

SUPREME COURT OF YUKON

Citation: *Block on Block Builders Inc.,
v Sule*, 2026 YKSC 11

Date: 20260223
S.C. No.: 23-A0067
Registry: Whitehorse

BETWEEN

BLOCK ON BLOCK BUILDERS INC.

PLAINTIFF

AND

ABUDU SULE and CELESTINA SULE

DEFENDANTS

Before Chief Justice S.M. Duncan

Appearing on behalf of the Plaintiff

K. Martinez and K. Quadir

Counsel for the Defendants

Mark E. Wallace

ENDORSEMENT

Introduction

[1] On February 9, 2026, the plaintiff and counsel for the defendants appeared in court for a Case Management Conference (CMC) at my request, to discuss the impact of the analysis and decision of the Territorial Court of Yukon in *R v P.S. Sidhu Trucking Ltd.*, 2025 YKTC 36 (*Sidhu*). The essence of the *Sidhu* decision is that the *Legal Profession Act, SY 2017, c. 12* (the *Act*) prohibits corporations to be represented in legal proceedings by, or receive legal services from, a non-lawyer.

[2] This is an action brought by Block on Block Builders Inc., a residence construction business in Whitehorse, for damages for breach of contract, unjust enrichment and quantum meruit in the amount of \$280,634.96, against the defendant homeowners, Abudu and Celestina Sule. The dispute arose over an agreement between the defendants and the plaintiff for the construction of a residence in Whistle Bend. The contract was terminated by the defendants because of the plaintiff's alleged failure to meet the extended timeline for the completion of the construction, and because of alleged deficiencies in the completed work. The defendants have counterclaimed for additional monies they were allegedly required to pay over and above the contract amount to complete the work, as well for apartment rental payments they were required to make after the extended timeline for construction completion.

[3] This action has proceeded to discoveries and a judicial settlement conference. The settlement conference was unsuccessful in resolving the dispute. The plaintiff brought one court application that successfully set aside a default judgment obtained by the defendants.

[4] The plaintiff is a closely held corporation, incorporated under the *Business Corporations Act, RSY 2002, c. 20*. There are three directors who are also the only shareholders. When the action was started, the plaintiff was represented by a lawyer, but since April 2024, the three directors have been representing the corporation.

[5] The issue is whether the three directors can continue to represent the plaintiff in this legal proceeding or whether the plaintiff is required to be represented by a lawyer.

Position of the Parties

[6] Counsel for the defendants made submissions at the CMC as an officer of the court, not pursuant to instructions from his clients, who took no position on this matter.

[7] Counsel provided a jurisdictional review of case law, rules of court and statutory provisions similar to the relevant provisions in the *Act* that supported the conclusion that unless permitted by a rule of court or statute, a non-lawyer cannot represent a corporation in a legal proceeding such as this.

[8] Counsel noted that the *Act* expressly prohibits a corporation from being represented by a non-lawyer. Unlike the statutes or rules in other Canadian jurisdictions, there is no relevant exception in the *Act*, and no discretion provided to the court. Counsel noted the trade-off between the advantages of limited liability and tax savings afforded to corporations that are not available to individuals, and the obligation on a corporation to have legal representation. Counsel also noted some policy justifications of requiring legal representation for corporations: i) containing increased costs to the opposing party due to the need to clarify the non-represented party's legal position to allow for a meaningful response; ii) avoiding complications created by the use of, and reliance on, artificial intelligence by a non-represented party to advance legal arguments; and iii) preventing outcomes from the failure of the non-represented party to follow court rules, including confusion, inefficiencies, and additional costs. Counsel noted the individual directors in this case have made significant efforts to follow the *Rules of Court* of the Supreme Court of Yukon (the *Rules*).

[9] The directors responded that unlike P.S. Sidhu Trucking Ltd., they are a small, closely held corporation. They initially had legal representation, but due to financial

hardship, resulting in the corporation's insolvency, they were unable to continue to afford counsel, another distinction from the *Sidhu* case. Preventing the directors from continuing to represent the corporation would be an unfair denial of access to justice because the directors have no choice but to proceed without counsel. Fairness dictates that the court should always have discretion to allow a corporation to be represented by its directors or officers. The directors also argued that since this Court has allowed non-lawyers to represent corporations in the past, it is unfair to prohibit them from doing so now. Finally, the directors requested assistance through a court appointed lawyer or legal aid.

Procedure

[10] Procedurally, there is no application before the Court. However, there are several *Rules* that allow for this matter to be decided in case management. Rule 36(4)(e) allows the Court to provide directions for the conduct of the proceedings. Rule 36(4)(j) allows the Court to consider "any other matters that may aid in the disposition of the action or the attainment of justice." Rule 1(8)(l) provides that a court in case management may "make any other orders and give any other directions the court considers appropriate." These provisions allow me to give directions on whether this matter can continue to proceed without a lawyer representing the plaintiff corporation.

