

BRIEFING NOTE

The Price of Corporate Indifference? \$1 Million

The BC Supreme Court recently released *S.T.H. v Ivanhoe Cambridge Inc.*, 2026 BCSC 695, which concerned the battery, assault, false arrest, and false imprisonment of an 18-year-old black transgender female, by employees of security contractor, Paladin Security Group Ltd. (“**Paladin**”). Liability for these torts was admitted, although the extent of damages claimed by the plaintiff, including the availability of aggravated or punitive damages, was disputed, and the trial proceeded on those grounds.

The Court ultimately awarded a staggering \$1 million in punitive damages against Paladin. The Court held that, even beyond the tortious actions of the security guards, Paladin’s “corporate indifference” to the incident was so deserving of condemnation and punishment, that nothing less than \$1 million would get their attention.

The Incident

By way of brief background, on November 23, 2019, Paladin’s security guards forcefully removed the plaintiff from the Metropolis at Metrotown (the “**Mall**”). Once outside the Mall, three guards performed a “takedown” of the plaintiff and pinned them to the ground. The guards then led the plaintiff to the bottom of a set of stairs off Mall property and told the plaintiff to leave. The plaintiff responded that they were already off Mall property and wanted to wait for their friends. A number of guards continued to stand at the top of the stairs taunting the plaintiff and using derogatory and threatening language. One guard dared the plaintiff to “*take one step back onto the property*”. The plaintiff then took several steps back up the stairs towards the guards, at which point one of the guards kicked the plaintiff back down the stairs and onto the sidewalk below.

Several guards pinned the plaintiff to the ground where they continued the assault. One kicked the plaintiff in the ribs, while another hit the plaintiff’s head onto the ground, causing a concussion. The plaintiff was handcuffed and led back through the Mall, where the plaintiff’s face or body was used to open the various Mall doors. The plaintiff was then searched, had their phone confiscated, and locked in a small detainment cell. The plaintiff’s mother, who had been alerted to the incident by the plaintiff’s friends, arrived at the Mall, but was denied permission by Paladin to see or speak with their child. The plaintiff was not released until the police arrived roughly an hour later.

The August Banning Order

Once the police arrived, Paladin guards provided the police and the plaintiff with two formal banning orders signed by Paladin guards banning the plaintiff from the Mall indefinitely. The first was dated and signed on that same day, November 23, 2019. The second was dated August 2, 2019 (the “**August Ban**”), which was a day where the same Paladin security guards had a previous, non-violent, encounter with the plaintiff. It purported to be an indefinite ban issued to the plaintiff on August 2, 2019, and included

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the untrue statement that the plaintiff had refused to accept it on that date. The August Ban was presented as if an indefinite ban was created and issued in August 2019.

This was false, and the August Ban had been created *after* the events of November 23, to justify the guards' actions. The serial numbers on the August Ban had been torn off at the top of the banning notice by the guards, and it was not until the police, at the request of the stepfather, retrieved the torn off corner of the second banning number that it clearly showed the August Ban was created after the November Ban.

Paladin's "Corporate Indifference"

Shortly after the incident, the plaintiff's stepfather submitted a formal complaint to Paladin through their online portal, outlining what he described as a "vicious assault" on his child. He also complained of the guard's attempted cover-up with the creation of a backdated banning order and the absent serial numbers.

The complaint was received by Mr. Kelly, Paladin's Director of Retail Accounts, who said he considered it to be "concerning" but testified he has read "lots of complaints like this and many of them are baseless and exaggerated". He further testified he does not concern himself with a complaint until there is an internal investigation that establishes the facts. Mr. Kelly was also not concerned about the allegation that the fraudulent August Ban had been created and presented to the police to justify the guards' behaviour, because it was likely a "misunderstanding" about how banning orders work.

The "investigation" was completed by one of Mr. Kelly's subordinates, who concluded there was no misuse of force or racial profiling and communicated the same to Mr. Kelly and the plaintiff's parents. Crucially, there was no evidence that anyone from Paladin ever reviewed the CCTV footage, officer reports or notes of the Incident, or the log of any banning notices. Further, none of the guards involved in the incident were interviewed or questioned about the incident, nor were they subjected to any disciplinary action or additional training.

The Court concluded that nothing more than "*the most cursory investigation*" into this incident was conducted by Paladin. There was nothing that could have led Paladin's upper management to reasonably conclude that a proper investigation had been completed, and they had entirely relied on the oral assurance from a subordinate that the use of force in this case was reasonable. Paladin simply assumed the claim was baseless, as Mr. Kelly says he does with all such complaints.

Even after this lawsuit was filed, Paladin failed, once again, to carefully consider and review these serious allegations and consider corrective action. Paladin's representatives did not familiarize themselves with the incident in advance of examination for discovery and expressed little concern about the conduct of the guards in this case even after acknowledging procedural failures and misstatements in the corporate records. Paladin's evidence was that all of the guards had received their basic training before they were employed, and most had received additional training. The guards' actions during the incident constituted them just "doing their job" according to what Paladin had trained them to do. The Court found this exacerbated Paladin's culpability in the events.

Determination of Punitive Damages

The Court determined that punitive damages were warranted in this case because of the importance of deterring, at a corporate level, Paladin's corporate indifference toward the excessive use of force by its employees. Paladin's security guards were

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trained by Paladin to use physical force on members of the public, and Paladin wholly failed to ensure they receive proper training and supervision in that regard. The court emphasised that the unique service provided by Paladin required Paladin to be aware that the use of excessive force, improper use of detention and imprisonment would have a high potential to harm members of the public.

Furthermore, it was determined that Paladin's uncaring attitude was not a one-time occurrence, but rather part of the culture of how upper management responds to complaints of excessive force employed by their workforce. Even when giving his testimony of the incident at trial, the Judge noted Mr. Kelly exhibited a "casual" attitude, and found he gave the impression that he did not consider that the incident merited his particular attention or concern.

Ultimately, the judge determined that nothing less than \$1 million would get the attention of Paladin. Paladin did not disclose its current revenues, but Paladin's representative agreed that the company has been awarded platinum status by Canada's Best Managed Companies, which requires that its revenues exceed \$15 million annually, and that those revenues continue to grow. Paladin has approximately 30,000 employees, and an award of \$1 million reflects an investment of less than \$50 for each of its employees.

Significance

While this decision is rooted strongly in the specific facts of the case, it should serve as a wake-up call for institutions and organizations offering public facing services with a high-risk factor for harm. The importance of investigating complaints promptly and in earnest, as well as having appropriate policies and procedures in place for the training, supervision, and investigation of employees, can help to avoid these situations entirely.

Whether you are actively defending a claim or simply looking to revise your own organization's policies and mitigate your risk exposure, our experienced team of lawyers can assist. Please reach out to either of the writers of this article to learn more.



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