

DECISION OF ADJUDICATOR  
IN THE MATTER OF AN ADJUDICATION  
PURSUANT TO SECTIONS 2-75 and 4-6 OF  
***THE SASKATCHEWAN EMPLOYMENT ACT***



**EMPLOYER:** Alliance Health Saskatchewan Inc.

**APPELLANT:** Patti Cameron (Director)

**RESPONDENTS:** Navjot Brar, Jaspreet Kaur Gill, Nickey Tysdal, Regan Pearson, and  
Kaitlyn Berg (Employees)

Christine Rusnak, Employment Standards Officer, acting for Government of Saskatchewan,  
Ministry of Labour Relations and Workplace Safety, Employment Standards Division

**DATE OF HEARING:** August 20, 2024 10:00 a.m.

**PLACE OF HEARING:** Online via Microsoft Teams

**I. INTRODUCTION**

This is an appeal by Patti Cameron from a Wage Assessment in favour of the Employees, as follows:

Navjot Brar	\$2,043.97
Jaspreet Kaur Gill	\$894.89
Nickey Tysdal	\$2,994.12
Regan Pearson	\$3,882.26
Kaitlyn Berg	\$2,417.09

The parties agree as to the amount of the claims. The claims are a mixture of regular wages, overtime, and holiday pay.

The only issue is whether Patti Cameron was a Director of Alliance Health Saskatchewan when Alliance incurred its liability to the Employees. If so, then pursuant to s.68 (1) of *The Saskatchewan Employment Act* she is liable for the outstanding wage claims.

The Wage Assessment was dated January 23, 2024 and the Appeal February 21, 2024. The Ministry provided information confirming the Employer's appeal and appeal deposit were received within the time requirements in s. 2-75 of *The Saskatchewan Employment Act*. My appointment as Adjudicator was July 5, 2024.

## II. EVIDENCE

Two witnesses gave evidence: Dr. Mark Lemstra, the former owner/operator/director of Alliance Health Care, and Patti Cameron, the Appellant.

Mark Lemstra owned and was the chief executive officer and sole shareholder of Alliance Health Care from 2001-2023. The company comprised 120 employees in seven locations in four cities in Saskatchewan, and, according to the Corporate Registry, provided "General medical and surgical hospitals, medical and diagnostic laboratories, offices of physical, occupation and speech therapists and audiologists."

Patti Cameron began working for Alliance in approximately 2017. She started as the manager of the Wellness Department at one of the clinics in Regina, and gradually worked her way up in the company until she managed all the clinics in the province. Her pay increased along with her responsibilities and by 2023 she was paid \$36/hour.

Dr. Lemstra testified that in 2022 it was discovered that an accountant in the firm used by Alliance had stolen or diverted approximately \$1.6 million from Alliance. This was done in part by creating fake employees and appropriating the money, stealing from the line of credit, and running up a huge unauthorized credit card debt. This person subsequently committed suicide.

The embezzlement created financial chaos both for the company and Dr. Lemstra personally. The CRA began to pursue Alliance and its sole director, Dr. Lemstra, for unpaid source deductions, some for the fake employees. Dr. Lemstra and his daughter experienced mental health problems as a result of the stress, and he made the decision to step back from the company as of January, 2023. He met with Patti Cameron and Scott Schuler and asked them to take on more responsibilities in positions as Chief Operating Officer and Chief Financial Officer. He was to be consulted on major decisions, such as hiring and firing staff, but otherwise, the work of Alliance was left up to them. He told them he was resigning as an officer and director of the company.

I note that Scott Schuler was not an employee of Alliance Health, but ran the accounting firm in Moose Jaw which did the bookkeeping for the company.

By letter dated January 1, 2023, Dr. Lemstra directed Mr. Schuler to contact Information Services Corporations and file Dr. Lemstra's resignation as a Director of Alliance, effective immediately (Employer Exhibit #1). The letter made no mention of adding other directors.

