



What Can Happen When Board Members Disagree

By Barbara Holmes on January 27, 2011

The headline of a recent article published in Canadian Legal Newswire reported "A law school star blocked from joining the profession is now appealing a Law Society of Upper Canada panel decision that found he wasn't of good character". The Law Society Hearing Panel came to this conclusion on the basis of the applicant's behaviour while a board member of a condominium corporation.

What started as a dispute among board members over the amount of a proposed increase in condo fees escalated into an extremely unpleasant situation. Four of the board members were in favour of a 12% increase, which the applicant vehemently opposed.



This prompted the applicant to engage in an aggressive, intimidating and threatening course of conduct. As reported in the written decision of the Law Society Hearing Panel (which decision is under appeal by the applicant), the applicant threatened to sue the other board members for defamation after he was removed as President of the condo corporation and a notice of his removal was posted; circulated a letter (under a false name) on some floors within the building that falsely stated that some of the board members had previously gone bankrupt, had criminal convictions and were accepting bribes and free meals from the developer of the condominium to settle deficiencies with the developer; made a derogatory remark about some of the residents based on their ethnicity; threatened to report some of the directors to US/Canada border officials, falsely alleging that they were drug smugglers; threatened both the corporation's property manager and security services firm that their contracts with the condo corporation would be in jeopardy if they did not provide a character letter to the applicant.

It is hard to believe that all of this developed out of a disagreement as to the amount of an increase in the condo fees. What happened in this case emphasizes how important it is for condo corporations to have both a directors and owners code of ethics in place that states what is proper behaviour and what kind of behaviour is not acceptable and to maintain a zero tolerance policy with respect to breaches of those codes. It is essential that everyone complies with those codes and in the event of a disagreement, everyone must act in a fair and respectful manner. Living in a condominium involves communal living where the will of the majority prevails and compromises are frequently required. Rude comments, unsubstantiated accusations, insults and fear mongering will hamper the directors from operating the condominium in a business-like fashion that is in the best interests of the majority of the residents.

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