IN THE SUPREME COURT OF NOVA SCOTIA (FAMILY DIVISION)

Citation: Boudreau v. Boudreau, 2004 NSSF 83

Date: 20041007

Docket: 1201-56281 (SFHD-12991)

Registry: Halifax

Between:

Suzan Mary Boudreau

Petitioner

v. Dennis Wesley Boudreau

Respondent

and PricewaterhouseCoopers Inc.

Interveners

Judge: The Honourable Assoc. Chief Justice Robert F. Ferguson

Written Decision: October 7, 2004

Counsel: D. Brian Newton, Q.C., for the Petitioner

Myrna L. Gillis, for the Respondent

Peter D. Darling and Shawn H. E. Harmon, for the Interveners

- [1] Suzan and Dennis Boudreau began a common-law relationship in the summer of 1983 and were married on October 19, 1991. They are the parents of Joden Garrett Boudreau, born on [...], 1985, and Amy Marie Boudreau, born on [...], 1987. The couple separated in August of 2001. Mr. Boudreau and the children remained, and continue to reside in, the family home.
- [2] Mrs. Boudreau petitioned for divorce in October of 2001. She also filed for bankruptcy in June of 2002.

[3] PricewaterhouseCoopers Inc., as Mrs. Boudreau's trustee in bankruptcy, has been granted the status of a party in this proceeding and has intervened.

DIVORCE

[4] I have heard evidence as to the possibility of reconciliation and determined there is no such possibility. I am satisfied all matters of jurisdiction have been fulfilled. The requirements of the *Divorce Act* have been complied with in all respects and the grounds for divorce as alleged have been proved. The Divorce Judgment shall be granted on the grounds set forth in s. 8.(2)(a) of the *Divorce Act* in that there has been a breakdown of the marriage and the spouses have lived separate and apart for more than a year immediately preceding the determination of the divorce proceedings and have lived separate and apart since the commencement of this proceeding.

ISSUES

- [5] The issues are:
- Custody and Access
- Child Support ongoing and retroactive, including a request for a contribution to special and extraordinary expenses
- Spousal Support
- Division of Matrimonial Property and Debt

Relevant Legislation

[6] The *Divorce Act*

- 16. (1) A court of competent jurisdiction may, on application by either or both spouses or by any other person, make an order respecting the custody of or the access to, or the custody of and access to, any or all children of the marriage.
- (5) Unless the court orders otherwise, a spouse who is granted access to a child of the marriage has the right to make inquiries, and to be given information, as to the health, education and welfare of the child.
- (8) In making an order under this section, the court shall take into consideration only the best interests of the child of the marriage as determined by reference to the condition, means, needs and other circumstances of the child.
- (10) In making an order under this section, the court shall give effect to the principle that a child of the marriage should have as much contact with each spouse as is consistent with the best interests of the child and, for that purpose, shall take into consideration the willingness of the person for whom custody is sought to facilitate such contact.
- [7] Both Joden and Amy have remained with their father since separation. Mrs. Boudreau does not seek a change of the children's primary residence. Mrs. Boudreau continues to have contact, as and when agreed to by the children. She acknowledges the children's wish to remain with Mr. Boudreau and that her relationship, especially with one of the children, is strained. Mrs. Boudreau exhibited an interest in and a concern for her children and requests the opportunity to have involvement in their lives. Mr. Boudreau, in his pleadings, sought custody to the exclusion of Mrs. Boudreau. Given his testimony, I conclude his main concern is that the children remain living with him and under his direction.
- [8] The children are 18 and 15. It is acknowledged by both parents that Joden and Amy will reside with their father and be subject to his day-to-day direction. Under these conditions, it is in the children's interest and not contrary to the interests of Mr. Boudreau that the parents share the designation of custodial parent.

It serves as an indication to the children of their mother's wish to share responsibility for their well-being.

[9] Mr. Boudreau being the primary care giver shall confer with Mrs. Boudreau before effecting any major changes in the children's lives. In the event that there is no consensus, Mr. Boudreau, as the primary care giver, shall make the ultimate decision. Mrs. Boudreau shall be able to confer directly with any adults that are involved in their children's lives. Given the children's ages, Mrs. Boudreau's access to them would be as arranged and agreed to by the children.

