



Civil Resolution Tribunal

Date Issued: June 15, 2020

File: SC-2019-009586

Type: Small Claims

Civil Resolution CRT

Indexed as: *Meridee Hlokoff dba T&M Bookkeeping v. Corbett*, 2020 BCCRT 661

B E T W E E N :

MERIDEE HLOKOFF (Doing Business As T&M BOOKKEEPING)

APPLICANT

A N D :

DEBBI CORBETT and LBS VENTURES LTD.

RESPONDENTS

REASONS FOR DECISION

Tribunal Member:

Shelley Lopez, Vice Chair

INTRODUCTION

1. This dispute is about payment for bookkeeping services. The applicant, Meridee Hlokoff (Doing Business As T&M Bookkeeping), says the respondent Debbi Corbett

requested Ms. Hlokoff's bookkeeping services. Ms. Hlokoff says she completed but was not paid for the work, which was for Ms. Corbett's company, the respondent LBS Ventures Ltd. (LBS). Ms. Hlokoff claims \$2,331.13, which she says is the balancing owing.

2. LBS's response is identical to Ms. Corbett's. Ms. Corbett says she paid \$1,000 to Ms. Hlokoff, but says Ms. Hlokoff has failed to substantiate the claimed hours.
3. Ms. Hlokoff represents herself. Ms. Corbett, also known as Janelle Vanderydt, represents herself and LBS.

JURISDICTION AND PROCEDURE

4. These are the formal written reasons of the Civil Resolution Tribunal (CRT). The CRT has jurisdiction over small claims brought under section 118 of the *Civil Resolution Tribunal Act* (CRTA). The CRT's mandate is to provide dispute resolution services accessibly, quickly, economically, informally, and flexibly. In resolving disputes, the CRT 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.
5. The CRT 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.
6. The CRT 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 CRT may also ask questions of the parties and witnesses and inform itself in any other way it considers appropriate.
7. Where permitted by section 118 of the CRTA, in resolving this dispute the CRT may: order a party to do or stop doing something, order a party to pay money, or order any other terms or conditions the CRT considers appropriate.

8. The parties agree that Ms. Corbett's first name is Debbi, and not Debbie as spelled in the Dispute Notice that started this proceeding. I have amended the style of cause above accordingly, to reflect the correct spelling.

ISSUE

9. To what extent, if any, has Ms. Hlokoff substantiated the claimed hours such that Ms. Corbett or LBS must pay the claimed invoice balances?

EVIDENCE AND ANALYSIS

10. In a civil claim such as this, the applicant Ms. Hlokoff bears the burden of proof, on a balance of probabilities. I have only discussed the parties' evidence and submissions to the extent necessary to give context to my decision.
11. There is no written contract in evidence. However, it is undisputed that on LBS's behalf in late 2018 Ms. Corbett hired Ms. Hlokoff to perform bookkeeping services.
12. Ms. Hlokoff claims \$2,331.13, which she says the respondents owe for bookkeeping services she did for LBS, and for Ms. Corbett personally, between December 2018 and March 2019. It is undisputed that Ms. Hlokoff had an employee, LP, do the bookkeeping work in question. Ms. Hlokoff says she has paid LP for her time and so Ms. Corbett should pay the claimed invoices.
13. It is undisputed that until January 2020, after this CRT proceeding had started, Ms. Hlokoff had not given Ms. Corbett a breakdown of the hours claimed on her invoices, despite at least one May 30, 2019 text message request for it. Ms. Hlokoff does not explain why she did not provide the breakdown when it was specifically requested. In her reply submission, Ms. Hlokoff says, "we don't write a detailed list as we would have to bill the client for the extra time of writing that out." I make no finding about whether such time would be billable. As discussed below, I find Ms. Hlokoff's invoices lack sufficient detail. I also find her record-keeping generally unreliable.

