CITATION: *Bridge Investment Systems Consulting Inc. v. Vukcevic et al.*, 2026 ONSC 770
COURT FILE NO.: CV-25-00738330-0000
DATE: 20260210

SUPERIOR COURT OF JUSTICE - ONTARIO

RE: BRIDGE INVESTMENT SYSTEMS CONSULTING INC, Applicant

AND:

ALEKSANDAR VUKCEVIC, ADAGIO SPIRITS LTD., ADAGIO FOODSERVICES LTD. and ADAGIO RESTAURANTS LTD., Respondents

BEFORE: Schabas J.

COUNSEL: *Leon J. Melconian*, for the Applicant

Laughlin J. Campbell, for the Respondents

HEARD: January 20, 2026

REASONS ON APPLICATON

[1] This is an application for relief from oppression brought pursuant to s. 248 of the *Business Corporations Act*, RSO 1990, c. B.16 ("*OBCA*"). It arises from investments and business dealings between two friends made over several years. Regrettably, their dealings were not well-documented; although draft agreements and draft promissory notes were prepared, only one was executed. As often happens in such circumstances, the parties now disagree over their arrangements and have fallen out with one another.

[2] The applicant, Bridge Investment Systems Consulting Inc. ("Bridge"), is controlled by Sinisa Kralj. Beginning in 2012 and continuing to 2020, Bridge provided financing to companies controlled by the respondent, Aleksandar Vukcevic. Those companies, the respondents Adagio Foodservices Ltd. ("Foodservices"), Adagio Restaurants Ltd. ("Restaurants"), and Adagio Spirits Ltd. ("Spirits", and collectively the "Adagio corporations"), were entities that invested in three Sunset Grill restaurants in Burlington and Hamilton. In addition, Spirits invested in a business venture involving rakija, a liqueur popular in Serbia.

[3] Bridge advanced a total of about $1.1 million to the respondents. The restaurants owned by Foodservices ("Burlington") and Restaurants (Hamilton – "Eastgate"), were sold in 2018 and 2023. Spirits continues to own and operate another Hamilton Sunset Grill location on Barton Street ("Barton") and the rakija business. Bridge has been repaid sums of money relating to its investments in Foodservices and Restaurants and has been repaid a well-documented loan it made to Spirits. However, Bridge submits that it is a 50% shareholder in the three companies and seeks, among other things, production and disclosure of all financial and corporate records from the Adagio corporations so that they can account to Bridge for whatever value remains in them.

[4] The respondents, on the other hand, submit that Bridge is not a shareholder in any of the companies. Rather, while there were discussions about shareholders' agreements, no agreements were ever executed and instead the advances by Bridge were investments or loans to Vukcevic secured by promissory notes, most of which have been repaid to Bridge. The only outstanding amount is the funds advanced to Spirits, which continues to do business. The respondents also submit that at least some of the applicant's claims are barred by the *Limitations Act, 2002*, S.O. 2002, c. 24 Sched. B, as they involve claims based on investments made up to 12 years ago and, in the case of Foodservices, sold and repaid approximately seven years ago.

[5] For the reasons that follow, the application is granted against Restaurants and Spirits. The application against Foodservices is out of time.

The legal framework

[6] The applicant frames this as a case of corporate oppression, arguing that it is a "beneficial owner", or shareholder, in the Adagio corporations, with a "reasonable expectation" of having access to the books and records of the corporations and of sharing 50% of the profits from the businesses, and 50% of the proceeds of sale of the businesses, which has been denied.

[7] The test for corporate oppression is set out in the Supreme Court of Canada in *BCE Inc. v. 1976 Debentureholders*, 2008 SCC 69, [2008] 3 S.C.R. 560, at para. 68:

> (1) Does the evidence support the reasonable expectation asserted by the claimant? and (2) Does the evidence establish that the reasonable expectation was violated by conduct falling within the terms "oppression", "unfair prejudice" or "unfair disregard" of a relevant interest?

