

Court of King's Bench of Alberta

Citation: Edmonton (Hakka Tsung Tsin Association) v Demei, 2025 ABKB 80

Date: 20250305
Docket: 2303 02123
Registry: Edmonton

2025 ABKB 80 (CanLII)

Between:

Hakka Tsung Tsin Association of Edmonton

Plaintiff/Defendant by Counterclaim

- and -

Liao Demei, Aka Liao De Mei

Defendant/Plaintiff by Counterclaim

Corrected judgment: A corrigendum was issued on March 5, 2025; the corrections have been made to the text and the corrigendum is appended to this judgment.

**Reasons for Decision
of the
Honourable Justice Kelsey L. Becker Brookes**

I. Background

[1] This matter was heard as a Special Chambers application and involved two competing cross-applications by the Plaintiff (Defendant by Counterclaim) Hakka Tsung Tsin Association (“Hakka”) and the Defendant (Plaintiff by Counterclaim) Liao Demei (“Liao”).

[2] Hakka seeks summary judgment in the amount of \$17,585.48 for legal fees incurred in respect of the election challenge, summary dismissal of the Summary Judgment Application brought by Liao and solicitor-client costs.

[3] Liao seeks dismissal of Hakka's claim for damages under the *Freedom to Care Act*, SA 2021, c F-25.4, a declaration Hakka's claim is an abuse of process, an order setting aside the termination of her and her husband's memberships with Hakka and reinstating them as members, reimbursement of the \$3,500 in costs enforced against Liao after the election challenge, summary judgment in the amount of \$15,000 in general damages for mental anguish and suffering and solicitor-client costs.

II. Facts

[4] In *Hon v Liao*, 2022 ABQB 43, Leonard J. set out the background facts as follows:

[11] The Hakka Tsung Tsin Association of Edmonton is a voluntary association registered pursuant to the *Societies Act*, RSA 2000, c S-14. The Association is subject to a set of bylaws that contain requirements for membership, governance, and elections. The bylaws articulate the purpose of the Association as follows:

The Association is a non-profit organization to promote friendship, unity and welfare of members. The organization upholds the values of peace and democracy and to [sic] promote Chinese culture.

[12] The Association's leadership is comprised of two boards: the Executive Board of Directors and the Supervisory Board of Directors (collectively, the Boards). The Executive Board consists of the positions of president (who also serves as chairman), vice president, secretary, treasurer, and various other positions responsible for organizing the Association's activities. Other than the president, each position is filled by at least two people. The Supervisory Board is responsible for monitoring the Executive Board of Directors and consists of a chairman, vice-chairman and auditing supervisor.

[13] There are three different categories of membership outlined in the bylaws: basic, associate, and honorary. All prospective members must apply and be approved by the Executive Board to become a member.

[14] The Association requires members to pay dues as determined by the Boards.

[15] In addition to membership dues, the Association funds its operation through participation in the Alberta Gaming, Liquor & Cannabis charitable gaming program (the AGLC Program). The basic eligibility standards required for groups to participate in the AGLC Program require the group to have 75% or more of its executive democratically chosen from its volunteer base. Up to 25% of its executive can be appointed by an external entity.

[16] According to the Applicants, as of March 2020, the Association had approximately \$100,000 of savings in its multiple bank accounts.

[17] Members are able to participate in programming run by the Association, as well as vote in elections and be elected to the Boards. Membership in the Association is contingent upon upholding the bylaws:

(11) A member who violates any of the bylaws of the Association and damages its reputation, may have his membership revoked in an Executive Board meeting by majority vote.

[5] Liao was the president of Hakka from 2018 to 2020. In 2020, at the end of her first two-year term as president, Liao conducted an election where she was again elected president (the “2020 election”).

[6] Several Hakka members believed the 2020 election was not conducted in accordance with the bylaws and Hakka’s then legal counsel, Cory Chan, wrote a letter to Liao on June 5, 2020, indicating that a new election should be conducted. Liao did not conduct a new election.

