

# Court of King's Bench of Alberta

**Citation: 852819 Alberta Ltd v Man II Management (Edmonton) Ltd, 2026 ABKB 11**

**Date:** 20260106  
**Docket:** 2403 02762  
**Registry:** Edmonton

2026 ABKB 11 (CanLII)

Between:

**852819 Alberta Ltd., Operating As Center South**

Applicant

- and -

**Man II Management (Edmonton) Ltd. and Masuch Law LLP**

Respondents

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**Reasons for Decision  
of the  
Honourable Justice D.A. Yungwirth**

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Appeal from the Decision by  
L.R. Birkett, The Honourable Applications Judge  
Dated the 20<sup>th</sup> day of March, 2025

## **Introduction**

[1] This is an appeal from the March 20, 2025 decision of Applications Judge L.R. Birkett whereby she found that there was an equitable assignment of a commercial lease from Man II Management (Edmonton) Ltd. (Man II) to Masuch Law LLP (Masuch Law).

[2] 852819 Alberta Ltd (852) and Man II are parties to a commercial lease agreement for the premises located at 4528 – 99 Street in Edmonton.

[3] It is a term of the lease that any disputes be resolved by arbitration.

[4] Following the failure of the tenant to pay rent under the lease, the Applicant commenced arbitration proceedings against both Respondents. The Applicant maintained that there had been an equitable assignment of the lease from the Respondent, Man II to the Respondent, Masuch Law.

[5] The parties agreed to seek a determination from this Court as to whether or not there has been an equitable assignment of the lease from Man II to Masuch Law. This was the only issue before the Applications Judge.

[6] The arbitration proceedings are in abeyance pending the determination of this issue by the Court.

### **Standard of Review**

[7] An appeal from an Applications Judge is a hearing *de novo*: *Kadco Construction Inc v Sterling Bridge Mortgage Corp*, 2021 ABCA 52 at para 11. The standard of review is correctness: *Bahcheli v Yorkton Securities Inc*, 2012 ABCA 166 at para 30.

### **Relevant Facts**

[8] In 2014, the Applicant landlord (852) was approached by David Shekter, a lawyer with Masuch Albert LLP, about leasing space for their law firm at Centre South. Jeff Dobrescu was the representative of 852 who dealt with David Shekter throughout.

[9] 852 and Masuch Albert LLP agreed to entered into a lease for a period of 5 years, which was to end on June 30, 2019. The tenant was identified in the May 1, 2014 Offer to Lease as Masuch Albert LLP Barristers and Solicitors.

[10] When the formal lease was prepared, David Shekter asked that the name of the tenant be changed from Masuch Albert LLP to Man Management (Edmonton) Ltd. He said he wanted to limit the liability of Masuch Albert LLP in the event that the firm ran into financial difficulties. When that request was made, David Shekter assured the Applicant that the rent would always be paid by Masuch Albert LLP as long as it remained in business. This was agreed to by the Applicant.

[11] About a year later, the lease was amended to increase the size of the leased premises and Masuch Albert LLP operated out of the expanded premises. At that time, the term of the lease was modified to extend it to August 31, 2020. During the term of this amended lease, the rent was paid by Man Management (Edmonton) Ltd.

[12] In the Fall of 2018, David Shekter again approached Jeff Dobrescu to increase the space occupied by the law firm. At that time, he also asked to enter into a new lease. This second lease was for the period from November 1, 2018 to October 31, 2023 (though it was not signed until December 17, 2018). In the second lease, at the request of David Shekter, the name of the tenant was changed to Man II Management (Edmonton) Ltd. (Man II). The name of the law firm became

Masuch Law LLP (Masuch Law). The address of the leased premises was changed from 4526 – 99<sup>th</sup> Street to 4528 – 99<sup>th</sup> Street.

[13] From November 1, 2018 to mid-January 2023, Masuch Law carried on the practice of law from the leased premises. The first two months' rent were paid by Man Management (Edmonton) Ltd. The third month's rent was paid by Man II. Thereafter, the rent was always paid by Masuch Law by way of automatic deposit from Masuch Law to the Applicant.

[14] In early January 2023, David Shekter met with Jeff Dobrescu and advised that Masuch Law had merged with Ogilvie LLP and would be vacating the premises and moving downtown to the offices of Ogilvie LLP. At that meeting, Jeff Dobrescu was told that Masuch Law and Ogilvie LLP would ensure that the Applicant was paid the outstanding rent (with 10 months remaining on the lease). Also at that meeting, David Shekter requested that the Applicant assist Masuch Law in securing another tenant for the remaining months, thereby reducing Masuch Law's liability under the lease.

