

Delfino v. Intercounty Baseball League: the Governance of Non-Profit Sports Organisations and Resulting Intervention by the Courts

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Introduction

One of the pleasures of a summer evening is sitting on a blanket on the slopes of Christie Pits, with a picnic cooler at hand, and watching the Toronto Maple Leafs take on one of their rivals from a nearby town or city. But even a semi-professional baseball team operates in a complex corporate environment, and it is inevitable that there will be disputes that the league and its teams cannot amicably resolve.

Courts have long indicated that they will only intervene in the internal affairs or decisions of not-for-profit corporations in limited circumstances, typically when there is a contractual, property or other legal right at stake. The case of *Delfino v. Intercounty Baseball League* (“*Delfino*”),^[i] examines these limits of judicial intervention within the context of a dispute concerning the eligibility of a player during the 2016 playoffs of the Intercounty Baseball League (“IBL”). The Ontario Superior Court of Justice was asked to determine whether the league’s Commissioner’s decision regarding a player’s eligibility constituted a breach of contract or negligence. The court’s judgment provides a detailed analysis of the contractual relationships within not-for-profit corporations and amateur sports leagues and the principles guiding judicial restraint in their internal decision-making processes.

Factual Background

In *Delfino*, the plaintiffs, Lee Anthony Delfino (“Mr. Delfino”) and Standing O Entertainment Group Inc. (“Standing O”) (owner of the Brantford Red Sox baseball team), brought an action against the IBL and its Commissioner, John Kastner.^[ii]

This dispute revolved around the eligibility of Mike Wagner, a pitcher for the Toronto Maple Leafs baseball team during the 2016 regular season and the IBL 2016 playoffs. It came to the attention of Mr. Delfino, then president and sole officer and director of Standing O, that Wagner had participated in a recreational baseball tournament in Michigan for another team during the first round of the IBL 2016 playoffs. The IBL’s Rules of Operation contained a provision, Article 12(3), which stated that a player who signs an IBL Player’s Agreement “cannot be rostered with any other baseball team in that current season without a release” and “cannot play in the IBL while a registered player in another league.”

Upon learning of Wagner’s participation in the Michigan tournament, Mr. Delfino lodged a formal protest with the IBL Commissioner, arguing that Wagner’s actions rendered him ineligible and that the games in which he played should be forfeited by Toronto, which had defeated the Brantford Red Sox in the playoffs. The Commissioner investigated and ultimately concluded that the rule was intended to prevent teams from bringing in “ringers” from other leagues of a similar or higher caliber, and that the Michigan league was a recreational men’s league not comparable to the IBL. The protest was dismissed, and Wagner was permitted to

continue playing.

In their claim, the plaintiffs contended that, but for Wagner's participation, Brantford would have advanced further in the playoffs, resulting in lost revenue opportunities. They sought damages for this alleged loss of chance, claiming breach of contract, or, in the alternative, negligence on the part of the IBL and its Commissioner.

Legal Principles Considered: Judicial Intervention in Not-For-Profit Governance

Delfino required the court to consider the extent to which it should intervene in the internal affairs of a non-profit, voluntary association such as the IBL.

Based on the Supreme Court's previous conclusions in *Highwood Congregation of Jehovah's Witnesses (Judicial Committee) v. Wall*,^[iii] and *Ethiopian Orthodox Tewahedo Church of Canada St. Mary Cathedral v. Aga* ("Aga"),^[iv] Justice Bale emphasised that judicial review is generally reserved for state action and that courts will only interfere in the decisions of voluntary associations where legal rights, such as rights in property or contract, are at stake. Additionally, even where review is available, only justiciable issues will be considered, and the scope of review is limited.

In the context of the IBL, the court accepted that a contractual relationship existed between the member teams and the league, arising from the league's constitution, by-laws, and rules of operation, and that the IBL was bound to observe and comply with its own governance rules. However, the court found no independent contractual relationship between the plaintiffs and the Commissioner personally, only one between the IBL and the Commissioner, and therefore concluded that the plaintiffs did not have authority to sue the Commissioner in contract on behalf of the IBL.

