

**SUPREME COURT OF NOVA SCOTIA**

**Citation:** *Duffney v. Hatt*, 2017 NSSC 182

**Date:** 20170630

**Docket:** Bridgewater No. 455961

**Registry:** Bridgewater

**Between:**

Natasha Ann Duffney

Applicant

v.

Leroy James Hatt and HATT REFRIGERATION  
SERVICES INC., a body corporate, incorporated under the  
laws of the Province of Nova Scotia

Respondent

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**LIBRARY HEADING**

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**Judge:** The Honourable Justice Mona M. Lynch

**Heard:** March 28, 2017 in Bridgewater, Nova Scotia

**Written Decision:** June 30, 2017

**Subject:** Common Law Property, Unjust Enrichment, Piercing the  
Corporate Veil

**Summary:** Parties lived together for fifteen years and had one child.  
Both contributed to the accumulation of assets and the  
corporation started during the relationship. All assets were in  
the male partner's name

**Issues:**

- (1) Has unjust enrichment been shown?
- (2) Were the parties involved in a joint family venture?
- (3) What is the appropriate remedy?
- (4) Should the corporate veil be pierced to make the male partner responsible for unpaid wages and reimbursement of expenses of the corporation

**Result:**

The male partner would be unjustly enriched if he was able to retain the assets in his name. The parties were involved in a joint family venture. A monetary award is not appropriate as it is unlikely to be realized. Female partner to retain the family home with a payment from the male partner to equalize the assets. Corporate veil not pierced.

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**Judge:** The Honourable Justice Mona M. Lynch

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**Written Decision:** June 30, 2017

**Counsel:** Kathryn Dumke, for the Applicant  
Terrance G. Sheppard, for the Respondent

**By the Court:****Background:**

[1] The applicant, Natasha Ann Duffney, and the respondent, Leroy James Hatt, started living together in the fall of 2000. The applicant moved into the home that was owned by the respondent at 124 Bridgeview Drive in Gold River, Nova Scotia. The respondent had owned the home since 1995. The parties have one child, born January 1, 2014.

[2] In 2005, a property at 1269 Beech Hill Road, Chester Basin was purchased in the name of Leroy Hatt. In October/November 2015, a property at 22 Bridgeview Drive, Gold River was purchased in the name of Leroy Hatt.

[3] The respondent, Hatt Refrigeration Services Inc., is a company incorporated in 2014. Hatt Refrigeration was incorporated by Leroy Hatt and he was the sole shareholder, director and officer. Hatt Refrigeration was a continuation of a company owned by a friend of Leroy Hatt's, Jerome Wilson. Jerome Wilson was having financial difficulties in 2014. Leroy Hatt and Jerome Wilson worked together in Hatt Refrigeration. Natasha Duffney was the office manger for Hatt Refrigeration and kept the books for the company. Hatt Refrigeration ceased business in 2016.

[4] The parties separated in 2015, but they disagree on the date of separation. Leroy Hatt says the date of separation was in April 2015. Natasha Duffney says the date of separation was in November 2015.

[5] On September 28, 2016, Natasha Duffney made an application in court seeking unjust enrichment, determination of contributions to assets, division of assets, damages for unpaid wages and damages for unpaid expense claims. On October 18, 2016, a notice of contest was filed by Leroy Hatt.

[6] The matter was heard on March 28, 29, 30, 2017. Further written submissions on piercing the corporate veil were received in April and May 2017.

**Issues:**

- [7] 1. **Has Leroy Hatt been unjustly enriched?**
2. **Was there a joint family venture?**
3. **What is the appropriate remedy?**
4. **Is Ms. Duffney owed unpaid wages and reimbursement for expenses from Hatt Refrigeration?**

**Preliminary Matters:**

[8] There are a number of preliminary matters to be determined before the merits of the application are considered. There are:

**a. Notice of Contest:**

[9] The notice of contest filed by the respondent is only in the name of Leroy Hatt. The notice of contest indicates that “Leroy James Hatt contests your application” but does not say that Hatt Refrigeration contests. The grounds of contest in the notice of contest do mention Hatt Refrigeration and counsel for Leroy Hatt and Hatt Refrigeration submits that the intent was for Hatt Refrigeration to contest. Also, counsel for Leroy Hatt and Hatt Refrigeration made a motion to be removed as counsel of record which was granted. When the “Notice of New Counsel” was filed, it only indicated that Leroy Hatt was represented, not Hatt Refrigeration. Again, counsel for the respondents indicates that this was an oversight. Counsel for Natasha Duffney did not argue that they were prejudiced in any way by the oversights in the documents, and there I will proceed on the basis that Hatt Refrigeration is contesting the application and is represented by the same counsel as Leroy Hatt.

**b. Decision of the Family Court:**

[10] The parties in this matter were heard in the Family Court on the issues concerning parenting, child support and spousal support. During the hearing of this matter, the decision of the Family Court was released. I asked counsel for both parties if they wanted me to read the Family Court decision. Counsel for Leroy Hatt and Hatt Refrigeration submitted that it had no relevance. Counsel for Natasha Duffney agreed. Counsel asked that I not read the decision and I agreed. However, in the subsequent submissions of counsel relating to piercing the corporate veil,

counsel for the respondents referred to the Family Court decision and attached it to the brief. I read the brief from counsel for the respondents and considered the quote referred to from the Family Court decision. However, I did not read the full decision, as that was the request of counsel on March 30, 2017.

**c. Credibility:**

[11] In **Nova Scotia (Community Services) v. KD**, 2016 NSSC 276, Justice Forgeron said at para. 30 and 31:

[30] In **Baker-Warren v. Denault**, 2009 NSSC 59, as approved in **Hurst v. Gill**, 2011 NSCA 100 at para. 16, this court reviewed guidelines associated with credibility assessment at paras 18 to 21 which reviews the law as follows:

- Credibility assessment is not a science. It is not always possible to "articulate with precision the complex intermingling of impressions that emerge after watching and listening to witnesses and attempting to reconcile the various versions of events:" **R. c. Gagnon**, 2006 SCC 17 (S.C.C.), para. 20. ... "[A]ssessing credibility is a difficult and delicate matter that does not always lend itself to precise and complete verbalization:" **R. v. M. (R.E.)**, 2008 SCC 51 (S.C.C.), para. 49.
- There is no principle of law that requires a trier of fact to believe or disbelieve a witness's testimony in its entirety: **Novak Estate, Re**, 2008 NSSC 283 (N.S.S.C.). On the contrary, a trier may believe none, part or all of a witness's evidence, and may attach different weight to different parts of a witness's evidence, **Novak Estate, Re**, *supra*, quoting **R. v. J.H.** *supra*.
- Questions which should be addressed when assessing credibility include:
  - a) What were the inconsistencies and weaknesses in the witness' evidence, which include internal inconsistencies, prior inconsistent statements, inconsistencies between the witness' testimony, and the documentary evidence, and the testimony of other witnesses: **Novak Estate, Re**, *supra*;
  - b) Did the witness have an interest in the outcome or was he/she personally connected to either party;

- c) Did the witness have a motive to deceive;
- d) Did the witness have the ability to observe the factual matters about which he/she testified;
- e) Did the witness have a sufficient power of recollection to provide the court with an accurate account;
- f) Is the testimony in harmony with the preponderance of probabilities which a practical and informed person would find reasonable given the particular place and conditions: **Faryna v. Chorny** (1951), [1952] 2 D.L.R. 354 (B.C.C.A.);
- g) Was there an internal consistency and logical flow to the evidence;
- h) Was the evidence provided in a candid and straight forward manner, or was the witness evasive, strategic, hesitant, or biased; and
- i) Where appropriate, was the witness capable of making an admission against interest, or was the witness self-serving?

[31] As noted in **Baker-Warren v. Denault**, supra, I placed little weight on demeanor because demeanor is often not a good indicator of credibility: **R. v. Norman** (1993), 16 O.R. (3d) 295 (Ont. C.A.) at para. 55.