[15] Jeff Dobrescu's evidence was that he was left with the impression that the merger between Masuch Law and Ogilvie LLP occurred as a result of the financial success of Masuch Law and not because Masuch Law was in financial difficulty. This impression was confirmed when David Shekter was questioned, and he was asked if Masuch Law was in financial difficulty at the time of the merger. He said that it was not.

[16] Masuch Law continued to pay the rent for January and February 2023, though the February rent was not paid until March 7, 2023. Masuch Law then stopped paying the rent.

[17] The Applicant was able to secure a lease, effective March 1, 2023, with a Masuch Law lawyer who was not moving to Ogilvie LLP, for about one-third of the leased premises. This reduced the outstanding monthly rent for the premises to \$13,342.08, effective March 1, 2023. The total rent owing for the 8 months remaining lease term from March 1, 2023 to October 31, 2023 is \$106,736.64.

[18] After March 1, 2023, David Shekter asked that the Applicant attempt to re-lease the remaining portion of the leased premises, and to this end, suggested a client of his, RSVP Design Inc., who was already an existing tenant in Centre South. Lease negotiations with RSVP Design Inc. were ultimately unsuccessful.

[19] Masuch Law continued to pay the utilities until the end of the lease term (in fact the landlord was not notified of the planned termination of Epcor and security accounts until December 1, 2023). Masuch Law also had some mail delivered to the leased premises and placed signage on the outside of the leased premises advising clients of its merger with Ogilvie LLP and how Masuch Law could be reached. The signage was removed after the lease expired on October 31, 2023.

[20] At all material times, dealings related to the leased premises occurred between Jeff Dobrescu, the Applicant's representative, and David Shekter on behalf of Masuch Albert LLP and then Masuch Law. The Applicant maintains that the only involvement that the Applicant ever had with Man II consisted of the placement of its name as tenant on the second lease.

### Applicable Legal Principles

[21] No particular form of words is necessary to create an equitable assignment; the question whether there has been such an assignment is always one of fact and of the intention of the parties to be gathered from what they said and did and from all the surrounding circumstances: *Fraser v Imperial Bank* (1912), 47 SCR 313.

[22] The intention of the parties is not always stated formally, in writing or by word. For this reason, the actions of the parties must be carefully considered to determine if the actions are consistent with an assignment having taken place.

[23] To conclude that a lease was equitably assigned there must be factors indicating that the landlord and the proposed assignee decided to treat each other as tenant and landlord, in addition to the elements of occupation and payment of rent: *Bentall Properties Ltd v Control Data Systems Inc* (1998), 47 BCLR (3d) 233 at para 30 (SC), aff'd 1999 BCCA 413.

### Analysis

[24] In this case, 852 understood that they were entering into a lease arrangement with the law firm. This is clear from the Offer to Lease dated May 1, 2014. At the request of the law firm, the first lease indicated the tenant as Man Management (Edmonton) Ltd. David Sheckter told Jeff Dobrescu that this request was being made to limit the liability of Masuch Albert LLP in the event that the firm ran into financial difficulties. When that request was made, David Sheckter assured the Applicant that the rent would always be paid by Masuch Albert LLP as long as it remained in business. This was agreed to by the Applicant. The parties essentially agreed that unless Masuch Albert LLP ran into financial difficulty, they would continue to be responsible for the obligations under the lease.

[25] It was apparent from Mr. Dobrescu's questioning on affidavit that he considered the relationship of landlord and tenant to be between 852 and Masuch Albert LLP. He believed that the law firm was a good firm, and he trusted the representations that were made to him, by a lawyer from that firm, about the rent being covered by the law firm. That he believed this to be the case is consistent with the fact that there was little, if any, scrutiny into the circumstances of Man Management (Edmonton) Ltd., nor were guarantees requested from the law firm or from the principals of the law firm.

[26] When David Sheckter approached Jeff Dobrescu a year later to amend the lease terms and extend the term, there was no evidence that David Sheckter was doing so on behalf of Man Management (Edmonton) Ltd. It was reasonable for 852 to continue to understand that it was dealing with the law firm.

[27] When the December 17, 2018 lease was entered into, more space was leased and the law firm name was changed to Masuch Law LLP. David Sheckter advised Jeff Dobrescu that there was a new management company and asked that Man II Management (Edmonton) Ltd. be indicated as the tenant. In his questioning on affidavit, Jeff Dobrescu said that he did not question the requested change because he was assured by David Sheckter that the rent would be paid. 852 continued to understand that this limited liability for the tenant was only to be relied on if the law firm got into financial difficulty.