14. In particular, Ms. Hlokoff's 4 submitted invoices, all issued to LBS, total \$3,331.13:
- a. *Invoice #1487 dated February 28, 2019 - \$1,995.* 38 hours at \$50 per hour plus GST, for "data entry, reconciliations, 2017, T4s". No indication of dates worked or any other breakdown. The invoice shows a \$1,000 payment was applied, leaving a \$995 balance.
 - b. *Invoice #1516 dated March 31, 2019 - \$682.50.* 13 hours at \$50 per hour plus GST, for "data entry for getting books up to date". No indication of dates worked or any other breakdown.
 - c. *Invoice #1546 dated April 30, 2019 - \$65.63.* 1.25 hours at \$50 per hour plus GST, for "email, PST login". No indication of date worked or other breakdown.
 - d. *Invoice #1681 dated June 29, 2019 - \$588.* 8 hours at \$70 per hour plus GST, for "income tax returns". No indication of date worked or other breakdown. The evidence shows this invoice was created in around October 2019 or later, and was back-dated to June 29, 2019.
15. As set out in her "Customer Aged Detail" Ms. Corbett paid a total of \$1,000 towards the \$3,331.13 total. This leaves the \$2,331.13 claimed in this dispute.
16. I will address invoice #1681 first, which was for Ms. Corbett's personal income taxes.
17. On September 21, 2019 Ms. Hlokoff sent Ms. Corbett a letter demanding an outstanding balance of \$1,743.13, and noted that she would not return Ms. Corbett's books or her computer until she was paid. This figure plus the \$588 for invoice #1681 totals the claimed \$2,331.13. Based on this and the parties' submissions, I find Ms. Hlokoff created invoice #1681 at some point after September 21, 2019 and back-dated it to June 29, 2019.
18. Ms. Corbett says Ms. Hlokoff, through LP, offered to do the income tax returns for free. LP's February 21, 2019 text to Ms. Corbett supports this conclusion: "I spoke to my boss Meridee & she says she will file your personal income tax returns for no

charge!". LP added that Ms. Corbett's husband's income taxes were "no charge for those either".

19. It is undisputed that LP acted as Ms. Hlokoff's authorized agent. Ms. Hlokoff's submission is that she told Ms. Corbett she would not file the income tax documents until she received payment, and since Ms. Hlokoff never received payment, she included a claim in this dispute for the income tax invoice. I do not accept this position. Ms. Corbett submitted a text that explained there were outstanding receipts to be claimed in the personal income taxes, and so the income taxes could not have been completed. There is no evidence before me the personal income tax documents were ever filed. There is also no explanation for why the hourly rate on invoice #1681 is \$70 rather than \$50. In any event, I find that based on LP's statement to Ms. Corbett that personal taxes would be done at no charge, Ms. Hlokoff cannot retroactively claim payment for that work. I dismiss Ms. Hlokoff's claim for \$588 in payment of invoice #1681.
20. I turn next to the other 3 invoices, which I will generally consider together.
21. Ms. Corbett points out that Ms. Hlokoff said in her initial CRT claim that Ms. Corbett sought her bookkeeping services in August 2018. Based on Ms. Corbett's November 21, 2018 text message with Ms. Hlokoff, I find they did not meet until late November 2018. Since LP's records show the billed time related to work done as of December 4, 2018, nothing specifically turns on this discrepancy. However, I agree with Ms. Corbett that the inconsistency suggests Ms. Hlokoff's and LP's records are not reliable.
22. Based on LP's undated letter titled "Janelle Explanation", she provided a breakdown of her time spent on specific days between December 4, 2018 and March 25, 2019. I accept this letter was not provided to Ms. Corbett until January 2020, after the CRT dispute began. I do not know when LP's letter was created or when the time records listed in it were documented.

23. In her explanation, LP wrote that in order to help save Ms. Corbett on costs, Ms. Corbett took her files back home and sorted the receipts by month and bank account. An undated text message between LP and Ms. Corbett supports a conclusion LP asked Ms. Corbett to match receipts to bank statements. LP said that once the paperwork was returned, she began work. Ms. Corbett further says that she had the files for the sorting work between December 6, 2018 and January 17, 2019, which Ms. Hlokoff did not expressly refute. Given all this, I find Ms. Hlokoff has not justified a total of 3.25 hours on December 5, 12, and 14, 2018. So, I find that \$170.63 (including GST) is deductible from invoice #1487.
24. LP also wrote that after she had already completed the first fiscal year's data entry, Ms. Corbett asked LP to move several expenses to "capital investments". LP wrote that this was quite time consuming.
25. Yet, Ms. Corbett submitted a January 18, 2019 text message with Ms. Hlokoff saying that she wanted "fixture value", and Ms. Hlokoff responded, "Yea we'll get started at the beginning of February as things have blown up for us." LP's letter indicates she spent 6 hours on February 22, 2019 as "move assets & bank reconciliations", which I find refers to "fixture value" request Ms. Corbett had made on January 18. I find Ms. Hlokoff has not shown these 6 hours were reasonably spent on February 22, given Ms. Corbett's instructions a month earlier. So, I find a further 6 hours (\$315 with GST) must be deducted from invoice #1487.
26. LP also says that she spent time trying to reconcile the GST and PST remittances Ms. Corbett had filed herself that did not correspond with LP's calculations. There is a February 28, 2019 record in LP's letter that she spent 2 hours to "review & print stmts for gov't remittance filings". However, in a February 20, 2019 email to Ms. Corbett LP wrote that the discrepancy was "not a big deal", and that she could file amendments if needed. Ms. Corbett says she explained to LP on the telephone how her franchise system's accounting software worked, which I accept as it is not refuted. I agree with Ms. Corbett that LP should not have spent 2 hours trying to

