property, which was too far away to be in Beech Westgard’s assembly plans. He also discussed with Mr. Bradford the drawbacks of tying up lands with a land assembler. There was a major roadblock to development of the Beech Westgard lands, namely that the nearest sewer line was located north of Highway 1, and would need to cross the highway to the lands. Based on information that Mr. Chucko obtained, tens of millions of dollars would be required to do this, and a major investor would be required. He concluded that there was so much uncertainty, he was unwilling to allow the Surrey Property to be tied up with this developer. In any event, an offer was never received from Beech Westgard to purchase the Surrey Property or enter into any form of relationship. Mr. Chucko states that 2020 was the first time there was some possibility of having the Surrey Property rezoned, but it was a “long shot”.

[33] In January 2020, in the midst of the Beech Westgard events, Mr. Chucko proposed to Mr. Bradford that they retain Pacific Land Group ("PLG") to explore the Surrey Property's development. PLG is a land-use consulting firm. Mr. Bradford had an exploratory meeting with PLG, and provided Mr. Bradford with PLG's proposal regarding potential scope of work for Mr. Bradford's consideration. Mr. Bradford accuses Mr. Chucko of not consulting him prior to approaching PLG, which Mr. Chucko denies. Mr. Bradford ultimately rejected this proposal because he did not think PLG had the necessary experience.

[34] In turn, Mr. Bradford sought a proposal from McElhanney Ltd. ("McElhanney") to advise on potential options, and provided it to Mr. Chucko for his consideration. McElhanney is an engineering firm. Mr. Bradford proposed that they approach the City with McElhanney to see if the City would buy the Surrey Property or would consider changing the land use designation. Mr. Chucko states that he researched this proposal, but did not think an engineering firm had the right expertise. However, in November 2020, Mr. Chucko emailed Mr. Bradford that if he wished to hire McElhanney, he could "go ahead". Mr. Bradford did not do so.

[35] Mr. Bradford states that he did not retain McElhanney because he did not think Mr. Chucko was truly supportive and if they were not aligned it "could be very damaging to any attempt to rezone or sell" the Surrey Property. The Chuckos argue that Mr. Bradford was aware that there was only a "remote possibility of rezoning" and this is why he did not proceed further.

2019 – 2020: Rising Property Value, Taxes, and Farm Designation

[36] In September 2019, Kinpack obtained an appraisal of the Surrey Property in connection with financing it required. The appraised value, assuming it could be developed in a manner similar to the residential land use designation of adjacent parcels, was $19.39 million, or approximately $1.1 million per acre. As the value of the Surrey Property increased over time, its City taxes increased. By 2019, the annual taxes were about $130,000.

[37] Mr. Bradford states the amount of taxes was concerning, as Kinpack was being used to loan the shortfall to the Surrey Company. In 2019, he discovered that the Surrey Property's neighbour had obtained a farm designation and was able to pay far less in taxes. He proposed that Mr. Chucko consider obtaining farm designation. Mr. Bradford states that he was the one who had to suggest this avenue of reducing taxes, and that subsequently, without notice or consultation with him, Ms. Chucko executed a joint venture agreement with a tenant to operate a farm business on the Surrey Property. Mr. Bradford states he has concerns over this venture which has 60 chickens and a few cows, suggesting that health and safety regulations are not met and raising "liability issues". Mr. Bradford does not state what those alleged violations are.

[38] Mr. Chucko states that he and Ms. Chucko were the ones who identified the possibility of acquiring farm status to reduce taxes, and they implemented what needed to be done to obtain this. In addition, prior to this he had attended the property assessment review board arguing for a reduction in assessed value on the basis that the City was the only realistic purchaser, which resulted in a reduction. He also attended the review panel three times to satisfy it that the farm status requirements had been met. Mr. Chucko denies Mr. Bradford's allegation that the joint venture agreement was negotiated and signed without his knowledge. In any event, farm status was obtained, and taxes are now a little over $1,000 per year. Since then, any temporary cash flow shortfalls for the Surrey Property have been funded by the Chucko family and repaid by the rent and farm operations.

2020 – 2021: Offers to Sell Shares

[39] Mr. Bradford states that by the Spring of 2020 he had grown tired of the lack of progress with the Surrey Property, while it had accumulated hundreds of thousands of dollars in losses that required loans from Kinpack. There was no alignment between him and Mr. Chucko on whether to approach the City about buying the Surrey Property or to take steps to see if the Surrey Property could be rezoned. It appeared to Mr. Bradford that Mr. Chucko wanted to hold the Surrey

Property indefinitely. This was never the plan and Mr. Bradford had no interest in doing so any longer. Mr. Bradford states that he made clear that they either move forward with a definitive plan to get the Surrey Property rezoned, or sell it.

[40] In an email dated May 11, 2020, Mr. Bradford proposed that the Chucko family buy his interest in the Surrey Property for $2 million per acre. Mr. Chucko told Mr. Bradford that the Chucko family was not interested. In October 2020, November 2020, January 2021, and July 2021, Mr. Bradford repeated his offer.

[41] Mr. Bradford states that in September 2020, Mr. Chucko "casually outlined" that he would be willing to buy Mr. Bradford's shares in the Surrey Company for $5 million, but he never received any formal offer.

Present

[42] Nothing further has taken place with respect to the Surrey Property. There is no evidence of any infrastructure being built closer to it. The farmer continues to rent the Surrey Property, and now it is more or less financially self-sustaining, but the Surrey Company still owes Kinpack the funds loaned for the purchase and carrying costs over the years of over $1.1 million.

[43] In 2024, Mr. Chucko approached the City to obtain information about its plans for the Surrey Property. Without consulting Mr. Bradford, Ms. Chucko signed a form appointing Mr. Chucko as an agent to deal with the City. When Mr. Bradford found out about this, he informed the City that Mr. Chucko had no authority to act on behalf of the Surrey Company.

[44] At this point, Mr. Bradford thinks it is unlikely that the park designation will be changed, and that the City is the likely purchaser, but submits that it is not clear what the options are. He submits that the two families have been unable to move forward to obtain the information they need, or agree on a process to try to rezone or market the Surrey Property. Without a workable plan for over 30 years, he wants to sell the Surrey Property, and the parties are deadlocked on this. Mr. Bradford is 70 years old

this year and wants to begin to wind down and retire. The Surrey Property is a major investment for him and his family. There is also a high degree of stress in dealing with the Chuckos and their "broken partnership". If the Chuckos think the Surrey Property will double in value in the near term, he is willing to sell to them to let them realize on that appreciation if it occurs. The Surrey Property has been held for 35 years, and owes Kinpack over $1.1 million. Bradko owes over $2 million to the Operating Companies, which can only be repaid by sale of the Surrey Property. There are no practical mechanisms in place for them to resolve this disagreement. Mr. Bradford submits that the parties need a liquidator to investigate Bradko's options and develop a plan to sell the Surrey Property.

[45] Mr. Chucko provided inadmissible unqualified opinion and hearsay about possible scenarios, values of the Surrey Property in those scenarios, and timelines. This is in support of the Chucko family's position that liquidating Bradko and having to sell the Surrey Property now would be a "colossal blunder", but that if they wait just a few years longer, their profits will double and they will gain at least another $30 million. None of this admissible for the truth, and at most is evidence only of Mr. Chucko's subjective belief and what has motivated the Chuckos' position on this petition. However, I will summarize it as it demonstrates the issues which do require admissible evidence.

[46] The inadmissible evidence generally stated is as follows: first, while the City is the most likely purchaser, a speculator may be interested in the Surrey Property but it would only come at a "steep discount" from the true value of the Surrey Property, and the discount would be even greater if the Surrey Company was compelled to sell because of a winding up order; second, the City cannot be forced to make an offer to purchase, and based on his own research, the City is required to acquire lands at fair market value and municipalities typically do so when land is at or near fully developable; third, the City's present budget is insufficient to buy the Surrey Property, but municipalities fund purchases by requiring other developers to fund acquisition of park land as a condition of development; fourth, development near the

Surrey Property is coming “relatively soon”; fifth, through communications with City officials, the City is “interested” in purchasing the Surrey Property, but would only consider this after a “stage 2” planning document is approved, with June 2025 as a time frame for that approval; and sixth, the value of the Surrey Property has increased to $5 million per acre, making it worth more than $77 million. The Chuckos also submitted a one-page letter from a realtor Owen Yates dated June 7, 2023 with a recommendation to “sit and hold” for land in the NCP. This is inadmissible as an expert report. It does not comply with the *Supreme Court Civil Rules* [*SCCR*].

Contribution, Financial Transparency, and Corporate Governance

[47] Before discussing Mr. Bradford’s allegations related to each company, I will provide an overview of the evidence of Mr. Bradford and Mr. Chucko on the topics of contribution to, financial transparency, and corporate governance of the Joint Companies.

[48] Mr. Bradford states that Mr. Chucko “controlled” the bank accounts and finances of the Joint Companies. Starting in 2005, he raised numerous questions that remain unanswered with respect to financial accounting related to Kinpack, Kinpack USA, Bradko, the Parksville Company, the Surrey Company, and a joint venture called Terravitta. Over time, the relationship between him and Mr. Chucko over financial reporting got progressively worse. For years, Mr. Bradford accepted this state of affairs, but began to lose trust in Mr. Chucko. Until 2018, there was little correspondence concerning these matters because they met in person. After that, Mr. Bradford began putting more communications in writing. He has requested audits going back to 2010 and these have been refused. Mr. Bradford denies that he only raised concerns regarding financial issues after the Chuckos refused to purchase his interest in the Surrey Property. He points to emails requesting audits prior to then. In addition, Mr. Bradford states that he has been the one primarily responsible for generating profits for the two families’ “partnership”, and that Mr. Chucko has not sufficiently contributed over the years. Finally, recent attempts to

have directors' meetings demonstrate the deadlock between the two families on core operational matters.