[8] However, as the Supreme Court notes at para.70, "[a]t the outset, the claimant must identify the expectations that he or she claims have been violated by the conduct at issue and establish that the expectations were reasonably held." This varies from case to case depending on the nature of the claimant or, as put in the legislation, the "complainant." While the term "complainant" is broadly defined in s. 245 of the *OBCA*, the oppression remedy involves a disregard of limited interests as set out in s. 248(2) – those of a "security holder, creditor, director or officer of the corporation."

[9] In this case, the applicant seeks to be found to be a security holder or 50% shareholder of each Adagio corporation, while the respondents submit Bridge is, at most, a creditor. As a shareholder, the applicant would be entitled to seek the relief sought. As a creditor, however, the applicant's rights may be more limited as a corporation's obligations to a creditor differ from its obligations to a shareholder.

The various business ventures

[10] In early 2012, Kralj and Vukcevic were close friends. They agreed to go into business together by buying two Sunset Grill franchises – Burlington and Eastgate. As acknowledged by Vukcevic, their understanding was that they would contribute equally to acquiring the franchises. Vukcevic would manage the businesses and receive a salary and allowance for expenses. They

would split the profits, if any. Kralj asserts that they would also share the net proceeds if and when the restaurants were sold.

[11] In 2012 and 2013, Bridge advanced a total of $225,000 to Foodservices to acquire and support Burlington, and $131,500 to acquire Eastgate. Both restaurants opened in 2013.

[12] In late 2012 and early 2013, Vukcevic sent Kralj a draft shareholders' agreement showing them to be 50-50 shareholders, Kralj provided comments, but it was never signed. Kralj says the reason the draft shareholders' agreement was never signed is because both he and Vukcevic were busy and the two were "extremely good friends" such that Kralj did not have concerns about the relationship deteriorating.

[13] It took time for Burlington to become profitable. Vukcevic says Bridge did not contribute to operating costs. However, Kralj identifies a payment of $45,000 to support Burlington in October 2013. Vukcevic also agreed that funds from Restaurants, which owned the more immediately successful Eastgate location, were used to support the Burlington location owned by Foodservices.

[14] Vukcevic claims that after a few months of operating the restaurants, as Burlington was losing money, Kralj said he did not wish to be involved in the corporations and wanted Bridge's funds to be treated as a loan, without interest or repayment date, but with the understanding that Bridge would be repaid when Burlington was profitable or sold. Kralj, on behalf of Bridge, disputes this, saying that there is no contemporaneous documentation to support Vukcevic's assertion. Kralj also says he made periodic requests for financial statements, which Vukcevic disputes.

[15] Kralj notes Vukcevic took out life insurance policies on Kralj for the benefit of their business ventures in Burlington and Eastgate, which appear to have been paid up, with a short lapse, until Eastgate was sold in 2023.

[16] Kralj says he was told by Vukcevic that Foodservices and Restaurants classified the Bridge advances as investments, not as loans on their financial statements. Kralj's accountant recorded the investments as shareholder loans, but Kralj says this was for tax purposes only. There was discussion about this between the parties in 2017 when Bridge had to deal with CRA inquiries. Kralj told Vukcevic that he needed either a shareholders' agreement or a promissory note for his accountant to show CRA. A promissory note was prepared in 2017, apparently by Kralj's accountant, but backdated to July 15, 2013, in the amount of $356,500, reflecting the total advances to both Foodservices and Restaurants. Like the shareholders agreement exchanged in 2013, this promissory note was not executed.

[17] Kralj was told by Vukcevic that by the spring of 2014, Burlington was profitable, and no additional funding was needed. Vukcevic claims that Burlington struggled for five years, reaching what were considered to be "normal sales" by the franchisor in October 2017, which Vukcevic says allowed it to be sold.

[18] On March 30, 2018, the assets of Burlington were sold by Foodservices for $610,000. Vukcevic then paid $305,000 to Bridge. Vukcevic says this was made to reduce the amount owing

on the promissory note and not as Bridge's share of the net proceeds, as alleged by Kralj. Vukcevic states that this payment was made in priority to amounts owing by Foodservices relating to operating expenses, royalties, payroll and taxes, and therefore while the $305,000 may have been 50% of the gross proceeds, it did not reflect 50% of the net proceeds of the sale. When asked how he decided on $305,000, Vukcevic said it was "just what I thought I could afford at the time."