The court observed that the member teams had contracted for a decision-maker, not for perfect decisions, and that to allow every disputed application of the rules to give rise to a cause of action would be commercially absurd and contrary to the objectives of the league. The court was not satisfied that the Commissioner's interpretation of the player eligibility rule was unreasonable, inconsistent with the intent of the parties, or constituted a breach of contract.

When Do Courts Intervene in a Not-For-Profit Corporation's Decisions?

The judgment in *Delfino* provides a clear articulation of the circumstances in which courts will intervene in the governance of non-profit, voluntary associations.

The court references *Aga* when stating that courts will only intervene where a legal right, such as a contractual or property right, is affected. Mere dissatisfaction with the outcome of an internal process is insufficient.

As well, *Delfino* reinforces that the court will intervene where the process is alleged to be procedurally unfair or a denial of natural justice. *Delfino* refers to a 1992 Supreme Court of Canada Case, *Lakeside Colony of Hutterian Brethren v. Hofer*,^[v] which sets out the basic requirements of natural justice to provide notice, an opportunity to make representations, and have an unbiased tribunal. If these requirements are not present, courts may intervene to ensure natural justice is observed. The court then draws on the non-exhaustive factors, established in *Baker v. Canada (Minister of Citizenship and Immigration)*,^[vi] relevant to determining procedural fairness in any fact-specific set of circumstances. These factors are: the nature of the decision and its process, the nature of the statutory scheme governing the decision-making body, the impact of the decision on those affected, the legitimate expectations of the person challenging the decision, and the choice of procedure made by the decisionmaker.

Was the Commissioner Negligent?

If a statutory duty, such as those imposed by the *Not-for-Profit Corporations Act*, 2010, is breached, courts may provide a remedy, but the court will not substitute its own view for that of the decision-maker where the decision was made in good faith, within the scope of delegated authority, and in accordance with the organisation's rules. Based on the plaintiff's own evidence, the Commissioner was "fantastic" and "the right man for the job" who happened to make a wrong call on a decision. Without any evidence that the Commissioner failed to act honestly and in good faith with a view to the best interests of IBL, the court concluded that the Commissioner did not breach the standard of care required of him as an officer and that the Commissioner was not liable to the plaintiffs in negligence.

The court concluded that the plaintiffs' disagreement with the Commissioner's decision did not amount to a breach of contract or negligence.

Conclusion

Delfino reaffirms the principle of judicial restraint in the governance of non-profit, voluntary associations. Courts will not act as appellate bodies for every disputed decision within such organisations, particularly where the parties have contractually delegated authority to an internal decision-maker and where the process is conducted in good faith and in accordance with the organisation's rules. Only where legal rights are at stake, and there is a failure of procedural fairness or breach of statutory duty, will the courts be prepared to intervene. This approach ensures both the autonomy of voluntary associations and the protection of fundamental



legal rights, striking a careful balance between self-governance and judicial oversight. A PDF version is available for download [here](#).

[i] *Delfino v. Intercounty Baseball League*, 2025 ONSC 4165 [*Delfino*]

[ii] It is unclear why the action – filed in September 2017 – took over seven and a half years to proceed to trial in April 2025.

[iii] *Highwood Congregation of Jehovah's Witnesses (Judicial Committee) v Wall*, 2018 SCC 26

[iv] *Ethiopian Orthodox Tewahedo Church of Canada St. Mary Cathedral v Aga*, 2021 SCC 22

[v] *Lakeside Colony of Hutterian Brethren v Hofer*, [1992] 3 SCR 165

[vi] *Baker v Canada (Minister of Citizenship and Immigration)*, [1999] 2 SCR 817

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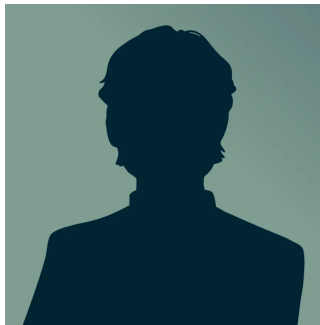


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