[49] Mr. Chucko states that he never controlled Kinpack's bank accounts. Mr. Bradford and the in-house accountant have access to their accounts, and Mr. Bradford regularly reviewed them. In addition, the Operating Companies have external accountants who review the financial statements on an "engagement" level, a high level of review. It is only after the Chuckos rejected Mr. Bradford's May 2020 offer to purchase his interest in the Surrey Property, that Mr. Bradford raised concerns over transparency and began sending derogatory, false, and self-serving emails. Since 2020, Mr. Bradford has restricted Mr. Chucko's access to accounting records. Further, starting in January 2021, Mr. Bradford embarked on a course of conduct to create conflict to attempt to bend others to his will. Mr. Chucko states that for the first time in over 30 years, Mr. Bradford refused to sign annual consent resolutions, and refused to approve financial statements. Up until 2019, he and Mr. Bradford met informally to manage the Joint Companies. Mr. Bradford's calling of formal directors' meetings in 2022 was an attempt by him to record an alleged deadlock.

[50] I now turn to the allegations as they relate to each company.

Bradko and the Surrey Company

[51] Mr. Bradford states that a substantial amount of Kinpack's funds have been used to "subsidize" the Surrey Property without his knowledge, and that the Chuckos have refused to provide "full transparency for these costs and purported major maintenance expenses" without identifying any specific costs and expenses. Mr. Bradford states that he has no ability "to make assumptions about the make up of these financials".

[52] Mr. Chucko states that the first time Mr. Bradford demanded "details of the advances and loans involving Bradko" was in an email in January 2021. The Surrey Property is a long-term investment made with the understanding that it would have to be supported, as needed, with revenues from the Operating Companies, which

the two families have done for over 30 years. The intercompany loans have been shown on the financial statements of the companies for decades. The intercompany loans are owed by the Investment Companies to the Operating Companies, both of which are equally owned by the two families. Mr. Chucko attaches to his affidavit his 2018 working papers for the reconciliation of intercompany loans.

Parksville Company

[53] The Parksville Company was formed to invest in real estate and other ventures. It has been dormant since the sale of its last property in 2010.

[54] Mr. Bradford states that the Parksville Company made a number of investments over the past decades that were funded and supported by Kinpack "without any notice or consultation", but without providing any details of what investment or transaction he is referencing. Mr. Bradford also states that since the sale of the remaining asset, the Parksville Company is carrying $170,000 in liabilities, despite that it made a profit from the sale of the property. Mr. Chucko has refused to provide a satisfactory explanation for this outstanding liability and "various accounting issues" despite Mr. Bradford's ongoing demands over years. However, again, Mr. Bradford does not identify what information or explanation he is missing, or what "various accounting issues" he is referencing.

[55] Mr. Chucko states that the first time the $170,000 was raised was in a communication from Mr. Bradford's counsel in February 2021. Mr. Chucko states that there is a $170,000 liability because after the last property was sold in 2010, all of the assets of the Parksville Company were distributed and "this left some debts owed to affiliated companies". The Chuckos submit that if this had been of importance to Mr. Bradford, he should and would have raised this issue earlier.

Kinpack

[56] Mr. Bradford states that in the early 2000s he began to have concerns regarding Mr. Chucko's contributions to Kinpack and their "partnership". There was a significant imbalance in hours worked between himself and Mr. Chucko. Mr. Chucko

was contributing only “routine accounting services”, and more importantly, was not procuring the business development that was “central to the partnership’s terms”. This continues today. As a result, in 2006, the parties agreed to reduce the Chucko family entitlement from 50% of Kinpack’s profits to 30%. This was done on the families’ joint understanding that Mr. Bradford was largely responsible for Kinpack’s profits.

[57] Mr. Chucko states that his role changed over the years. As the businesses of the Joint Companies grew, it became necessary to hire an in-house accountant. Mr. Chucko oversaw this work. Mr. Bradford’s description of Mr. Chucko’s involvement does not give credit to the difficulty or amount of his work. At some point, the operational side of Kinpack’s business started demanding more time and effort than what he contributed. There was no discussion about “concerns and discontent” but rather how much Mr. Bradford should be paid in recognition of his extra hours to build Kinpack. The shareholding was not changed. Rather, this was addressed by a bonus formula paid from profits. The parties have operated on this formula since, and there has not been any challenge to it. Mr. Chucko denies that he has not brought investment opportunities to the two families. He lists several in his affidavit. He states the most profitable investment, by far, has been the Surrey Property, which was identified by and has been managed by the Chucko family since it was purchased.

[58] Mr. Bradford alleges a number of financial concerns regarding Kinpack. The allegations include:

a) a lack of clarity regarding some accrued liabilities in September 2018;

b) loans from the Chucko family to Kinpack at 6% interest “without any proper documentation, notice, or approval”. Mr. Chucko states that because at times Mr. Bradford took out too much money from Kinpack for his own purposes, the Chucko family lent money to Kinpack from their

personal lines of credit to help Kinpack meet its financial covenants to its bank. Mr. Bradford did not complain about the 6% interest at those times;

c) two accounting entries totalling $73,000 in the 2019 year-end financial statements. Mr. Chucko states that in about January 2020, as part of finalizing financial statements, he identified two year-end adjustments that led to discussion about how to resolve them. These had an impact on the amount of profit available for distribution. Mr. Bradford expressed frustration with Kinpack's former in-house accountant and its former external accountants. Mr. Bradford alleges the accounting by the former in-house accountant whom Mr. Chucko supervised was a mess, and he wanted the external accountants replaced, which they eventually were;

d) Mr. Chucko refusing to produce accounting documents requested, and to agree to audited financial statements, leading to Mr. Bradford refusing to approve financial statements from 2019 to 2022. The Chuckos filed the 2019 Kinpack tax return without his knowledge or approval. Mr. Chucko states that the accounting records are at Kinpack's office and on its server, and Mr. Bradford has access to them personally and through the in-house accountant. Mr. Bradford states they are not there. The Chuckos argue that Mr. Bradford has not produced any evidence from the in-house accountant or from the external accountants which he retained to substantiate the existence of his alleged accounting concerns. Further, in 2023, Mr. Bradford approved the financial statements in issue.
Mr. Bradford's refusal to approve financial statements put Kinpack in default of its covenants with its bank, and its accounts were at risk of being frozen;

e) concerns that the accounting Mr. Chucko "controlled and reviewed at Kinpack cannot be reconciled" from 2015 to 2019. There is no indication of what transaction or entry cannot be reconciled. Mr. Chucko denies this; and

f) disputes over bonus calculations. Mr. Chucko states an issue arose in 2021 because Mr. Bradford ignored their agreement on allocation of bonus, and without prior director approval paid himself $435,179, resulting in an overpayment of taxes.

Kinpack USA

[59] Kinpack USA was incorporated in the USA, and is a subsidiary company of Kinpack. Mr. Bradford states that Mr. Chucko advised him that filing tax returns for Kinpack USA was unnecessary because the company was not earning a profit. Kinpack USA did not file tax returns from 2018 to 2020. Ultimately, Mr. Chucko's advice was incorrect and Kinpack USA was fined approximately $80,000 USD due to non-compliance.

Terravitta Properties Ltd.

[60] Terravitta Properties Ltd. ("Terravitta") was incorporated in 2008 to purchase a property in Penticton BC, along with two other joint venture partners. Mr. Bradford states that Mr. Chucko was involved in the creation of the joint venture agreement, and oversaw the banking, accounting, and capital calls. Mr. Chucko denies this.

[61] Mr. Bradford has a number of complaints concerning this venture which was sold in 2021. The complaints are similar to those made in relation to other companies and start in at least 2018. They include: alleged confusion over the financial statements; alleged failure to provide financial documents; Kinpack making a far greater ($200,000) contribution to Terravitta for capital calls than what was required under the joint venture agreement, and which was not approved by Mr. Bradford, but discovered by him, and which Mr. Chucko did not assist to correct; and the hiring of a real estate agent that was not Mr. Bradford's choice. Mr. Bradford also states that Terravitta was subject to a CRA investigation in 2019 and that Mr. Chucko failed to appear when the CRA representative attended Kinpack's office.

[62] Mr. Chucko states that this was an investment promoted by Mr. Bradford. While he reviewed the accounting, he was not the person doing the accounting, nor

in charge of capital cash calls. Mr. Chucko states that Mr. Bradford's choice of real estate agent was rejected by a majority of the joint venture partners, and Mr. Bradford acknowledges this in an email. Mr. Chucko does not respond specifically to Mr. Bradford's allegations regarding the CRA meeting other than to state that he was not the person doing the accounting for the joint venture. This was done by another of the joint venture partners and Kinpack's in-house accountant.

New Financial Transparency Allegations

[63] In a "reply" affidavit, Mr. Bradford deposes to what he alleges are two more examples of Mr. Chucko's "unilateral transferring of funds from Kinpack" to demonstrate his "serious concerns with respect to transparency and his overall accounting responsibilities". Even though these allegations are not proper reply, Mr. Chucko responded to them.

[64] First, Mr. Bradford refers to a transfer of $100,000 USD from Kinpack to a numbered company owned by the Chuckos in September 2014, which he states he discovered in April 2022. Second, Mr. Bradford refers to a transfer of $380,000 from the Surrey Company to Ms. Chucko in April 2008.

[65] Mr. Chucko appends to his affidavit his working papers for those transactions. He states that the $100,000 USD was a shareholder draw later repaid through dividends declared; and the $380,000 transaction was the repayment of an advance made by the Chucko family to assist in acquiring the Terravitta property and repaid once the two families obtained a line of credit secured by a second mortgage on the Surrey Property to finance the Terravitta joint venture. The Chuckos submit that the working papers demonstrate exactly the opposite of what Mr. Bradford alleges with respect to transparency, as the working papers document in detail how these funds were used.

Audits and Directors' Meetings

[66] Mr. Bradford states that in 2019 he began requesting audited financial statements. He points to emails in July 2019 and January 2020 which refer to

obtaining an auditor, prior to any offer he made to sell his interest in the Surrey Property. The Chuckos did not agree to his demands on the basis that audits would be an expensive waste of money. He states that audits are the "only way he can obtain full transparency", and to date no auditor has been appointed.