[19] There is no evidence that Kralj sought an accounting or additional funds from Vukcevic or Foodservices when Burlington was sold and Bridge received $305,000, or at any time prior to bringing this application. Vukcevic says on this application that corporate and financial records for Burlington no longer exist; however, he was able to produce the Asset Purchase Agreement dated February 9, 2018, dealing with the sale of the restaurant.

[20] Despite the lack of financial disclosure or any accounting of profits by Foodservice to Bridge and the absence of any signed agreements, in 2019 Bridge provided new funds to help Vukcevic acquire the Barton Street Sunset Grill in Hamilton. This investment was through Spirits, which Vukcevic had incorporated in 2018.

[21] The purchase price of Barton was $785,000. On June 19, 2019, Bridge advanced $668,000 to Spirits for this acquisition. Bridge advanced $468,000 by way of a documented loan, in which Vukcevic signed a promissory note dated June 19, 2019 on behalf of Spirits. This promissory note provided for a 5% interest rate and monthly payments to Bridge of $8,831.74 over five years. This loan provided cheaper financing than Spirits could obtain from a bank, which also wanted personal guarantees.

[22] As additional security, Bridge also registered a general security agreement on June 27, 2024 against Spirits. However, in November 2019, Kralj also signed a personal indemnification for Spirits' lease of the Barton premises.

[23] The loan was repaid by Spirits in accordance with its terms by June 2024. Kralj says the repayments were made from the profit from Barton and that his understanding was that following the repayment, this amount would be added to the net profits earned by Spirits.

[24] Kralj, on behalf of Bridge, says the balance of $200,000 Bridge advanced to Spirits in June 2019 reflects Bridge's equity investment in Spirits. Vukcevic has provided no financial disclosure relating to Barton to Bridge, nor has he provided Bridge with any funds from the profits of that business.

[25] Beginning in August 2018 and continuing to August 2020, on four occasions Bridge advanced money to Spirits to support an investment in a Serbian rakija distillery which was to market the liqueur in China. These payments totalled $105,000. Kralj says that Vukcevic has provided no financial information about the rakija business and Bridge has received no money in return.

[26] In April 2019, Kralj's lawyer drafted a shareholders' agreement which reflected a 50-50 ownership of Spirits. In November 2019, Vukcevic's lawyer also prepared a draft shareholders' agreement showing equal ownership which was circulated and commented on by Kralj and

Vukcevic. However, neither of these agreements were ever executed. When asked why he did not sign, Vukcevic said he was not in agreement with it, but could not remember why.

[27] Eastgate was sold in the fall of 2023. Following the sale, Vukcevic delivered a bank draft to Bridge in the amount of $250,000, advising that this was Bridge's share of the net proceeds of the sale. However, Vukcevic provided no information about the sale, saying only that there may be adjustments when all the expenses were calculated. No further information was provided, and no additional payments were made to Bridge.

[28] In this application, the $250,000 payment is said to be a payment of the balance owing on the draft promissory note prepared in 2017, which after payment of $305,000 for Burlington in 2018, was about $50,000 (actually $51,500), and to be a repayment of the $200,000 advanced for Barton in 2019 that was not secured by the promissory note of June 19, 2019. However, when cross-examined on how the $250,000 was determined, Vukcevic said it was Bridge's share of the net proceeds. Vukcevic says on this application that "if any corporate or financial records exist for Sunset Eastgate, they would relate solely to the financial records requested by CRA for 2020 to 2023 while I continue to pay the outstanding CRA debt Sunset Eastgate owes."

Shareholder or creditor – resolving the dispute

[29] Vukcevic asserts that although the initial intention of both him and Kralj was to invest in the restaurants on an equal basis, when Burlington struggled in its first few months, Kralj said he did not want to be involved and preferred to treat his advances as a loan, without interest or any repayment date. Vukcevic claims that prior to the end of 2013, Kralj "abandoned the business completely with the understanding that I would repay the loan when able to or upon the sale of Sunset Burlington." Kralj denies this and asserts that he and his accountant made numerous requests to Vukcevic for financial information about Burlington and Eastgate but received nothing.