[12] Both Natasha Duffney and Leroy Hatt had some credibility problems. Natasha Duffney filed an affidavit in the Family Court proceeding where she swore that the date of separation was in July 2015. In the matter before this court, Natasha Duffney swore that the separation date was in November 2015. Natasha Duffney attached receipts to her affidavit of February 2017 to prove expenditures she made for the home at 124 Bridgeview. On cross-examination, some receipts turned out to be not for renovations or expenses for the home, but for clothing, make-up, etc. Also, many receipts Natasha Duffney provided purporting to show expenditures made for the corporation actually predated the running of the business.

[13] As serious as some of the inconsistencies from Natasha Duffney were, they pale in comparison to the credibility issues of Leroy Hatt. Leroy Hatt did not provide documents that were requested by counsel for Natasha Duffney. He insisted

on cross-examination that he had provided all of the documents, but also agreed he had not gone to the bank to get statements that were requested. He did not provide documents for the house purchase at 1269 Beech Hill when requested. He did not produce mortgage documents that were totally within his control to produce. He did not produce insurance documents. He did not produce power bills. Leroy Hatt swore an affidavit of documents saying all documents had been disclosed, when that clearly was not the truth.

[14] Leroy Hatt swore that he was surprised when Natasha Duffney became pregnant in 2013, as he did not want children. He did not recall miscarriages that she had in 2009 and 2011. He did not recall taking her to the hospital on the occasion of one of the miscarriages. He testified that he assumed that Natasha Duffney was using birth control, but he did nothing to prevent pregnancy.

[15] Leroy Hatt gave Natasha Duffney an engagement ring in January 2010, and he swore in his affidavit that he gave her the ring in the hopes of a better relationship. Natasha Duffney described that the engagement ring was given to her on her birthday with family and friends present to celebrate their engagement. Leroy Hatt testified that he did not recall that.

[16] Leroy Hatt alleged that Natasha Duffney had harmed his relationship with his two children from his previous relationship. Natasha Duffney went to both children's graduations. Leroy Hatt did not go to either graduation.

[17] When asked about company records, Leroy Hatt indicated that he had not requested records from the accountant.

[18] Leroy Hatt denied that he and Natasha Duffney had a joint bank account even when confronted with documents from the bank clearly showing the joint account. Then, he testified that Natasha Duffney was only allowed to pay bills with the account, although he provided no documentation to show restrictions on the account. He then changed his testimony again and said that Natasha Duffney could pay bills and make deposits, but she could not withdraw money. His evidence on this point and others defied logic. The evidence showed that Natasha Duffney was still on the joint account in January 2016.

[19] Leroy Hatt denied that Natasha Duffney was on the house insurance for 124 Bridgeview even when confronted with documents clearly showing that she was on the insurance. After repeatedly saying that Natasha Duffney was not on the house insurance, he then changed his testimony to say that the insurance company told him that she had been placed on the insurance by mistake.

[20] Leroy Hatt's testimony and evidence was, in many parts, totally incredible. He did not remember things that he thought would harm his case. He failed to produce relevant documents for the hearing. He continued to deny joint accounts and insurance when confronted with documents to the contrary. He changed his testimony and contradicted himself. There was no internal consistency. He was evasive.

[21] Despite the issues noted above with Natasha Duffney's evidence, unless I state otherwise, I accept her testimony over that of Leroy Hatt.

[22] I also had concerns regarding the evidence of the witnesses for Leroy Hatt. The witnesses presented their evidence in a manner that suggested bias in favour of Leroy Hatt. I have placed little to no weight on their evidence.

[23] The affidavit of Jerome Wilson, a witness for Natasha Duffney, was accepted by Leroy Hatt without cross-examination.

**d. Date of Separation:**

[24] As stated above, Natasha Duffney gave two dates for separation, July 2015 and November 2015. Leroy Hatt gave the date of separation as April 2015. I accept, from the evidence, that the parties continued to operate the business, parent and, in some respects, share the home at 124 Bridgeview despite the problems in their relationship. For a period of time Leroy Hatt lived in a camper on the property of 124 Bridgeview. In July 2015, Natasha Duffney found explicit sexual text messages on Leroy Hatt's cell phone from another woman. Natasha Duffney testified that she continued to believe that they were together until November 2015 when she discovered with whom Leroy Hatt was having a relationship. This evidence flies in the face of her evidence in the Family Court, where she swore an affidavit saying the date of separation was July 2015 and describes parenting time between their child and Leroy Hatt in September 2015. In light of all of the evidence, I find that the date of separation was closer to July 2015, understanding that the matter was still fluid.

