



# Civil Resolution Tribunal

Date Issued: November 7, 2022

File: CS-2022-000850

Type: Societies and Cooperatives

Civil Resolution Tribunal

Indexed as: *Scott v. Western Community Seniors Low Cost Housing Society, 2022*  
BCCRT 1220

B E T W E E N :

NORM SCOTT

**APPLICANT**

A N D :

WESTERN COMMUNITY SENIORS LOW COST HOUSING SOCIETY

**RESPONDENT**

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## REASONS FOR DECISION

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Tribunal Member:

Kate Campbell, Vice Chair

## INTRODUCTION

1. This dispute is about bylaw amendments under the *Societies Act* (SA).
2. The respondent, Western Community Seniors Low Cost Housing Society (society), is a society incorporated under the SA.

3. The applicant, Norm Scott, says they are a member of the society, and is also a current member and president of the Royal Canadian Legion Prince Edward Branch #91 (Legion). Mr. Scott says:
  - The Legion found the society in 2004-2005, in order to manage a non-profit seniors housing lodge.
  - Initially the society's bylaws required that all society members also be Legion members.
  - At a "secret" meeting in 2018-2019, the society's board of directors changed the bylaws to remove the legion membership requirement.
  - This bylaw change was done without due process, without a special general meeting (SGM), and without notice to all society members or notice to the Legion.
4. As remedy in this dispute, Mr. Scott requests an order that the society revert to the previous bylaws which included a requirement of Legion membership for society members.
5. The society disputes Mr. Scott's claims, and also disputes Mr. Scott's account of when, how and why the society was formed. The society says it changed its bylaws in 2018. It says the changes were "legislated and drafted" by its lawyer in order to comply with 2018 changes to the SA.
6. Mr. Scott is self-represented in this dispute. The society is represented by JR, whom I infer is a director.

## **JURISDICTION AND PROCEDURE**

7. These are the formal written reasons of the Civil Resolution Tribunal (CRT). The CRT has jurisdiction over certain society claims under section 129 of the *Civil Resolution Tribunal Act* (CRTA). The CRT's mandate is to provide dispute resolution services accessibly, quickly, economically, informally, and flexibly. The CRT must act fairly

and follow the law. It must also recognize any relationships between dispute parties that will likely continue after the CRT's process has ended.

8. The CRT has discretion to decide the format of the hearing, including in writing, by telephone, videoconferencing, email or a combination of these. I am satisfied an oral hearing is not required as I can fairly decide the dispute based on the evidence and submissions provided.
9. The CRT may accept as evidence information that it considers relevant, necessary and appropriate, whether or not the information would be admissible in court. The CRT may also ask the parties and witnesses questions and inform itself in any way it considers appropriate.
10. Under section 131 of the CRTA and the CRT rules, in resolving this dispute the CRT may order a party to do or stop doing something, order a party to pay money, or order any other terms or conditions the CRT considers appropriate.

### ***Jurisdiction Over Lease***

11. The parties provided extensive evidence and submissions about a lease agreement between the Legion and the society, and the pending renewal of that lease. In this dispute, there is no requested remedy about the lease. Also, CRTA section 129(1) says the CRT's jurisdiction over societies disputes extends only to claims in respect of the SA. The lease is not a claim in respect of the SA. Instead, it is a contract between the parties that does not arise under the SA, and is not governed by the SA. For these reasons, I make no findings or orders about the lease in this decision.

### ***Mr. Scott's Membership Status***

12. SA section 109.2 says a society or a member of a society may request that the CRT resolve a society claim. Mr. Scott says they are a society member, and the society did not dispute this or provide evidence to the contrary. So, for the purposes of this dispute, I find Mr. Scott is a member with standing to file this dispute under SA section 109.2.

## **ISSUES**

13. The issues in this dispute are:
- a. Were the society's 2018 bylaw amendments valid?
  - b. If no, what remedy is appropriate?

