

CANADA / JUDGMENT

Ratanshi v. Hassam

2025 BCSC 1112

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Supreme Court of British Columbia

DECIDED

16 June 2025

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2025 BCSC 1112 Ratanshi v. Hassam

IN THE SUPREME COURT OF BRITISH COLUMBIA

Citation:

Ratanshi v. Hassam,

2025 BCSC 1112

Date: 20250616

Docket: S216023

Registry: Vancouver

Between:

Shams Ratanshi

Plaintiff

And

Abdul Sultan Hassam and Nusrat Hassam

Defendants

Before: The Honourable Mr. Justice Milman

Reasons for Judgment

Counsel for the Plaintiff:

R.W. Grant, K.C.

Y. Wong

Counsel for the Defendants:

H. Song

Place and Date of Hearing:

Vancouver, B.C.

May 20, 2025

Place and Date of Judgment:

Vancouver, B.C.

June 16, 2025

Table of Contents

I. Introduction.. 3

II. The Evidence. 5

A. Spiritual Advice. 5

B. The Company. 6

C. The Transactions in Issue. 6

D. Subsequent Events. 10

III. Discussion.. 11

A. Suitability. 11

B. The Claim against Ms. Hassam.. 14

IV. Summary and Conclusion.. 16

I. Introduction

[1] The plaintiff, Shams Ratanshi, brings this action alleging that, in 2013, the defendants wrongfully induced her to purchase shares in a company known as Captova Technologies Inc., formerly known as ReceiptClub Inc. (the "Company"). Those shares are not publicly traded and Ms. Ratanshi has since been unable to dispose of them or repay the \$75,000 in loans, with interest, that she says she took out to acquire them.

[2] The first defendant, Dr. Abdul Sultan Hassam, is a co-founder, director and executive vice president of the Company. He also happens to be an "Alwaez" or spiritual leader in the Ismaili faith, of which both he and Ms. Ratanshi are members. For many years prior to the transactions that are the subject of this action, Dr. Hassam provided spiritual advice and guidance to Ms. Ratanshi in that latter capacity. The second defendant, Nusrat Hassam, is Dr. Hassam's wife.

- [3] Ms. Ratanshi advances a number of causes of action against the defendants, seeking to be compensated in damages under various theories of liability.
- [4] First, she advances a claim for breach of contract. In particular, she alleges that, in order to induce her to purchase the shares, Dr. Hassam provided her with a personal guarantee that she would, in short order, receive a two-fold return on her initial investment of \$50,000 and a four-fold return on her second investment of \$25,000, but has refused to honour that guarantee.
- [5] Second, she advances claims in tort. In particular, she alleges that the defendants made fraudulent, or alternatively, negligent misrepresentations in order to induce her to purchase the shares. In addition, she alleges that Dr. Hassam, as her spiritual advisor, owed her a fiduciary duty to act in her best interests, but breached that duty by urging her to make those investments, which were really for his benefit, not hers.
- [6] Finally, she alleges that, as a result of those investments, Dr. Hassam has been unjustly enriched at her expense.
- [7] She seeks the following remedies:
- a) damages in the amount of \$200,000 pursuant to the guarantee, plus interest;
 - b) in the alternative, damages for misrepresentation or breach of fiduciary duty, in the amount of \$75,000 plus interest;
 - c) punitive or aggravated damages in the amount of \$20,000; and
 - d) special costs.
- [8] The defendants deny that they are liable to Ms. Ratanshi as alleged. They do not deny that Ms. Ratanshi invested \$50,000 in the Company, but they say she received what she bargained for, namely 200,000 shares in a company that remains a going concern. They deny that they provided any guarantees or made any misrepresentations in relation to that investment, that they owed Ms. Ratanshi any fiduciary duty or that there has been any unjust enrichment. In any event, they say that many of Ms. Ratanshi's claims are barred by the terms of a subscription agreement with the Company that she signed at the same time that she purchased the shares.
- [9] With respect to the second alleged investment of \$25,000, the defendants acknowledge that Ms. Ratanshi gave Dr. Hassam that money, but they say that she did so as a personal loan to him, not an investment in the Company, and that Dr. Hassam recently attempted to repay that sum to her, with interest, but she refused to accept the payment.