**e. Affidavits from the Respondent and his witnesses:**

[25] At the beginning of the hearing, I struck many paragraphs of affidavits filed on behalf of Leroy Hatt. They were replete with hearsay, opinion, irrelevant information and conjecture.

### **Position of the Parties:**

[26] Natasha Duffney's position is that Leroy Hatt would be unjustly enriched if he was allowed to retain the three homes which are in his name. She asserts that the couple had a joint family venture. She is seeking a fifty percent division of the property, and to keep the home at 124 Bridgeview. Natasha Duffney is also seeking unpaid wages from Hatt Refrigeration, along with unpaid expenses. She is asking the court to pierce the corporate veil and find Leroy Hatt personally responsible to pay her what she is owed by Hatt Refrigeration.

[27] Leroy Hatt asserts that he alone paid all of the household expenses, that there was no joint family venture and that Natasha Duffney did not contribute to the household. Leroy Hatt says that he is not unjustly enriched and that the corporate veil should not be pierced to make him personally responsible for any amount owed to Natasha Duffney by the company. Hatt Refrigeration asserts that nothing is owed to Natasha Duffney.

### **Analysis:**

#### **1. Has Leroy Hatt been unjustly enriched?**

[28] In **Kerr v. Baranow**, 2011 SCC 10, is the leading case on unjust enrichment. There must be enrichment of one and a corresponding deprivation (para.36). The person asserting that there was an unjust enrichment must show that he or she gave something to the other party which the other party received and retained. The benefit must be tangible. The benefit is one that can be restored to the plaintiff in specie or by money (para. 38). There must be an absence of juristic reason – a reason in law or justice for the retention of the benefit (paragraph 40). Domestic services can support a claim for unjust enrichment (para. 42). The object of the remedy is to require the enriched party to repay or reverse the unjustified enrichment by money or property (para. 46). The onus is on the party asserting the unjust enrichment on a balance of probabilities.

[29] In the present case the parties lived together as a couple for fifteen years. They had a child together. Leroy Hatt proposed marriage to Natasha Duffney in January 2010, however, the parties did not marry. I accept the evidence of Natasha Duffney that she contributed to the household and made improvements to the property at 124 Bridgeview, and that she did work on the property at 1269 Beech Hill Road. The properties are in the name of Leroy Hatt and he has retained the properties since separation. I find that Leroy Hatt has received a benefit, the properties, and there is a corresponding deprivation to Natasha Duffney. There is no juristic reason for

Leroy Hatt to retain the benefit by gift, contract or disposition of law (**Kerr** para. 41). Leroy Hatt has not shown another reason for Natasha Duffney to be denied recovery (**Kerr** para. 43). I am satisfied that Leroy Hatt has been unjustly enriched.

## **2. Was there a joint family venture?**

[30] Leroy Hatt's evidence on the relationship is one that a court often sees when a person is looking back at a relationship that has failed and does not want there to be a finding of a joint family venture. However, the court must look at the relationship while it existed, not with hindsight (**Kerr** para. 88). Cohabitation does not, in itself, entitle one party to a share of the other's property or other relief (**Kerr** para. 85). There is no presumption of a joint family venture (**Kerr** paras. 85 and 88). A joint family venture is where the efforts of the parties are linked to the accumulation of wealth. The unjust enrichment should be thought of as leaving one party with a disproportionate share of the jointly earned assets (**Kerr** para. 60). There are four categories to be considered -- mutual effort, economic integration, actual intent and priority of the family (**Kerr** para. 89).