[67] Mr. Chucko submits that Mr. Bradford began asking for audits in February 2021, after he had retained counsel. In a February 2021 email, Mr. Chucko provided a detailed response to Mr. Bradford's counsel's request for information. Mr. Bradford refused to sign annual shareholders' resolutions waiving the appointment of auditors when the 2020 consent resolutions were circulated. Prior to February 2021, all or most required corporate resolutions that were adopted by consent in writing without the requirement of calling a directors' or shareholders' meeting, and those resolutions included waiving the requirement for audited financial statements. Mr. Chucko attaches to his affidavit, copies of years of consent resolutions which all waive audited financial statements. The last consent resolutions were in 2019. These were generally signed by either Mr. or Ms. Bradford, or Ms. Chucko. In February 2021, Mr. Bradford's lawyer's emailed Mr. Chucko advising that Mr. Bradford will not agree to waiver of audited financial statements for any of the Joint Companies. In August 2022, Mr. Bradford's lawyer pointed out that the waiver of audited financial statements must be consented to by all shareholders, including non-voting shareholders, and this had not taken place for Kinpack. Mr. Chucko states that prior to this, Mr. Bradford had never objected to the fact that shareholders' resolutions for Kinpack were signed only by Ms. Chucko on behalf of its voting shareholder KPK.

[68] Mr. Bradford states that by March 2022 his relationship with the Chuckos was beyond repair. He emailed Ms. Chucko and stated that there was a "serious situation facing" Bradko, the Parksville Company and the Surrey Company because they had not filed annual reports. He suggested the solution was to agree to an auditor. He requested a directors' meeting. Ms. Chucko said she was busy for two months in Phoenix entertaining friends. The Chuckos submit that the "serious situation" was

created by Mr. Bradford refusing to sign any annual resolutions unless there were audited financial statements. In the end, Ms. Chucko filed the annual reports required to keep the Joint Companies in good standing.

[69] Mr. Bradford wrote to Ms. Chucko again in June 2022 requesting a directors' meeting for Bradko and the Surrey Company at Kinpack's offices. This was arranged for early July 2022, and a meeting of the directors of KPK and Kinpack was added to that date. The day before, Ms. Chucko delivered a proposed agenda. Ms. Chucko did not attend the meetings and did not notify Mr. Bradford in advance. Instead, Mr. Chucko attended the meeting as an alternate director. This is permitted under the articles of the companies unless the other director disagrees. The Bradford's refused to agree to Mr. Chucko attending as alternate director. As a result, the meetings did not proceed. The Chuckos submit that the Bradford's insistence on having a meeting only with Ms. Chucko and not Mr. Chucko, even though she has not been the person who in practical terms has managed the businesses, was an attempt by Mr. Bradford to gain some advantage.

[70] The directors' meetings were rescheduled to August 2022. Mr. Bradford states that the meetings were to be in person, but at the last-minute Ms. Chucko attended by phone. Both parties recorded the meeting. A transcript of the meetings was prepared by a court reporter. At the directors' meetings of KPK and Kinpack, the two directors, Ms. Bradford and Ms. Chucko were present. Ms. Bradford proposed that she be appointed chair, contrary to the articles. Ms. Chucko did not agree. As a result, those meetings were adjourned. At the directors' meetings of Bradko and the Surrey Company, its two directors, Mr. Bradford and Ms. Chucko, attended. Mr. Bradford specifically made a point of confirming with Ms. Chucko that Mr. Chucko was not present with her on the phone, and that all transmitting devices had been turned off.

[71] Mr. Bradford sought the appointment of an auditor. Ms. Chucko pointed out that: the Chucko family considers the expense of audited financial statements to be a waste of money; the appointment of an auditor is a matter for a shareholders'

meeting; and there remains the issue of how the audits will be paid for since the Investment Companies do not have funds to pay for them. Mr. Bradford refused to have Kinpack pay for the audits. Ms. Chucko wished to table the appointment of an auditor to consider it further. Mr. Bradford declared they were in a deadlock. Mr. Bradford also proposed to list the Surrey Property for sale. Ms. Chucko refused to agree. Ms. Chucko stated that a sale of the Surrey Property would be a sale of substantially all of Bradko's assets and required a special resolution of its shareholders.

[72] Mr. Bradford submits that the transcript demonstrates the dysfunction between the parties as they could not agree on anything. The Chuckos submit that Mr. Bradford intended this meeting to be a set-up for an oppression or winding up claim.

[73] In August 2022, Mr. Bradford's counsel wrote to the Chuckos' counsel advising he had instructions to commence proceedings to compel the appointment of an auditor. The Chucko family responded through their counsel, by letter dated September 12, 2022, agreeing to the appointment of an auditor but only from 2020 forward for the Joint Companies, and repeating their view that except for Kinpack and KPK, audited financial statements would be an expensive waste of money. However, the Chuckos were not agreeable to funding the audits personally. They suggested that consistent with past practice, Kinpack, which the two families own equally, fund the audits. Their counsel's letter sets out in detail a review of the number and types of transactions for each of the Investment Companies. Mr. Chucko attests to the accuracy of these facts.

[74] Mr. Chucko states that Mr. Bradford did not respond to their counsel's letter. Mr. Bradford sent emails to Ms. Chucko demanding to have all financial statements since 2010 audited. The Chuckos submit that Mr. Bradford's request for audits from 2010 forward must be viewed in light of the considerable amount of review they have already undergone to meet the standards required by Kinpack's banks in order to obtain the credit it enjoys. Until 2020, when Mr. Bradford restricted his access to

accounting records, Mr. Chucko reviewed all the financial statements before they were submitted to the external accountants. He does not recall any instance where the external accountants made any material change to a financial statement he had reviewed.

[75] Mr. Bradford sent another e-mail to Ms. Chucko on November 2022 requesting they meet to appoint an auditor and to address their “deadlock”. Ms. Chucko advised Mr. Bradford that she was out of town. Correspondence between them shows they could not agree on most things, for example land transparency filings.

[76] Mr. Chucko states that in February 2023 he requested Kinpack’s in-house accountant to provide him with access to records used to complete the 2021 financial statements so that both shareholders could have access to the same accounting records. This was necessary because Mr. Bradford had blocked Mr. Chucko from having the access to the accounting records at Kinpack’s office. Mr. Bradford’s response to this was an email alleging that: Ms. Chucko is stopping him from obtaining annual audited financial statements; there are “millions of dollars that need to be verified”; and the Chuckos have failed to cooperate, thwarted his legal rights, and obstructed and withheld financial information for decades. Mr. Bradford inquired whether Ms. Chucko was still out of town and whether she would agree to the appointment of an auditor. Mr. Bradford states that Ms. Chucko did not respond.

[77] Mr. Chucko states that in early 2023, Mr. Bradford approved the financial statements of the Operating Companies from 2019 to 2022, without any changes to them. These are the same financial statements that Mr. Chucko had reviewed and approved, and Mr. Bradford had refused to approve since early 2020.

[78] This petition was commenced on March 16, 2023.

The Bartlett Court Property

[79] This property is the apartment that is owned by Bradko. Mr. Bradford's mother occupied it for years until she passed away a couple of years ago. After she died, there was no longer any revenue to pay expenses. In August 2023, the bank advised the parties that Bradko's account was overdrawn by a small amount. In the past, shortfalls had been covered by loans from Kinpack. Mr. Bradford advised the bank that accounting and management issues had to be resolved first, and copied the Chuckos. Ultimately, the bank withdrew the funds from the personal accounts of Mr. Bradford and the Chuckos to cover the shortfall.

[80] The most recent dispute was in 2024. The strata fees and property taxes had not been paid. Ms. Chucko consulted a realtor and proposed to Mr. Bradford that they sell the property. Mr. Bradford refused unless they first met to discuss accounting and corporate governance. The Chuckos perceived this as another attempt by Mr. Bradford to prove a deadlock because they will not agree to sell the Surrey Property at this time. The parties received notice of a potential tax sale for failure to pay taxes. Ultimately, to resolve the issue, the Chuckos personally paid the taxes to avoid a tax sale. The Chuckos never proposed a date to meet as requested by Mr. Bradford, and Mr. Bradford never called a directors' or shareholders' meeting.

Relationship between the Two Families

[81] Mr. Bradford states that the attempted July 2022 directors' meetings is the only time since 2019 that he and Mr. Chucko have seen each other in person other than once in June 2023 on the street when they both avoided each other. They attend Kinpack's offices on different days. Mr. Chucko states that he and Mr. Bradford only go into Kinpack's offices on different days because Mr. Bradford insisted on this practice during the COVID-19 pandemic and it continued after. He states that Mr. Bradford is unpleasant to deal with when in a situation of conflict. He denies that he is avoiding him.

[82] Mr. Chucko describes Mr. Bradford's emails since his offer was refused in May 2020 to be derogatory, false and self-serving. Mr. Bradford states that his emails have an "angry tone" but says this is because he is frustrated.

[83] The failed 2022 directors' meetings were the last time the two families have spoken directly. There have been a few emails since that time. Almost all communication has been between legal counsel.

[84] Mr. Bradford has blocked Mr. Chucko's access to most accounting records. Mr. Chucko states that Mr. Bradford has put up a security camera in his office. Mr. Chucko covers it away when he is in the office, and when he did that Mr. Bradford had someone attend his office. Mr. Chucko told Mr. Bradford he considers his actions to be illegal behaviour.

Analysis

Should this Petition be Referred to the Trial List or a Hybrid Procedure?

[85] Although the Chuckos do not seek to have this matter referred to the trial list, they alternatively submit that if this Court is left in any doubt that dismissal of the petition is warranted, it ought to order hybrid procedures, or possibly a trial of issues pursuant to Rule 22-1(7)(d) of the *Supreme Court Civil Rules*.

[86] The Chuckos submit to the extent this Court decides that it is necessary to make findings on disputed evidence, there are *bona fide* triable issues including those that engage the assessment of the parties' credibility. The Chuckos refer to the voluminous materials filed on this petition, and submit that "wading through this material and making evaluations on the parties' evidence, without the benefit of document discovery, examinations for discovery, and in-person testimony will be at least time consuming and may require an assessment of credibility as to whether the disputes asserted by Mr. Bradford have been advanced in good faith". Despite this, the Chuckos submit that Mr. Bradford's allegations of financial impropriety by Mr. Chucko are "demonstrably without merit". They submit that Mr. Chucko has an

interest in ensuring that there is a full hearing on the merits and an opportunity to clear himself of all allegations of impropriety raised by Mr. Bradford.

[87] For the following reasons, I find that I can decide the issues on the petition, and there is no need for hybrid procedures or to refer the matter to the trial list.