- [10] The action is currently scheduled to go to trial commencing on June 1, 2026, for five days. In the meantime, the defendants now apply to have it dismissed by way of summary trial, on the basis that, in their submission, the evidence adduced on this application demonstrates the claim to be without merit. Ms. Ratanshi opposes the application, arguing that the matter does not lend itself to summary disposition, but, in the alternative, if it does, then judgment should be granted in her favour allowing the claim and awarding her damages.
- [11] For the reasons that follow, I have concluded that the claim against Ms. Hassam should be dismissed but the claim against Dr. Hassam cannot properly be resolved summarily and should therefore proceed to trial.

II. The Evidence

A. Spiritual Advice

- [12] In 1981, Ms. Ratanshi was 20 years old and residing in Edmonton, Alberta. She attended a religious retreat at which Dr. Hassam was speaking. She approached him after his speech to seek his advice in relation to a personal matter. In the years that followed, she attended several other religious events in Edmonton to hear Dr. Hassam speak.
- [13] In 1994, Ms. Ratanshi relocated to Vancouver. She continued to attend religious events across the Lower Mainland area where Dr. Hassam was speaking. Until she acquired her own vehicle, she says, Dr. Hassam would drive her to the events with him.
- [14] Ms. Ratanshi has deposed that Dr. Hassam advised her over the years on many subjects, including the following:
- a) her relationship with her family after she was expelled from the family home because of a romantic relationship with a person who was not a member of the Ismaili faith;
 - b) her attempt to find work during a period of unemployment in 2007-8;
 - c) her anxiety about the amount of debt she was carrying; and
 - d) how to prepare a grievance concerning workplace bullying she was experiencing.
- [15] In 2012, she says, she was meeting with Dr. Hassam regularly to discuss her financial, familial and workplace bullying issues.
- [16] Dr. Hassam has presented a different account of their history. According to him, Ms. Ratanshi only attended his seminars a few times a year and when she did so, he says, she generally did not seek his advice. He says that since the mid-1990s, when he advised her on a family conflict she was then dealing with, he has not provided formal advice or guidance to her as an Alwaez, although he may have given her "odd suggestions here and there to offer to help." He denies providing her with any financial or business advice at any time. He says that in 2008, Ms. Ratanshi befriended Ms. Hassam and that, from then on, he saw her only occasionally.

B. The Company

- [17] Dr. Hassam and an associate founded the Company on August 5, 2011. Since then, he has invested close to \$500,000 and now owns 30% of its shares.
- [18] According to Dr. Hassam, the Company develops software to assist businesses to become more productive and efficient. It is currently developing generative artificial intelligence software for that purpose.

C. The Transactions in Issue

- [19] The parties disagree about many of the facts pertaining to Ms. Ratanshi's investment in the Company.
- [20] It generally appears to be common ground that:
- a) Ms. Ratanshi first heard about the Company from Ms. Hassam;
 - b) In December 2012, while they were both travelling in India, they decided to meet for lunch;
 - c) Over lunch, Ms. Hassam told Ms. Ratanshi and a friend that Dr. Hassam had recently founded a new software company;
 - d) Ms. Hassam mentioned that both she and Dr. Hassam had invested in the Company themselves;
 - e) According to Ms. Ratanshi, Ms. Hassam told them that the Company "would be very profitable and provide excellent returns" (Ms. Hassam acknowledges telling her only that the future prospects of the Company were good); and
 - f) Ms. Hassam further suggested that, if Ms. Ratanshi was interested in investing in the Company, she should speak to Dr. Hassam about it.
- [21] It appears that Ms. Ratanshi was indeed interested. When Dr. Hassam learned of her interest, he sent her some materials to review. Ultimately, Ms. Ratanshi met Dr. Hassam in person and, in March 2013, signed a copy of a subscription agreement, gave him a cheque for \$50,000 and received a share certificate for 200,000 shares in the Company.
- [22] Apart from those areas of general agreement on the facts, the parties have presented radically different versions of events in their respective affidavits.
- [23] With respect to Ms. Ratanshi's \$50,000 investment, Dr. Hassam describes three meetings that led to it, as follows:
- a) a meeting at a Knight and Day restaurant in Burnaby in early 2013 to discuss her possible investment;

