

IN THE SUPREME COURT OF BRITISH COLUMBIA

Citation: *C & W Salvage Ltd. v. Grammas Marine
Inn Ltd.*,
2026 BCSC 1590

Date: 20260824
Docket: S255570
Registry: Vancouver

Between:

C & W Salvage Ltd. and Christopher Danroth

Plaintiffs

And

**Grammas Marine Inn Ltd. also known as Gramma's Marine Inn Ltd.
and Michco Investments Ltd.**

Defendants

And

Tofino Air Lines Ltd.

Defendant by Counterclaim

Before: The Honourable Justice Chan

Reasons for Judgment

Counsel for the Plaintiffs and Defendant by
Counterclaim:

J.L. Foster

Counsel for the Defendants:

B. Yep

Place and Date of Hearing:

Port Coquitlam, B.C.
August 4, 2026

Place and Date of Judgment:

Vancouver, B.C.
August 24, 2026

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Introduction

[1] Michco Investments Ltd. (“Michco”) applies for an order pursuant to Rule 9-6 of the *Supreme Court Civil Rules*, B.C. Reg. 168/2009 [SCCR] to dismiss the plaintiffs’ claim to an interest in real property in Gibsons, B.C. Michco argues that the plaintiffs’ claim against the land has no chance of success and is bound to fail. In the alternative, Michco argues a certificate of pending litigation (“CPL”) registered by the plaintiffs against the land ought to be cancelled and discharged, as the plaintiffs’ claim discloses no interest in land.

Factual Background

[2] I take the following from the pleadings.

[3] The plaintiffs commenced this action by notice of civil claim (“NOCC”) filed on July 24, 2025. The plaintiff C & W Salvage Ltd. (“C & W”) is a company incorporated in British Columbia. C & W is in the business of aircraft leasing. The plaintiff Christopher Danroth (“Danroth Sr.”) is the director and president of C & W.

[4] The defendants Grammas Marine Inn Ltd., also known as Gramma’s Marine Inn Ltd. (“Gramma’s”) and Michco are companies incorporated in British Columbia. Gramma’s is in the business of operating a pub and liquor store in Gibsons, B.C. Michco is a real estate holdings company. Cody Nils Danroth (“Cody”) is currently a director of both companies. Cody is the son of Danroth Sr.

[5] The NOCC advanced claims in debt for loans made from the plaintiffs to the defendants from 1984 to 2023 of approximately \$2.6 million.

[6] The defendants filed the response to civil claim on November 12, 2025. The defendants filed the counterclaim against Tofino Air Lines Ltd. on November 12, 2025.

[7] The plaintiffs filed an amended notice of civil claim (“ANOCC”) on March 16, 2026. The amendments referenced a family law action between Danroth Sr. and ex-spouse Michele Alameda Whiting. Danroth Sr. and Ms. Whiting owned a group of companies known as the “All Sports Group”. The All Sports Group consist of nine

companies, including C & W, Gramma's, and Michco. The family law action was commenced in 2017. A final order was entered by consent on January 7, 2019, before Justice Davies (the "Davies Order"). It was a term of the Davies Order that Michco would repay to C & W an intercompany loan of approximately \$2.7 million through the transfer of land, shares, and assignments of debts, including a transfer of real property on North Road in Gibsons, B.C. (the "Gibsons Property"). The ANOCC alleges that when Cody turned 21 years old, he became the sole director of Michco. Michco has not effected a transfer of the Gibsons Property to C & W. Michco remains the registered owner of the Gibsons Property. C & W seeks in the ANOCC a declaration that it has legal interest in the Gibsons Property; that Michco holds the Gibsons Property in trust for C & W; that a CPL be registered on the Gibsons Property; and for an order vesting title to the Gibsons Property in C & W. Under legal basis, in relation to the claim for the Gibsons Property, C & W relies on the Davies Order and s. 37 of the *Law and Equity Act*, R.S.B.C. 1996, c. 253.