[7] Tham Fatt (“Hon”) and Hung Phuc Hon Ly (“Ly”), two Hakka members, filed an Originating Application challenging the validity of the 2020 election (the “2020 election challenge”) and seeking an injunction enjoining Liao and Hakka from using any of Hakka’s funds for the payment of legal fees incurred by Liao or Hakka in respect of the Application, or, alternatively, an order that Liao indemnify Hakka for any amounts expended by Hakka to defend the 2020 election challenge.

[8] Liao retained Queck & Associates (“Queck”) to defend Liao and Hakka in the 2020 election challenge. Between March 2021 and January 13, 2022, Queck billed Liao and Hakka \$17,585.48 to defend the 2020 election challenge, and Liao used Hakka’s funds to pay the legal fees.

[9] Leonard J. found the 2020 election was invalid because it was an election of the president, as opposed to an election of the Executive Board of Directors and the Supervisory Board of Directors, who would, in turn, elect the president. Liao was prohibited from holding herself out as president and a new election was ordered to be held in February of 2022.

[10] Specifically, Leonard J. concluded as follows at paras 58, 65 and 66:

[58] The Applicants argue that the bylaws require an election of Executive and Supervisory Board members. The candidate with the most votes becomes the coordinator of the Executive Board. The coordinator then calls a meeting where the newly elected members of the Boards are appointed to their various responsibilities as officers (including the office of the president). I agree that this is how the Election should have been run, as described in Chapter 4 of the bylaws:

Chapter 4 - Election

(1) The Term of the Executive Board of Director is two years, and it is formed by voting through secret ballots.

(2) When the two-year term expires, a Director may self-nominate or be nominated to participate in the election.

(3) The candidate\s [sic] receiving the highest votes shall be the coordinator of the current Executive Board and shall call an

Executive Board Meeting in fifteen days to hold a meeting to select officers.

...

[65] I find that the Respondent's assertion that this was not a direct election of the president is not supported on the facts. The language of the ballot and the results announcement, combined with Ms. Liao's evidence that she "was elected by a decisive majority of the voting members (60 out of 70)" supports the finding that the Election was conducted for the purpose of directly electing the Association's president.

[66] I find that the electoral method used in March 2020 violated the Association's bylaws. Further, this process breached the proprietary rights of the Association's members by removing their ability to select who manages the assets of the Association. It also jeopardized the Association's eligibility to participate in the AGLC Program, which requires that 75% of the Association's executive be democratically chosen from its volunteer base.

[11] On February 4, 2022, the parties sought clarification from Leonard J. with respect to the interim board and the 2022 election. She clarified that only the 16th Supervisory Board was reinstated (and only for the purpose of conducting the 2022 election) and noted the respondents "have frustrated the attempts of the 16th Supervisory Board to proceed with the election".

[12] The parties needed to reattend before Leonard J. a third time on February 22, 2022, for further direction with respect to the 2022 election.

[13] In March of 2022, a new election was held, and Hon was elected president.

[14] In this action, Hakka filed a Statement of Claim alleging, among other things, that Liao removed and retained Hakka property and made a number of inappropriate payments and expenditures as president.

[15] On April 8, 2021, Hakka made an application for an injunction to prevent Liao from using Hakka funds to pay Queck to defend Liao and Hakka in the 2020 election challenge. The application was refused by Richardson J., but she made no finding on the appropriateness of Liao using Hakka's funds to defend the 2020 election challenge.

[16] On June 5, 2023, Michalyshyn J. issued his decision on a review hearing to determine who exactly Queck's client was during the 2020 election challenge. He concluded Hakka was Queck's client up to January 13, 2022, and Liao retained Queck in her capacity as president (as opposed to her personal capacity). Michalyshyn J. also found Liao's actions as president between 2020 and 2022 were not nullified by Leonard J.'s decision.

[17] On April 2, 2022, the recently elected Executive Board voted by majority vote to revoke the memberships of Liao and her husband, although the minutes do not list their names, referring only to "certain members who violated the association bylaws and as a result of the court case".