[30] Similarly, Vukcevic says that Kralj walked away from the rakija business in 2019. Vukcevic states that in August 2019, Kralj presented him with a promissory note to sign in favour of Bridge for $285,000. Like the other note, it did not provide for interest or have a repayment date. According to Vukcevic, this represented the $200,000 advance for Barton and $85,000 advanced to Spirits for the rakija business. However, this note was not signed. Furthermore, the documentary evidence shows that Bridge provided additional funds to Spirits as late as August 2020.

[31] According to Vukcevic, around this time, Kralj asked Vukcevic to sign other documents that stated Bridge was a shareholder in the Adagio companies, but he refused to do so. On the other hand, Vukcevic asserts that "whenever we discussed signing a written agreement, I would state I was willing to sign 'an Agreement' but that I would not sign a 'Shareholder Agreement'."

[32] Vukcevic also relies on text and email exchanges he had with Kralj in 2020 and 2021, which he asserts support the finding that Bridge is a creditor and not a shareholder. In particular, Kralj acknowledges in one text message in 2020 that he could not get Vukcevic to sign a shareholders' agreement. In October 2021, Kralj offered to have his $100,000 investment in the rakija venture treated as payment for Vukcevic's work and to let Vukcevic be "sole owner of the

rakija business." Vukcevic does not say how or if he responded to that suggestion. His exhibit containing text messages stops at that point. But Kralj, who can no longer access his texts, states that moments later, Vukcevic texted him to say that he would not take the money. Kralj says he made the offer out of frustration with Vukcevic and never intended to walk away from his investment. Kralj, unlike Vukcevic, was not cross-examined.

[33] In assessing competing evidence, one must have regard to the reasonableness of the evidence, including its plausibility. One must consider the extent to which each side's evidence is supported by contemporaneous records, and "with the probabilities that surround" the circumstances. As the British Columbia Court of Appeal stated in *Faryna v. Chorny*, [1952] 2 D.L.R. 354 (B.C. C.A.), at 357:

> The credibility of interested witnesses, particularly in cases of conflict of evidence, cannot be gauged solely by the test of whether the personal demeanour of the particular witness carried conviction of the truth. The test must reasonably subject his story to an examination of its consistency with the probabilities that surround the currently existing conditions. In short, the real test of the truth of the story of a witness in such cases must be its harmony with the preponderance of probabilities which a practical and informed person would readily recognize as reasonable in that place and in those conditions. [Emphasis added.]

[34] The Ontario Court of Appeal discussed this statement of law in *R. v. Kiss*, 2018 ONCA 184, noting at para. 30 that the passage from *Faryna* "is not about weighing the evidence to see whether it is more likely true than not, as the balance of probabilities standard requires. Instead, the passage offers advice on the importance of considering the probability or improbability of an account". In short, where evidence lacks plausibility because it is not in "harmony with the preponderance of probabilities", it can be rejected.

[35] In my view, Kralj's evidence accords with common sense and the preponderance of probabilities. Vukcevic's evidence, in contrast, is inconsistent with the conduct of the parties. Kralj was not cross-examined, and his evidence should be preferred over Vukcevic's evidence where their accounts conflict. This leads to the conclusion that Bridge was and should be recognized as a 50% shareholder in the Adagio companies.

[36] Determining whether there was an agreement between parties depends not on their subjective intention but on their objective intention. As was noted by Professor Waddams in *The Law of Contract*, CLB 6th ed., at p. 105, para. 141 and quoted with approval by Penny J. in *Chahine v 2305136 Ontario Inc.*, 2015 ONSC 4260, 46 B.L.R. (5th) 188, at para. 93, aff'd, 2016 ONSC 5039 (Div. Ct.):

> The principal function of the law of contract is to protect reasonable expectations engendered by promises. It follows that the law is not so much concerned to carry out the will of the promisor as to protect the expectation of the promisee. This is not, however, to say that the will of the promisor is irrelevant. Every definition of contract, whether based on agreement or promise, includes a consensual element. But the test of whether a promise is made, or whether assent is manifested

> to a bargain, does not and should not depend on an inquiry into the actual state of mind of the promisor, but on how the promisor's conduct would strike a reasonable person in the position of the promisee. [Citation omitted.]