[8] The plaintiffs filed the CPL on the Gibsons Property on March 24, 2026. The plaintiffs filed the response to counterclaim on May 8, 2026. No lists of documents have been exchanged and no discoveries have occurred.

[9] In addition to the pleadings, the parties have adduced affidavits from Cody and Danroth Sr.

[10] In an affidavit dated May 12, 2026, Cody deposed that he is currently a director of Michco and Gramma's. He is currently 25 years old, and his brother Christopher Nicholas Danroth ("Chris Jr.") is 29 years old.

[11] Cody deposed this action is one of several actions related to the All Sports Group. Cody's father, Danroth Sr., at one time controlled all of the companies in the All Sports Group. Cody's relationship with Danroth Sr. is now estranged. Danroth Sr. has now been removed as a director of Michco and the other All Sports Group companies.

[12] Before Cody and Chris Jr. turned 19, the shares to Michco were held by their mother, Ms. Whiting, in trust for them. Cody and Chris Jr. became shareholders of Michco around the time they turned 19. Cody deposed currently all the issued and outstanding shares in Michco are owned by him and his brother. Chris Jr. became a shareholder on May 14, 2015, and Cody became a shareholder on December 2, 2019.

[13] Cody deposed his father was a director of Michco from May 26, 2000 to November 20, 2007; February 1, 2013 to June 11, 2014; and September 25, 2015 to February 6, 2023. On February 6, 2023, his father was removed as a director of Michco.

[14] Cody deposed the family law action between his parents started in 2017. The parties to the family law action were his father and C & W, his mother and Richnor Recycling (another company in the All Sports Group), and Nasrin Danroth, his father's current spouse. Michco was not a party to the family law action.

[15] Cody deposed the Davies Order included a term that his parents, in their capacities as directors and officers of companies in the All Sports Group, were to take various steps to wind up the companies in which shares were held by Cody and his brother, and to forgive intercompany debts between the companies. Cody deposed the ultimate goal was to create a trust fund for him and his brother (the "Wind Up"). Cody deposed the Wind Up was never carried out and his father continued to operate the companies, including Michco, until his removal as director. Cody deposed his father told him on several occasions he did not intend to wind up the companies as he considered it to be a bad business decision.

[16] Danroth Sr. deposed an affidavit on May 27, 2026. Danroth Sr. disagrees with Cody on his factual allegations. Danroth Sr. deposed the companies in the All Sports Group were not all controlled by him. Danroth Sr. deposed while he was at various times a director of some of the companies, he was not always a director or the only director. His ex-spouse Ms. Whiting was a director of several of the companies at the same time and a sole director at times.

[17] Danroth Sr. also does not agree that Cody and his brother currently own all of the shares of Michco. Danroth Sr. deposed that C & W is a shareholder of Michco. The sons own class B shares and C & W owns one class C share.

[18] Danroth Sr. deposed at the time of the Davies Order, Ms. Whiting and C & W held the majority of the shares of Michco. Ms. Whiting and Danroth Sr. were the only directors of Michco at the time of the Davies Order. Ms. Whiting was a director of Michco from 2007 until December 4, 2019.

[19] Before the Davies Order, Michco owed debts to C & W. Ms. Whiting and Danroth Sr., as directors of Michco, agreed to how Michco would repay that debt, as set out in the Davies Order. Michco has not repaid the debt.

[20] After the Davies Order, Danroth Sr. loaned money to both Michco and Gramma's from his retirement savings, both personally held and through C & W. These loans were to allow the companies to continue to operate through a period of reduced cash flow due to the pandemic. Those loans have not been repaid and are also the subject of claims in the ANOCC.

[21] Danroth Sr. deposed the companies subject to the Wind Up had significant assets. Some of the companies were shareholders in the other companies in the All Sports Group. The companies had various intercompany debts. Danroth Sr. deposed winding up the companies is a complex undertaking and will take years to realize the most gains for the trust fund. Market conditions, tax implications, and effects on the other companies must be considered. Danroth Sr. deposed it was important to him to carry out the Wind Up in an orderly fashion, preserving as much value as possible for the trust fund, as he expects both his sons will require financial support for the rest of their lives due to medical issues.