[18] It is conceded by Hakka that no notice was provided to Liao in advance of the meeting that the termination of her membership would be considered at the meeting, and she was given no opportunity to be heard by the Executive Board. On June 6, 2022, a letter was sent to Liao, informing her that her membership had been revoked. I saw no evidence Liao's husband's membership was revoked.

III. Issues

[19] I have identified the following issues for determination:

- (a) Has the issue of Liao's obligation with respect to the Queck legal fees to defend the 2020 election challenge already been decided?
- (b) If not, was it a breach of Liao's common law duty of care or fiduciary duty to retain Queck to defend both Hakka and Liao from the 2020 election challenge and to use Hakka's funds to pay Queck, so as to entitle Hakka to recover damages equal to the legal fees from Liao?
- (c) If so, does the *Freedom to Care Act* insulate Liao from liability?
- (d) Was the termination of Liao and her husband's membership a breach of fair process? If so, what is the appropriate remedy?
- (e) Is Liao entitled to damages for mental anguish and suffering?

IV. Summary Judgment

[20] These are cross-applications for summary judgment/summary dismissal.

[21] Summary judgment is the appropriate procedure where there is no genuine issue requiring a trial and the judge can reach a fair and just determination on the merits on a motion for summary judgment. This will be the case when the process (1) allows the judge to make the necessary findings of fact, (2) allows the judge to apply the law to the facts, and (3) is a proportionate, more expeditious and less expensive means to achieve a just result: *Hryniak v Mauldin*, 2014 SCC 7 at para 49; *Weir-Jones Technical Services Incorporated v Purolator Courier Ltd*, 2019 ABCA 49 at para 21.

[22] I am satisfied summary judgment is the appropriate procedure to determine the cross-applications because the affidavit evidence filed in support of the cross-applications, along with the factual findings in previous proceedings, are sufficient to enable me to apply the law to the facts in the summary proceeding which is procedure proportionate to the nature and complexity of the issues raised, as well as being more expeditious and less expensive than the alternatives.

V. Abuse of Process

[23] Has the issue of Liao's obligation with respect to the Queck legal fees to defend the 2020 election challenge already been decided? It is Liao's position this action is continuation of the 2020 election challenge, and the issue of indemnity could have been pursued there. It is Hakka's position the remedies sought in this application were not available in the 2020 election challenge.

[24] In her Order, Leonard J. stated, "AND UPON declining to make any findings with respect to [Liao's] liability to indemnify [Hakka] for the legal fees it has paid with respect to this action".

[25] Liability to indemnify Hakka for the legal fees it paid Queck to defend the 2020 election challenge was specifically not addressed by Leonard J. in the 2020 election challenge action and remains a live issue. No decision was made without respect to Liao's liability to indemnify. This is a circumstance where an issue is being relitigated which was previously decided with finality.

[26] In any event, Hakka's claim in this action is not to be indemnified in respect of the legal fees paid to Queck to defend the 2020 election challenge. Hakka's claim in this action is for damages for breach of Liao's common law duty of care and fiduciary duty to Hakka as president in an amount equal to the legal fees paid to Queck.

[27] Therefore, I am satisfied Liao's obligation with respect to the Queck legal fees to defend the 2020 election challenge has not already been decided and is not an abuse of process.

VI. Breach of Duty of Care and Fiduciary Duty

[28] Was it a breach of Liao's common law duty of care or fiduciary duty to retain Queck to defend both Hakka and Liao from the 2020 election challenge and to use Hakka's funds to pay Queck?

[29] The *Societies Act* does not address the fiduciary duty and duty of care that a director owes to a society. The fiduciary duty that a director owes to a society comes from the common law.

[30] Directors and officers of a society must act with honesty and good faith in the best interests of the society (duty of loyalty) and exercise a level of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances (duty of care): Non-Profit Corporations, Alberta Law Reform Institute report for Discussion 26, February 2015 at para 119.

[31] Decisions made by a director or officer are not required to be perfect or correct, provided they acted with the honest belief that the decision being taken was in the best interests of the society. The duty of loyalty includes not using their powers for an improper motive, not abusing their positions for personal benefit and avoiding conflicts of interest: Non-Profit Corporations, Alberta Law Reform Institute report for Discussion 26, February 2015 at paras 120 and 122.