### **a. Mutual Effort:**

[31] While Leroy Hatt asserts that the parties did not work together to contribute to a common family venture, the evidence is otherwise. The parties both contributed to the home at 124 Bridgeview, the second property at 1269 Beech Hill, and the business of Hatt Refrigeration. They had a child after failed attempts to do so. Both contributed to the household by paying bills, buying supplies, and doing renovations for the home, although Leroy Hatt paid the mortgage for both houses. Both contributed to the upbringing of their child. Natasha Duffney made a greater contribution to the domestic services in the home, and Leroy Hatt made a greater contribution to the financial input to the home. There was mutual effort in the relationship.

### **b. Economic Integration:**

[32] Leroy Hatt submits that there was no economic integration. However, I am satisfied that they had a joint bank account, were both on the house insurance, both paid bills for the household and both paid for improvements to the home. I am also satisfied that in an effort to make the new business prosper, Leroy Hatt asked Natasha Duffney not to take a salary, although her salary was shown on the records for the corporation. I accept the evidence of Natasha Duffney that she did not take a salary. This would not be unusual when a business is just starting and is in keeping

with the philosophy of paying yourself last. I find that there was economic integration.

**c. Actual Intent:**

[33] The parties did not marry, but they were engaged to be married for a number of years prior to the end of the relationship. Leroy Hatt tried to characterize the giving of the ring as less of an engagement and more of an effort to make the relationship work better. I do not accept his version. I accept that the parties were trying to have a child and were successful in 2014, when their son was born. I accept that Natasha Duffney was involved in the financial decisions including the purchasing of the property at 1269 Beech Hill. Leroy Hatt says that he had no intention to share the properties. That is again looking back at the relationship after it failed and not looking at the relationship at the time being considered. There is no evidence that they are the executors or beneficiaries of wills. The parties presented as a couple and were together for fifteen years. On all of the evidence, I am satisfied that the intent during the relationship was to be in a committed, stable relationship.

**d. Priority of the Family:**

[34] I accept the evidence of Natasha Duffney that at the beginning of the relationship she contributed greatly to the upbringing of Leroy Hatt's two children from a previous relationship. One of the children lived with the parties for a period of time. The children spent time with the parties initially every weekend and then every second weekend. When Natasha Duffney was pregnant with their own child, she had to leave her employment and after the child was born, she stayed at home to care for the child. While at home caring for their child, Natasha Duffney became the office manager for Hatt Refrigeration. As mentioned above, Natasha Duffney agreed to forego a salary for the benefit of the new business and ultimately the family. The parties placed priority on the family, and both were working towards a shared future during the relationship.

[35] I am satisfied that the parties were involved in a joint family venture where their joint efforts were linked to the accumulation of wealth and it would be unjust for Leroy Hatt to have a disproportionate share of the jointly earned assets.

**3. What is the appropriate remedy?**

[36] The first remedy to consider is always a monetary award (**Kerr** para. 47). Where there is a joint family venture, a monetary award should be calculated on the

basis of the share of those assets proportionate to the claimant's contributions (**Kerr** para. 100). Proprietary awards are to be granted where a monetary award is inappropriate or insufficient and the person claiming the remedy can demonstrate a sufficiently substantial and direct link between their contributions and the property (**Kerr** paras. 50 and 51). In deciding whether a monetary award would be insufficient, I can look at the probability of recovery of the award (**Kerr** para. 52).

[37] Here, Leroy Hatt would be leaving the relationship with the properties at 124 Bridgeview and 1269 Beech Hill, which are valued at \$188,000 with mortgages at the time of separation of \$40,000. He would also leave with \$4,877 in TFSA and bank accounts. Natasha Duffney would leave the relationship with an RRSP of \$41,000, and other accounts of \$1,658. There are other debts in the amount of \$27,790.41, and a line of credit of \$40,000. Leroy Hatt encumbered the properties after separation by taking out a mortgage without the consent or agreement of Natasha Duffney. I am not considering the property at 22 Bridgeview, as I find it was purchased in October/November 2015, after separation.