CHILD SUPPORT

Relevant Legislation

[10] The Divorce Act

- 15.1 (1) A court of competent jurisdiction may, on application by either or both spouses, make an order requiring a spouse to pay for the support of any or all children of the marriage.
- (3) A court making an order under subsection (1) or an interim order under subsection (2) shall do so in accordance with the applicable guidelines.
- (4) The court may make an order under subsection (1) or an interim order under subsection (2) for a definite or indefinite period or until a specified event occurs, and may impose terms, conditions or restrictions in connection with the order or interim order as it thinks fit and just.
- [11] Mr. Boudreau seeks child support, including a contribution to special or extraordinary expenses from Mrs. Boudreau in accordance with the *Federal Child Support Guidelines*, both on an ongoing and retroactive basis.

Ongoing Child Support

- [12] There is currently in place an order dated July 25, 2003, relating to Mrs. Boudreau's responsibility to provide child support to Mr. Boudreau. It concludes that Mrs. Boudreau's income for the purpose of child support payments is \$49,300.00. It states, in part:
 - 1. The Petitioner, Suzan Mary Boudreau, shall pay to the Respondent, Dennis Wesley Boudreau, the sum of Six Hundred Seventy Dollars (\$670.00) child maintenance (the >table amount') for the children of the marriage, Joden Garrett Boudreau, born [...], 1985 and Amy Marie Boudreau, born [...], 1987, payable on the first day of each month, and commencing April 1, 2003.
 - 2. In addition to the table amount set out above, the Petitioner, Suzan Boudreau, shall continue the medical, dental and drug plan coverage for the children of the marriage, Joden Garrett Boudreau, born [...], 1985 and Amy Marie Boudreau, born [...], 1987, available through her present and subsequent employer(s) or otherwise and shall reimburse Dennis Wesley Boudreau for receipts provided by him for submission to the insurer without delay.
 - 3. All maintenance payments shall be made payable to Dennis Wesley Boudreau. Payments shall be forwarded to the Office of the Director of Maintenance Enforcement, P.O. Box 803, Halifax, Nova Scotia B3J 2V2, while the order is filed for enforcement with the Director. The current mailing address of Dennis Wesley Boudreau is [...], Bedford, Nova Scotia B4A 2T2.
 - 4. The Petitioner, Suzan Mary Boudreau, shall provide the Respondent, Dennis Wesley Boudreau, with a copy of her income tax return, completed and with all attachments, even if the return is not filed, along with all notices of assessment received from Revenue Canada, on an annual basis on or before June 1st of each year.
- [13] Mrs. Boudreau's obligation will continue as ordered.

Ongoing Special or Extraordinary Expenses

Relevant Legislation:

[14] The Federal Child Support Guidelines

7. (1) In a child support order the court may, on either spouse's request, provide for an amount to cover all or any portion of the following expenses, which

expenses may be estimated, taking into account the necessity of the expense in relation to the child's best interests and the reasonableness of the expense in relation to the means of the spouses and those of the child and to the family's spending pattern prior to the separation:

- (a) child care expenses incurred as a result of the custodial parent's employment, illness, disability or education or training for employment;
- (b) that portion of the medical and dental insurance premiums attributable to the child;
- (c) health-related expenses that exceed insurance reimbursement by at least \$100 annually, including orthodontic treatment, professional counselling provided by a psychologist, social worker, psychiatrist or any other person, physiotherapy, occupational therapy, speech therapy and prescription drugs, hearing aids, glasses and contact lenses;
- (d) extraordinary expenses for primary or secondary school education or for any other educational programs that meet the child's particular needs;
- (e) expenses for post-secondary education; and
- (f) extraordinary expenses for extracurricular activities.
- (2) The guiding principle in determining the amount of an expense referred to in subsection (1) is that the expense is shared by the spouses in proportion to their respective incomes after deducting from the expense, the contribution, if any, from the child.
- [15] This legislation provides direction and latitude in concluding what should be considered a special or extraordinary expense and the proportioning of parental responsibility to assume such expense. Mrs. Boudreau, as noted, is required to provide for the children such medical, dental and drug plan coverage as is available through her employer. The cost of providing the children with appropriate medical

coverage may exceed the amount available through Mrs. Boudreau's plan. I find such amount to be a special expense that should be provided for the children and further conclude it should be shared equally by Mr. and Mrs. Boudreau.