- b) a second meeting at a White Spot restaurant in Burnaby, at which he provided her with a copy of the subscription agreement for her to review and urged her to seek independent legal advice; and
 - c) a third meeting on March 13, 2013 at the Whole Foods supermarket food court, at which he brought two copies of the subscription agreement and had Ms. Ratanshi sign both, one to be kept by her, the other by the Company, and had her initial each page (in his first affidavit, he deposed that he provided her with a form of contract that she later signed and returned to him).
- [24] Dr. Hassam has also attached to his first affidavit an exhibit that is said to show that he deposited Ms. Ratanshi's \$50,000 investment in the Company's bank account on March 4, 2013. The certificate provided to Ms. Ratanshi for her 200,000 shares was issued on March 13, 2013.
- [25] According to Dr. Hassam, Ms. Ratanshi made no further investment in the Company after purchasing the 200,000 shares for \$50,000. Rather, in 2014, he says, Ms. Ratanshi gave him a loan of \$25,000, which he claims is still outstanding only because Ms. Ratanshi refused his recent offer to repay it, along with \$2,500 in interest.
- [26] Dr. Hassam specifically denies providing any personal guarantee or making any of the representations that Ms. Ratanshi has attributed to him, as set out below.
- [27] For her part, Ms. Ratanshi remembers only one meeting with Dr. Hassam before she signed the subscription agreement on March 13, 2013. That meeting occurred in January or February of 2013. She has deposed that, at that meeting, Dr. Hassam told her that shares in the Company were selling in blocks of \$50,000. She responded that she did not have that kind of money to invest, to which he responded that she should invest even if she has to borrow the money to do so, because her investment would get her "out of debt" and "pay off fairly quickly" and that she stood to earn between two and 10 times what she invests. He told her further that the Company was "ready to launch", that its shares had already doubled in value since they went on sale but he would sell them to her at their original price, meaning that they would instantly be worth twice what she pays for them. He told her that if she invested, he would guarantee to her that:
- a) the value of her investment would be at least double the amount she invested;
 - b) the returns would greatly exceed her borrowing costs when her shares were sold; and
 - c) the investment would pay off before her borrowing costs became significant.
- [28] Ms. Ratanshi says that, due to their long history together, she trusted Dr. Hassam and, based on these statements, she agreed to make the \$50,000 investment. She came up with the money, she says, by borrowing that sum on her credit card.

- [29] Ms. Ratanshi's version of the meeting at the Whole Foods supermarket on March 13, 2013 also differs substantially from that of Dr. Hassam. She recalls that the entire meeting lasted no more than 10-15 minutes. She recalls that he repeated his earlier representations about the value of the investment and the guarantee he had provided at their previous meeting. He then took the subscription agreement from his briefcase and did not let her review it. Instead, she says, he took her to select pages and had her fill in some of the requisite information and sign it. In particular, he took her to a page at which she was asked to certify that she was a close personal friend of a principal of the company and to fill in the box to indicate the length of his relationship with her - she wrote "30 yrs". Next, he directed her to write the words "personal friend" where the page asked for the "[d]etails of relationship or prior business dealings". Although each page bears what purport to be her initials, she denies that she placed her initials on any of the pages. She believes that she provided him with a cheque for \$50,000 at that meeting and received, in return, the share certificate. She denies that he told her to seek independent legal advice at any time, or that he left her with a copy of the subscription agreement when the meeting ended.
- [30] Ms. Ratanshi has deposed that Dr. Hassam approached her a short time later seeking a second investment in the Company. This time, she says, he told her that her initial investment had already doubled in value. When she responded that she could only borrow another \$25,000 on her credit card, he told her that although the Company's shares are normally offered only in blocks of \$50,000, he was willing to sell her a \$50,000 block of his own personal shares at half-price - for \$25,000. Further, she says, he guaranteed that her \$75,000 investment would be worth \$200,000. Relying on these statements, she says, she wrote him a cheque for \$25,000.
- [31] Ms. Ratanshi has deposed further that she borrowed the entire \$75,000 investment on her credit card. Initially, she was charged a promotional rate of 6.99% but when the rate rose to 21%, she paid off the credit card debt by taking out another loan from a friend, who charged her interest at between 10.99% and 11.99% per annum.
- [32] Ms. Ratanshi says that, separately from these investments in the Company, she also agreed to lend money to Dr. Hassam informally on four or five different occasions. For example, she says, she advanced \$25,000 to him in 2014 and another \$20,000 in 2016. All of these loans were, she says, repaid within a few months.