## **BACKGROUND FACTS**

14. In a civil claim like this one, Mr. Scott, as applicant, must prove his claims on a balance of probabilities (meaning "more likely than not"). I have read all the parties' evidence and submissions, but below I only refer to what is necessary to explain my decision.
15. As noted above, the parties disagree about when, how, and why the society was formed. Mr. Scott says the society was formed in 2004-2005. However, the BC Society Summary in evidence confirms that the society was formed and has been active since 1986. There is some evidence that the society was amalgamated with another society, WSCVSHS, in 2016, and that WSCVSSHs was formed in 2004. In any event, I make no findings about the society's history or purpose in this decision, since I find it is unnecessary to do so in order to decide the issue before me about the validity of the current society's bylaw amendments.
16. Documents from the BC Registrar of Companies (registrar) show that the society filed a complete set of amended bylaws on November 27, 2018 and again on January 28, 2019. Upon review, I find that these 2 sets of bylaws are largely the same, but there are some minor differences. It is not clear from the evidence before me why the society filed 2 sets of bylaws within 2 months. I note that the January 28, 2019 bylaw package includes a bylaw alteration application.
17. SA section 17(1) says a society may alter its bylaws by filing a bylaw alteration application with the registrar.

18. SA section 17(2) says a society must not submit a bylaw alteration application to the registrar unless the proposed alteration has been authorized by special resolution.
19. “Special resolution” is defined in SA section 1(1) any of the following:
- (a) a resolution passed at a general meeting by at least 2/3 of the votes cast by the voting members, whether cast personally or by proxy;
  - (b) a resolution consented to in writing by all of the voting members;
  - (c) if the bylaws authorize indirect or delegate voting or voting by mail or another means of communication, including by fax, email or other electronic means, a resolution passed by at least 2/3 of the votes cast, in accordance with the bylaws, on the resolution;
20. Mr. Scott says the society did not follow due process and get membership authorization for its 2018 and 2019 bylaw amendments. Based on the evidence before me, I agree. Mr. Scott’s allegation was clearly raised in the Dispute Notice, to which the society had ample opportunity to respond. The society is required under SA section 20(1)(j) to keep a copy of every special resolution. However, the society did not provide any evidence that it put a special resolution forward to obtain approval for bylaw amendments in 2018 or 2019, or that any special resolution was approved by any of the means listed above.
21. The society said in its Dispute Response Form that it changed its bylaws in order to comply with the new SA, which came into force in November 2016. All BC societies were required to transition to the new SA by November 2018. This transition process included a requirement to file copies of their constitution and bylaws in electronic format, and remove “unalterable provisions” from their constitutions. Societies that did not amend their bylaws during this transition process did not need to hold a meeting or pass any resolution before filing. However, societies that chose to amend their bylaws, even as part of the transition process, were required to obtain membership approval of the amendments through a special resolution.

22. I find the evidence before me proves that it is more likely than not that the society's 2018 and 2019 bylaw amendments were not authorized by a special resolution. For these reasons, I find they are invalid, and are of no force and effect.
23. Since the bylaws filed in November 2018 and January 2019 are invalid, I find that the society's bylaws are those that were in effect immediately before the first set of amendments were filed. This means the society's current bylaws are those that were in effect on November 25, 2018.
24. The CRT cannot make declaratory orders, so I cannot make an order declaring the 2018 and 2019 bylaw amendments invalid. However, under CRTA section 131(1), I can order the society to do something or refrain from doing something. So, I order the society to refrain from enforcing any of the 2018 or 2019 bylaw amendments, and instead follow the bylaws as they existed on November 25, 2018.
25. The society may amend its bylaws in future by following the process in SA section 17.

## **EXPENSES**

26. As Mr. Scott was successful in this dispute, under the CRTA and the CRT's rules I find Mr. Scott entitled to reimbursement of \$225 in CRT fees. Neither party claimed dispute-related expenses, so I order none.

## **ORDERS**

27. Effective immediately, I order the society to refrain from enforcing any of the 2018 or 2019 bylaw amendments, and instead follow the bylaws as they existed on November 25, 2018.
28. I order that within 30 days of this decision, the society must reimburse Mr. Scott \$225 for CRT fees.
29. Mr. Scott is entitled to post-judgment interest under the *Court Order Interest Act*, as applicable.

30. Under CRTA section 57, a validated copy of the CRT's order can be enforced through the British Columbia Supreme Court. Under CRTA section 58, the order can be enforced through the British Columbia Provincial Court if it is an order for financial compensation or return of personal property under \$35,000. Once filed, a CRT order has the same force and effect as an order of the court that it is filed in.

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Kate Campbell, Vice Chair