[88] A *bona fide* triable issue arises where, on the evidence before the Court, there is a dispute as to facts or law which raises a reasonable doubt or suggests there is a defence that deserves to be tried: *Douglas Lake Cattle Co. v. Smith*, 78 D.L.R. (4th) 319, 1991 CanLII 3954 (B.C.C.A.).

[89] In *Cepuran v. Carlton*, 2022 BCCA 76, the Court held that the existence of a triable issue does not necessarily mean a petition must be referred to the trial list. A chambers judge "has discretion to do so or to use hybrid procedures within the petition proceeding itself", such as for example cross-examination on affidavits: at para. 160. Further, a chambers judge should be mindful of the object of the *SCCR* as set out in Rule 1-3, to secure the just, speedy and inexpensive determination of every proceeding on its merits, and to the extent practicable, in ways that are proportionate to the amount involved, the importance of the issues, and the complexity of the proceeding.

[90] The Court in *Cepuran* noted that the statutory context will be an important factor, and commended the reasoning of Justice Ballance in *Boffo Developments (Jewel 2) Ltd. v. Pinnacle International (Wilson) Plaza Inc.*, 2009 BCSC 1701 [*Boffo*] as setting out relevant factors in determining whether to convert a petition to an action: at paras. 163–165. Those are: (a) the undesirability of multiple proceedings; (b) the desirability of avoiding unnecessary costs and delay; (c) whether the particular issues involved require an assessment of the credibility of witnesses; (d) the need for the Court to have a full grasp of all the evidence; and (e) whether it is in the interests of justice that there be pleadings and discovery in the usual way to resolve the dispute: *Boffo* at para. 51, citing *Terasen Gas Inc. v. Surrey (City)*, 2009 BCSC 627.

[91] In *Petersen v. Hawley*, 2022 BCCA 169 [*Petersen BCCA*], the Court addressed an argument that the chambers judge erred by refusing to refer a winding up petition to the trial list. There, like here, the respondent contended that the petitioner's conduct was the cause of the deadlock, and that the chambers judge should have ordered a trial to resolve those disputed facts as these would have been relevant to whether a winding up was just and equitable. On the facts of that case, the Court rejected that argument, first noting that proportionality and the usefulness of hybrid procedures must be considered:

> [26] I also note on this point our comments in *Dia-Kas* in response to the respondents' argument in that case that there was "at least enough evidence to raise a reasonable defence to the petitioner's claims." The Court stated:
>
> > ... The Chambers judge said that she had no doubt that if a trial were to be ordered, the court would reach the same conclusion and that the winding-up would be ordered. In her words, 'The ordering of a trial would merely prolong the inevitable at great expense to the litigants'. Obviously, we should not allow an appeal if we are convinced of the correctness of this crucial assessment. It would not be in the parties' interest or the public interest to occupy the trial bench with days or weeks of litigation that would inevitably reach the same result – even though one or other of the parties might wish the cathartic experience of a trial or wish to ventilate his position fully for the sake of his reputation in the community. [At para. 16; emphasis added.]

[92] The Court next noted that the just and equitable provision of s. 324 of the *BCA* does not require a finding of wrongdoing, but a consideration of whether it is just and equitable that a company be wound up:

> [28] Although a party's conduct may well be relevant to the granting of an order under s. 324, I cannot agree that the chambers judge erred in declining to refer Mr. Petersen's petition to the trial list. First of all, this argument misses the point that Mr. Petersen was proceeding under s. 324 and not under s. 227. In other words, the question of oppression was not before the Court: the petitioner needed only to show that it would be "just and equitable" to wind up the company. It has long been trite law that there need be no finding of oppression, or even wrongdoing, to engage what is now s. 324: see *Safarik* at para. 84; *Oakley v. McDougall* (1987) 1987 CanLII 2658 (BC CA), 14 B.C.L.R. (2d) 128 (C.A.) at 132–3; and the seminal case of *Ebrahimi v. Westbourne Galleries Ltd.* (1973) A.C. 360 (H.L.) at 374. …
>
> …
>
> [29] Further, the chambers judge did discuss at some length the relevance of fault as between the two shareholders in this case. He ultimately followed

> *Dia-Kas* in finding that the apportionment of fault was "largely irrelevant to the practical issue of what should be done to bring the disagreement to an end" and was content to proceed on the basis that each of the parties bore responsibility in different ways for the state of conflict between them. In the judge's words, there was "fault to be shared." (At para. 75.)
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> [Emphasis added.]

[93] In my view, both of those points are applicable here. First, referring this matter to the trial list will not result in multiple proceedings, but it will result in further costs and delay, and I do not think it will change the result or advance matters. There is a deadlock about when to sell the Surrey Property and how to go about doing so. Cross-examination is not going to change that determination of a deadlock. It exists. What is required here is appropriate admissible evidence of the realistic options for Bradko moving forward so that the situation can be remedied. The parties' relationship has clearly and completely broken down. It has prevented them, even with counsel, from obtaining needed information, and moving forward in any constructive way. In my view, both families have contributed to this state of affairs, and assigning relative fault is not necessary. The most proportionate and fair way of resolving this matter is to obtain the information that is needed, and not to prolong this matter with cross-examination or other procedures which will only delay obtaining what is required to remedy the situation.

[94] Second, the determination of the issues in this case primarily does not rest on credibility findings. The cornerstone of the just and equitable analysis is on the parties' reasonable expectations. Those must be assessed objectively in all the circumstances. The parties' claimed subjective expectations are not determinative. There is some agreement, and some conflict, in what the families' say their expectations were when they initially purchased the Surrey Property. However, even if I were to accept Mr. Bradford's or Mr. Chucko's evidence as to the specifics of their own initial subjective expectations, based on the uncontradicted surrounding circumstances, I do not find those specifics to be objectively reasonable. More importantly, those expectations clearly had to and did change when the NCP was published and that is the more relevant expectation now.

[95] As for the accounting issues, many of Mr. Bradford's allegations are vague and do not require a response. Those detracted from, more than assisted, his position. To the extent Mr. Bradford raises more specific accounting issues, they have limited relevance as they primarily concern other Joint Companies for which Mr. Bradford does not seek a winding up order. Rather, the fact of Mr. Bradford's concerns and the resulting level of dysfunction and distrust between the two families is simply part of the context and the nature of their relationship, in which the more relevant dispute over the Surrey Property arose. Determining who is right or wrong on an accounting issue, for example in Kinpack, will not assist in determining whether there is a deadlock regarding the Surrey Property. Similarly, the dispute regarding the relative contribution of Mr. Chucko to the alleged partnership is of limited relevance as it does not concern Bradko or the Surrey Company. The fact of the dispute over Mr. Bradford's and Mr. Chucko's relative contribution, is again simply part of the context and the nature of their relationship, in which the more relevant dispute over the Surrey Property arose.

[96] Where the financial and other disputes are relevant is if I were persuaded that the allegations made by Mr. Bradford were made in bad faith and that he has manufactured the conflict, as alleged by the Chuckos. In that case, the bad faith origins of the disputes would be a factor in whether it is just and equitable that a remedial order should be made. However, as I will discuss below, I am not persuaded that is the situation. There is a breakdown in the two families' relationship, and while each family blames the other for this, I find that both parties have contributed to the situation, and as noted in *Weisstock* at para. 51, the "court is not required to decipher which party bears more blame". The cause of the breakdown may be relevant to "contextualizing the conflict", and whether to grant a remedy, but there is ample evidence on this petition of those conflicts.

Is it Just and Equitable that Bradko be Liquidated and Dissolved?

[97] The cornerstone of the just and equitable analysis is the parties' reasonable expectations: *Weisstock* at para. 46. The court's discretion under s. 324(1)(b) of the

BCA is not limited to traditional categories, and it would be an error to simply conclude from a categorization that it would be just and equitable to wind up a company. The words just and equitable have the "widest significance". The "underlying and unifying principle" is that a court will only exercise its discretion to order a just and equitable winding-up "if the disharmony has resulted in a sufficiently serious failure of the reasonable expectations of the parties to warrant such equitable relief": *Animal House Investments Inc. v. Lisgar Development Ltd.*, 87 O.R. (3d) 529 at para. 57, 2007 CanLII 82794 (S.C.J.). I therefore begin by determining the shareholders' reasonable expectations.

Reasonable Expectations

Bradko and Its Subsidiaries

[98] The reasonable expectations of the shareholders of Bradko and its subsidiaries, in particular with respect to the Surrey Company must be examined objectively and contextually both at the inception of the companies, and from the perspective of whether anything happened in the interim to change those reasonable expectations. The parties' subjective expectations are not conclusive: *Susi v. Bourke and McBain-Bourke*, 2014 ONSC 12 at paras. 139 and 142; *Petersen v. Hawley,* 2021 BCSC 2348 at para. 79 [*Petersen BCSC*].

[99] The two families agree on their basic initial expectations that land values would increase as development neared the Surrey Property, that this would be a longer-term investment, and that they would then sell the Surrey Property for a profit. However, their evidence diverges on two points. The first is whether there was an expectation that the parties themselves would do more than just hold the Surrey Property and would take active steps towards its development (alleged by Mr. Bradford). The second is whether they would only sell after a specific timeline or upon certain triggering events (alleged by Mr. Chucko).

[100] For the reasons that follow, I find that the shareholders' reasonable expectations upon purchasing the Surrey Property were that they would hold the

Surrey Property on a longer-term basis, and that at some point in the future, development would come closer to the Surrey Property with the result that its value would increase with the possibility of higher density zoning, and they could earn a profit by selling the Surrey Property. I find that it was their expectation that they would sell within a longer, but reasonable time, so that they could enjoy the fruits of their investment. I find that there never was a reasonable expectation that the Surrey Company would itself apply to redevelop the Surrey Property. I also find that there never was a reasonable expectation as to when or how much profit they had to make before they sold. In other words, there was no specific temporal or financial criteria that had to be met.

