



Civil Resolution Tribunal

Date Issued: December 17, 2018

File: SC-2018-003448

Type: Small Claims

Civil Resolution Tribunal

Indexed as: *Cory Spencer (Doing Business As The Happy Goat Farm & Dairy) v. Pratz*,
2018 BCCRT 869

B E T W E E N :

Cory Spencer (Doing Business As The Happy Goat Farm & Dairy)

APPLICANT

A N D :

Corrine Pratz

RESPONDENT

REASONS FOR DECISION

Tribunal Member:

Shelley Lopez, Vice Chair

INTRODUCTION

1. The parties had been in a business relationship. This dispute is about payment on a promissory note (note) that the respondent signed on October 6, 2016. The applicant, Cory Spencer (Doing Business As The Happy Goat Farm & Dairy), claims an outstanding balance of \$3,198.49. The respondent says she has paid enough under the note and says it was unfair.
2. The parties are each self-represented.

JURISDICTION AND PROCEDURE

3. These are the formal written reasons of the Civil Resolution Tribunal (tribunal). The tribunal has jurisdiction over small claims brought under section 3.1 of the *Civil Resolution Tribunal Act* (Act). The tribunal's mandate is to provide dispute resolution services accessibly, quickly, economically, informally, and flexibly. In resolving disputes, the tribunal must apply principles of law and fairness, and recognize any relationships between parties to a dispute that will likely continue after the dispute resolution process has ended.
4. The tribunal has discretion to decide the format of the hearing, including by writing, telephone, videoconferencing, email, or a combination of these. In the circumstances here, I find that I am properly able to assess and weigh the documentary evidence and submissions before me. Further, bearing in mind the tribunal's mandate that includes proportionality and a speedy resolution of disputes, I find that an oral hearing is not necessary. I also note that in *Yas v. Pope*, 2018 BCSC 282 at paragraphs 32 to 38, the BC Supreme Court recognized the tribunal's process and found that oral hearings are not necessarily required where credibility is in issue.
5. The tribunal may accept as evidence information that it considers relevant, necessary and appropriate, whether or not the information would be admissible in a

court of law. The tribunal may also ask questions of the parties and witnesses and inform itself in any other way it considers appropriate.

6. Under tribunal rule 126, in resolving this dispute the tribunal may order a party to do or stop doing something, order a party to pay money, or order any other terms or conditions the tribunal considers appropriate.

ISSUE

7. The issue in this dispute is whether the respondent owes the applicant the claimed \$3,198.49 under the promissory note the respondent provided to the applicant.

EVIDENCE AND ANALYSIS

8. In a civil claim such as this, the applicant bears the burden of proof on a balance of probabilities. I have only addressed the evidence and submissions below as necessary to explain my decision.
9. The respondent was formerly the applicant's bookkeeper, and the applicant had previously claimed against her for reimbursement of invoices due to quality concerns.
10. On October 6, 2016, the respondent signed the note promising to pay the applicant \$6,750, plus 7% annual interest. The note required 36 equal monthly installments of \$208.42, payable on the 9th day of every month, starting October 9, 2016 until paid in full.
11. Based on the evidence and submissions before me, the respondent has not made a payment on the note since January 2018, and as of May 2018 she was 2 or 3 payments behind. The applicant seeks the outstanding balance owing under the note, \$3,198.49.
12. While the respondent submits the applicant's terms and pursuit of the debt were unreasonable, the respondent also acknowledges she had the benefit of legal

advice at the time she signed the note. Business pressure is not duress, to the extent the respondent suggests it. I also note that the respondent's emails to the applicant were apologetic at the time and on the face of the parties' emails, the respondent agreed without reservation to the note's terms.

13. I find the respondent is bound by the note as I find she freely entered the agreement. I also note that apart from her submissions, the respondent chose not to provide any evidence, despite being given the opportunity to do so.
14. The applicant seeks an order that the respondent pay the entire outstanding balance owing under the note. I find this is appropriate, given the history and the respondent's statement she believes she has paid enough and cannot afford to pay more. The respondent breached her agreement with the applicant, the terms of which are set out in the note. I find that the applicant is entitled to full payment of the note's outstanding balance, given that breach.
15. While the respondent says she feels she has paid enough, she does not dispute the applicant's calculation of the outstanding balance owing under the note, \$3,198.49. Based on the evidence and this undisputed submission, I find that the respondent must pay \$3,198.49 on the note, which includes 7% annual contractual interest calculated up to the date of the May 16, 2018 Dispute Notice.
16. In their submissions for this decision, the applicant did not claim accruing contractual interest, beyond what was included in the \$3,198.49 as of the Dispute Notice date. I find the applicant is also entitled to pre-judgment interest under the *Court Order Interest Act* (COIA), from May 16, 2018 until this decision, which equals \$26.44.
17. I note the applicant's statement that she has had health concerns and also cannot afford to pay the debt in full at once. The respondent's personal circumstances, while unfortunate, do not change the applicant's entitlement to the order that the respondent must pay the promissory note debt. Nothing in this decision prevents

the respondent from raising her financial circumstances in any enforcement of this order, which would be a matter for the Provincial Court, not the tribunal.

18. In accordance with the Act and the tribunal's rules, as the applicant was successful I find it is entitled to reimbursement of \$175 in tribunal fees. The applicant claims \$10 in dispute-related expenses, for serving the Dispute Notice on the respondent by registered mail. This amount is reasonable and I order the respondent to reimburse it.

ORDERS

19. Within 14 days of this decision, I order the respondent to pay the applicant a total of \$3,409.93, comprised of:
 - a. \$3,198.49 in debt,
 - b. \$26.44 in pre-judgment interest under the COIA, from May 16, 2018, and
 - c. \$185, as \$175 in tribunal fees and \$10 in dispute-related expenses.
20. The applicant is entitled to post-judgment interest, as applicable.
21. Under section 48 of the Act, the tribunal will not provide the parties with the Order giving final effect to this decision until the time for making a notice of objection under section 56.1(2) has expired and no notice of objection has been made. The time for filing a notice of objection is 28 days after the party receives notice of the tribunal's final decision.

22. Under section 58.1 of the Act, a validated copy of the tribunal's order can be enforced through the Provincial Court of British Columbia. A tribunal order can only be enforced if it is an approved consent resolution order, or, if no objection has been made and the time for filing a notice of objection has passed. Once filed, a tribunal order has the same force and effect as an order of the Provincial Court of British Columbia.

Shelley Lopez, Vice Chair