



# Civil Resolution Tribunal

Date Issued: March 30, 2023

File: SC-2022-002663

Type: Small Claims

Civil Resolution Tribunal

Indexed as: *Courtney v. Dyck*, 2023 BCCRT 265

BETWEEN:

ANDREW COURTNEY

**APPLICANT**

AND:

KRISTINA DYCK AKA KRISTINA YOSHIZAWA

**RESPONDENT**

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## REASONS FOR DECISION

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Tribunal Member:

Nav Shukla

## INTRODUCTION

1. This dispute is about unpaid accounting services. The applicant, Andrew Courtney, says he did certain accounting work for the respondent, Kristina Dyck aka Kristina Yoshizawa, for which he has not been paid. Mr. Courtney claims \$3,960 for the unpaid work.

2. Ms. Dyck does not deny that Mr. Courtney did some accounting work for her or her companies that he has not been paid for. However, she says Mr. Courtney received double payment for past invoices which Mr. Courtney has not accounted for.
3. Both parties are self-represented.

## **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). Section 2 of the CRTA states that 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 the dispute's parties that will likely continue after the CRT process has ended.
5. Section 39 of the CRTA says the CRT has discretion to decide the format of the hearing, including by writing, telephone, videoconferencing, email, or a combination of these. Here, I find that I am properly able to assess and weigh the documentary evidence and submissions before me. Further, bearing in mind the CRT's mandate that includes proportionality and a speedy resolution of disputes, I find that an oral hearing is not necessary in the interests of justice.
6. Section 42 of the CRTA says 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, pay money or make an order that includes any terms or conditions the CRT considers appropriate.
8. The evidence shows Mr. Courtney seeks payment for some invoices that were not addressed to Ms. Dyck but to 1119907 B.C. Ltd. (111) and Gaia Beauty & Wellness.

Since the parties did not address it, I asked CRT staff to obtain submissions from the parties about Ms. Dyck's personal liability for accounting work Mr. Courtney appears to have done for 111 and Gaia Beauty & Wellness. The parties' submissions and my decision about Ms. Dyck's liability with respect to amounts Mr. Courtney billed to 111 and Gaia Beauty & Wellness are set out below.

## **ISSUES**

9. The issues in this dispute are:
  - a. Is Ms. Dyck personally liable for the work Mr. Courtney billed 111 and Gaia Beauty & Wellness for? If so, how much does she owe Mr. Courtney?
  - b. What amount, if any, does Ms. Dyck owe Mr. Courtney for accounting work he did for her personally?

## **EVIDENCE AND ANALYSIS**

10. In a civil proceeding like this one, Mr. Courtney as the applicant must prove his claims on a balance of probabilities (meaning "more likely than not"). I have considered all the parties' submitted evidence and argument but refer only to what I find relevant to provide context for my decision.
11. Mr. Courtney's evidence includes 6 invoices:
  - a. Invoice 180 dated September 11, 2018 addressed to 111 for \$158.38,
  - b. Invoice 193 dated May 21, 2019 addressed to Ms. Dyck for \$719,
  - c. Invoice 195 dated May 27, 2019 addressed to Freshly Baked for \$136.77,
  - d. Invoice 212 dated June 25, 2020 addressed to 111 for \$4515,
  - e. Invoice 230 dated April 24, 2021 addressed to 111 for \$4,305, and
  - f. Invoice 238 dated February 16, 2022 addressed to Gaia Beauty & Wellness for \$1,110.

12. As noted above, Mr. Courtney says Ms. Dyck owes him \$3,960 for unpaid accounting services. Mr. Courtney's Statement of Account in evidence notes invoices 193, 212, 230 and 238. The Statement of Account further shows Mr. Courtney received a \$3,000 payment on April 30, 2019, a \$1,680 payment on June 25, 2020, and a \$2,000 payment on April 24, 2021, leaving \$3,969 owing. Mr. Courtney says invoices 180 and 195 were paid in full separately. Mr. Courtney further says that as of April 29, 2019, before he received the \$3,000 payment, Ms. Dyck's account balance was zero. More below on why this matters.
13. It is undisputed that 111 is an incorporated company. Similarly, the evidence shows that in May 2019, Mr. Courtney helped Ms. Dyck create 1209448 B.C. Ltd. (120). Sometime after May 2019, Mr. Courtney applied to change 120's name to Gaia Beauty and Wellness Ltd. (Gaia). So, I find the undisputed evidence is that 111 and Gaia are both incorporated entities. It is also undisputed that Gaia Beauty & Wellness as referred to in invoice 238 is a business name and is the same as Gaia, the incorporated entity.
14. As incorporated companies, 111 and Gaia are separate legal entities from Ms. Dyck. The question then is whether Ms. Dyck is personally liable for the accounting work Mr. Courtney invoiced 111 and Gaia for. In particular, is Ms. Dyck personally liable for invoices 212, 230, and 238?
15. In his submissions addressing Ms. Dyck's personal liability for invoices made out to 111 and Gaia, Mr. Courtney says that he was not engaged by any corporations, only Ms. Dyck. Mr. Courtney says that Ms. Dyck is the sole owner and sole beneficiary of both 111 and Gaia and she engaged him directly to do the work he invoiced 111 and Gaia for. Mr. Courtney further says that addressing the invoices to 111 and Gaia was "merely an organizational detail". Ms. Dyck, on the other hand, says that she never signed anything agreeing to be personally liable for any fees Mr. Courtney billed to 111 or Gaia. She further says that it was her understanding that Mr. Courtney was doing the work for the corporations, not her.

