

CITATION NO.: Bedrian v. S.V.S. Auto Parts Ltd. et al., 2026 ONSC 1324
COURT FILE NO.: CV-25-1009
DATE: March 4, 2026

SUPERIOR COURT OF JUSTICE - ONTARIO

RE: Sarkis Bedrian, Applicant

-and-

S.V.S. Auto Parts Ltd., Vicken Haneshian, 2751724 Ontario Inc., Sevag Haneshian and Sose Haneshian, Respondents

BEFORE: MacNeil J.

COUNSEL: Sarkis Bedrian – Self-represented Applicant

Evan Morden – Agent for Andrew Beney, Lawyer for the Respondents

HEARD: December 4, 2025

REASONS FOR DECISION

[1] The applicant, Sarkis Bedrian (“Mr. Bedrian”), makes this motion seeking an order removing Andrew Beney and Pavey Law LLP as the lawyer of record for the corporate respondent, S.V.S. Auto Parts (“S.V.S.”).

[2] At the hearing of the motion, Mr. Bedrian advised that he does not take issue with Mr. Beney and Pavey Law representing the other respondents.

[3] The respondents oppose the removal of Mr. Beney as their lawyer and submit that such removal is not tenable at law.

Background

[4] On June 20, 2025, Pavey Law was retained by the respondents to respond to the application and a joint retainer agreement was executed in this regard.

[5] S.V.S. is a corporation carrying on business in the city of Cambridge. It has two shareholders, the respondents Vicken Hareshian (“Mr. Haneshian”) and 2751724 Ontario Inc. (“275”), who each own 50% of the shares of the company.

[6] Mr. Haneshian is the sole director and officer of S.V.S.

[7] 275 is a corporation carrying on business in the city of Cambridge. Mr. Haneshian is the sole shareholder of 275. He is also the company's sole director and officer.

[8] The respondent, Sevag Haneshian, is Mr. Haneshian's brother. The respondent, Sose Haneshian, is the mother of Mr. Haneshian and Sevag Haneshian.

[9] On or about August 1, 2023, Mr. Bedrian transferred his 51% Class A Common Shares to 275 pursuant to a share purchase agreement.

[10] Mr. Bedrian's evidence is that he started S.V.S. and that Mr. Haneshian defrauded him of his shares in the company.

[11] Mr. Bedrian commenced the within application on June 13, 2025 seeking oppression remedies and leave to bring a derivative action on behalf of S.V.S. pursuant to ss. 248 and 246, respectively, of the Ontario *Business Corporations Act*, R.S.O. 1990, c. B.16 ("the OBCA"). Mr. Bedrian alleges that Mr. Haneshian breached his fiduciary duty as a director S.V.S. by self-dealing, and that he conducted the company's business affairs in a manner that was oppressive and unfairly prejudicial to Mr. Bedrian and that unfairly disregarded his interest.

[12] By his endorsement, dated July 3, 2025, Bordin J. directed that this removal motion and the applicant's motion for leave for Stephanie Tonner (Dempsey) to represent him both be heard before the application proper or before any further motions are brought. The applicant's motion for leave for Ms. Tonner (Dempsey) to represent him was heard on August 21, 2025, and the motion judge denied Ms. Tonner (Dempsey) the right of audience with the court on this matter.

POSITION OF THE MOVING PARTY

[13] It is Mr. Bedrian's position that it is a conflict of interest for Mr. Beney to represent Mr. Haneshian and S.V.S. together in this proceeding. S.V.S. is a separate corporate body and it needs an independent lawyer.

[14] At the centre of the dispute in this litigation is Mr. Bedrian's complaint that the affairs of S.V.S. have been exercised in a manner oppressive to his and the company's interests. The specific matters complained of all relate to actions taken by Mr. Haneshian, who is now the directing mind of S.V.S. and the principal of its second shareholder, 275.

[15] Mr. Bedrian submits that Mr. Beney and Pavey Law have put themselves in a conflict of interest position because the company is a separate legal entity seeking a different remedy from the individual respondents. The interest of S.V.S. and its majority shareholders are not one and the same. As a lawyer, Mr. Beney owes a duty and loyalty to each of his clients. However, the best interest of S.V.S. is not necessarily the best interest of its shareholders and directors. Mr. Beney cannot properly obtain instructions from the majority shareholders of S.V.S., who are personal respondents and from whom he must also obtain instructions, since their interests may be adverse. Mr. Bedrian relies on *Mottershead v. Burdwood Bay Settlement Company Ltd.*, 1991 CanLII 2284 (BC SC), 1991 CarswellBC 2387 in this regard.