[101] I reject Mr. Bradford's evidence that the two families expected to rezone and take steps towards developing the Surrey Property themselves, and that there was a timeline of 10 to 15 years. If Mr. Bradford subjectively had those expectations, they were not objectively reasonable. First, from 1990 to 2012, for 22 years, there is no evidence of any steps being taken toward this. There is no documented evidence of a discussion or plan toward those alleged goals, or a complaint by Mr. Bradford during this period that those plans were not being implemented. Second, neither of the parties is a developer. Third, the major impediment to development was and still is that the Surrey Property is not serviced. There is no evidence the parties had the financial resources to bring services to the Surrey Property, nor is there any evidence that they approached a developer or financier in this time period. Fourth, Mr. Bradford's statement that the parties were "unable to agree on any material decisions that could increase the value of the Surrey Property through a more favourable rezoning, or establish a viable business" is a conclusory allegation devoid of any specificity or corroborating evidence.

[102] I reject Mr. Chucko's evidence that at the time they purchased the Surrey Property they agreed to hold it until it reached "maximum value" which the Chucko family submits is when development has reached the "doorstep" and in the "immediate vicinity" of the Surrey Property, and that this may take "decades". If the

Chuckos subjectively had those expectations, they were not objectively reasonable. First, there is no corroborating contemporaneous or documentary evidence that supports these specific assertions. Second, and this applies to Mr. Bradford's assertion of a 10-15 year horizon as well, I find that their reasonable expectations could not possibly have been any more specific than what I have found, because neither of the families would have been able to predict the pace of development, and if and when services would come to the area of the Surrey Property, or how likely re-zoning would be, or when a developer or another person would want to buy the Surrey Property.

[103] I find that when the City published the NCP in 2012 and designated the Surrey Property as park, the two families' reasonable expectations changed. At that point, both Mr. Bradford and Mr. Chucko met with a lawyer, and whatever each of their previous subjective expectations might have been, they both came away from that meeting with the same understanding that the City was likely the only purchaser, and would pay fair market value for the Surrey Property as developable land, when it was ready to purchase it. I find that this informed and changed their reasonable expectations from that point forward.

[104] At that point, I find that Mr. Bradford and the Chucko family concluded that it would be difficult to have the Surrey Property rezoned, and the objectively reasonable expectations of the two shareholders and families were that they would simply continue to hold the Surrey Property and wait until development was closer and the City was ready to purchase, or consider other possibilities to sell as development neared, with the same expectation since purchase, that this would be within a reasonable time so that they would be able to enjoy the fruits of their investment.

[105] To the extent that Mr. Bradford suggests that the reasonable expectations were that Mr. Chucko was to work on attempting to have the park designation changed, I reject it for the same reasons that I reject that this was the parties' reasonable expectations from 1990 to 2012. There is no contemporary documentary

evidence that supports that plan or a complaint by Mr. Bradford that this was not taking place. The first time there is any documentary evidence supporting that there was a discussion about potentially selling or having the park designation changed is in 2018 when Beech Westgard was assembling land over a mile away. I reject Mr. Bradford's criticism of Mr. Chucko to the effect that the Beech Westgard project was a "viable window of opportunity" which Mr. Chucko squandered. There is no evidence that supports Mr. Bradford's belief. There was never an offer to purchase the Surrey Property and no evidence on this petition that Beech Westgard was interested in partnering with them.

[106] Thirteen years after the NCP, I find that the objectively reasonable expectations of the two shareholders and families continue to be the same, that is, that they will hold the Surrey Property until the City is ready to purchase the Surrey Property, or consider other possibilities to sell as development nears, with the same expectation since purchase, that this would be within a reasonable time so that they would be able to enjoy the fruits of their investment. In my view, it could never have been the expectation of the two families that after 35 years, and having well over $1 million invested in the Surrey Property for that length of time (and another $2 million loaned to Bradko), that the two families would not be able to enjoy the increase in value of the Surrey Property. The two families are of retirement age. However, as discussed below, the reality is that it may be impracticable or impossible to sell the Surrey Property when the parties wish.

[107] While both parties have formed their own opinions about what the future holds for the Surrey Property, neither family filed any admissible expert evidence from a developer or development consultant, an appraiser, or an expert on municipal expropriations, or the City itself regarding: the likely potential or possible purchasers of the Surrey Property or Mr. Bradford's interest in it; whether in fact the City is the only realistic purchaser, and if not whether there is a market for the Surrey Property or Mr. Bradford's share in the Surrey Company; the value of the Surrey Property now or potentially in the future under different scenarios; the expected timeline of

events if the Surrey Property is expropriated; and how various factors under the expropriation provisions of applicable legislation might affect the determination of fair market value.

[108] Mr. Bradford recognizes this information must be obtained, but submits they require a liquidator to do this as the parties are unable to cooperatively do so. On the other hand, Mr. Chucko provided inadmissible unqualified opinion and hearsay in support of his argument that if Bradko and the Surrey Company are liquidated now, it will be at an improvident price, and if they wait just a little longer, there will be enormous profits. While I accept this is Mr. Chucko's personally held belief and is what motivates the Chucko family's position, none of it is admissible for the truth.

[109] It may be that the City is the only realistic purchaser of the Surrey Property. If so, there is no admissible evidence of the timeline for that. Alternatively, there may be a market for the sale of the Surrey Property or Mr. Bradford's interest in it, to someone other than the City, but that is not known or what discount if any might be expected. It is not even clear what the value of the Surrey Property is, or would be on expropriation. Principles from cases such as *Annapolis Group Inc. v. Halifax Regional Municipality*, 2022 SCC 36, and *St. John's (City) v. Lynch*, 2024 SCC 17, will likely play a role.

Contributions to the "Partnership"

[110] The evidence of Mr. Bradford and Mr. Chucko regarding their reasonable expectations as to the roles they would take on in their "partnership" is essentially the same. I find that their reasonable expectations were that Mr. Bradford would concentrate on operating Kinpack to generate profit from that business, and Mr. Chucko would look after the accounting, finances, and taxes of Kinpack and other Joint Companies, and use his business connections to source investment opportunities outside Kinpack.

Financial Transparency

[111] Both Mr. Bradford and the Chuckos agree, and I find, that they have a reasonable expectation of financial transparency for all the Joint Companies.

Corporate Governance and the Relationship Between the Families

[112] Both Mr. Bradford and Mr. Chucko state, and I find, that there was a reasonable expectation that decisions regarding the Surrey Property would be done by consensus. I also find that this necessarily implies some degree of cooperation and reasonable relationships amongst themselves to do so.

[113] The two families' reasonable expectations are consistent with and reflected in the corporate structure that was put in place. Bradko and its subsidiaries, including the Surrey Company, are equally owned by the two families. There are no shareholders' agreements. In the absence of a shareholders' agreement, where a corporation is owned by two equal shareholders, "inherent in that relationship is the intention that neither party obtain advantage or preference over the other, except by mutual agreement": *Mostyn v. Schmiing*, 2011 BCSC 275 at para. 27.

[114] The articles of Bradko provide a mechanism for a shareholder to sell their shares to a third party, however, there is no evidence on this petition of whether there is a viable market for Mr. Bradford's shares, although both families seem to assume there is not.

Deadlock

[115] In *Palmieri v. A.C. Paving Co.*, 1999 CanLII 6117 (B.C.S.C.) at para. 28, 48 B.L.R. (2d) 130, the Court described indicia of deadlock:

> ... there is an equal split or nearly equal split of shares and control; there is a serious and persistent disagreement as to some important questions respecting the management or functioning of the corporation; there is a resulting deadlock; and the deadlock paralyzes and seriously interferes with the normal operations of the corporation.

[116] Mr. Bradford refers to *Kidner Investments Ltd. v. Totem Mercury Holdings Ltd.,* 2017 BCSC 205 [*Kidner*], *Petersen BCSC* and *Petersen BCCA*, *Beck v. 0973415 B.C. Ltd.*, 2021 BCSC 2323, *J & A Properties Ltd. v. De Angelis*, 2020 BCSC 1254, and *No. 20 CR Ventures Ltd. v. Andrex Developments (1985) Ltd.*, 2019 BCSC 405, as cases involving similar circumstances, where the court found that there was a sufficient deadlock making it just and equitable to order dissolution and liquidation.

[117] The Chuckos refer to *Paulson v. Dogwood Holdings Ltd.*, [1990] B.C.J. No. 2281 (S.C.), [1990] B.C.W.L.D. 2462, and *Vivian v. Firth*, 2012 BCSC 517, as cases where an alleged deadlock did not support a winding up order. The courts in those cases drew a distinction between a disagreement regarding the sale of shares or an asset, and the normal operations of the company which were able to continue. The Chuckos argue that there is no deadlock regarding the substantial or day-to-day operations of the Surrey Company, which they define as managing the farm operations until the parties come to a consensus on the time to sell. They submit that there is merely a disagreement as to when to sell the Surrey Property. Despite Mr. Bradford's angry emails, the two families have been able to make operational decisions for the Surrey Company, the most important being the establishment of the farm to lower the taxes. The Chucko family manages the farm operation with minimal effort and cost to the Operating Companies. They submit that none of this can be said to have "resulted in a state of affairs in which the reasonable expectations of the parties are unattainable". With respect to Bradko, its sole business has been to hold the Bartlett Court Property. Practically, there is not much to do or decide upon since both of these properties have been long-term investments. The Chuckos also submit that if there has been any inability to undertake certain management functions, it is solely the responsibility of Mr. Bradford which he then uses as a purported basis for winding up. The Chuckos submit that deadlock does not exist if it has been manufactured to obtain relief: *Allard v. Allard*, 2023 BCSC 1823 at para. 131. Finally, the Chuckos distinguish the cases relied upon by Mr. Bradford.

[118] For the following reasons, I find that Mr. Bradford has established a deadlock within Bradko and its subsidiaries, which has resulted in a sufficiently serious failure of the shareholders' reasonable expectations, such that it is just and equitable that those corporations be liquidated and dissolved.

[119] There is a serious, fundamental, and persistent disagreement on a core function of the Surrey Company, being the sale of the Surrey Property. There is also a disagreement on the sale of the Bartlett Court Property. I disagree with the Chuckos' assertion that the core operation of the Surrey Company is farming. That is a stop-gap measure to reduce costs. The purpose of Bradko, and the sole purpose and core operation of the Surrey Company, is to hold the Surrey Property as an investment, to sell for a profit when land values increase.