[28] Under the December 2018 lease, the first two months' rent was paid by Man Management (Edmonton) Ltd. and the third month's rent was paid by Man II. Except for those first 3 months of the lease term, Masuch Law paid the rent throughout the lease period until after they vacated the premises. Masuch Law also paid the utilities and security accounts for the full lease term.

[29] In early January 2023, David Sheckter met with Jeff Dobrescu and advised that Masuch Law had merged with Ogilvie LLP and would be vacating the premises and moving downtown to the offices of Ogilvie LLP. At that meeting, Mr. Dobrescu was told that Masuch Law and Ogilvie LLP would ensure the Applicant was paid the outstanding rent (with 10 months remaining on the lease). Also at that meeting, David Sheckter requested that the Applicant assist Masuch Law in securing another tenant for the remaining months, thereby reducing the liability of Masuch Law under the lease. These actions are consistent with the law firm being the tenant. The law firm gave the notice. Once again, assurances were given to the landlord that Masuch Law (and Ogilvie LLP) would ensure that the rent was paid. The law firm asked for the landlord's assistance to find another tenant in order to reduce the liability of the law firm. There would have been no need to ask for that assistance if Man II was the tenant.

[30] Approximately two months later at the beginning of March 2023, after one of the Masuch Law lawyers who was not part of the merger leased a portion of the premises previously occupied by Masuch Law, David Sheckter again asked the landlord to find another tenant for the balance of the leased space to reduce the obligations of the law firm. David Sheckter worked with Jeff Dobrescu to try to arrange for a tenant to take the remaining lease space. These actions are another clear indication that the law firm believed it continued to be liable for the rent on the second lease (though reduced somewhat).

[31] There are other indicia that Masuch Law considered they were still tenants on the second lease. They continued to receive some mail at the leased premises. They hung signage on the leased premises advising of where the firm was now located. They continued to have the key to the premises and Jeff Dobrescu had to arrange in May of 2023 to get access to the property to show the premises to a prospective tenant. As indicated earlier, Masuch Law continued to pay the utilities and security on the leased premises for the full term of the lease. When notice was given to the landlord that the Epcor and security accounts were being terminated, that notice was given by Anton Suberlak on behalf of Ogilvie LLP. When the February 2023 rent was late, Jeff Dobrescu reached out to David Sheckter, who arranged for the law firm to pay the rent.

[32] I also note that in text messages between Jeff Dobrescu and David Sheckter after the landlord was negotiating with a prospective tenant, David Sheckter was making an inquiry about putting numbers together regarding rent and the options depending on how much space the proposed new tenant might take.

[33] With respect to the December 2018 lease, the relationship between Masuch Law and 852 has all the indicia of landlord and tenant. The landlord believed that Masuch Law was the tenant. Masuch Law demonstrated by its actions throughout that it considered itself to be the tenant and that it considered that it was responsible for the rent to the end of the lease term. This is consistent with the landlord taking no steps to complete a formal assignment of lease because there was no reason for him to do so. The parties were already operating as if Masuch Law was the tenant.

[34] It is also consistent with the landlord taking no steps to remove Masuch Law from the leased premises after the landlord was assured that the rent would be paid by the law firm (Masuch Law and Ogilvie LLP) notwithstanding the merger and move downtown.

[35] Clause 16 of the December 2018 lease does not change the outcome. In these unusual circumstances, the landlord considered his tenant to be Masuch Law and saw no need for a formal assignment of lease. To the extent that his consent was required for any assignment of the lease, he demonstrated by his actions that he consented to Masuch Law being the tenant.

### **Conclusion**

[36] The intentions of the parties are to be gathered from what they said and did and from all the surrounding circumstances.

[37] Under the second lease, though the tenant was indicated as Man II Management (Edmonton) Ltd., the parties governed themselves as though Masuch Law was the tenant. There are many factors outlined above, in addition to the elements of occupation and payment of rent, indicating that the landlord and Masuch Law intended to treat each other as tenant and landlord.

[38] The conclusion by the Applications Judge was correct.

[39] The appeal is dismissed.

[40] Failing agreement between the parties on the issue of costs, costs may be spoken to within 45 days.

Heard on the 26<sup>th</sup> day of September, 2025.

**Dated** at the City of Edmonton, Alberta this 6<sup>th</sup> day of January, 2026.

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**D.A. Yungwirth**  
**J.C.K.B.A.**

**Appearances:**

Roger Stephens  
for the Applicant

Matthew James  
for the Respondent Masuch Law LLP