[38] I find that Natasha Duffney has shown a direct contribution to the accumulation of the assets and their increase in value for the properties at 124 Bridgeview and 1269 Beech Hill Road. While Leroy Hatt owned the property at 124 Bridgeview prior to the relationship, he did not provide an assessed value for it at the beginning of the relationship and I am unable to calculate the increase in value during the relationship. The parties made improvements to the property at 124 Bridgeview during the relationship. There is some evidence, that I accept, that there was little if any equity in the house at 124 Bridgeview at the time the parties started living together. Therefore, I will consider the full equity was accumulated during the relationship.

[39] In relation to 1269 Beech Hill, I am satisfied that there was a joint decision to purchase that property, and that Natasha Duffney contributed to that property during the relationship. She contributed by her domestic services in the home. I accept that she worked directly on the property when it was purchased and continued to do so after Leroy Hatt's mother lived there.

[40] I find that Natasha Duffney is entitled to fifty percent of the equity in both 124 Bridgeview and 1269 Beech Hill.

[41] Leroy Hatt is entitled to fifty percent of Natasha Duffney's RRSP, as it was accumulated during the marriage.

[42] A monetary award from Leroy Hatt to Natasha Duffney, in this case, is not an appropriate remedy, as there is little probability of recovery from Leroy Hatt. Hatt Refrigeration has ceased operations and he is minimally employed.

[43] There are other assets such as vehicles, furniture, etc. Neither party provided an appraisal or estimate of the household furniture in the possession of Natasha Duffney. Vehicles in Leroy Hatt's possession were sold without payment to Natasha Duffney. Natasha Duffney retains a vehicle in her name. I will assume, as I have not been provided appraisals, that the vehicles sold by Leroy Hatt were equivalent to the vehicle, furnishings and appliances retained by Natasha Duffney.

[44] I also have to consider the unexplained money that Leroy Hatt took out of the company, which would have gone to the benefit of the couple. Leroy Hatt testified that it was for legitimate business purposes, however, he provided no documentation to support that. He did not ask his accountant to provide information or testify. The timing of the withdrawals is suspicious. I do not accept Leroy Hatt's assertion that it was to pay employees, etc. He had the ability to prove that claim and failed to do so. Natasha Duffney's evidence on the unexplained withdrawals from the company is corroborated by the evidence of Jerome Wilson. I therefore find that there was approximately \$235,000 in withdrawals from the company that could have been used for family purposes which was used by Leroy Hatt used for his own purposes. I also accept that Leroy Hatt helped support and pay the legal bills for his current girlfriend, and had funds to purchase the property at 22 Bridgeview after separation.

[45] There are also debts that Leroy Hatt listed in his statement of property, but there were no statements provided for those debts and thus they are not going to be considered, as it cannot be determined whether they were debts from the relationship. Some of the balances provided were dated well after separation. This makes it difficult to determine the amount of debt at the time of separation.

[46] Leroy Hatt not providing documents is a major problem in coming to a correct award in this case, as such, any and all inferences will be in favour of Natasha Duffney. Leroy Hatt had the ability to prove the amounts of debts and valuations of property, but he did not do so. As stated in **Leskun v. Leskun**, 2006 SCC 25 at para. 34:

34 In all of these circumstances, the appellant has a poor platform from which to launch an attack against the trial judge's conclusion regarding his assets and liabilities. As Fraser J. commented in **Cunha v. Cunha** 1994 CanLII 3195 (BC SC), (1994), 99 B.C.L.R. (2d) 93 (S.C.), at para. 9:

Non-disclosure of assets is the cancer of matrimonial property litigation. It discourages settlement or promotes settlements which are inadequate. It increases the time and expense of litigation. The prolonged stress of unnecessary battle may lead weary and drained women simply to give up and walk away with only a share of the assets they know about, taking with them the bitter aftertaste of a reasonably-based suspicion that justice was not done.

If problems of calculation exist the appellant is largely the author of his own difficulties. I would not interfere on that basis.

[47] I will accept the calculations provided by counsel for Natasha Duffney that there was \$40,000 on the mortgage for 124 Bridgeview Drive, \$40,000 on the line of credit and \$27,790.41 in other debt for a total of \$107,790.41 in Leroy Hatt's name. The value of 124 Bridgeview was \$145,000, the value of 1269 Beech Hill was \$43,000, the value of the RRSP held by Natasha Duffney was \$41,000. There were other accounts held by both parties in the approximate amount of \$6,536.19, shown on the parties statements of property -- \$1,658.47 Natasha Duffney and \$4,877.72 Leroy Hatt.