[120] The ensuing dysfunction has resulted in a state of affairs in which the reasonable expectations of the shareholders are unattainable. Those reasonable expectations include that the two families would be able to cooperate sufficiently to be able to investigate the sale of and sell the Surrey Property within a longer-term but reasonable time so that they could enjoy the fruits of their investment. In my view, if in 1990 when the Surrey Property was purchased, or in 2012 when the NCP was published, the shareholders had turned their minds to all the current circumstances, they would have regarded those as constituting a termination or repudiation of their business relationship with respect to Bradko and its subsidiaries.

[121] Mr. Bradford wants to sell now and the Chuckos do not want to, believing that enormously more profits are available in the future. Despite Mr. Chuckos' belief that this could be "soon", it may in fact be many years. In my view, it could never have been the expectation of the two families that after 35 years, a significant investment over that time period, and after a supposed very substantial increase in the value of the Surrey Property, that they would not be able to cooperate sufficiently to investigate their options and sell the Surrey Property so that they may enjoy the increase in its value.

[122] The parties have equal shareholdings and no mechanism to address their dispute. They are paralyzed. Their expectation of being able to decide by consensus, and having a reasonable relationship to do so, has failed. The two families have not been able, even with counsel retained, to meet, or agree upon steps to take, or to retain any experts, or to approach the City to obtain information needed to assess the Surrey Company's options. They have not spoken to each other in three years. Almost all communications are through counsel. There is a legitimate ongoing risk that they will not be able to negotiate with the City if and when that time comes to pass. The fiasco over Ms. Chucko appointing Mr. Chucko to be the Surrey Company's agent to inquire of the City regarding if and when the City might be interested in purchasing the Surrey Property, without informing Mr. Bradford while this petition was pending, and when the Chuckos knew how vitally important this was to Mr. Bradford and of the level of distrust between them, exemplifies the depth of dysfunction. The two families are clearly deadlocked in their ability to make the decisions necessary to appropriately realize their reasonable expectations which was to sell the Surrey Property for a profit. In my view, it speaks volumes that the parties have been unable to cooperate, even with counsel, to obtain this information to assess their positions knowledgeably.

[123] The Chuckos accuse Mr. Bradford of trying to impose his views with respect to the Surrey Property, contrary to their reasonable expectations. The Chuckos submit that the parties specifically structured the ownership of Bradko and the Surrey Company such that the consent of both the Bradford and Chucko families is required to sell the Surrey Property. Therefore, the Chuckos submit that Mr. Bradford could never have had a reasonable expectation that he could impose his views on the Chucko family as to the timing of the sale of the Surrey Property, when this was based on Mr. Bradford's stated desire for retirement rather than when the Surrey Property reached "maximal value".

[124] I do not accede to the Chuckos argument for four reasons. First, although the equal shareholding and articles of Bradko imply that decisions be must made by

consensus, and provide a mechanism for a shareholder to sell its shares, those legal rights are subject to equitable considerations. The court's discretion pursuant to s. 324 recognizes that the individuals behind a corporation have expectations beyond their strict legal rights: *Weisstock* at para. 45. Second, it is equally true that the Chucko family could never have had a reasonable expectation that they could impose their views on the Bradford family as to the timing of the sale of the Surrey Property by simply refusing to agree to sell. Clearly, there is not a unanimous decision to hold the Surrey Property, yet this is the effective result of the Chuckos' position on this petition. Third, I have found that the parties did not have a reasonable expectation that they would only sell when the Surrey Property reached "maximal value" as defined by the Chuckos. Fourth, the reasonable expectation is that the parties would be able to enjoy the fruits of their investment within a reasonable time, and Mr. Bradford is 70 years old this year. In my view, considering the size of the investment and the loans owing, 35 years is a reasonable time. However, as already discussed, the unique circumstances of the Surrey Property may mean that a sale will not be easily accomplished in the near future.

[125] In my view, the cases cited by Mr. Bradford, in which the court found it was just and equitable to wind up a corporation, are more applicable than those cited by the Chuckos.

[126] In *Kidner*, the petitioners and respondents were equal shareholders of a company which had been incorporated by the fathers of two families. The company owned land on which a car dealership operated. Since 2005, the company leased the property and the lease was soon going to expire. The parties were at an impasse as to whether to sell the property when the lease expired, or renew the lease. The Court found that the parties were "deadlocked in their future ability to make decisions necessary for the ongoing operations" of the company. There was no need to make findings as to how or why the deadlock had arisen or assess blame; rather, it was a matter of determining the fairest and most efficient way to disentangle the parties: at para. 76. The Court noted that there was no evidence that the land would

continue to increase in value such that the timing of a sale at that time would be improvident. The Court made a "shot-gun" order to remedy a "rudderless and deadlocked" company, to avoid what would inevitably be an adverse outcome for the company.

[127] In *Petersen BCSC* and *Petersen BCCA,* two brothers each owned 50% of a company. The parties carried on business successfully for many years but eventually were unable to agree on core decisions impacting the company and serious conflict emerged. The petitioner wished to retire and proposed that the company be sold, or the respondent buy his interest for fair market value. Both were rejected. Neither could afford to buy the other out. The chambers judge found there was a deadlock that prevented the proper operation of the company, and that it was just and equitable that the company be liquidated. The parties had not held any directors or shareholders' meetings since the conflict commenced, any such meeting would be deadlocked on most core disputes, one shareholder had prevented the other from accessing the computer system and the company's office, money had either not been deposited or withdrawn without consultation, they both alleged misappropriation of funds, could not agree on a sale price for a property, and their conflicts were affecting the company's relationship with its tenants. Apportioning blame was largely irrelevant to the practical issue as to how to bring the disagreement to an end. The petitioner was not exclusively or primarily driven to monetize his investment but rather as a result of substantive disagreements on the management and future direction of the company. There had been a reasonable expectation that both shareholders would actively cooperate in all aspects of the company's business, and that with the equal shareholdings no brother could reasonably expect to make company decisions that were at odds with the wishes of the other. However, the Court of Appeal stated:

> [33] It seems to me that, in a 50/50 split where there is no shareholders' agreement, it is reasonable to assume that had they been asked at the outset what should happen in the event of a deadlock, the brothers would have responded that the company's assets would be sold and that it would then be wound-up. Obviously, different expectations arise where one shareholder holds a majority interest and the other does not. …

[128] In my view, both of these cases have features which are analogous to the circumstances here. I acknowledge, as argued by the Chuckos, that there are some distinguishing features. A discretionary equitable winding up order is highly fact specific and no case will be exactly the same, but the cases provide guidance. In *Kidner*, there was a pending lease renewal that could not be negotiated given the deadlock. However, in my view, that is not dissimilar to this case where the two families have been unable to agree on an expert to retain to assist them, and have been completely unable to even approach the City together to gather needed information regarding potential expropriation, or other options available to them. Although the circumstances here do not have the urgency of the situation in *Kidner,* at some point they will. In *Petersen BCSC* and *Petersen BCCA*, the conflict between the brothers was affecting their relationship with clients. In this case, the disputes between the two families have spilled over and affected their relationship with their bank, and disrupted even inquiries with the City as to a potential purchase or expropriation timelines. Similar to *Petersen BCSC* and *Petersen BCCA,* the parties had failed directors' meetings three years ago, have not had shareholders' or directors' meetings since, have somehow not been able to move forward to obtain audited financial statements, and have not met with each other at all. There has been very limited communication since then, with the Chuckos not providing dates to meet, and most communication through counsel. Mr. Bradford has prevented Mr. Chucko from accessing accounting records, and has installed a security camera pointed at Mr. Chucko, and has raised financial concerns which the Chuckos deny. I have no reason to conclude that even if the City were to approach the Surrey Company tomorrow, the parties could in any way cooperate with the decisions that would be required to come to an agreement on the sale price, or a proceeding to determine sale price, or the many other issues such as tax structuring, that would arise regarding a sale of this magnitude.

[129] In *Beck*, the corporation had sold the property in issue and had no ongoing business, but there were disputes about funds in trust, and the division of those funds. The relationship between the two shareholders was acrimonious, they alleged

various forms of wrongdoing against each other spanning years, they were deadlocked and could not keep the company in good standing, and there were three outstanding court actions between them, resulting in them attempting to govern the company by litigation. The Court referred to the failure to: prepare and finalize annual financial statements; agree on the appointment of an auditor; and hold annual general meetings, as being indicative of deadlock. Some of those factors are present in this case. While the parties blamed each other for the dysfunction, the Court noted that its role was to "fashion a remedy that is sound and fair to the parties", and that the focus was not on finding fault, but on "how the court may assist in resolving the dispute": at para. 50, citing *Dia-Kas Inc. v. Virani,* 1997 CanLII 4118 (B.C.C.A.), 88 B.C.A.C. 26.

[130] *No. 20 CR Ventures Ltd.* involved a situation where active management decisions had to be made in a real estate development company and could not be because of shareholder disputes. The petitioner alleged that the respondent was making decisions unilaterally and being uncooperative. Those concerns had been ongoing for five years when the petitioner called a directors' meeting proposing resolutions for the development and sale of the real estate holdings, and arbitration with respect to a shareholder loan balance alleged to be owing by the respondent. The shareholders could not agree on those matters, and the petitioner sought a winding up order. Each shareholder wanted the right to buy the other out. The Court found that many of the issues from five years earlier had been resolved, however the shareholders meeting demonstrated the parties were deadlocked and the status quo could not be sustained as the company could not longer implement its purpose.

[131] In *J & A Properties Ltd.*, the shareholders had a liquidation clause in their shareholders' agreement, which had been engaged, and an arbitration proceeding had been initiated to manage the sale of the company's significant real estate assets worth about $75 million. The respondent argued that there was no deadlock since the parties had been able to manage their issues through a series of agreements between counsel. The Court disagreed. There was no way of knowing how long the sale process would take for assets of such a high value, and the sales would require

the parties to cooperate to make decisions. There was a material ongoing risk of disagreement between the two camps of shareholders and it was prudent that the company "receive the benefit of proper management through this crucial period". In my view, those comments are apt here. Again, as the Chuckos point out, there are distinguishing features. In *J & A Properties Ltd.*, the shareholders also could not agree on day-to-day management. However, overall, I find all these cases closer to the situation here rather than the cases cited by the Chuckos to which I turn next.