[32] Liao breached her duty of loyalty to Hakka in retaining Queck to defend both her and Hakka in the 2020 election challenge because she ought to have recognized the potential for conflict in their respective positions. Paragraphs 12 and 20 in the Originating Application in the 2020 election challenge would have put Liao on notice that her and the Association's interests in the Application were not necessarily aligned.

[33] Hakka's interest was ensuring the 2020 election carried out in accordance with its bylaws. Liao's interest was in defending the 2020 election and keeping her position as president. In those circumstances, it was not reasonable to assume Hakka's best interests lay in defending the 2020 election challenge, and retaining Queck to defend the 2020 election challenge on behalf of both Hakka and Liao was a clear personal benefit to Liao.

[34] At best, Liao failed to investigate Hakka and her own respective positions to determine if there was a conflict of interest. At worst, she simply put her own interests ahead of Hakka's.

[35] I am not satisfied the evidence shows the decision to retain Queck on behalf of Liao and Hakka was not made by Liao. Regardless, in my view, it does not make a difference if the decision to retain Queck on behalf of Liao and Hakka was one made by Liao as president unilaterally or with the support of other members of the Executive Board, because she played a central role in the decision, to the extent she executed the retainer agreement on behalf of Hakka as President.

[36] As President, Liao had an obligation to act in Hakka's best interests and to avoid an actual or potential conflict of interest, and I was provided with no evidence showing the issue was raised by Liao or addressed by either of the boards. Nor was I provided with any evidence proving she was authorized to retain Queck as she did, such as meeting minutes or resolutions.

[37] Counsel for Hakka relies on s 17(2) of the *Societies Act*, which provides, "The funds and property of the society shall be used and dealt with for its legitimate objects only and in accordance with its bylaws." Because I am not satisfied Liao's use of Hakka's funds to defend Hakka in the 2020 election challenge was not, in some way, in furtherance of Hakka's legitimate objects, I find Liao did not breach s 17(2) of the *Societies Act*. While Hakka's position with respect to the 2020 election may not have been entirely in line with Liao's, Hakka did have an interest in having the 2020 election challenge resolved, if only to ensure properly elected boards and provide certainty to its members.

[38] Counsel for Liao relies on s 21 of the *Societies Act*, which provides "No member of a society is, in the member's individual capacity, liable for a debt or liability of the society." This section is not applicable in this case because Hakka's claim is not to be indemnified in respect of the legal fees paid to Queck to defend the 2020 election challenge but for damages for breach of Liao's common law duty of care and fiduciary duty to Hakka as president in an amount equal to the legal fees paid to Queck.

[39] Hakka seeks damages for Liao's breach of fiduciary duty and duty of care equal to the legal fees Hakka paid to Queck to defend the 2020 election, which, of course, also benefitted Liao. Having concluded Hakka had an interest in having the 2020 election challenge resolved to ensure properly elected boards and certainty for its members, I am not prepared to award damages equal to \$17,585.48.

[40] Recognizing Hakka received some benefit from the legal representation of Queck in the 2020 election challenge, but that the legal fees represented a greater benefit to Liao, at Hakka's expense, I award damages in the amount of \$10,000 to Hakka for Liao's breach of fiduciary duty.

VII. *Freedom to Care Act*

[41] Does the *Freedom to Care Act* insulate Liao from liability?

[42] Liao relies on s 3 of the *Freedom to Care Act* to insulate her from liability, arguing Liao was acting within the scope of her responsibilities and was not grossly negligent. Hakka's position is that s 3 of the *Freedom to Care Act* does not apply in the circumstances.