[48] Natasha Duffney is asking that the court make a proprietary award and order that Leroy Hatt quit claim his interest in the home at 124 Bridgeview to Natasha Duffney. The value of 124 Bridgeview is \$145,000, with notional disposition costs of \$8,337.50, for a value of \$136,662.50. Natasha Duffney is also asking to retain her RRSP in the amount of \$41,000, which will be discounted for taxes by 30% leaving \$28,700, and the bank accounts of \$1,658.47. That would leave her with assets in the amount of \$165,362.50, and the mortgage on 124 Bridgeview of \$135,868.49. This leaves Natasha Duffney with net assets from the relationship of \$31,152.48.

[49] Leroy Hatt would be left with the unencumbered property at 1269 Beech Hill of \$43,000, minus notional disposition costs of \$2,472.50, for a net amount of \$40,527.50. There are bank accounts for Leroy Hatt in the amount of \$4,877.72 Leroy Hatt also will retain debts of \$67,790, leaving him (\$22,384.78) in assets from the relationship.

[50] This would leave a payment from Natasha Duffney to Leroy Hatt in the amount of \$26,767.63 to equalize the assets.

[51] However, I also have to consider the unexplained \$235,000 that Leroy Hatt took from the company. Assuming he could take it as dividends or wages, there

would have been at least \$100,000 that I will consider to be misdirected savings that the parties would have had the benefit of. When I take that \$100,000 amount into account, there is a payment owing from Leroy Hatt to Natasha Duffney in the amount of \$23,231.37, to equalize the assets.

**4. Is Ms. Duffney owed unpaid wages and reimbursement for expenses from Hatt Refrigeration?**

[52] Natasha Duffney has urged the court to pierce the corporate veil to make Leroy Hatt responsible for the unpaid wages she is owed by Hatt Refrigeration and for reimbursement of expenses that she incurred for Hatt Refrigeration.

[53] Usually, where a corporate veil is pierced in a family law case it is to access assets held by the corporation. Here, the request is that I make Leroy Hatt responsible for debts owed to Natasha Duffney by the corporation, Hatt Refrigeration.

[54] I accept Natasha Duffney was not paid for the work she did for the corporation, but she agreed to that arrangement. Her evidence in relation to debts she incurred for the company was not good. Many of the debts predated the corporation. She agreed to the arrangement of not getting wages and not getting reimbursed as her contribution to the joint family venture. I took her contributions to the corporation into account in finding unjust enrichment. I will not pierce the corporate veil and make Leroy Hatt responsible for the amounts owing to Natasha Duffney. The corporation itself has ceased business.

**Conclusion**

[55] Leroy Hatt would be enriched if he was able to leave the relationship with the assets that are in his name.

[56] The parties were involved in a joint family venture.

[57] A monetary remedy is not appropriate in this case, as there is little likelihood that Natasha Duffney would recover the monetary award.

[58] Leroy Hatt will quit claim his interest in the property at 124 Bridgeview Drive, Gold River, Nova Scotia to Natasha Duffney and pay Natasha Duffney a payment in the amount of \$23,231.37 to equalize the assets and debts. The quit claim deed and payment are to be delivered to counsel for Natasha Duffney on, or before, July 31, 2017.

[59] Natasha Duffney will be responsible for the mortgage on 124 Bridgeview Drive and will do everything in her power to transfer the mortgage into her name and release Leroy Hatt from any responsibility on the mortgage.

[60] The corporate veil will not be pierced to make Leroy Hatt responsible for debts owed to Natasha Duffney by Hatt Refrigeration.

[61] If either party is seeking costs, they shall contact the prothonotary to schedule a one hour hearing on costs. The party seeking costs will file their brief on costs two weeks prior to the hearing date, and the responding party's brief will be filed one week prior to the hearing.

Justice Mona M. Lynch