16. In various emails in evidence, Mr. Courtney referred to the corporations as owing him money. For example, in a February 14, 2022 email, Mr. Courtney stated that by his calculations, Freshly Baked now owed him \$4,859. 111 undisputedly does business as “Freshly Baked”. Further, in a February 16, 2022 email, Mr. Courtney noted that he had now completed the billing for Gaia.
17. The description of the work listed in invoices 212, 230, 238 also suggests the work was done for 111 and Gaia, respectively, and not for Ms. Dyck personally. For example, the work Mr. Courtney billed 111 for in invoice 212 included time spent reviewing records for Freshly Baked’s 2018 year end and time spent on corporate tax planning and T-2 returns. Invoice 230 included similar notes. Invoice 238 made out to Gaia charged for 3 hours for meetings, emails, messages and discussions about a “possible corporate restructuring”.
18. Mr. Courtney argues that if Ms. Dyck could produce a signed letter of engagement from 111 or Gaia, then his argument that Ms. Dyck was personally liable would fail. I disagree this is Ms. Dyck’s burden. As noted above, the burden is on Mr. Courtney as the applicant to prove his claim.
19. I turn now to the applicable law. As noted, corporations are generally separate legal entities from its principals, something known in law as the “corporate veil”. As stated in *Tresoro Mining Corporation v. Mercer Gold Corp. (B.C.)*, 2015 BCSC 1822 at paragraph 30, the corporate veil can be pierced if the corporate entity was “completely dominated and controlled”, and the corporate entity was “used as a shield for fraudulent or improper conduct”. A court or tribunal should not lift the corporate veil because declining to do so would simply be unfair. Only exceptional cases that result in flagrant injustice warrant going behind the corporate veil (*Edgington v. Mulek Estate*, 2008 BCCA 505 at paragraphs 24 to 26). There is no suggestion here that the corporations, 111 and Gaia, are being used as a shield for fraudulent or improper conduct. So, I find there are no exceptional reasons to warrant lifting the corporate veil.

20. Further, Mr. Courtney provided no documentary evidence, such as an engagement letter or personal guarantee, showing that Ms. Dyck agreed to be personally liable for 111's and Gaia's invoices. So, I find Mr. Courtney has not proven that Ms. Dyck is personally liable for the amounts Mr. Courtney billed 111 and Gaia for in invoices 212, 230 and 238.
21. Are there any outstanding invoices billed to Ms. Dyck personally? Invoice 193 is the only invoice Mr. Courtney submitted in evidence that is made out to Ms. Dyck. However, I find Mr. Courtney's Statement of Account mentioned above shows that this invoice was paid in full from the \$3,000 payment Mr. Courtney received on April 30, 2019. Mr. Courtney's February 16, 2022 email in evidence supports this conclusion. In this email, Mr. Courtney noted the \$3,969 balance owing, and said it was made up of \$4,859 owed by Freshly Baked and \$1,110 owed by Gaia, less a \$2,000 payment he had received. There was no mention in this email of any amounts outstanding under invoice 193 or otherwise owed personally by Ms. Dyck.
22. So, based on the evidence before me, I find there are no unpaid invoices remaining for which Ms. Dyck is personally liable. As a result, I dismiss Mr. Courtney's claims.
23. Under section 49 of the CRTA and CRT rules, the CRT will generally order an unsuccessful party to reimburse a successful party for CRT fees and reasonable dispute-related expenses. I see no reason in this case not to follow that general rule. Since Mr. Courtney was unsuccessful, I dismiss his reimbursement claim for paid CRT fees and dispute-related expenses. Ms. Dyck did not pay any CRT fees or claim any dispute-related expenses, so I order no reimbursement.

## **ORDER**

24. I dismiss Mr. Courtney's claims and this dispute.

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Nav Shukla, Tribunal Member