The Corporate Records (Employer Exhibit #2) show that a *Notice of Change of Directors/Officers* was filed by Scott Schuler on January 22, 2023. Patti Cameron was now named as the sole Director and Officer of the company. The ISC Profile Report showed Mark Lemstra as the sole shareholder of Alliance.

Mark Lemstra testified he did not direct Mr. Schuler to add Ms. Cameron as a Director on ISC, but, confusingly, also testified he knew she was a director, as Scott Schuler said the company needed one so he had added her. Dr. Lemstra said that in January of 2023, despite the uncovered financial crime, the company was on its way to becoming "healthy" again.

I note that on the official *Notice of Change of Directors/Officers*, submitted by Scott Schuler to ISC, the form states "I certify that I am authorized to file these documents with the Director of Corporations and that the information in this submission is true."

Patti Cameron recalled that in her conversations with Dr. Mark in January 2023 she was told she would be the director of Alliance, but believed it meant that was her job title, and things would essentially carry on as before. She stated that at no time was she told she would be the legal representative of the company, or that she could be legally liable for the company's liabilities, including wages; she had no idea of any responsibilities that went with being publicly listed as a company director. She shared that she signed a written agreement with Dr. Lemstra, which stated she would have more responsibility in the company while he took time off. Her salary did not increase. This agreement was not produced at the Hearing.

Patti Cameron said that after January 2023 she continued managing the company on a day-to-day basis and visiting the clinics throughout the province. Patti consulted with Scott Schuler and contacted Mark Lemstra for his input when significant decisions had to be made. She did gain signing authority for the company, but was emphatic that no major decisions could be made by her without talking with Scott and Mark. She spoke to both regularly.

Ms. Cameron was aware of the financial and personal distress Dr. Mark Lemstra was going through. Mark testified that the pressure on him increased into the spring of 2023 as a new CRA representative and Alliance's bank threatened legal action against him to recover even more monies owing. The company was in a serious cash-flow position. His mental health deteriorated to the point where, in September 2023, he decided his only viable option was to commit suicide. He contacted his lawyer, Patti, and Scott to make final arrangements.

Fortunately, this did not occur. Scott Schuler phoned Mark and offered to buy the company for \$1, and, according to Dr. Lemstra, take on all its liabilities. Dr. Lemstra said the business had approximately \$6.4 million in assets and approximately \$3 million in liabilities at this time. By agreement effective September 1, 2023, Alliance was sold to a business owned by Scott Schuler, Scott's wife Kelley Schuler, and a third person, unknown to Dr. Lemstra, named Patrick Omeke. Dr. Lemstra testified he was told the purchasers had acquired \$350,000 in funding which would allow them to meet outstanding payroll obligations.

The Purchase Agreement was not tendered as evidence by either party. According to the Wage Claims, a new company, Sure Health, took over Alliance Health's operations as of September 1, 2023. The new company denied liability for all outstanding unpaid wages, overtime and outstanding holiday pay.

I understand some employees quit when they were not paid what they were owed, while others remained in the employ of the new company and made claims to the Department of Employment Standards.

Patti Cameron said she was initially told by Scott Schuler in September 2023 that no changes would occur with the take-over by the new company, and operations would continue at

usual. Doctors and other staff at all locations were informed as such in meetings. She was also under the impression that money would be available to pay outstanding wage claims. However, Patti was dismissed from her position as Chief Operating Officer by text from Kelley Schuler dated September 12, 2023. Patti made her own claim to Employment Standards for pay in lieu of notice. I understand funds are currently being held in trust by Employment Standards pending the outcome of the many wage claims currently against Ms. Cameron in her capacity as a registered Director of Alliance Health.