Brief Conclusion

[11] The *Act* is clear that a corporation must be represented by legal counsel in its pursuit of a legal action such as this, which constitutes the provision of legal services as defined. There are valid policy reasons for this requirement, including fairness, consistency, and the more efficient and effective functioning of the court. While I

appreciate that the financial position of the plaintiff, which has worsened during these proceedings, makes it difficult for the directors to secure legal representation, the *Act* contains no provision to permit the Court's exercise of discretion to direct otherwise.

Analysis

[12] The *Act* regulates lawyers and the practice of law in the Yukon. The sections relevant to this case are:

45 Unauthorized Legal Services

No person may provide a legal service except in accordance with this Act, the regulations and the rules.

30 Legal Services – meaning

- (1) For the purposes of this Act, a person provides a legal service when they do anything that involves the application, in a manner that requires the knowledge and skills of a person trained in the law, of legal principles and legal judgement with regard to another person's circumstances and objectives, including
 - (a) giving advice as to another person's legal interests, rights or responsibilities;
 - (b) on behalf of another person
 - (i) selecting, drafting, revising or completing a document that affects any person's legal interests, rights or responsibilities, or
 - (ii) negotiating any person's legal interests, rights or responsibilities; and
 - (c) representing another person in a proceeding before an adjudicative body.
- (2) For the purposes of paragraph (1)(c), representing a person in a proceeding includes
 - (a) the preparation and filing of documents and the conduct of discovery in relation to the proceeding; and

- (b) any other conduct that is necessary for the proceeding.

31 Exceptions

(1) Despite section 30, the following are not the provision of legal services for the purpose of this Act:

- (a) the preparation, revision or settlement of an instrument by a public officer in the course of their duty;
- (b) the prescribed services of an Indigenous court worker;
- (c) the lawful practice of a prescribed regulated profession;
- (d) anything that a member of the House of Commons, the Senate, the Legislative Assembly or a municipal council in Yukon or an elected member of the government of a Yukon First Nation does in carrying out the duties of their elected office;
- (e) anything that a rule treats as not being the provision of legal services.

(2) The Executive may make rules that treat activities (whether generally or in specific circumstances) as not being the provision of legal services.

[13] None of the exceptions set out in s. 31 applies here. The Executive of the Law Society of Yukon has made no rules that exclude certain activities from the definition of the provision of legal services. There are no other rules or regulations that provide exceptions to these statutory provisions.

[14] The *Rules* offer no assistance to the directors of the plaintiff either. They contain no provision that addresses this issue, unlike most other jurisdictions.

[15] Thus, the only guidance comes from the interpretation of the *Act* and the principles arising from the case law.

[16] The general modern principle of statutory interpretation is:

... the words of an Act are to be read in their entire context and in their grammatical and ordinary sense harmoniously with the scheme of the Act, the object of the Act, and the intention of Parliament.

(Rizzo v Rizzo Shoes Ltd., [1998] 1 SCR 27 at para. 21)

[17] The object of the *Act* is to regulate lawyers and the practice of law in the public interest. It sets out requirements for lawyer competency, ethical conduct, financial accountability, and discipline. It defines legal services and restricts who can provide them. Its purpose is to protect the public from incompetent, ungovernable, or unethical lawyers.

[18] The *Act* clearly provides that everyone who provides legal services must be authorized to do so under the *Act*, regulations or rules (s. 45). Legal services include the activities undertaken by the directors of the plaintiff in this case: negotiating the corporation's legal interests; representing the corporation in this legal action before the court, including preparing and filing documents, conducting discoveries, and continuing to take all steps necessary for the proceeding (s.30).

[19] The *Act* authorizes lawyers who are members of the Law Society of Yukon in good standing (s.33) as well as interjurisdictional practitioners, that is, individuals licensed to practice law in another province under certain conditions (s. 38) to provide legal services. Articling students in good standing with the Law Society of Yukon may also provide legal services in accordance with the *Rules*, including the required supervision (s. 34).

[20] Section 35 of the *Act* allows a person who is a member in good standing of a category of membership created in a regulation under s. 19 (allowing for the

Commissioner in Executive Council to create new categories of membership) to provide legal services as authorized by the regulation, subject to rules of professional conduct and competence agreements. At this time, no regulations have been introduced under s. 19.

[21] The *Act* makes a contravention of s. 45 an offence punishable on summary conviction, with a fine of a maximum of \$10,000 for a first offence, and \$25,000 for a second or subsequent offence, or imprisonment up to six months, or both.

[22] The *Act* is clear that a corporation cannot be represented in a legal proceeding by a non-lawyer. At law, a corporation is a legal person, separate and apart from its directors, officers and shareholders. It is an “entity having authority under law to act as a single person distinct from the shareholders who own it” (*Trifidus v Samgo*, 2011 NBCA 59 at para. 20 citing Bryan A. Garner, *Black’s Law Dictionary*, 8th ed., (St. Paul, Minnesota: Thomson, 2004), *sub verbo* “corporation” (*Trifidus*)).

[23] This is not a situation of self-representation. A corporation that is represented by its directors, officers, or shareholders is not self-representing, but is being represented by a third party.

[24] There are several policy reasons for this restriction, most of which address the arguments raised by the directors of the plaintiff.