Retroactive Child Support

- [16] Mrs. Boudreau acknowledges a responsibility to have paid child support from the date of separation to the current court order a period of twenty-one months. Mrs. Boudreau further submits such responsibility should be calculated at a rate of \$674.00 per month creating a retroactive obligation in the amount of \$14,154.00. This approach would see Mrs. Boudreau's responsibility over portions of three years governed by her current income. I find these figures to be appropriate in establishing this responsibility.
- [17] Mrs. Boudreau submits that during the relevant period she has provided child support payments to Mr. Boudreau, made mortgage payments on the matrimonial home and provided items directly to the children in an amount totalling \$8,334.00. If this amount were credited to her, it would reduce her retroactive child support obligation to \$5,820.00.
- [18] Mr. Boudreau in his final submission concludes the retroactive arrears should be \$9,600.00.
- [19] I accept \$5,310.00 of the \$8,334.00 Mrs. Boudreau submits should be attributed to her child support arrears and conclude that this amount should apply to her established obligation. The amount is comprised of child support payments directed to Mr. Boudreau in the amount of \$4,044.00 and the contribution of

\$1,266.00 towards the mortgage. Accordingly, I find Mrs. Boudreau is in arrears of her child support obligation in the amount of \$8,844.00.

Retroactive Special or Extraordinary Expenses

[20] Mrs. Boudreau seeks retroactive compensation for special or extraordinary expenses related to the children that occurred since the date of separation.

[21] As previously mentioned, the relevant legislation gives the court some latitude in ordering a payment for special or extraordinary expenses. As to making a retroactive support order, current law also provides direction as to when a judge should exercise the authority to order such payment. Mrs. Boudreau has provided her medical plan to the children since separation. She has also, during the relative time period, provided items for the children, the cost of which has not been calculated in reducing arrears. Further, Mr. Boudreau's testimony made it difficult to conclude his "means," a factor required to be taken into account when assessing this type of expense.

[22] In this instance, Mrs. Boudreau will not be required to provide an amount for the requested retroactive special or extraordinary expense.

SPOUSAL SUPPORT

Relevant Legislation

[23] The Divorce Act

- 15.2 (1) A court of competent jurisdiction may, on application by either or both spouses, make an order requiring a spouse to secure or pay, or to secure and pay, such lump sum or periodic sums, or such lump sum and periodic sums, as the court thinks reasonable for the support of the other spouse.
- (3) The court may make an order under subsection (1) or an interim order under subsection (2) for a definite or indefinite period or until a specified event occurs, and may impose terms, conditions or restrictions in connection with the order as it thinks fit and just.
- (4) In making an order under subsection (1) or an interim order under subsection (2), the court shall take into consideration the condition, means, needs and other circumstances of each spouse, including
- (a) the length of time the spouses cohabited;
- (b) the functions performed by each spouse during cohabitation; and
- (c) any order, agreement or arrangement relating to support of either spouse.
- (6) An order made under subsection (1) or an interim order under subsection (2) that provides for the support of a spouse should
- (a) recognize any economic advantages or disadvantages to the spouses arising from the marriage or its breakdown;
- (b) apportion between the spouses any financial consequences arising from the care of any child of the marriage over and above any obligation for the support of any child of the marriage;
- (c) relieve any economic hardship of the spouses arising from the breakdown of the marriage; and
- (d) in so far as practicable, promote the economic self-sufficiency of each spouse within a reasonable period of time."

[24] Mr. Boudreau, in his initial submission, on this point, states, in part:

The Respondent seeks indemnity from the Petitioner in the form of lump sum support in the event that he is further sued for matrimonial debts incurred on accounts registered in his name alone. There is judgment pending for some of these debts, as outlined herein.

. . . The Respondent submits that it would be just to award him some form of lump sum maintenance to secure him against creditors on any portion of debt that remains

undischarged. The Petitioner's bankruptcy has not deprived him of a business asset, but her spending habits and declaration of bankruptcy have put him to significant expense to meet the claims of the Trustee. He has also had to fend off his own creditors, while supporting the family almost on his own.