reconcile the remittances especially since she told Ms. Corbett it was “not a big deal”. I find 2 hours, or \$105 with GST, is deductible from invoice #1516.

27. In her letter, LP said that LBS’s books are complete from April to December 2017, and, except for bank reconciliations complete for the January to April 2018 period. LP also said that May to December 2018 was organized but not complete due to Ms. Corbett’s outstanding balance.
28. However, Ms. Corbett provided a March 12, 2019 email from LP to her, in which LP asked for various documents in order to complete the 2017 books. I accept Ms. Corbett’s evidence that she never provided the requested information, as I have insufficient evidence or submission to the contrary. I find this discrepancy is further evidence that LP’s records are not reliable.
29. On a judgment basis, I deduct a further 6 hours of time on the basis Ms. Hlokoff has failed to prove the hours were actually reasonably spent, which for convenience I will deduct from invoice #1487. This equals \$315, with GST. I find this is reasonable, as while I find LP’s records unreliable, I also accept that LP did some valuable bookkeeping work for Ms. Corbett. To that end, I have no expert opinion before me that the work product was below the applicable standard of care.
30. In summary, I find LBS owes a total of \$837.50 for the following invoices:
 - a. Invoice #1487 – \$194.37 (\$995 less \$170.63, \$315, and \$315)
 - b. Invoice #1516 – \$577.50 (\$682.50 less \$105)
 - c. Invoice #1546 - \$65.63 (the full invoiced amount).
 - d. Invoice #1681 – zero.
31. I find Ms. Hlokoff’s claims against Ms. Corbett personally must be dismissed. As noted above, the invoices were all issued to LBS and I find the related work was done for LBS, save for invoice #1681 which I have not allowed. There is no

evidence to support a conclusion Ms. Corbett is personally liable for the other invoices.

32. The *Court Order Interest Act* (COIA) applies to the CRT. I find Ms. Hlokoff is entitled to pre-judgment interest under the COIA on the \$837.50, from January 1, 2020 to the date of this decision. I find that date reasonable because that is roughly when Ms. Hlokoff provided Ms. Corbett with LP's hourly breakdown. This interest equals \$7.47.
33. Under section 49 of the CRTA and the CRT's rules, a successful party is generally entitled to the recovery of their CRT fees. Here, Ms. Hlokoff was only partially successful. I exercise my discretion and deny Ms. Hlokoff's request for reimbursement of \$125 in paid CRT fees. I say this because I find it was unreasonable of her to have delayed providing the requested invoice breakdown until January 2020, which was after she started this CRT proceeding. I dismiss Ms. Hlokoff's claim for reimbursement of \$210 in dispute-related expenses for the same reason, and because she did not provide sufficient proof of what that \$210 was for.

ORDERS

34. I order the respondent LBS to pay the applicant Ms. Hlokoff a total of \$844.97, broken down as follows:
 - a. \$837.50 in debt, and
 - b. \$7.47 in pre-judgment interest under the COIA.
35. Ms. Hlokoff is entitled to post-judgment interest as applicable. Ms. Hlokoff's claims against Ms. Corbett are dismissed.
36. Under section 48 of the CRTA, the CRT 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

CRT's final decision. The Minister of Public Safety and Solicitor General has issued a Ministerial Order under the *Emergency Program Act*, which says that tribunals may waive, extend or suspend a mandatory time period. The CRT can only waive, suspend or extend mandatory time periods during the declaration of a state of emergency. After the state of emergency ends, the CRT will not have this ability. A party should contact the CRT as soon as possible if they want to ask the CRT to consider waiving, suspending or extending the mandatory time to file a Notice of Objection to a small claims dispute.

37. Under section 58.1 of the CRTA, a validated copy of the CRT's order can be enforced through the Provincial Court of British Columbia. A CRT 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 CRT order has the same force and effect as an order of the Provincial Court of British Columbia.

Shelley Lopez, Vice Chair