In the Court of Appeal of Alberta

Citation: RCI Coatings Ltd v Alberta (Director of Maintenance Enforcement), 2026 ABCA 342

Date: 20261026
Docket: 2501-0197AC
Registry: Calgary

2026 ABCA 342 (CanLII)

Between:

Andrea Dale Huber, Peter Schiffers and Director of Maintenance Enforcement

Respondents

- and -

R.C.I. Coatings Ltd.

Appellant

The Court:

The Honourable Justice Jolaine Antonio
The Honourable Justice Kevin Feehan
The Honourable Justice Joshua B. Hawkes

Memorandum of Judgment

Appeal from the Order by
The Honourable Justice D.J. Reed
Dated the 23rd day of June, 2025
Filed on the 7th day of July, 2025
(Docket: FL01 27783)

Memorandum of Judgment

The Court:

[1] The appellant RCI Coatings Ltd. appeals an order issued under section 17(9) of the *Maintenance Enforcement Act*, RSA 2000, c M-1 directing it to pay the respondent Director of Maintenance Enforcement support arrears owed by the respondent Peter Schiffers.

[2] In April 2021, the Director served a support deduction notice on RCI pursuant to section 17 of the *Maintenance Enforcement Act*, directing RCI to remit all money payable by it to Mr. Schiffers. At the time of the notice, Mr. Schiffers owed $133,010.33 to the respondent Andrea Dale Huber in support arrears.

[3] Section 17(2) of the *Maintenance Enforcement Act* provides that service of a support deduction notice "binds... (a) all money owing or payable on the date of service to the debtor or an agent of the debtor by the person required to pay" under the notice and "(b) all money that becomes owing or payable from time to time after the date of service to the debtor or an agent of the debtor by the person required to pay" under the notice.

[4] In May 2021, RCI responded to the support deduction notice, asserting, "Peter Schiffers has not subcontracted work from RCI Coatings LTD". In February 2022, RCI sent a further communication advising that "Peter Schiffers has not worked or subcontracted from RCI Coatings Ltd... since March of 2019".

[5] In 2023, the Director was advised by two of RCI's clients that Mr. Schiffers was on site working for RCI.

[6] In December 2024, the Director filed an application seeking an order directing RCI and two other related entities to pay Mr. Schiffers' support arrears. Section 17(9)(a) of the *Maintenance Enforcement Act* provides, "If a person fails to pay in accordance with a support deduction notice... the Court of King's Bench may order payment by that person of the amount unpaid". The Director sought $133,010.33 "pursuant to the Support Deduction Notice dated April 20, 2021" from RCI and additional amounts from the two other entities, which were also served support deduction notices. The application noted the total payable by all the related entities was not to "exceed the support arrears owed by Peter Schiffers". Shortly prior to filing the application, the Director served RCI a notice updating the total support arrears owed by Mr. Schiffers to $236,958.99.

[7] In May 2025, Mr. Schiffers' son, a director and part owner of RCI, swore an affidavit in response to the Director's application. He attested that his father was on site working on RCI projects, not because he worked for RCI, but because he worked for Joanne Gillis, "who was a sole proprietor who did work for" RCI. He attached statements showing that payments from RCI

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to Mr. Schiffers stopped in March 2019 and payments to Ms. Gillis started in June 2019. Ms. Gillis was Mr. Schiffers' girlfriend.

[8] In June 2025, the Director's application was heard by the chambers judge. The chambers judge had before him the affidavit of Mr. Schiffers' son and an affidavit from an investigator with the Maintenance Enforcement Program. Each witness was examined briefly in direct and in cross.

[9] The chambers judge reviewed the evidence, including evidence showing that Mr. Schiffers "shed his shareholdings" in RCI in 2019; his son then purchased those shares; Ms. Gillis began receiving "reasonably large amounts of money" consistent with or greater than what Mr. Schiffers had previously received directly from RCI; and Mr. Schiffers continued to use an RCI email address and drive RCI vehicles. He found "the arrangement with Joanne Gillis" was "a sham... designed to thwart Maintenance Enforcement". On that basis, he held RCI was "required to pay pursuant to the support deduction notices". As it had failed to do so, with the record showing payments to Ms. Gillis from April 2021 to April 2025 exceeded $500,000, he directed RCI to pay the full amount of the support arrears owed by Mr. Schiffers set out in the November 2024 update, being $236,958.99.

[10] RCI appeals. Counsel for RCI and counsel for the Director made submissions before us. Counsel for Mr. Schiffers was present but made no submissions. Ms. Huber was notified of the appeal but did not participate.