Patti testified she was unaware she was listed on the ISC records as a director and officer of Alliance until contacted by the Department of Employment Standards in the fall of 2023, and was unaware of the legal liabilities this entailed until she was presented with the Wage Claims. She never received correspondence from ISC or any other person or entity in 2023 referencing her status as a Director and Officer of the company according to the corporate registry records. Ms. Cameron remained as a listed director until Scott Schuler removed her on September 21, 2023.

Dr. Lemstra filed for personal bankruptcy in November 2023. In his testimony at the Hearing, he said he now believed Scott Schuler started planning to take over the company in January 2023, and described the man as “pure evil.” He suggested Scott added Patti Cameron as a director in an attempt to transfer liability.

### III. ANALYSIS

At the Hearing, the Department of Employment Standards took no position as to whether or not Patti Cameron should be held liable.

*The Saskatchewan Employment Act* states as follows:

**2-68(1)** Subject to subsection (2), notwithstanding any other provision of this Act or any other Act, the corporate directors of an employer are jointly and severally liable to an employee for all wages due and accruing due to the employee but not paid while they are corporate directors.

*The Saskatchewan Business Corporations Act* similarly states:

**9-20** Directors of a corporation are jointly and severally liable, in accordance with Part II of *The Saskatchewan Employment Act*, to employees for wages.

I was not directed to any case law to assist me with the analysis of the facts of this case.

Patti Cameron was listed on the official Information Services Corporation record as a Director and Officer of Alliance Health Saskatchewan Inc. from January 1, 2023 to September 21, 2023. The claims detailed in the Wage Assessments were incurred during that period. According to a strict interpretation of the statutes, Ms. Cameron should be liable for those claims.

The public should be able to rely on the corporate registry as an accurate record of the leadership of a company.

On the other hand, individuals should not be put in a position of legal and financial responsibility without knowledge or consent. If a complete stranger – Jane Doe – had been added as a corporate director by Mr. Schuler, someone who had no relationship to or knowledge of the company, they obviously could not be legally liable. What makes the issue before me less clear is that Patti Cameron was not a complete stranger; she was a high-level employee of the company.

Ms. Cameron testified she did not know she had been added as an Officer and Director by Scott Schuler until she was served with the Wage Claims. She stated she had no idea of the legal and financial implications of such a role, and would never have consented if she had been advised of them. I believe her evidence.

Furthermore, Patti Cameron experienced no additional powers or benefits from this added role. Yes, she agreed to take on more responsibility from Dr. Mark Lemstra as he struggled to deal with the fall-out from the terrible financial position he and his company found themselves in through the duplicitous acts of a now-deceased person. She continued in her position as Chief Operating Officer as before, but was required to contact Dr. Lemstra regularly to discuss important decisions. Her salary was not increased and she did not have significantly different duties. She received no communications from any third party, including ISC, hinting that she had taken on this new legal role. There was no shareholder meeting where she was elected as a director; the company had no meetings, votes, or resolutions.

*The Business Corporations Act, 2021* states:

**9-7(10)** An individual who is elected or appointed to hold office as a director is not a director, and is deemed not to have been elected or appointed to hold office as a director, unless:

(a) the individual was present at the meeting when the election or appointment took place and the individual did not refuse to hold office as a director;

Under this section, Patti Cameron was not a director of Alliance – she did not consent to become one. She was merely an employee, with no real ability to make major decisions that could change the direction or the financial survival of the company.

As such, I believe she would also be excused according to the following sections of *The Business Corporations Act*:

**9-10 (4)** If all of the directors have resigned or have been removed without replacement, a person who manages or supervises the management of the business and affairs of the corporation is deemed to be a director for the purposes of this Act.

(5) Subsection (4) does not apply to:

(a) an officer who manages the business or affairs of the corporation under the direction or control of a shareholder or other person....