The conditions, means, needs and other circumstances of each spouse indicate that the Respondent has less income than the Petitioner, is not otherwise seeking spousal support, has made significant (and **largely unmatched**) contributions to the family's finances since separation, and has been steadily attempting to pay off substantial debts that were mainly matrimonial debts. The Petitioner has means to pay lump sum support, being largely relieved of her debt obligations by bankruptcy; she has contributed next to nothing to the family's finances since separation; and it is the Respondent's position that the Petitioner contributed to a majority of the family's debts.

- [25] Mr. Boudreau submits that Mrs. Boudreau's lifestyle and spending habits placed the family unit, and in particularly him, in financial jeopardy. It is obvious the Boudreau's as a financial unit had expenses that exceeded their income. The evidence does not support a conclusion that Mrs. Boudreau should bear a disproportionate share of the family's financial problem. She may have incurred most of the family debt but she also provided most of the family income. Conversely, Mr. Boudreau did not provide the family with income of an amount normally attributed to a person with his employment experience. This is partly explained by his admission of keeping income for his own private use as the family floundered financially.
- [26] Section 15.2(4) of the *Divorce Act* sets out the factors to be addressed when considering a spousal support obligation. Section 15.2(6) refers to the objectives of making such an order. Considering the previously noted factors and objectives, I conclude it would not be appropriate to make an order for spousal support in this instance.

MATRIMONIAL PROPERTY AND DEBTS

[27] The parties, including the Intervener, disagree as to (1) the division of assets and debt; and (2) the identification and valuation of such assets and debt.

Division of Property and Debt

[28] Both Mr. and Mrs. Boudreau suggest an unequal distribution of property and debt in their favour. Mr. Boudreau submits Mrs. Boudreau created the majority of the family debt and, accordingly, the repayment should be borne in the main by her. Mrs. Boudreau submits Mr. Boudreau, for the term of their relationship, was under employed; further, what little income he did generate was not applied to the family finances. The Intervener believes the evidence supports a conclusion that the matrimonial property and debt should be shared and borne equally by the Boudreaus; further, that whatever conclusion the court comes to on this point it is not in a position to encroach on their interest in the matrimonial home created by Mrs. Boudreau's bankruptcy.

Relevant Legislation

[29] The Matrimonial Property Act

- 13 Upon an application pursuant to Section 12, the court may make a division of matrimonial assets that is not equal or may make a division of property that is not a matrimonial asset, where the court is satisfied that the division of matrimonial assets in equal shares would be unfair or unconscionable taking into account the following factors:
- (a) the unreasonable impoverishment by either spouse of the matrimonial assets;
- (b) the amount of the debts and liabilities of each spouse and the circumstances in which they were incurred;
- (c) a marriage contract or separation agreement between the spouses;

- (d) the length of time that the spouses have cohabited with each other during their marriage;
- (e) the date and manner of acquisition of the assets;
- (f) the effect of the assumption by one spouse of any housekeeping, child care or other domestic responsibilities for the family on the ability of the other spouse to acquire, manage, maintain, operate or improve a business asset;
- (g) the contribution by one spouse to the education or career potential of the other spouse;
- (h) the needs of a child who has not attained the age of majority;
- (i) the contribution made by each spouse to the marriage and to the welfare of the family, including any contribution made as a homemaker or parent;
- (j) whether the value of the assets substantially appreciated during the marriage;
- (k) the proceeds of an insurance policy, or an award of damages in tort, intended to represent compensation for physical injuries or the cost of future maintenance of the injured spouse;
- (l) the value to either spouse of any pension or other benefit which, by reason of the termination of the marriage relationship, that party will lose the chance of acquiring;
- (m) all taxation consequences of the division of matrimonial assets. R.S., c. 275, s. 13; revision corrected.
- [30] As to the distribution of matrimonial debt, it is submitted that neither legislation or case law provide a presumption (as in the case of matrimonial property) that they be equally shared. *Davey v. Davey* (1994) 133 N.S.R. (2d) 202 S.C.; *Arthur v. Arthur* (1985) 67 N.S.R. (2d) 323 S.C.; and *Dunn v. Dunn* (1995) 14, R.F.L. (4th) 50 N.S. are cases put forth as support of this view. *LaRue v. Shelly* (2001) N.S.S.F. 23 notes lack of such legislative direction does not preclude debts from being so treated.
- [31] I have concluded what will be found to be matrimonial property and debt

and the value subscribed to these items. I have been made aware of the relative financial positions of Mr. and Mrs. Boudreau when they entered into the relationship and when such relationship ended. I have been made aware of the contribution each made to the family debt and their current financial situation. I further conclude that Mr. and Mrs. Boudreau have been less than forthright with the financial information they provided to one another during their relationship and, at least initially, to this court. Mrs. Boudreau informed the Intervener she was making child support payments when, in fact, she was not. Mr. Boudreau belatedly admitted he was hoarding a portion of his income at a point when the family was in financial difficulty.