[37] In *Chahine*, Penny J. observed at para. 94 that the objective intentions of the parties can be determined by both words and conduct: *Chahine*, para. 94, citing *Osorio v. Cardona* (1984), 15 D.L.R. (4th) 619 (B.C. S.C.) at p. 627. Here we have both.

[38] Vukcevic acknowledged that he and Kralj were acting as business partners in their investments. This was the case when they bought Burlington and Eastgate in 2012 and 2013. A draft shareholders agreement was circulated at the time and Vukcevic's evidence of their deal at that time accords with Kralj's evidence.

[39] I do not accept that Kralj and Bridge abandoned equity interests in Burlington and Eastgate in 2013 or 2014 to be treated simply as a creditor. There is no contemporaneous, or other, later, documentation to support Vukcevic's assertion. The discussions between Kralj and Vukcevic in 2015 and 2017 about how the investments were reflected in their companies' books related to tax planning. They do not support a departure from their partnership arrangement. The unsigned promissory note for $356,500 was simply part of the discussion around how to respond to questions from the CRA.

[40] Vukcevic sought Kralj's consent to sell Burlington in 2018. This would not have been necessary if Vukcevic believed he, through Foodservices, was the sole owner and Bridge was just a creditor. Vukcevic paid Bridge precisely 50% of the proceeds of the sale of Burlington. When Vukcevic gave Kralj the cheque for $305,000, he said it represented Bridge's share, not the repayment of a debt.

[41] Shortly after the sale of Burlington, the parties invested together in two more businesses – Barton and the rakija distillery. This time, two draft shareholders agreements were circulated – one prepared by each party. Again, nothing was signed, but the draft agreements reflected a continued understanding that Kralj and Vukcevic saw themselves as investing together in the businesses on a 50-50 basis. Even Vukcevic said that although he would not sign a shareholders' agreement, he was willing to sign an agreement, but did not explain why he distinguished between the two. This is a telling admission.

[42] In the one instance where there was a real loan of $468,000 to Adagio in 2019, there was executed documentation to support it, and it included interest and a repayment plan. This transaction is informative because the loan agreement only covered part of the money that Bridge advanced to Adagio at the time, which suggests the other $200,000 Bridge advanced was not a loan but an equity investment.

[43] In contrast to the signed promissory note, the other promissory notes were unsigned and did not make commercial sense, having no interest or repayment plan. In my view, the reasonable conclusion is that the other promissory notes were prepared solely as a result of discussions about tax issues, and did not reflect the actual arrangements between the parities.

[44] Kralj maintained personal guarantees to the Royal Bank respecting both the Burlington and Eastgate restaurants. This is not something a mere creditor would do. He did so again for Spirits in 2018. Kralj also indemnified Spirits respecting its commercial lease for Barton in 2019, which a creditor would not normally do. Foodservices and Restaurants, at Vukcevic's direction, paid premiums for a life insurance policy on Kralj until Eastgate was sold. This is not something companies typically do for creditors.

[45] Kralj invested in the rakija business in 2018, 2019, and 2020 with Vukcevic through Spirits. During that time there was continued discussion about signing a shareholders' agreement which contemplated 50-50 ownership. Drafts were exchanged. There were no promissory notes – drafts or otherwise – relating to the rakija business or Barton. Vukcevic claims that Kralj walked away from the rakija business in 2019, but Bridge continued to advance funds as late as August 2020.

[46] Kralj provided large sums of money to Vukcevic to invest. It would make no commercial sense for Kralj to have provided such amounts as loans bearing no interest and with no date for repayment. When there was an actual loan, it was documented and contained interest and repayment provisions.

[47] In short, I am satisfied on a balance of probabilities that there was an agreement between Vukcevic and Kralj that they would invest equally in the three restaurants together, and in the rakija business, and that they agreed that they would share equally in the profits of all ventures. I do not accept Vukcevic's assertion that Bridge's advances were or became loans.