[16] In *Mottershead*, the two plaintiffs, who owned one share between them, and the defendant, Hollanders, who owned one share, were the minority shareholders. The defendants, Bidwell, Latham and O'Brien, who owned four shares, were the majority shareholders. All five shareholders were directors. Both minority shareholders alleged oppressive and prejudicial conduct on the part of the majority shareholders but they were adverse insofar as they sought different remedies. In May 1989, Mr. Davies, a lawyer, was retained to defend the majority shareholders personally and in June 1989, pursuant to a directors' resolution, he was retained to defend the company. A motion was made by the minority shareholders to remove Mr. Davies and his law firm as the lawyer of record for both the individual defendants and the Company. In granting the motion, the court held, at para. 7:

... The best interests of the Company are not necessarily those of the majority shareholders and directors. The Company is a separate legal entity and it is no answer for Mr. Davies to say that his instructions from the individual majority shareholders as personal defendants are one and the same as those instructions which they provide as majority directors of the Company. The duty of the solicitor for the Company is to advise all of the directors so that they may make an informed decision as a board with respect to the best interests of the Company. [Emphasis in original.]

[17] The applicant further submits that Mr. Beney owes a duty of confidentiality to his clients and information received from the majority shareholders in their capacity as personal respondents would be privileged information.

[18] Mr. Bedrian proposes that he and Ms. Tonner (Dempsey) are in the best position to obtain competent representation for S.V.S. because Mr. Bedrian's interest and the company's interest are more aligned. However, he does not object to the company having its own representation.

[19] Mr. Bedrian submits that S.V.S. is named in the application as a respondent in order to seek the relief claimed.

POSITION OF THE RESPONDING PARTIES

[20] It is the position of the responding parties that Mr. Beney and Pavey Law are not in a conflict of interest. The applicant has not tendered any evidence of a conflict of interest or breach of professional duty that would support the removal of Mr. Beney and the law firm as the lawyer of record for S.V.S.

[21] The responding parties submit that the fraud allegations against Mr. Haneshian are unfounded and unsupported by the evidence. Mr. Bedrian is no longer a shareholder of S.V.S. since all of his shares were purchased and are now owned by 275.

[22] It is submitted that Mr. Beney has no personal interest that is affected by this legal proceeding. There has been no breach of a professional duty existing that would require his removal as counsel for S.V.S. or for its shareholders.

[23] The responding parties submit that Mr. Beney is able to perform his professional duty to represent the respondents as his clients. Mr. Haneshian is the only director of S.V.S. There are only two shareholders of S.V.S. – Mr. Haneshian and 275, which is also Mr. Haneshian’s company. There is no conflict of interest between the shareholders of S.V.S. or between S.V.S. and 275. This litigation does not relate to any shareholder dispute between current shareholders or officers and directors of any of the respondent corporations.

ISSUE

[24] The issue to be determined is whether Mr. Beney and Pavey Law should be removed as the lawyer of record for S.V.S. in this proceeding.

ANALYSIS

[25] By the application, Mr. Bedrian is seeking to set aside the transfer of his 51% Class A Common shares to 275, which company is controlled by Mr. Haneshian, and to remove Mr. Haneshian from the board of directors of S.V.S. Mr. Bedrian alleges that he was “shut out of the daily operations of the company and the books and records which gave [Mr. Haneshian] the opportunity to [*sic*] his self dealing, fraud, unfair practises, serious lack of interest for the company and applicant”. Alternatively, it appears that Mr. Bedrian seeks a buy-out of his shares at fair market value as determined by a valuator, and seeks other employment income compensation.

[26] By the application, Mr. Bedrian is also seeking leave to bring a derivative action and claim relief on behalf of S.V.S. He alleges that corporate funds are being used for the personal benefit of Mr. Haneshian and that Mr. Haneshian has transferred corporate assets or opportunities to other corporations controlled by him.

[27] Mr. Bedrian has not yet been granted leave to bring the derivative action on behalf of S.V.S.

[28] While the Notice of Application formally names S.V.S. as a respondent, a review of the pleading and supporting affidavit makes it clear that Mr. Bedrian’s formal complaints of misconduct are directed at Mr. Haneshian alone. S.V.S. has been named as a respondent because it would be a party affected by the remedies being sought by Mr. Bedrian.

[29] Section 115(1) of the OBCA provides that, subject to any unanimous shareholder agreement, the directors shall manage or supervise the management of the business and affairs of a corporation. Currently then, as the sole director of S.V.S., Mr. Haneshian is the guiding mind in control of the company.

[30] The courts have repeatedly acknowledged the right of litigants not to be deprived of their counsel of choice without good cause. A party’s choice of lawyer is a fundamental right that should only be negated or prevented in the very clearest of circumstances: *MacDonald Estate v. Martin*, 1990 CanLII 32 (SCC), 1990 CarswellMan 233, at para. 16. The removal of a lawyer should only be ordered where it is necessary to prevent the imposition of a more serious injustice and the risk of real mischief: *Rice v. Smith*, 2013 ONSC 1200, [2013] O.J. No. 784, at para. 14.

[31] Situations of specific conflict of interest concerns include where a lawyer simultaneously acts as counsel and witness; where a lawyer owes conflicting duties of representation and

confidentiality to parties on both sides of a legal dispute; and where a lawyer is attempting to jointly represent both a corporation and individual majority directors and shareholders in litigation focused on an internal corporate dispute.