Mr. Schuler did not give evidence. It would be interesting to know why he listed Patti Cameron, and not himself, as a director and officer of the company. Mark Lemstra believed it was for nefarious motives, and that Scott Schuler was planning to take over the company from early 2023. As the principal of an accounting firm, Mr. Schuler would undoubtedly be aware of the

legal responsibilities place on a properly identified officer and director of a company. Dr. Lemstra testified he never instructed Mr. Schuler to add Patti Cameron to the corporate registry. I am not in a position to evaluate Scott Schuler's motives in submitting Ms. Cameron's name to ISC. I note he is one of the owners of the company that bought the assets of Alliance Health, and still retains many of its employees.

Both Dr. Lemstra and Mr. Schuler were knowledgeable about ISC procedures: Ms. Cameron was not. In my opinion, Patti Cameron was not truly a Director and Officer of Alliance Health, and it would be unjust to burden her with the financial obligation to pay outstanding employee wage claims

#### **IV. CONCLUSION**

Patti Cameron's appeal is allowed and the Wage Assessment as against her is set aside.

This puts the Respondents in a very unfortunate situation; they deserve to be paid, but Dr. Mark Lemstra has declared bankruptcy, Alliance Health has no assets (if it even still exists) and Sure Health was not the employer when the claims were incurred, and apparently denies any liability. This is a situation the corporate registry was intended, in part, to avoid. The employees regrettably cannot succeed in their claims.

I was made aware that there are a number of other outstanding Wage Assessments against Patti Cameron arising out of the same circumstances, and suggest they, too, not be pursued.

Dated at North Battleford, Saskatchewan  
September 7, 2024

"original signed by Karen C. Ulmer"

Karen C. Ulmer  
Adjudicator

The Parties are hereby notified of their right to appeal this decision pursuant to Sections 4-8, 4-9 and 4-10 of *The Saskatchewan Employment Act* (the "Act").

The information below has been modified and is applicable only to Part II and Part IV of the Act. To view the entire sections of the legislation, the Act can be accessed at [www.saskatchewan.ca](http://www.saskatchewan.ca).

#### **Right to appeal adjudicator's decision to board**

**4-8(1)** An employer, employee or corporate director who is directly affected by a decision of an adjudicator on an appeal or hearing pursuant to Part II may appeal the decision to the board on a question of law.

(3) A person who intends to appeal pursuant to this section shall:

(a) file a notice of appeal with the board within 15 business days after the date of service of the decision of the adjudicator; and

(b) serve the notice of appeal on all persons mentioned in clause 4-4(1)(b) who received the notice setting the appeal or hearing.

(4) The record of an appeal is to consist of the following:

(a) in the case of an appeal pursuant to Part II, the wage assessment or the notice of hearing;

(c) the notice of appeal filed with the director of employment standards pursuant to Part II;

(d) any exhibits filed before the adjudicator;

(e) the written decision of the adjudicator;

(f) the notice of appeal to the board;

(g) any other material that the board may require to properly consider the appeal.

(5) The commencement of an appeal pursuant to this section does not stay the effect of the decision or order being appealed unless the board orders otherwise.

(6) The board may:

(a) affirm, amend or cancel the decision or order of the adjudicator; or

(b) remit the matter back to the adjudicator for amendment of the adjudicator's decision or order with any directions that the board

#### **Appeal to Court of Appeal**

**4-9(1)** With leave of a judge of the Court of Appeal, an appeal may be made to the Court of Appeal from a decision of the board pursuant to section 4-8 on a question of law.

(2) A person, including the director of employment standards, intending to make an appeal to the Court of Appeal shall apply for leave to appeal within 15 business days after the date of service of the decision of the board.

(3) Unless a judge of the Court of Appeal orders otherwise, an appeal to the Court of Appeal does not stay the effect of the decision being appealed.

#### **Right of director to appeal**

**4-10** The director of employment standards has the right:

(a) to appear and make representations on:

(i) any appeal or hearing heard by an adjudicator; and

(ii) any appeal of an adjudicator's decision before the board or the Court of Appeal; and

(b) to appeal any decision of an adjudicator or the board.