D. Subsequent Events

- [33] Ms. Ratanshi has deposed that, between 2014 and 2017, she periodically inquired of Dr. Hassam about her investment. In response to those inquiries, she says, Dr. Hassam provided her with favourable reports about the Company's progress. In his responding affidavit, Dr. Hassam denied making the statements attributed him.

- [34] Ms. Ratanshi says that, beginning in April 2019, the friend who had loaned her the money for the investment in the Company was demanding to be repaid, and that she, in turn, began seeking a return on her investment from Dr. Hassam. In text messages exchanged between them over the summer of 2019, Ms. Ratanshi demanded, among other things, that he honour the "guarantee" that he had given her. In response, Dr. Hassam told her that he is expecting to receive the requisite funds shortly and will pay her as soon as he can.
- [35] In his affidavits, Dr. Hassam has presented a different version of these events as well. By his account, in June 2019, Ms. Ratanshi contacted him to advise that she was struggling financially and needed his help to repay her debts and purchase a new house. She asked for his help in selling her shares in the Company and demanded that he repay the \$25,000 loan she advanced to him in 2014. He agreed to try, he says, but was unsuccessful in finding a buyer for the shares. However, he did offer in February 2020 to repay the loan, with interest, but she refused to accept the payment.
- [36] According to Ms. Ratanshi, in February 2020, the parties participated in a mediation. It was in that context that Dr. Hassam offered to pay her \$27,500, but this was in settlement of her claims generally, and the mediation did not succeed.
- [37] Ms. Ratanshi commenced this action on June 25, 2021.

III. Discussion

A. Suitability

- [38] The defendants seek, by way of summary trial, an order dismissing Ms. Ratanshi's claims as devoid of merit. They say that the requisite findings of fact can be made summarily on the record before me on this application.
- [39] Ms. Ratanshi disagrees. She says that there are too many conflicts in the evidence, on fundamental issues, that can only be resolved by way of a conventional trial. In the alternative, if the requisite findings of fact can be made, then she seeks to have judgment pronounced in her favour.
- [40] The test to be applied in determining whether an action can properly be resolved by way of summary trial was recently summarised by Matthews J. in *Saran v. Cartonio, Inc.*, 2020 BCSC 556, aff'd 2020 BCCA 252, as follows:
- [30] Supreme Court Rule 9-6(15)(a) states that:

A matter will not be suitable for summary trial if the court is unable to find the facts necessary to decide the issues of fact or law or if it would be unjust to decide the issues summarily.