[22] Danroth Sr. deposed he did take some steps to carry out the Wind Up, including selling assets of one of the companies and a related commercial property in 2019. However, he deposed Ms. Whiting mostly refused to cooperate with him. Ms. Whiting disagreed with his approach to the Wind Up. Despite his requests, he deposed Ms.

Whiting refused to agree to the transfers of assets from Michco to C & W until all other aspects of the Wind Up had been fully completed. Pursuant to the Davies Order, Danroth Sr. deposed he could not carry out the Wind Up without her approvals.

[23] Danroth Sr. deposed while the shares of Michco and the other companies were held for the benefit of his sons or held by them directly, this was done primarily for tax reasons. The parents remained in control of the companies until about February 6, 2023. The sons never paid anything for the shares.

[24] Danroth Sr. disputes his removal as a director of Michco. He deposed he was informed by email from Cody that he was fired effective immediately. Danroth Sr. deposed he was never provided with any shareholders' or directors' resolution removing him as director. After his removal, Cody moved the minute books for the company. Danroth Sr. does not know if his removal as director was done in compliance with the *Business Corporations Act*, S.B.C. 2002, c. 57, and the articles of Michco.

[25] From his perspective, his relationship with Cody was not strained prior to February 2023, when Danroth Sr. was removed as director. Danroth Sr. deposed to having a good relationship, including vacationing together after the Davies Order. Danroth Sr. deposed he did not generally discuss business or the companies with Cody. Danroth Sr. denies he ever told Cody he did not intend to wind up the companies because it was a bad business decision. A few months before February 2023, Cody had expressed frustration to him for having to pay taxes on dividends paid out to him from the companies. Danroth Sr. was removed as a director of Michco shortly after that conversation.

The Davies Order

[26] The relevant term of the Davies Order relating to the Wind Up and the Gibsons Property are the following:

14. BY CONSENT In their capacity as directors of the following companies, the shares of which are held by the Children or to the benefit of the Children, the Parents will undertake an orderly wind up of these companies by way of either share sale, asset sale or dissolution of the respective companies, with the

ultimate goal of creating a fund of liquid assets to be used for the benefit of the Children (the “Wind Up”):

- (a) Grammas Marine Inn Ltd.
 - (b) All Sports Lands Ltd.
 - (c) Honey Pot Enterprises Ltd.
 - (d) 0798245 BC Ltd.
 - (e) Westwind Pub Ltd.
 - (f) Michco Investments Ltd (“Michco”).
- (the “Children’s Companies”)

15. BY CONSENT As part of the Wind Up, the Parents will cause Michco to repay the intercorporate balance owed to C&W of \$2,702,142, which will include but not be limited to the transfer of assets, shares or assignment of debts (the method to be determined upon appropriate legal and accounting advice to reduce the tax consequences to the Children’s Companies), such that C&W will receive of the following assets belonging to Michco:

....

- (b) Transfer of the North Road Property at the appraised value of \$1,670,000 less the mortgage in favour of Sunshine Coast Credit Union with a value of (\$201,824) as at May 31, 2018 or alternatively the net proceeds of sale of the North Road Property after taxes and costs of liquidation...

Rule 9-6 Summary Judgment Application

Legal Framework

[27] The legal framework that governs this proceeding is set out in R. 9-6(4) of the *SCCR*, which permits the defendant to apply for summary judgment on all or part of the claim.

[28] Rule 9-6(5) sets out the powers of the court in a summary judgment application. It provides as follows:

Power of court

- (5) On hearing an application under subrule (2) or (4), the court,
 - (a) if satisfied that there is no genuine issue for trial with respect to a claim or defence, must pronounce judgment or dismiss the claim accordingly,
 - (b) if satisfied that the only genuine issue is the amount to which the claiming party is entitled, may order a trial of that issue or pronounce judgment with a reference or an accounting to determine the amount;

- (c) if satisfied that the only genuine issue is a question of law, may determine the question and pronounce judgment accordingly; and
- (d) may make any other order it considers will further the object of these Supreme Court Civil Rules.