[132] In *Paulson*, relied upon by the Chuckos, the Court denied an application for winding up because the dispute between the parties had nothing to do with the normal operations of the company and was instead the product of "resistance to winding up the company and disposing of the assets". There was no evidence of a break down in trust and confidence between the shareholders. Their 27-year relationship had been remarkably unmarred by difficulty or disagreement. There was not a serious and persistent disagreement. In that case, the articles provided a procedure for the sale of shares and the parties could not agree on the buy-out price. The disagreement did not affect the operation of the company so as to impair the attaining of its economic ends.

[133] In *Vivian*, the Court found that there was no deadlock because many disputes had been resolved and the source of the remaining friction between the shareholders was their inability to agree on the value of Vivian's shares, as distinguished from the normal operations of the company. This disagreement did not constitute deadlock in the company's affairs. Further, other contested allegations such as engaging in behaviour that was damaging to customer relations and failing to consult on acquisitions or in the negotiation of significant contracts, even accepting the petitioner's version, were considered to be minor and of the sort that can be expected to occur from time to time in providing services to clients.

[134] In my view, the circumstances in *Paulson* and *Vivian* are not analogous to the circumstances here. The disputes did not centre on the core operation of the

companies, whereas here, the dispute centres on the sole purpose of the existence of Bradko and its subsidiaries.

[135] The Chuckos argue that the fact that shareholders do not get along does not by itself necessarily give a disappointed shareholder a right to a remedy. I agree. For a disagreement to constitute a "deadlock" that justifies a remedy, the disagreement must be one that defeats the reasonable expectations of the parties and puts at risk the proper business of the corporation. In *Dia-Kas Inc.*, the Court described it this way:

> [17] ... Shareholders often fail to get along; majority shareholders often exert their will over their companies contrary to the wishes of the minority; and even partners frequently lose trust in each other. But it is not in every such case that the unusual remedy of a winding-up order is justified. The parties have to have embarked on their relationship on an understanding that has fallen away. In the words of the Court in the venerable case of *Harrison v. Tennant* [1856] 52 E.R. 945 (which the Chambers judge quoted at paragraph 78 of her reasons) the remedy is based:
>
> > . . . on the principle that the circumstances under which the parties have entered into the partnership have materially altered, that these altered circumstances have combined with the conduct of the parties themselves produced a mistrust which the court cannot say is unreasonable; and that taking all these things together as impossible the partnership can be conducted on the footing on which it was originally contemplated..."

[136] In my view, the circumstances of this petition are not simply a matter of the shareholders or two families not getting along, or Mr. Bradford allegedly manufacturing disputes with rude emails. I find that the parties did embark on a relationship and understanding that has "fallen away" with respect to their ability to cooperatively investigate the sale of and sell the Surrey Property within a reasonable time. The dysfunction in the parties' relationship has prevented the two families from moving forward to realize their reasonable expectations.

[137] The Chuckos submit that the failed directors' meetings were contrived by Mr. Bradford to paint a picture of a deadlock. I cannot come to the same conclusion. The agendas which both parties prepared support that these were meetings to attempt to address the issues. In my view, the transcripts of the meetings show that

the two families have irreconcilably different positions on the sale of the Surrey Property and nothing is going to change.

[138] Mr. Bradford and Mr. Chucko have not met since 2019. After the failed directors' meetings in 2022, Mr. Bradford asked several times to meet Ms. Chucko, but the Chuckos did not provide dates. The Chuckos see this as another attempt to manufacture deadlock. Mr. Bradford did not call a shareholders' or further directors' meetings. In my view, this reflects that both families recognize that a meeting would not resolve their differences.

[139] Mr. Bradford and Mr. Chucko go into Kinpack's offices on different days. The families have been unable to sign annual consent resolutions since 2020, putting the companies at risk. Mr. Bradford has locked Mr. Chucko out of most accounting documents and software. He has also installed a security camera pointed at Mr. Chucko. Mr. Chucko alleges that Mr. Bradford is breaking the law by doing so. These examples demonstrate the depth of dysfunction in the relationship. The communications, particularly from Mr. Bradford, are intemperate and reveal a great deal of frustration and distrust. The Chuckos' communications are much more restrained, but even they demonstrate some level of frustration and lack of respect for Mr. Bradford.

[140] In summary, the parties are in a deadlock as defined by *Palmieri* with respect to the sale of the Surrey Property. The purchase and eventual sale of the Surrey Property for profit was the sole purpose of the Surrey Company, and its core operation. It, along with holding the Bartlett Court Property, is also a core operation of Bradko. Bradko and the Surrey Company are paralyzed. The parties' reasonable expectations are unattainable in the current situation. The relationship between the parties has broken down completely, and their reasonable expectation of making decisions by consensus, which I find requires some degree of cooperation and reasonable relationships amongst themselves, has fallen away. While Mr. Bradford's emails and conduct have contributed to the situation, so has the Chuckos' insistence that a sale can only take place when the Surrey Property has reached "maximal

value” which they define is when development is next door to the Surrey Property, which I find was not part of the shareholders’ reasonable expectations. The court “is not required to decipher which party bears more blame”: *Petersen BCSC* at para. 61, citing *Dia-Kas Inc.* at para. 22. The parties now, and in the future, will be unable to move forward in any reasonable and constructive way to take the steps necessary to resolve this dispute or even sell the Surrey Property when the time comes. Court intervention is required address the deadlock.

Justifiable Loss of Confidence, Partnership Analogy, and Bad Faith

[141] Given my conclusions above, it is not necessary to address the two other traditional circumstances which Mr. Bradford alleges exist to support a winding up order. Those are a justifiable loss of confidence, and the two families were in a relationship that was akin to a partnership where there has been a breakdown of the mutual trust and confidence upon which their original undertaking was founded. Mr. Bradford’s main arguments in support of these two traditional categories, are his allegations of a lack of financial transparency and lack of contribution by Mr. Chucko to their “partnership”, both of which are disputed by the Chuckos. The Chuckos argue that these are manufactured disputes, and therefore it is not just and equitable that Bradko be wound up.

[142] As briefly referenced in the section of these reasons addressing whether this petition should be converted to a trial, and as discussed in more detail below, in my view, Mr. Bradford’s lack of financial transparency and lack of contribution arguments have limited relevance. This is because the allegations primarily concern companies other than Bradko and its subsidiaries, and for which Mr. Bradford does not seek a winding up order. However, Mr. Bradford’s allegations, and Mr. Chucko’s offence at his allegations, are relevant as the context in which the more relevant deadlock in the Surrey Company has taken place, and as to the nature of their relationship. They are also relevant to the Chuckos’ argument that the disputes are manufactured, and that Mr. Bradford comes to court in bad faith, and the petition should therefore be denied.

[143] Turning first to Mr. Bradford's allegations of lack of financial transparency, they primarily concern: (a) Kinpack and Kinpack USA, for which no winding up order is sought and for which the Chuckos agreed to audited financial statements from 2020 only, nearly three years ago; and (b) the Terravitta Joint venture, which was wound up with the sale of its sole asset in 2021 and involved two other joint venture partners. These allegations could not be a basis to wind up Bradko and its subsidiaries.

[144] With respect to the more relevant financial allegations regarding Bradko and its subsidiaries, many of Mr. Bradford's financial allegations, are vague without any reference to when or what transaction. They are unsupported by any objective or specific evidence, and as noted previously, in my view, these vague allegations detracted from, more than supported, his position. For example, with respect to the Surrey Company, Mr. Bradford alleges that the Chuckos have refused to provide "full transparency" with respect to "major maintenance expenses" without identifying what those are. A vague conclusory allegation such as this is meaningless. With respect to the Parksville Company, he states that the company made a number of investments that were supported by Kinpack "without any notice or consultation", but without providing any details of what investment or transaction he is referencing. He also alleges that Mr. Chucko has refused to provide a satisfactory explanation for "various accounting issues" but does not identify what information or explanation he is missing. Given that the last property in the Parksville Company was sold 15 years ago, this late allegation without corroborating evidence of complaint regarding it prior to the events of this petition, substantially reduces the weight of any alleged concern.

[145] To the extent there are more specific allegations concerning Bradko and its subsidiaries, I will review the allegations. With respect to Bradko, Mr. Bradford states that Bradko owes nearly $2 million in "loans from related parties" and in January 2021, he demanded that Mr. Chucko produce "details of the advances and loans involving Bradko". Mr. Chucko states that these are attributable to passive

investments the two families made, and Mr. Bradford's insistence, when they were sold, that all profits be paid out rather than reducing those loans. These loans have been shown as intercompany loans on the Joint Companies financial statements for decades. Mr. Chucko attaches his 2018 working papers showing the reconciliation of intercompany loans. Mr. Bradford did not tender any accounting evidence supporting that there was lack of probity in what Mr. Chucko produced, nor state what he does not understand in the reconciliation. Assuming they are as stated by Mr. Chucko, these are intercorporate loans from the Operating Companies to Investment Companies, both of which are equally owned by the two families. Both families are equally funding the Investment Companies, and they are loans to be repaid, not subsidies.

[146] With respect to the Surrey Company, in his new allegations in "reply", Mr. Bradford refers to a transfer of $380,000 from the Surrey Company to Ms. Chucko in 2008, suggesting that this was somehow improper. Mr. Chucko attaches his working papers and states that this was a repayment of an advance made by the Chucko family to assist in acquiring the Terravitta property and repaid once the two families obtained a line of credit secured by a second mortgage on the Surrey Property to finance the Terravitta joint venture. This transaction was 17 years ago, and was only raised now, again substantially reducing any weight that could be attached to that concern, and Mr. Bradford has not filed any evidence challenging Mr. Chucko's statement or working papers. There is no evidence to suggest any impropriety.

[147] With respect to the Parksville Company, Mr. Chucko states that there is a "mysterious" $170,000 liability in the Parksville Company. Mr. Chucko states this is because all profits were paid out, and in my view that is something which should be clarified and addressed. In any event, the transaction was 15 years ago, and there is no evidence supporting Mr. Bradford's assertion that he raised this as a concern at any time before February 2021. If this is an intercompany loan owing to Kinpack or KPK, it is an amount owing by the Parksville Company which is equally owned by

the two families, to Kinpack or KPK, also companies equally owned by the two families. Nothing suggests a personal benefit to the Chuckos.