[43] The *Freedom to Care Act*, SA 2021, c F-25.4, is relatively new legislation with no published judicial consideration. The relevant portions of s 3 provide as follows (emphasis added):

Limitations on liability

3(1) Notwithstanding any enactment, and subject to subsections (2) and (5), no volunteer is liable for damage caused by an act or omission of the volunteer on behalf of the organization or the Crown, as the case may be, if

(a) the volunteer was acting within the scope of the volunteer's responsibilities in the non profit organization or the Crown, as the case may be, at the time of the act or omission, and

(b) the volunteer was properly licensed, certified or authorized, if required by law, by the appropriate authorities for the activities or practice undertaken by the volunteer at the time the damage occurred.

(2) The limitations on the liability of a volunteer under subsection (1) do not apply if

(a) the damage was caused by wilful, reckless or criminal misconduct or gross negligence by the volunteer,

(b) the damage was caused by the volunteer while operating a motor vehicle, vessel, aircraft or other vehicle for which the owner is required by law to maintain insurance,

(c) the act or omission that caused the damage constitutes an offence, or

(d) the volunteer was unlawfully using or impaired by alcohol or drugs at the time of the act or omission that caused the damage.

[44] In other words, a volunteer who was acting within the scope of the volunteer's responsibilities in the non-profit organization will only be liable for damage caused by an act or omission of the volunteer on behalf of the organization if the damage was caused by wilful, reckless or criminal misconduct or gross negligence by the volunteer. Section 3(1)(b) does not apply here.

[45] Having concluded Liao's actions were in breach of her duty of loyalty to Hakka, I am unable to conclude Liao was acting within the scope of her responsibilities as president of Hakka. Actions taken in breach of a director or officer's common law duty of care and fiduciary duty to an organization are the antithesis of acting within the scope of their responsibilities.

[46] This is not a situation where the court is second-guessing a decision made by a volunteer which turned out to be a mistake or poor decision and caused the organization to suffer damage (such as conducting an invalid election); that is not the role of the court. The issue is Liao not putting Hakka's interests above her own.

[47] Section 3 of the *Freedom to Care Act* does not insulate Liao from liability.

[48] If I am incorrect and Liao was acting within the scope of her responsibilities as President, then I find she loses the protection afforded by s 3 of the *Freedom to Care Act* because her actions in retaining Queck and using Hakka's funds to pay Queck was either deliberately done in the face of an actual or potential conflict of interest or reckless, knowing the Applicant's view that she bore all responsibility for any issues with respect to the validity of the 2020 election.

[49] Therefore, s 4 of the *Freedom to Care Act* with respect to costs does not apply here.

VIII. Termination of Membership

[50] Was the termination of Liao and her husband's membership a breach of fair process?

[51] Liao's position is that she and her husband were not afforded fair process as they were given no notice their membership was to be considered at the meeting on April 2, 2022, and not afforded the right to a fair hearing.

[52] Clause 1(11) of the Hakka bylaws provides as follows:

A member who violates any of the bylaws of the Association and damages its reputation, may have his membership revoked in an Executive Board meeting by majority vote.

[53] In *Barrie v Royal Colwood Golf Club*, 2001 BCSC 1181, the Court considered the requirements of procedural fairness in the context of disciplinary proceedings of social clubs as follows (emphasis added):

[61] In social clubs, goodwill among the members is important and the opportunity for cordial relations among members is a primary reason for these clubs' existence. Therefore the courts have imposed a less rigorous "fair play" or "good faith" standard of the review of clubs' disciplinary proceedings, as reflected in *Labouchere v Earl of Wharncliffe* [1879] 13 Ch. D. 346 at 352 per Jessel M.R.:

The judgement of a committee, with the facts of a case fully before them, might be right or it might be wrong. With that the court had nothing to do. If, having given the accused fair notice, and made due inquiry, the committee came to the conclusion that the conduct of one of the members of the club was injurious to its welfare and interests, no judicial tribunal could interfere with any consequences which might arise from an opinion thus fairly formed.

[62] In *Lee v Showmen's Guild*, Lord Denning drew a distinction between social clubs and unions with a power over a member's livelihood:

In the case of social clubs the rules usually empower the committee to expel a member who, in their opinion, has been guilty of conduct detrimental to the club, and this is a matter of opinion and nothing else. The courts have no wish to sit on appeal from their decisions on such a matter any more than from the decisions of a family conference. They have nothing to do with social rights or social duties. On any expulsion they will see that there is fair play. They will see that the man has notice of the charge and a reasonable opportunity of being heard. They will see that the committee observe the procedure laid down by the rules, but will not otherwise interfere.