[29] The test under R. 9-6 is whether it is clear on the relevant facts and law that there is no genuine issue for trial.

[30] The purpose of the summary judgment rule is to promptly and inexpensively determine matters to prevent meritless claims or defences from proceeding to trial. The threshold for dismissing a claim under summary judgment is very high. The onus is on the applicant to prove “beyond a reasonable doubt” that there is “no genuine issue for trial” or that the other party is “bound to lose”: *Beach Estate v. Beach*, 2019 BCCA 277 at paras. 48, 65. Rule 9-6(5)(a) is mandatory. In other words, where the court finds that there is no genuine issue to be tried, it must dismiss the claim pursuant to R. 9-6(5)(a): *Aubichon v. British Columbia (Attorney General)*, 2021 BCSC 1183 at para. 21 [*Aubichon BCSC*], citing *Drummond v. Moore*, 2012 BCSC 496 at para. 25, aff’d *Aubichon v. Grafton*, 2022 BCCA 77 at para. 18 [*Aubichon BCCA*].

[31] The party seeking summary judgment must show there is no genuine issue of material fact that requires a trial for determination: *Balfour v. Tarasenko*, 2016 BCCA 438 at para. 41, citing *Canada (Attorney General) v. Lameman*, 2008 SCC 14 at paras. 10–11 [*Lameman*]. On a summary judgment application, each side must “put its best foot forward” with respect to the existence or non-existence of a genuine issue of material fact to be tried, and they bear the evidentiary burden accordingly: *Balfour* at para. 43, citing *Lameman* at para. 11.

[32] In determining a R. 9-6 application, the court must: (1) assume that the uncontested material facts as pled by the responding party are true; (2) refrain from weighing the facts; and (3) view inferences from the facts in a light most favourable to the responding party: *Aubichon BCSC* at para. 21, aff’d *Aubichon BCCA* at para. 18.

[33] The judge’s function on a summary judgment application is limited to determining “whether a *bona fide* triable issue arises on the material before the court

in the context of the applicable law”: *Skybridge Investments Ltd. v. Metro Motors Ltd.*, 2006 BCCA 500 at para. 12, cited with approval in *Kerfoot v. Richter*, 2018 BCCA 238 at para. 29.

[34] In considering the evidence, “the court must not weigh it but is limited to assessing whether it establishes a triable issue.”: *Kerfoot* at para. 29. Assuming the uncontested facts are true, a judge must only dismiss an action when they are satisfied that “it is beyond a doubt” that the action will not succeed: *Aubichon BCCA* at para. 27, citing *Skybridge Investments Ltd.* at paras. 11–12.

[35] The R. 9-6 procedure “engages evidence but does not assume the character of a summary trial”: *Century Services Inc. v. LeRoy*, 2015 BCCA 120 at para. 32.

[36] If the court hearing a R. 9-6 application needs to weigh and assess the evidence, “then the test of ‘plain and obvious’ or ‘beyond a [reasonable] doubt’ will not have been satisfied and the R. 9-6 application should be dismissed”: *Aubichon BCCA* at para. 30, citing *Beach Estate* at para. 67.

The Position of Michco

[37] Michco argues C & W’s claim to the Gibsons Property ought to be summarily dismissed, as C & W is bound to lose and its claim against the Gibsons Property has no chance of success.

[38] Michco argues there is no triable issue to support C & W’s claim for an interest in the Gibsons Property. C & W relies solely on the Davies Order to support its claim to the property. Michco argues the Davies Order cannot form a basis for a claim against the Gibsons Property as Michco was not a party to the Davies Order; the Davies Order made no direction against Michco and is not enforceable against Michco; and the transfer of the Gibsons Property was contingent on the Wind Up, which never occurred.