[148] In my view, none of these allegations concerning Bradko and its subsidiaries rise to the level of a justifiable loss of confidence in Mr. Chucko with respect to Bradko and its subsidiaries. There may or may not be legitimate accounting concerns regarding the other Joint Companies, but as already discussed they are of limited relevance to whether it is just and equitable to wind up Bradko and its subsidiaries.

[149] Turning to Mr. Bradford's allegation of lack of contribution by Mr. Chucko, Mr. Bradford feels that he contributes more through Kinpack, and Mr. Chucko has not sufficiently contributed in terms of accounting work and bringing investment opportunities to their "partnership". In Mr. Bradford's view, he generates all the profit in Kinpack and Mr. Chucko takes this money for investments he does not properly manage. Mr. Chucko does not dispute that Mr. Bradford has worked more hours in Kinpack and states this has been recognized in the profit bonus agreement that has been in effect for nearly 20 years, and which has not been challenged. However, Mr. Chucko feels that Mr. Bradford does not appreciate the value and difficulty of the tasks he brings to Kinpack and the Joint Companies, and the investment opportunities he has sourced, the most valuable by far being the Surrey Property.

[150] These disputes over their relative contributions to the "partnership" concern Joint Companies other than Bradko and its subsidiaries, and the disputes therefore have limited relevance. Mr. Bradford does not seek to wind up these other Joint Companies or their "partnership" which is alleged to be the group of Joint Companies. I accept that Mr. Bradford and Mr. Chucko each feel the way they do. Mr. Bradford's and Mr. Chucko's personal evaluations of their own contributions and the other's contributions to their "partnership", are simply evidence of their state of mind and the brewing dysfunction between them at the time the dispute over the Surrey Property has taken place. Their personal feelings about the value they bring to Kinpack, or the value of passive investments they brought to the "partnership",

has little if anything to do with whether there has been a serious failure of the reasonable expectations concerning Bradko and the Surrey Company. Attempting to resolve who contributed more or less to Kinpack or other Joint Companies does not assist in determining whether it is just and equitable to wind up Bradko and its subsidiaries.

[151] In my view, the deadlock circumstances are the most applicable here. This case is more appropriately analyzed as a situation where there is a serious, fundamental and persistent disagreement on a core function of Bradko and its subsidiaries, where the ensuing dysfunction has resulted in a state of affairs in which the reasonable expectations of the parties are unattainable.

[152] Finally, I address the Chuckos' argument that Mr. Bradford has acted in bad faith and manufactured the disputes between the parties in order to support his petition to monetize his investment in the Surrey Company.

[153] Courts will dismiss a winding-up petition where, in the opinion of the court, the application is not brought in good faith, but is rather intended to achieve some collateral purpose or for personal motive. Section 324 is not a mechanism to allow shareholders to monetize their investments: *Boffo Family Holdings Ltd. v. Garden Construction Ltd.*, 2011 BCSC 1246 at para. 156; *Vivian* at para. 99.

[154] Because a winding-up order under s. 324 is equitable relief, a party's failure to come to court with clean hands may be grounds to refuse the relief, although this is within the discretion of the trial judge and is not an absolute bar. Courts may refuse to make a winding-up order where the applicant is itself responsible for the position in which it finds itself by reason of the applicant's own conduct: *Petersen BCSC* at para. 61(f); *Sohi v. Best Choice Blueberry Farms Limited*, 2018 BCSC 36 at para 57. However, as noted in *Dia-Kas Inc.* at para. 22, "[w]hen it becomes a matter of relative fault, the clean hands doctrine seems largely irrelevant to the practical issue of what should be done to bring the disagreement to an end."

[155] The Chuckos submit that Mr. Bradford has engaged in a transparent effort to manufacture the appearance of a deadlock and dysfunctional business relationship to achieve his ulterior purpose of monetizing his investment and allegedly retiring. The Chuckos point out that despite Mr. Bradford's allegation that the relationship between the shareholders is dysfunctional, he has not sought the winding up of the Operating Companies, demonstrating that his true motive is not the ability of the parties to manage their various businesses, but to force the sale of the Surrey Property. They point out he is not retiring from Kinpack. To the extent it can be said that the relationship between the Bradford and Chucko families has broken down, this is entirely because Mr. Bradford wanted that relationship to break down to pressure the Chucko family into agreeing to sell the Surrey Property. The Chuckos point to the rude tone of Mr. Bradford's emails since they refused his offer to purchase his interest in the Surrey Property, and compare them to the tone of emails before this event. The Chuckos argue that all of Mr. Bradford's allegations of lack of financial transparency are without merit and arose only after their refusal buy his interest in the Surrey Property.

[156] Mr. Bradford denies all of this. He agrees some of his emails have an "angry tone". He refers to several issues which predate any offer by him to sell his shares in the Surrey Company, including: (a) his concern over Mr. Chucko's contribution to the "partnership", resulting in the bonus agreement in 2006; (b) the Parksville Company's $170,000 liability dating from 2010, although as discussed above, there is no corroborating evidence this was raised until 2021; (c) Kinpack loaning more than its proportionate share to the Terravitta joint partnership in 2018, and Mr. Chucko not realizing this, or assisting to correct the situation; (d) the $73,000 accounting entries in Kinpack in 2019; (e) his refusal to approve the 2019 financial statements and the Chuckos filing Kinpack's tax return without his approval; (f) the $80,000 fine Kinpack USA incurred as a result of Mr. Chucko's erroneous advice; (g) Ms. Chucko executing a joint venture agreement without consultation with him; (h) a dispute over the 2019 profit split; and (i) various accounting issues in Kinpack in the autumn of 2018.

[157] I do not accede to the Chuckos' arguments. First, there is clearly not a manufactured deadlock over when to sell the Surrey Property. That exists and contributes to the dysfunctional relationship between the two families. Second, with respect to all of Mr. Bradford's financial, governance, and contribution arguments, in considering all of the evidence, I am not satisfied that Mr. Bradford embarked on a plan to manufacture dysfunction such that he should be deprived of a remedy. Contrary to the Chuckos' assertions, there are documented lack of contribution and financial accounting concerns raised by Mr. Bradford well prior to the Chuckos refusing his offer to purchase his interest in the Surrey Property. The fact that disputes also occurred after May 2020 does not prove a causal relationship between the dispute and the sale of the Surrey Property, although that is one possible inference. Some of Mr. Bradford's concerns, for example the $73,000 adjusting entry and how it arose, or the $80,000 fine with respect to Kinpack USA not filing returns, or Kinpack's overcontribution to capital calls in Terravitta, or his right to audited financial statements which although eventually agreed to from 2020 forward only were certainly resisted, or the state of the former in-house accountant's accounting which was under the supervision of Mr. Chucko, or Mr. Chucko's contribution to their "partnership," were raised prior to Mr. Bradford offering to sell his interest in the Surrey Property. All are reasonable matters to ask questions about, and are within a shared expectation of financial transparency. It is clear that there was a brewing dissatisfaction and discontent between Mr. Bradford and Mr. Chucko, and whether or not each is completely justified in their own views, I accept that they hold those beliefs.

[158] As for Mr. Bradford's emails, they are generally rude in tone. They were of similar quality prior to his offer to sell his shares in the Surrey Company, when he was raising concerns. I accept that they have contributed to the discord between the two families. However, on all the evidence, I cannot conclude that these were manufactured emails by Mr. Bradford. It is clear from his emails that he is frustrated and distrusts Mr. Chucko, and feels Mr. Chucko is not sufficiently contributing. The Chuckos' communications are much more restrained and temperate, but even they

demonstrate some level of frustration and lack of respect for Mr. Bradford. Importantly, the Chuckos have contributed to the discord by asserting that the Surrey Property only be sold when it reaches “maximal value”, something which I have found was never a reasonable expectation of the shareholders.

[159] In my view, having concluded that Mr. Bradford’s actions were not an intentional ploy to support a winding up petition, it is neither necessary not fruitful to assign relative blame in this matter. As stated in *Dia-Kas Inc.*, the clean hands doctrine does not necessarily prevent a winding up order, and when it comes to relative fault, it is largely irrelevant to the practical issue of what should be done to bring the disagreement to an end. Assigning blame will not assist the parties. The focus is on what should be done to end the disputes and allow the shareholders to move on.

Remedy

[160] Having found that it is just an equitable that Bradko and its subsidiaries be liquidated and dissolved due to deadlock and their dysfunctional relationship over the future of Bradko and the Surrey Company, I turn now to remedy.

[161] If a court concludes that it is just and equitable to liquidate and dissolve a company, it does not necessarily mean that such an order will automatically follow: *Weisstock* at para. 44. Section 324(3) of the *BCA* provides that the court has a broad discretion to structure the most appropriate remedial order in the circumstances of the particular case, including any of the remedies set out in s. 227(3) of the *BCA*. Section 227(3) provides the court with the authority to “make any interim or final order it considers appropriate” with a view to “remedying or bringing to an end the matters complained of”: *Weisstock* at para. 44.

[162] Even though I have found that it would be just and equitable to liquidate and dissolve Bradko and its subsidiaries, that does not necessarily mean that the sale of the Surrey Property will be the immediate result. As already discussed, there is a significant gap in the evidence as to the Surrey Company’s situation and options.

The parties have been unable to cooperate in any way to approach the City together, or retain experts they need to move forward. They need a court-appointed receiver-manager to investigate the options. That will likely involve obtaining assistance from experts in property development, expropriations, and valuations. In my view, that is the most equitable route forward to remedy this situation.

[163] It may be, as the parties expect, that the only viable option is to sell to the City when it is ready to purchase. However, there may be other options.

[164] I therefore make the following interim orders. Within two weeks of these reasons, Mr. Bradford and Ms. Chucko will each propose the names of two receiver-managers. If the parties cannot agree on that person, the parties must attend before me and I will make that decision. Regardless, the parties shall also reattend for the purpose of setting the parameters of that person's appointment. I anticipate that person will be given the authority to make inquiries with the City, retain experts as necessary, and will within a certain period of time, provide a report regarding the realistic options. The results of that report will inform the final remedy in this petition.

"Norell J."