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## Cost Allocation Order Entitled to Deference: MBCA

In [Winnipeg Motor Express Inc. et al., Re](#), 2009 MBCA 110 the Court of Appeal denied leave to appeal an order allocating payment of court-ordered charges related to [Companies' Creditors Arrangement Act](#) proceedings among secured creditors of WME. The judge had accepted the monitor's recommendation to allocate the charges among the creditors based on *pro rata* recovery of the amounts of their claims, using actual or estimated recovery. Paccar, an equipment lessee who suffered a substantial loss compared to another secured creditor, argued that the other creditor should pay a larger share of the charges. The Court of Appeal rejected Paccar's argument that the application's judge erred in failing to give weight to the differences in security and to the benefits received. It found no reason to upset the judge's exercise of discretion.

## Family Business Succession Planning

Two recent *Law Times* articles, [Speaker's Corner: Frye ruling a recipe for litigation](#) and [Family shareholder fights highlight need for formal agreements](#), underline the need for clear shareholder agreements and transparent succession planning, especially for small, family-owned businesses. The latter article discusses a case of shareholder oppression which was settled for \$1 million after several years of messy legal wrangling amongst family members. The first article discusses the impact of the decision in *Frye v. Frye Estate*, 2008 ONCA 606, in which the appeal court upheld the transfer of shares in a family corporation by will, contrary to the terms of the letters patent and shareholders' agreement which required approval of the other shareholders. The court found that the shares clearly passed to the estate trustees under s.67(2) of the [Ontario Business Corporations Act](#) (similar to s.47(2) of the Manitoba [Corporations Act](#) and to s.51(2) of the [Canada Business Corporations Act](#)). The Supreme Court of Canada denied leave to appeal the decision last February, which the authors of the article suggest will spark attempts to draft around it and future lawsuits on this issue.

# New Municipal Conflict of Interest Legislation Passed

Bill 35, [\*The Municipal Conflict of Interest and Campaign Financing Act\*](#) was passed on October 8, 2009. Sections 1, 13, 14, 28, and 29 will come into force on December 1, 2009. The Act introduces new rules for municipal campaign finance and conflict of interest, including new requirements for public disclosure of council members' annual Statements of Assets and Interests and requirements for municipalities to adopt municipal employee codes of conduct with conflict of interest provisions. The [Municipal Law section](#) of the MBA is hosting a program on the new legislation with ADM Laurie Davidson and Lynne Nesbitt, Head of Policy and Legislation. The program takes place at 4:00 p.m. on December 2, 2009 in the main floor boardroom at 363 Broadway.

## Corporate Counsel Survey Results

The article [\*More Legal Work Going Inside\*](#) by Kelly Harris, summarizes the findings of *Canadian Lawyer's* annual corporate counsel survey. It concludes that while demand for corporate legal work will increase, most of the work will be done in-house due to cost constraints, a complicated and changing regulatory environment, and the need to develop inside expertise.

## Upcoming Law Society CPD Programs

[Time Mastery for Lawyers](#) is a downloadable teleseminar with Frank Sanitate and Douglas Gillies, presented in three modules November 30, December 7 and 14, 2009.

[When the Going Gets Tough - New Insolvency Regime to Help the Tough Get Going](#) - Moderator David Jackson and several insolvency practitioners will walk you through the long awaited amendments to the *Bankruptcy and Insolvency Act* and the *Companies' Creditors Arrangement Act*. The program takes place February 10, 2010 from 1:00 - 4:00 p.m. at the Law Society classroom.

## Bar Association Programs

The following section activities may be of interest to business lawyers:

[Practical pre-filing considerations in a CCAA](#), with speaker J.J. Burnell, Aikins, MacAulay & Thorvaldson LLP. This program will be held at 5:15 p.m. on November 26, 2009 at the offices of Fillmore Riley LLP.

[CRA Professional Forum](#) - The Winnipeg Tax Services Office of Canada Revenue Agency is hosting its second annual professional forum in conjunction with the Manitoba Taxation Division of the Province of Manitoba. The forum takes place on November 26, 2009 between 1:00 - 4:00 p.m. at the Fairmont Hotel.

[Security & Technology](#) - Speakers Colin McDonald and Michael Legary will identify and address business risks associated with IP and IT in organizations, including risk assessments and forensic investigations, on November 30, 2009 at 12:00 noon at the offices of Thompson Dorfman Sweatman LLP.

[Insights & Perspectives](#) - Bill Chornous, Vice-President, Investment Strategist of I.G. Investment Management Ltd. will provide his insights on the global markets and the economy at 12:15 p.m. on December 10, 2009 at Investors Group.

The [Environmental Law section](#) is presenting an update on environmental law, including an overview of the amendment package to Bill 29, on December 11, 2009 at 12:00 noon at 730-405 Broadway. Speakers include Sheryl Rosenberg (TDS LLP) and Charlotte Price from

Manitoba Conservation.

Contact the Manitoba Bar Association for further details or to register for any of these programs.

The Canadian Bar Association is repeating its online webconference on upcoming changes to legislation governing not-for-profit corporations. Register online for the December 15, 2009 session of [The New Canada Not-for-profit Corporations Law: What Will it Mean to Your Practice?](#).

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