[39] Michco argues C & W is seeking selective enforcement of one term of the Davies Order against a non-party to the Davies Order. Michco argues this selective

enforcement is not appropriate and would frustrate the intention of the Davies Order that the Wind Up and forgiveness of intercompany debts be carried out for the ultimate benefit of the children. Michco argues C & W's claim to the Gibsons Property has no chance of success and ought to be dismissed, and the associated paragraphs in the ANOCC (paras. 19–24 of Part 1, para. 3 of Part 2, and paras. 6–7 of Part 3) be struck.

The Position of C & W

[40] C & W argues its claim against Michco in relation to the Gibsons Property ought not be summarily dismissed, as there are genuine issues for trial. C & W argues portions of Cody's affidavit rely on inadmissible hearsay evidence. Further, this application is premature, as discovery has not yet occurred. Summary judgment ought not be granted where there is a reasonable prospect a triable issue may emerge in the course of discovery and disclosure: *Xiao v. Fan*, 2020 BCSC 69 at paras. 48–49. In this case, C & W argues there is significant background context of the family law action and the Wind Up which has not yet been produced and which is material to the intention of the Davies Order.

[41] While Michco was not a party to the family action, at the time of the Davies Order, C & W argues Michco was a privy of both Danroth Sr. and Ms. Whiting, who were parties to the family law action. Danroth Sr. and Ms. Whiting were the only directors of Michco and constituted the majority of Michco's shareholders at the time of the Davies Order.

Analysis

[42] As I understand it, Michco's main argument for summary dismissal of C & W's claim against the Gibsons Property is that Michco was not a party to the family law action which resulted in the Davies Order.

[43] Michco argues as it was not a party to the family law action, the Davies Order cannot be enforced against it.

[44] Further, Michco argues the Davies Order did not direct Michco to do anything to effect the transfer of title to the Gibsons Property.

[45] C & W disagrees with Michco's proposition. C & W argues if Michco disagrees with the Davies Order, the proper recourse is for Michco to apply to be added as a party to vary it or set it aside. C & W refers to the *Cowichan Tribes v. Canada (Attorney General)* cases, where property owners who were not parties to the action but who are affected by the decision applied to be added as parties and to reopen the trial: 2026 BCSC 324; 2026 BCSC 1213.

[46] In my view, it is not plain and obvious that the Davies Order cannot be enforced against Michco and that the claim of C & W ought to be dismissed. While Michco was not a party to the family law action, the evidence is the only directors of Michco at the time of the Davies Order were Danroth Sr. and Ms. Whiting. Danroth Sr. and Ms. Whiting agreed to the term of the Davies Order that included transferring title to the Gibsons Property or the net proceeds of sale to C & W. Michco did not provide any authority for its broad claim that as a non-party, the order cannot be enforced against it. In any event, on the facts, there may be arguments that Michco was a privy to both parents which may affect the enforceability of the Davies Order against it. Further, as noted by C & W, both the *Supreme Court Family Rules*, B.C. Reg. 169/2009 [SCFR] and the *SCCR* expressly provide that an order may be enforced against a person not a party to the proceeding: *SCFR*, R. 15-4(6) and *SCCR*, R. 13-2(6). The Davies Order was made in a family law action pursuant to the *SCFR*. It is not plain and obvious the Davies Order cannot be enforced against Michco.

[47] It is also not plain and obvious that the Davies Order did not direct Michco to take any steps. Reading the Davies Order as a whole, it can be argued that while the order was directed to the parents, those directions were provided to the parents in their capacity as directors of Michco and the other companies. Term 14 set out expressly the Wind Up was to be carried out by the parents "in their capacity as directors". While the words "in their capacity as directors" do not expressly appear in term 15, in my view, the words "the Parents will cause Michco to repay the intercorporate balance owed to C&W" can be argued to convey the same meaning—the parents were directed in their capacity as directors of Michco to transfer legal title to the Gibsons Property to C & W. In my view, it can be argued these were not personal

obligations of Danroth Sr. and Ms. Whiting, but obligations they are to undertake as directors of Michco.