[48] The failure of Adagio companies to provide Bridge with financial disclosure or to account in any way for the amounts invested by Bridge are omissions by the respondents that are oppressive and unfairly prejudicial to Bridge and unfairly disregard Bridge's interests as a 50% stakeholder in the Adagio companies. As an equal partner in the businesses, Bridge has a reasonable expectation of full financial disclosure and a reasonable expectation that it should receive a 50% share of the operating profits of the companies and a 50% share of the proceeds of their sale.

Remedies

[49] With respect to Foodservices and Burlington, Bridge seeks no damages against Foodservices, which sold the Burlington restaurant in 2018, but simply an accounting. However, Vukcevic argues that any relief respecting Foodservices is barred by s. 4 of the *Limitations Act, 2002*, as all claims with respect to Foodservices relate to matters that occurred no later than 2018, almost seven years before this application was brought.

[50] I agree that the claim against Foodservices is out of time. While there may have been continuing trust between Kralj and Vukcevic for several more years, as seen in their continued dealings with one another, the Foodservices venture ended in 2018 and Bridge received a payment at the time. Bridge also sought financial disclosure, which was not forthcoming, and which, according to Vukcevic, is now no longer available. This highlights one of the reasons limitation periods exist. Bridge ought to have pressed for disclosure and brought an application respecting Foodservices long ago. No relief will therefore be granted respecting Foodservices.

[51] Restaurants' investment in Eastgate concluded more recently. The Eastgate restaurant was sold on October 31, 2023, and a payment was made to Bridge arising from that sale in December 2023. This application, commenced in August 2025, and amended in September 2025, was therefore brought within two years of the events giving rise to the dispute – namely, Bridge's appropriate share in the profits of Restaurants.

[52] The scope of relief under s. 248 of the *OBCA* is broad. Subsection 248(3) allows the court to make any order "it thinks fit". This includes, among other things, "an order directing an issue or exchange of securities": s. 248(3)(d). As was the case in *Chahine*, a determination that shares should be issued can arise from oral agreements, course of conduct, representations, and mutual reliance, even in the absence of executed shareholder agreements or the issuance of share certificates.

[53] Here, the evidence supports the conclusion that Kralj and Vukcevic agreed that Bridge would be an equal owner of, and share equally in, the profits of their business ventures. This includes the Eastgate restaurant and the Barton restaurant, as well as the rakija business. The failure of Restaurants and Spirits to account to Bridge and provide financial disclosure of their businesses to it, including sharing in the profits, if any, is oppressive, unfairly prejudicial to, and unfairly disregards the interests of Bridge. The remedies need to address these wrongs.

[54] Accordingly, I declare that Bridge is a 50% shareholder of Restaurants and Spirits and direct that Restaurants and Spirits issue shares to Bridge to reflect that 50% ownership.

[55] I also make an order, as requested, that Restaurants and Spirits provide a full accounting of their financial affairs to Bridge, including but not limited to the production of all bank statements, credit card statements, financial records, accounting and tax documents, agreements of purchase and sale, lease agreements, and documents evidencing all revenues, assets, expenses, liabilities, profits and losses and distributions and benefits received by the respondents, directly or indirectly. The respondents Restaurants and Spirits shall also provide the applicant with full and unfettered access to all corporate and financial records of the businesses. The respondent Vukcevic is ordered to ensure full compliance with these orders.

[56] To the extent such an accounting discloses that funds are owing by Restaurants and Spirits to Bridge, those amounts should be paid forthwith upon calculation. If Vukcevic has been paid funds that ought to have been paid to Bridge, then Vukcevic shall reimburse Bridge to make it whole as a 50% shareholder of Restaurants and Spirits.

[57] Turing to the balance of the relief sought, I see no basis to award punitive or aggravated damages, nor did I receive any submissions that a forensic accountant be appointed to conduct an independent review, as sought in the notice of application. It is expected that this order will be complied with and that the parties will resolve their differences in accordance with it. Should that not be the case, either party can pursue its remedies in the court, if necessary.

[58] It has been agreed that the successful party should be awarded $30,000 in costs, including HST and disbursements. While I have declined to order any relief respecting Foodservices, the

applicant has been largely successful, and I therefore order the respondents to pay costs in the amount agreed to Bridge within 30 days.

Paul B. Schabas J

Date: February 10, 2026