...

[63] In short, the courts are reluctant to reinstate a member of a social club when other members have decided that member has acted in a manner unbecoming a member, for the obvious reason that a club must be collegial. The consequences of the remedy sought under s 85 of the *Society Act* for the Club, as well as for Mr.

Barrie, must be weighed by the court under s 85(2) to determine whether the discretionary remedy of reinstatement should be granted.

[64] A second reason the courts impose a less rigorous standard of procedural fairness on the disciplinary proceedings of social clubs is the likely futility of imposing too high a standard.

[65] Here, counsel for Mr. Barrie properly acknowledged that if Mr. Barrie were reinstated by the court the board could reconsider its decision and expel him again, after another hearing, for his conduct in relation to the trespasses. In light of that acknowledgement, I conclude that granting Mr. Barrie the reinstatement he seeks really amounts to granting him a further hearing by the board.

[66] This court's jurisdiction to review the decisions of domestic tribunals like the Club's board is a superintending one. That jurisdiction is exercised to ensure the board's proceeding affords a degree of procedural fairness. But if the court specifies a "fairer" procedure on judicial review and the board on a reconsideration of Mr. Barrie's case then follows the procedure, will the consequence be anything other than additional expense to the parties in reaching the same ultimate result of expulsion?

[54] I agree with the conclusion in *Barrie*. It is not the Court's role to reconsider the decision to expel a member of a social club. The Court's role is to ensure there was fair play, which includes having notice of the charge and being afforded a reasonable opportunity to be heard. While these procedures are not laid out in the bylaws, they are imposed by the common law.

[55] It is conceded Hakka did not notify Liao that her and her husband's membership would be considered by the Executive Board at the April 2, 2022, meeting and she was not given the opportunity to present her position. These are fundamental requirements of fair play. In the context of disciplinary proceedings, social organizations are required to act in good faith and treat their members fairly because of the significant role those social organizations play in the lives of their members and the communities they represent.

[56] Therefore, I find Hakka did not follow fair procedure in terminating Liao's membership.

[57] Having concluded the termination of Liao's membership was a breach of fair process, what is the appropriate remedy? Liao seeks to be reinstated. Hakka's position is that reinstatement would be futile, that the outcome of the hearing was unavoidable.

[58] In *Brun v Deep Cove Yacht & Sport Club*, 2019 BCSC 1409, the Court said the following with respect to reinstatement in a similar context:

[46] Even where a society fails to comply with its by-laws and does not extend procedural fairness to a member whose expulsion is being voted upon, the court will not necessarily grant an order requiring reinstatement or reconsideration of the decision. Such remedies may be refused where they may be futile, i.e., reconsideration would lead to the same result, or where the practical effect of reinstatement would significantly challenge the continued operation of the club.

[59] Presumably, if given the opportunity, Liao would have explained to the Executive Board why the 2020 election challenge and her subsequent actions in attempting to block a new

election should not lead to her membership being terminated. It is not the Court's role to weigh in on this.

[60] But I do not accept that reinstatement is not appropriate because the outcome was inevitable or unavoidable. That conclusion is antithetical to the principles of a fair hearing, including the right to be heard. Liao had a right to notice and a right to be heard regardless of the outcome and Hakka was required to follow its bylaws with respect to the underlying rationale for termination. I have heard no evidence reinstatement would in any way challenge the continued operations of Hakka.

[61] The termination of Liao's Hakka membership is set aside and, upon payment of the required membership fees under the bylaws, she will be reinstated as a member.

[62] I make no finding with respect to Liao's husband as he was not a Plaintiff by Counterclaim in this action, however I recognize the same process was followed for him.