[32] In this instance, I conclude it is appropriate that matrimonial property and debt be divided and assumed equally by Mr. and Mrs. Boudreau.

Identification and Valuation

[33] The parties, including the Intervener, have provided information related to the Petitioner's and the Respondent's assets and debt in the form of Statements of Property, Pre-Trial Memorandums, Post-Trial Memorandums and oral testimony; not all of which has been consistent. Justice Hallett, in *Gomez-Morales v. Gomez-Morales* (1990) 100 N.S.R. (2d) 137, spoke to these issues and stated at p. 12:

While one attempts to make the calculations with as much accuracy as possible, the basis of such calculations are generally estimates of value by experts. As a consequence, even as a general rule, a Court's division of property is, at best, an estimate of what is fair in the circumstances applying the criteria of the matrimonial property legislation. Furthermore, the Courts are regularly called upon in assessing damages arising out of personal injuries or death to fix amounts involving numerous contingencies and there is no reason why the Court should not do so in determining fair values in matrimonial property cases.

MATRIMONIAL PROPERTY

Family Home

- [34] Mrs. Boudreau, as of her bankruptcy in June 2002, assigned her interest in the home to the trustee. The couple separated in August of 2001. I find there was not an appreciable change in the value of the home from August of 2001 to June of 2002. Both Mr. Boudreau and the trustee provided expert testimony as to the value of the home. Mrs. Boudreau thinks the home should be valued at \$110,000.00. The trustee suggests a value of \$134,000.00. I agree with the submission of the trustee and value the home, for the purpose of this proceeding, at \$134,000.00. The amount owing on the mortgage at trial was \$43,000.00. I set dispositional costs at \$9,812.00 creating a net value of \$40,594.00.
- [35] Mr. Boudreau submits he should be compensated for the appreciating value of the home since the trustee assumed his interest by the addition of a furnace which costs \$7,000.00. He further claims credit for the reduction in the mortgage from the date of bankruptcy to the date of trial. The trustee suggests the furnace did not cost Mr. Boudreau \$7,000.00 and further, if it did, it would not have increased the value of the home to that extent; further, the mortgage payment made by Mr. Boudreau between the date of bankruptcy and trial, they suggest, should be considered reasonable charge for occupational rent. I find that Mr. Boudreau's increasing the value of the home, particularly by increasing its value with provision of a new heating system, should be valued at \$3,000.00. On the sale of the property, this amount shall be paid to Mr. Boudreau prior to he and the trustee equally sharing the residue.

- [36] Further, with regard to this property it is ordered Mr. Boudreau is entitled to possession of the matrimonial home until the youngest child of the marriage, Amy, attains the age of 19 ([...] 2006), provided that:
- (i) he has custody of at least one minor child who resides with him;
- (ii) he pay and cause to be kept current the existing mortgage on the property (it is presumed the mortgage will extend beyond April, 2006), and the property taxes:
- (iii) while resident in the home, Mr. Boudreau will pay all utilities and all reasonable maintenance expenses normally assumed by a lessee; other expenses will be shared by Mr. Boudreau and the trustee. He shall maintain all perils insurance equivalent to the then current market value of the home, naming both himself and the trustee of Mrs. Boudreau's estate in bankruptcy as insureds. Confirmation of insurance coverage is to be provided forthwith;
- (iv) on every anniversary of the order, Mr. Boudreau will provide to the trustee a sworn declaration confirming compliance with (I) through (iv), and also provide a copy of the then current insurance policy and the most recent mortgage statement;
- (v) in the event of non-compliance with any of items (I) through (iv), or the bankruptcy of Mr. Boudreau or on or after April, 2006, the trustee may bring an application for partition and sale of the property, the outcome of said application being for the determination of the judge hearing the same.

Mrs. Boudreau's Pension

[37] As noted in Exhibit 5, Mrs. Boudreau's pension as a matrimonial asset, is valued at \$31,915.18. I will return to this item later in this decision.