- [31] Whether the necessary facts can be found and whether it would be unjust to decide the issues raised are separate but related questions. In some circumstances it may be unjust to decide a case summarily even if on the whole of the evidence it is possible to find the necessary facts. See *Placer Development Ltd. v. Skyline Explorations Ltd.*, 1985 67 BCLR 366, at 385-386, Court of Appeal; *Foreman v. Foster*, 2001 BCCA 26, at para. 19; and *Creyke v. Creyke*, 2016 BCCA 499, at para. 45.
- [32] The onus is on the party who asserts that the matter is not suitable for a determination by a summary trial to demonstrate unsuitability: *Ekins v. Davey*, 2007 BCSC 1630, at para. 24. A party facing a summary trial is obliged to bring forward all of its case or risk having judgment go against it: *Spring Hill Farms Limited Partnership v. Nose*, 2014 BCCA 66.
- [33] Conflicting evidence is not necessarily fatal to proceeding summarily. If the conflicting evidence does not prevent the court from making the necessary factual determinations, the court may proceed. In some circumstances despite conflicting evidence, there is enough objective or corroborating evidence for one version of events to permit the court to confidently make findings of fact. See, for example, *Wei v. Mei*, 2018 BCSC 1057, affirmed on other grounds: *Wei v. Li*, 2019 BCCA 114. Where there is a conflict in evidence that cannot be resolved by reference to objective or corroborating evidence, a chambers judge has the option to adjourn the application and order that cross-examination take place or order cross-examination at the summary trial: *Spring Hill Farms Limited Partnership v. Nose*; and *Inspiration Management Ltd. v. McDermid St. Lawrence Ltd.*, 1989 36 B.C.L.R. (2d) 202 (C.A.) at para. 72.
- [34] However, where there is a "head on" conflict in the evidence regarding an important issue and the court either cannot resolve the issue or cannot resolve the issues without assessing the component's credibility, it will not be suitable for summary determination. A court cannot side step conflicts by relying on only a portion of the record, assuming certain facts or by taking the plaintiff's case at its highest: *Concord Pacific Acquisitions Inc. v. Oei*, 2017 BCSC 236 at para. 50.
- [35] It is a particular concern where the evidence conflicts and a subsequent court may be called upon to make findings regarding those facts giving rise to the risk of inconsistent findings of fact or the subsequent court having difficulty determining what issues remain alive: *Bell v. Levy*, 2010 BCSC 587, appeal dismissed 2011 BCCA 417, citing *Dahl v. Royal Bank of Canada*, 2005 BCSC 1263, at para. 12; and *Otter Farm and Home Cooperative v. Sekhon*, [2001] B.C.J. No. 2338 (C.A.), 2001 BCCA 636.
- [36] It is open to courts to draw adverse inferences from gaps in the evidence, but it is not mandatory: *Kingan v. Kingan*, [1995] B.C.J. No. 164 (S.C.) (QL), at para. 40, affirmed 1995 BCWLD 1596 (C.A.).

- [37] As summarized in *Gichuru v. Pallai*, 2013 BCCA 60 at paras. 30 to 31, citing *Inspiration Management*, whether it would be unjust to proceed summarily depends on the following factors:
- a) the amount involved;
 - b) the complexity of the matter;
 - c) its urgency;
 - d) any prejudice likely to arise by reason of delay;
 - e) the cost of taking the case forward to a conventional trial in relation to the amount involved;
 - f) the course of the proceedings;
 - g) the cost of litigation and the time of the summary trial management conference;
 - h) whether credibility is a critical factor in the determination of the dispute;
 - i) whether the summary trial may create unnecessary complexity in the resolution of the dispute;
 - j) whether the application would result in litigating in slices; and
 - k) any other matters which may be relevant in the particular case.
- [38] None of these factors are determinative on their own. For example, a case that is not straightforward or has some complexity is not by virtue of that feature automatically unsuitable for summary trial determination: *River Colony Estates General Partnership v. Hee*, 2003 BCSC 1327.
- [39] When deciding whether to proceed summarily, a court must interpret the summary trial rule broadly and favourably, consider proportionality, affordability and the timely and just adjudication of claims: *Crest Realty Westside Ltd. v. W & W Parker Enterprises Ltd.*, 2015 BCCA 447, at para. 30.
- [41] Both sides would prefer to avoid the additional delay and cost associated with a conventional trial. Both recognise that the cost of litigating this matter has already been disproportionate relative to the amount in issue. The facts do not appear to be particularly complex.
- [42] Nevertheless, I agree with Ms. Ratanshi that the parties have presented radically different accounts of the central events that are said to give rise to liability, or to afford defences to the claims. As in *1261682 B.C. Ltd. v. 617436 B.C. Ltd.*, 2022 BCSC 927, another misrepresentation case where there was conflicting evidence as to what was said at the material time, it will be impossible to resolve the many conflicts in the evidence other than by making findings of credibility after hearing viva voce evidence tested by cross-examination.

