

COURT OF APPEAL FOR ONTARIO

CITATION: Royal Bank of Canada v. S-Cosmetics Clinic Inc., 2024 ONCA 87

DATE: 20240202

DOCKET: COA-23-CV-0934

Benotto, Roberts and Sossin JJ.A.

BETWEEN

Royal Bank of Canada

Plaintiff (Respondent)

and

S-Cosmetics Clinic Inc. and Kuilin Wang

Defendants (Appellants)

Micah I. Ryu, for the appellants

Natalie Marconi, for the respondent

Heard: January 29, 2024

On appeal from the judgment of Justice Janet E. Mills of the Superior Court of Justice, dated August 3, 2023.

REASONS FOR DECISION

[1] Kuilin Wang and his company S-Cosmetics Clinic Inc. (the “Corporation”) appeal a portion of the summary judgment granted to the Royal Bank of Canada (“the bank”), which requires Mr. Wang to deliver assets of the Corporation to the bank. They submit that the motion judge erred because the bank did not plead that personal liability attached to Mr. Wang.

[2] Mr. Wang acknowledges that he is the sole officer, director, and directing mind of the Corporation. The bank advanced a loan to the Corporation subject to a General Security Agreement. For the Corporation, Mr. Wang signed the loan agreement, the General Security Agreement, and a personal guarantee for the loan limited to \$39,818.00. When the loan went into default, the bank sought to execute on the General Security Agreement.

[3] The bank moved for summary judgment. The motion judge granted judgment for the full amount of the claim and required that the appellants deliver the assets of the Corporation to the bank. She found that Mr. Wang is liable for the full amount of the guarantee and that the appellants’ submission that the guarantee was limited to 25% of the loan was directly refuted by the terms of the signed agreements. She found that the appellants have withheld the collateral subject to the General Security Agreement, which states that the bank has a right to the assets and the Corporation agrees to deliver possession of collateral on default. Mr. Wang has no entitlement to the assets.

[4] Mr. Wang submits that the General Security Agreement was signed by him in his capacity as sole officer, director, and controlling mind of the corporation and not in his personal capacity, therefore he has no personal obligation to return the collateral to the bank. He does not contest the bank's right to the assets.

[5] We do not accept these submissions. Mr. Wang admits that the bank is entitled to the assets and that he is in possession of them. We see no error in the motion judge's determination that he must deliver them to the bank.

[6] The appeal is dismissed with costs in the agreed upon amount of \$14,139.96, inclusive of disbursements and taxes.

"M.L. Benotto J.A."

"L.B. Roberts J.A."

"L. Sossin J.A."