Life Insurance Policies

[38] I agree with the submission of the trustee as it relates to these items when it states in its post-trial brief at p. 5 "In the result, it is submitted that the case surrender values of the policies are approximately equal, as between Mr. and Mrs. Boudreau. They therefor need not be addressed, in the equalization process."

Remaining Matrimonial Property

[39] In its post-trial submission, the Intervener suggested six items valued at \$23,470.00 be attributed to Mr. Boudreau and five items valued at \$13,008.00 be attributed to Mrs. Boudreau. Mrs. Boudreau submitted nine items valued at \$42,375.00 be assigned to Mr. Boudreau while she would retain five items at a value of \$15,646.00. I extracted from Mr. Boudreau's final submission that he retain five items of a value of \$19,500.00 while Mrs. Boudreau held three items valued at \$17,410.00.

[40] I find the following to be the remaining matrimonial assets:

ASSET	MR. BOUDREAU	MRS. BOUDREAU
1978 Chev Street Rod	\$4,500.00	
1988 Chev Truck	\$5,000.00	
1991 Chev Van	\$1,500.00	
1986 Citation Trailer	\$3,000.00	
Tools	\$4,000.00	
Bank Account / Cash	\$5,500.00	

Total Family Assets '\$23,500.00 + \$13,481.00 □ 2 '\$18,490.00			
	\$23,500.00	\$13,481.00	
RBC RRSP		\$1,835.00	
Pendolphins		\$1,700.00	
RRSP		\$8,446.00	
1989 Chev		\$1,500.00	

[41] An equalization of these matrimonial assets would require a payment by Mr. Boudreau to Mrs. Boudreau in an amount of \$5,009.00.

Matrimonial Debt

[42] Both parties assumed matrimonial debt when they separated. There were submissions as to if the value attributed to such debt be the amount assumed or the amount paid in satisfying the debt. Mrs. Boudreau, in declaring bankruptcy will probably not pay the debt she assumed in an amount in excess of \$61,000.00. She has relinquished her interest in the family home and agreed to make further payments to the trustee. Any amount forthcoming to her as a result of their divorce could also be assumed by the trustee. The ultimate payment by Mrs. Boudreau is uncertain. In these circumstances, I find Mrs. Boudreau should be credited with the amount of debt attributed her at separation. On a much smaller scale, Mr. Boudreau assumed a building supply debt that was apparently settled in a lesser amount. The debt will be given the amount assumed at separation. I find the following to be matrimonial debt:

DEBT	MR. BOUDREAU	MRS. BOUDREAU

Royal Bank Visa		\$1,700.00
Royal Bank Line of Credit		\$34,500.00
HFC		\$1,030.00
Charm Diamond Center		\$830.00
Stereo and Receiver		\$975.00
Sears	\$2,216.00	\$3,300.00
CIBC		\$3,200.00
American Express		\$2,700.00
Diners EnRoute		\$3,700.00
Canadian Tire		\$3,500.00
Paysant Building Supplies	\$3,550.00	
Zellers	\$1,744.00	
MBNA	\$6,000.00	
Royal Bank Line of Credit	\$10,000.00	
Superior Propane	\$1,400.00	
Nova Scotia Power	\$1,167.00	
Joint Chequing Account	\$2,218.00	
	\$28,295.00	\$55,435.00

- [43] Equalizing debt will require a payment by Mr. Boudreau to Mrs. Boudreau in the amount of \$13,570.00.
- [44] To equalize assets (excluding Mrs. Boudreau's pension) and debt, Mr. Boudreau would be required to pay Mrs. Boudreau \$18,579.00.
- [45] However, Mrs. Boudreau owes Mr. Boudreau \$8,844.00.00 in child support

payments. This would reduce Mr. Boudreau's obligation to Mrs. Boudreau to \$9,735.00.

- [46] I had earlier indicated that Mrs. Boudreau's pension was a matrimonial asset valued at \$31,951.00. An equal division of this asset would provide Mr. Boudreau with \$15,975.00.
- [47] I order that Mr. Boudreau's claim on Mrs. Boudreau's pension be reduced by the amount of \$9,735.00 or to an amount of \$6,240.00.
- [48] I would ask counsel for the Petitioner to prepare the order.

J.