[25] First, the directors’ argument that to require a small, closely held corporation such as the plaintiff to be represented by a lawyer is unfair, especially because natural persons may represent themselves, is addressed by the New Brunswick Court of Appeal in *Trifidus*. Quoting from 2272539 *Manitoba Ltd. v. Manitoba (Liquor Control Commission)*, [1996] M.J. No. 422 (CA) (2272539 *Manitoba Ltd*) the Court of Appeal

wrote that corporations cannot appear “in person”, as a natural person can, and they exist only as “an economic unit” (at para. 21). Unlike a natural person, who may be in jeopardy of imprisonment or may suffer personal indignities, a corporation “can only be affected by a charge of fines on its balance sheet” (at para. 21). Further legal privileges of a corporation include limited liability and tax advantages not available to natural persons. The Supreme Court of Canada in *R v Wholesale Travel Group Inc.*, [1991] 3 SCR 154 at 182-183, wrote that those who choose the advantages of a corporation and rely on the legal distinction between themselves as individuals and the corporate entity when it is to their advantage to do so, should not be allowed to deny this distinction in circumstances where it is not to their benefit. To permit a corporation to be represented by a non-lawyer is to provide them with a right that natural persons do not have – that is, the ability of a third party non-lawyer to represent them.

[26] Second, this distinction between a natural person and a corporation answers in part the plaintiffs’ request for a court appointed lawyer or assistance from legal aid. As noted above, court proceedings can result in negative consequences for natural persons with respect to their *Charter* protected rights to life, liberty, security of the person, other fundamental human rights, and personal dignity. Courts have the ability to appoint state-funded counsel in criminal law proceedings where these rights of a natural person may be affected. Legal aid coverage in the Yukon for court proceedings is limited by statute to criminal law proceedings, and certain family law proceedings involving children, child protection or family violence, not including division of assets, as long as the applicant falls within the financial guidelines based on income and assets. The plaintiff does not qualify for a court appointed lawyer or legal aid. A corporation

does not face the same legal consequences as a natural person in criminal law and certain family law circumstances. The potential consequences to the plaintiff and the directors in this case are to their financial position, not to their rights.

[27] Third, as noted by counsel for the defendants, one of the policy reasons for the rule against third party non-lawyer representation for corporations or natural persons is the risk of the burden on the court to ensure a litigant is properly represented. The public policy of encouraging qualified representation assists with the protection of the legal rights of the litigants. As the Court of Appeal for British Columbia noted in *Maddock v. Law Society of British Columbia*, 2023 BCCA 53 (*Maddock*) at para. 29, a non-lawyer is not required to meet minimum competency requirements, engage in professional development, comply with codes of conduct or trust accounting rules, obtain professional liability insurance, or be subject to complaints or disciplinary action. The courts do not have the administrative tools or necessary training to assess and address competency and disciplinary issues of non-lawyer representatives; they are not a substitute for the entire elaborate screening and evaluation system by Canada's various law societies and national accreditation bodies, set up by or under legislation, (*Lameman v. Alberta*, 2012 ABCA 59, at para. 25).

[28] Fourth, the directors raise a legitimate concern about the denial of access to justice to the plaintiff if I were to direct the corporation to obtain legal counsel, given the insolvent state of the corporation. Other courts have grappled with balancing the impact of financial incapacity with the concerns around non-lawyer third party representation. The Court of Appeal for British Columbia in *Maddock* adopted the Supreme Court of British Columbia's conclusion in the same case that "the solution to the problem of

access to justice is not to permit untrained, unregulated and unaccountable individuals to act as legal counsel” (*Maddock* at para 29). The answer to the directors’ legitimate concern is that the legislature and the Law Society of Yukon have chosen to prefer the maintenance of legal competency and procedural efficiencies in court proceedings over the ability of a non-legally represented corporation to access the court process.

[29] While it is true that this Court has permitted non-lawyer representation of a corporation to occur in the past, this is not a reason to allow it to continue, in the face of clear statutory authority that contains no exceptions or provision of judicial discretion. Past practice cannot be relied upon as a rationale to continue the practice where clear legal obligations have been overlooked.

[30] A final policy rationale for requiring a corporation to have legal counsel is the effect of the absence of cost consequences to the corporation and its non-lawyer representatives. As noted by the Court of Appeal in *2272539 Manitoba Ltd. at para. 20*, “meritless appeals by impoverished corporations would be encouraged” and “corporate officers could cause impecunious corporations to litigate hopeless causes without fear of personal liability for even the other side’s costs.” The ability of potential cost consequences to be a risk management tool in the litigation is lost.

[31] I also accept the legitimacy of counsel for the defendants’ expressed concerns about additional costs likely to be incurred by the opposing party because of more time needed in court and by opposing counsel with the directors to clarify the issues in dispute, the legal arguments, and the understanding of and compliance with the *Rules*.

Conclusion

[32] The clear statutory wording, as well as the purpose of the *Act* and its context, combined with the policy reasons articulated in the case law lead me to conclude that the plaintiff must obtain legal counsel in order to continue this proceeding in court.

[33] I will be sending this Endorsement to the Law Society of Yukon for their information and consideration.

DUNCAN C.J.