[48] Michco argues the transfer of title was contingent on the Wind Up being completed, and as the Wind Up has not occurred, there is no basis for C & W to enforce the transfer of title. It is not plain and obvious that the transfer of title was contingent on the Wind Up being completed. No timeline was provided in the Davies Order for the completion of the Wind Up. Term 15, which included the transfer of title to the Gibsons Property, was stated to be *part* of the Wind Up and not stated to be completed only after all other steps in the Wind Up have been done.

[49] Michco argues to allow C & W to enforce the transfer of title would defeat the intention of the Davies Order to Wind Up, forgive the intercompany debts, and create a trust fund for the children. In my view, it is not plain and obvious enforcing the transfer of title would defeat the intention of the Davies Order. It can be argued the Davies Order did not forgive the intercompany loan between Michco and C & W, as term 15 expressly provided for the amount of that debt and how it can be repaid. The forgiveness of intercompany loans was referenced in other terms in relation to other companies.

[50] I agree with C & W that Michco's application for summary dismissal of the claim to the Gibsons Property is premature. The Davies Order is extensive, and evidence as to the background of the family action, the existence of the various companies, the control of the companies, and how that evolved may shed light on triable issues as to how the Davies Order should be interpreted. Evidence as to how the debts owed by Gramma's and Michco to the plaintiffs arose and the timing of those debts may also be relevant. There is a dearth of evidence on any of these issues and in my view, the Court cannot find there is no genuine issue for trial.

Does the ANOCC Disclose an Interest in Land?

[51] In the alternative, Michco argues the ANOCC does not disclose an interest in land as required by s. 215 of the *Land Title Act*, R.S.B.C. 1996, c. 250 [LTA], and the CPL must be discharged: *Bilin v. Sidhu*, 2017 BCCA 429 at paras. 54–55.

[52] In an application to cancel a CPL for non-compliance with s. 215 of the *LTA*, the test is whether the pleadings are capable of supporting a claim to an interest in land. On such an application, no evidence is to be considered: *Xiao v. Fan*, 2018 BCCA 143 at para. 27.

[53] Michco argues the Davies Order cannot form the basis of a claim to an interest in land by C & W for the following reasons: Michco was not a party to the Davies Order; the Davies Order was not directed at Michco but was a personal obligation of the parents; and the transfer of title was only one possible outcome, with the alternative a sale of the property; and both were contingent on the Wind Up being completed.

[54] Looking only at the pleadings, which is what the Court must do, in my view, the ANOCC does disclose an interest in the Gibsons Property. The ANOCC alleges that there was a family law action involving Danroth Sr., Ms. Whiting, and the All Sports Group. The ANOCC alleges that Justice Davies pronounced a final order on January 7, 2019, which included a term that Michco would repay to C & W an intercompany balance of \$2,702,142 through the transfer of land, shares, and assignment of debts, including a transfer of title from Michco to C & W of the Gibsons Property. The ANOCC alleges the transfer of title to the Gibsons Property did not occur, and Michco remains the registered owner of the Gibsons Property. The ANOCC alleges Michco remains legally obligated to transfer title and C & W continues to have a legal interest in the property.

[55] In my view, the pleadings disclose an interest in land. The ANOCC alleges Michco was to repay a sum of money to C & W by various means, including a transfer of title to the Gibsons Property, which transfer has not happened. The arguments made by Michco go to the merits of C & W's claim to the Gibsons Property and do not arise from the pleadings.

[56] In my view, the ANOCC discloses a claim to an interest in land to permit the registration of a CPL pursuant to s. 215 of the *LTA*.

Conclusion

[57] The application of Michco for summary dismissal of the plaintiffs' claim to the Gibsons Property or cancellation of the CPL is dismissed.

[58] Costs of this application will be in the cause.

“Chan J.”