[11] First, RCI argues the decision of the chambers judge is "not supported by the legislation", because the *Maintenance Enforcement Act* does not include a "'deeming provision' allowing for another party to be found liable for the debts of another if there is a finding that there was a sham transaction".

[12] The chambers judge did not rely on a "deeming provision". His decision is based on sections 17(2)(a) and (b), which provide that service of a support deduction notice binds "all money owing or payable" and "all money that becomes owing or payable" by the recipient of the notice to the debtor. The import of the chambers judge's finding that "the arrangement with Joanne Gillis" was "a sham... designed to thwart Maintenance Enforcement" was that the money directed to Ms. Gillis was actually "money owing or payable" by RCI to Mr. Schiffers for the purpose of section 17(2).

[13] That conclusion is consistent with the remedial purpose of the *Maintenance Enforcement Act*. The British Columbia Court of Appeal has described similar legislation in that province as "social legislation" that is "designed to address the evil of widespread default in payments required to be made by family maintenance payment orders." It makes available to maintenance creditors "the power and the resources of the state to enforce payment" and thereby alleviates "the distress which is the frequent consequence of non-payment": *British Columbia (Director of Maintenance Enforcement) v IWA Forest Industry Pension Plan (Trustee of)*, 86 DLR (4th) 461, 1991 CanLII 788 (BCCA) at para 20. The British Columbia Court of Appeal has taken a purposive and inclusive

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approach to the provisions in its maintenance enforcement legislation that allow for collection of amounts owed to the maintenance debtor by third parties: *Loft v Nat*, 2015 BCCA 418 at paras 46-47.

[14] RCI further argues the chambers judge erred in finding that routing payments through Ms. Gillis was a "sham" because he did not set out "what a 'sham transaction' exactly is" and how it could lead to the imposition of liability on RCI, and because there was no basis for finding one in this case. "Sham" is not a term of art in this context; there was no legal test to apply. The chambers judge found as fact that "the arrangement with Joanne Gillis is a sham" and that the payments made by RCI to Ms. Gillis were "designed to thwart Maintenance Enforcement": that is, the true payee was Mr. Schiffers. That conclusion is amply supported by the evidence to which the chambers judge referred.

[15] The appellant has not established any reviewable error in the chambers judge's conclusion that money paid by RCI to Mr. Schiffers through Ms. Gillis was "money owing or payable" by RCI to Mr. Schiffers within the meaning of section 17(2).

[16] RCI suggests the chambers judge's decision is undermined because the Director could have taken other steps before serving a support deduction notice on RCI. In the context of this case, we are not persuaded the Director's choice of procedures gave rise to reviewable error by the chambers judge.

[17] Finally, RCI submits the Director should be restricted to recovering $133,010.00 from it, not $236,958.99, because that was the amount specified as being sought from RCI in the "Remedy claimed or sought" portion of the Director's formal application.

[18] In directing payment of the larger amount, the chambers judge noted the Director had provided a notice updating RCI to the fact that the total support arrears owed by Mr. Schiffers had increased to $236,958.99. Since the chambers judge had already held RCI was "liable under the support deduction notice, not fixing" the amount owed "at the number in the most recent notice... would simply force an unnecessary" further application, which he determined would serve no useful purpose.

[19] Rule 6.3(2) of the *Alberta Rules of Court*, Alta Reg 124/2010, which requires applicants to specify the grounds and evidence relied on, and the "remedy claimed or sought", ensures "that all participants can prepare themselves appropriately": *Tomco Production Services Ltd v Smith*, 2015 ABQB 820 at paras 15-17; see also *ONE Properties Holdings Corp v Turtle Bay Investments Ltd*, 2025 ABKB 313 at para 64; *Matta v Matta*, 2021 ABQB 826 at para 17. RCI did not offer a concrete explanation of how it would have prepared differently for an application involving $236,958.99, per the updated November 2024 notice, as opposed to $133,010.33, per the April 2021 notice. The Director's formal application specified that it sought relief of $133,010.33 against RCI and additional amounts against the other two related entities, while also noting the total amount to be paid by the three corporations "shall not exceed" $236,572.27. In the circumstances,

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we are satisfied RCI did not suffer any prejudice and that the chambers judge did not make a reviewable error with respect to quantum.

[20] For the foregoing reasons, the appeal is dismissed.

Appeal heard on October 13, 2026

Memorandum filed at Calgary, Alberta
this 26th day of October, 2026

Antonio J.A.

Feehan J.A.

Hawkes J.A.

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Appearances:

Respondent A. D. Huber (no appearance)

R. Ahmed
C. Jabr
for the Respondent, Peter Schiffers

C.P. Dylke
for the Respondent, Director of Maintenance Enforcement

C.M. Floden
for the Appellant, R.C.I. Coatings Ltd.

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