IX. Costs in 2020 Election Challenge

[63] Liao seeks reimbursement of \$3,500 in costs, which were awarded to Hon and Ly in the 2020 election challenge. While Liao and Hakka were both Respondents in that action, Hon and Ly only pursued Liao for the costs. That is their prerogative. Hakka and Liao were jointly and severally liable for the costs and Hon and Ly were entitled to enforce against either party as they saw fit.

[64] This claim is dismissed.

X. Damages for Mental Anguish and Suffering

[65] Is Liao entitled to damages for mental anguish and suffering? Liao claims \$15,000 in general damages for mental anguish and suffering.

[66] In *Cameron v Maritime Barrel Racing Association*, 2011 NSSC 93, the Court considered previous decisions where damages were awarded in the context of a wrongful expulsion from a social club:

[30] The plaintiff has referred to several decisions where a member of a private association was awarded damages for wrongful expulsion from the association, where the expulsion damaged his reputation. In *Sol Sante Club v Grenier*, 2006 BCSC 1804, the defendant was a probationary member of a nudist club whose membership was revoked. The club sought an injunction to prevent the defendant from exercising ownership interest in the cabin on its land. The defendant counter-claimed for reinstatement and damages for wrongful expulsion. The Court ordered reinstatement of his membership, as well as compensation for the reputational damage he suffered as a result of the club's revocation of his probationary membership. At para 58, the Court observed that the plaintiff had "proven that the effects of the wrongful expulsion have caused or contributed to the damage to his reputation and to his prospects at the Club, including being certified and being able to purchase the ... cabin."

[31] The plaintiff also cites *Senex v Chambre D'Immeuble de Montreal*, 1980 CanLII 222 (SCC), [1980] 2 S.C.R. 555, for the proposition that damages

may be awarded for the wrongful expulsion of a member from a private Association. In that case, which arose in the civil law context, the Supreme Court of Canada compared the benefits and obligations of the club's by-laws to a contractual relationship between the member and the club. In reaching its conclusion that such an analogy was appropriate, the Court cited common law decisions where damages were awarded for breach of contract where a member was expelled in a manner not in accordance with club rules. Thus, it appears theoretically possible to claim for breach of contract upon wrongful expulsion from a private club.

[67] While I accept it is possible to claim damages for breach of contract upon wrongful expulsion from a private club, I am not convinced an award of damages for Liao's termination of membership in Hakka is appropriate in the circumstances of this case. The 2020 election challenge and its outcome were public information and well known within the Hakka community.

[68] If Liao suffered mental anguish and suffering, I am unable to conclude the cause was the termination of her membership in Hakka and not because of her role in the 2020 election, which was found to be not in compliance with the bylaws and invalid, and her subsequent actions to frustrate Hakka from conducting a new election in 2022.

[69] To award Liao damages for breach of contract in terminating her membership, there needs to exist a nexus between the breach of contract and the damages, which has not been demonstrated in this case. This claim is dismissed.

XI. Conclusion

[70] Hakka is awarded damages for Liao's breach of her fiduciary duty to Hakka as president in the amount of \$10,000.

[71] The termination of Liao's Hakka membership is set aside and, upon payment of the required membership fees under the bylaws, she will be reinstated as a member. No order is made with respect to her husband.

[72] Liao's application for reimbursement of the \$3,500 costs in the 2020 election challenge, and damages for mental anguish and suffering is dismissed.

XII. Costs

[73] As each party was partially successful, each party shall bear their own costs.

Heard on the 23rd day of January, 2025.

Dated at the City of Edmonton, Alberta this 5th day of March, 2025.

Kelsey L. Becker Brookes
J.C.K.B.A.

Appearances:

Daniel England
Mosaico Law
for the Plaintiff/Defendant by Counterclaim

Monica Wang
Verhaeghe Law
for the Defendant/Plaintiff by Counterclaim

**Corrigendum of the Reasons for Decision
of
The Honourable Justice Kelsey L. Becker Brookes**

Amendments (additions) have been made to para 25:

[...] No decision was made with respect to Liao's liability to indemnify. This is not a circumstance where an issue is being relitigated which was previously decided with finality.