[32] In cases involving an internal corporate dispute, where a conflict of interest arises, it is proper for the corporation to have separate and distinct legal representation from the legal representation for its majority shareholders and directors. Examples of such conflicts of interest include:

- (a) the lawyer ignoring their obligation to seek litigation instructions from the corporation's entire board of directors;
- (b) the lawyer ignoring their obligation to share otherwise confidential and privileged information with all of the corporation's directors;
- (c) payment of the majority shareholders' legal costs as a corporate expense which is then effectively assessed against all of the corporation's shares;
- (d) the lawyer providing legal opinions to the majority shareholders and not to the minority shareholders who are also directors; and
- (e) the lawyer refusing to disclose litigation-related documents and information to minority directors and shareholders of the corporation on the basis of purported solicitor-client privilege: see *Andersson v. Aquino*, 2018 ONSC 852, at paras. 21-30.

[33] The evidence before the court is that Mr. Beney and Pavey Law were retained for the purposes of this litigation. They did not previously represent S.V.S. when Mr. Bedrian was a shareholder of the company.

[34] In my view, the fact that Mr. Haneshian is the sole director of S.V.S. distinguishes this case from other cases where the conflict on the part of the lawyer arose by virtue of the existence of differing interests among groups of the directors. In those cases, as the courts found, the lawyer could not fulfill his or her duty to the company, represented by the board of directors as a whole, while acting for one of the groups at the same time. Such a conflict does not arise here.

[35] I accept the responding parties' submission that, because Mr. Haneshian is the sole director and officer of S.V.S. and of 275, he is functionally the only shareholder of S.V.S. The instructions given by Mr. Haneshian are the instructions of the shareholders, officers and directors of S.V.S. and 275. There is no situation where Pavey Law or Mr. Beney could ignore any instructions of the majority or the minority in favour of the other. They also cannot disclose confidential or privileged information to only some directors and not others because, here, disclosure to one is disclosure to all. Mr. Haneshian is the representative of all of the shareholders and directors. The within proceeding is distinguishable from *Mottershead*, therefore, as it is not an internal corporate dispute between current shareholders and directors thereby necessitating separate counsel for the corporate entity.

[36] There is no evidence before the court to indicate that, in acting for both S.V.S. and its shareholders, Mr. Beney and Pavey Law cannot fulfill their duty to advise all of the directors with respect to the best interests of the company. Mr. Bedrian is no longer a shareholder of S.V.S. Accordingly, this is not a case in which there are opposing interests amongst the directors of S.V.S. and/or amongst the different shareholders. Rather, here, there is currently a uniformity or identity of interest between S.V.S., its sole director, and its two shareholders.

[37] Even in the event that Mr. Beney and Pavey Law were removed, which I am not ordering, any new lawyer would be retained and instructed by Mr. Haneshian in his capacity as the sole director of S.V.S. since, as the sole director, he is the person statutorily authorized to manage the company, which includes retaining and instructing counsel.

[38] This is not a situation where Mr. Beney and Pavey Law owe conflicting duties of representation and confidentiality to parties on both sides of a legal dispute. Mr. Bedrian is representing himself; he is not being represented in any regard by Pavey Law or Mr. Beney.

[39] This not a situation where a “lawyer as witness” concern has been raised by the applicant. Mr. Bedrian does not identify Mr. Beney as a potential witness whose evidence will be required in the proceeding.

[40] Based on the record before the court, I do not find that there is a current situation, obligation or duty of counsel that creates a conflict of interest requiring the removal of Mr. Beney and Pavey Law. Mr. Bedrian has not established that there is any real or actual injury that will occur if Mr. Beney and Pavey Law are not removed as the lawyer of record for S.V.S.

DISPOSITION

[41] For all of the foregoing reasons, I find that there is no justification to order the removal of Mr. Beney and Pavey Law as the lawyer of record in this litigation for S.V.S. or for any of the respondents. The applicant’s removal motion is dismissed.

COSTS

[42] I would urge the parties to agree on costs. If they are unable to do so, then costs submissions may be made as follows and submitted to the Sopinka Judicial Assistants to my attention:

- (a) By March 18th, 2026, the responding parties shall serve and file their written costs submissions, not to exceed three pages, double-spaced, together with a draft bill of costs and copies of any pertinent offers; and
- (b) The applicant shall serve and file his responding costs submissions of no more than three pages, double-spaced, together with a draft bill of costs and copies of any pertinent offers, by April 1st, 2026; and
- (c) The responding parties’ reply submissions, if any, are to be served and filed by April 8th, 2026 and are not to exceed two pages.

(d) If no submissions are received by April 8th, 2026, the parties will be deemed to have resolved the issue of the costs and costs will not be determined by me.

[43] If the parties are able to settle the question of costs or if a party does not intend to deliver submissions, they are requested to advise the court accordingly.

MacNEIL J.

Released: March 4, 2026