[43] For example, the parties have presented irreconcilably conflicting accounts of the following critical matters:

- a) the nature and extent of the advice that Dr. Hassam provided to Ms. Ratanshi in the years leading up to the investment,
- b) the nature of their relationship;
- c) whether Dr. Hassam provided the guarantees alleged;
- d) whether Dr. Hassam made the misrepresentations alleged;
- e) how much Ms. Ratanshi invested in the Company (i.e., was there a second investment of \$25,000);
- f) how many times did Ms. Ratanshi and Dr. Hassam meet before she signed the subscription agreement, and what occurred at those meetings; and
- g) whether Dr. Hassam encouraged Ms. Ratanshi to borrow funds to make her investment.

[44] I have concluded that it would not be just to grant judgment in these circumstances. Credibility findings will have to be made before that can occur. The record does not allow for such findings to be made. Although the parties have each been examined for discovery, the extracts from those examinations reproduced in the record before me do not disclose that the parties' respective accounts of events have been directly tested by cross-examination, particularly in those many critical areas where they diverge.

[45] I am therefore dismissing the application, with one exception to which I turn next.

B. The Claim against Ms. Hassam

[46] The amended notice of civil claim ("ANOC") discloses a cause of action against Ms. Hassam only in relation to a statement she is alleged to have made to Ms. Ratanshi over lunch while they were travelling in India in late 2012. Ms. Ratanshi alleges in particular that in telling Ms. Ratanshi that the Company "is going to provide excellent returns", Ms. Hassam made a negligent misrepresentation, which induced Ms. Ratanshi to make the investments she later made: ANOC Part 1, para. 12; Part 2, para. 1(d); Part 3, para. 20.

[47] The elements of the tort of negligent misrepresentation were conveniently set out in *Feldstein v. 364 Northern Development Corporation*, 2017 BCCA 174, and include the following:

- a) the defendant must have owed the plaintiff a duty of care arising from a "special relationship";
- b) the impugned statement must have been untrue, inaccurate or misleading;
- c) the defendant must have been negligent in making it;

- d) the plaintiff must have reasonably relied on the statement; and
- e) damages must have flowed from the plaintiff's reliance.

[48] The evidence adduced on this application, even if Ms. Ratanshi's disputed account of events is accepted as true, fails to satisfy any of these elements with respect to Ms. Hassam.

[49] First, the evidence does not show Ms. Ratanshi's relationship with Ms. Hassam to have been such as to give rise to a duty of care for this purpose (for the test to be applied in this regard, see *Neidermayer v. Gillies*, 2012 BCSC 143 at paras. 86-88). Ms. Hassam did not present herself as having any special knowledge, such that a reasonable person in Ms. Ratanshi's position would be inclined to rely on what she had to say about the Company and its prospects. On the contrary, it is common ground that Ms. Hassam encouraged Ms. Ratanshi to seek further information from Dr. Hassam himself if she was interested in investing, as she did.

[50] Second, the statement was in the nature of a prediction about the future. The evidence falls short of showing it to have been negligently made, at the time it was made, or that Ms. Hassam in particular, at that time (just over a year after the Company was founded), had any reason to question its accuracy.

[51] Third, the evidence falls far short of establishing that Ms. Ratanshi relied on the statement to her detriment. On the contrary, Ms. Ratanshi has deposed only that, based on what Ms. Hassam told her in India, she "expressed some initial interest in the Company". The investment itself is alleged to have been induced, instead, by the statements later made to her by Dr. Hassam, not Ms. Hassam.

[52] For those reasons, I have concluded that I can find the facts necessary to dismiss the claim against Ms. Hassam, and that it would not be unjust to do so in the circumstances - indeed, it will serve to simplify the trial.

IV. Summary and Conclusion

[53] The application is allowed in part. I am dismissing the claim against Ms. Hassam. The application is otherwise refused and the claim against Dr. Hassam is remitted to trial.

[54] As success was divided, and the ultimate outcome of the action remains uncertain, I am ordering the costs of the application to be payable in the cause.

"Milman J."

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