



Civil Resolution Tribunal

Date Issued: December 19, 2023

File: SC-2022-008798

Type: Small Claims

Civil Resolution Tribunal

Indexed as: *Arora v. Shah*, 2023 BCCRT 1110

B E T W E E N :

MAYUR ARORA

APPLICANT

A N D :

NIPESH DHIRAJLAL SHAH

RESPONDENT

REASONS FOR DECISION

Tribunal Member:

Alison Wake

INTRODUCTION

1. This dispute is about real estate commission. Mayur Arora acted as Nipesh Dhirajlal Shah's realtor in a real estate transaction in February 2021. Mr. Arora says Mr. Shah owes him \$5,500 in commission under the parties' listing contract. However, he limits his claim to \$5,000, which is the small claims monetary limit at the Civil Resolution Tribunal (CRT).

2. Mr. Shah denies owing Mr. Arora any commission under the contract, and says that this dispute should be dismissed.
3. Both parties are self-represented.

JURISDICTION AND PROCEDURE

4. These are the CRT's formal written reasons. 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.
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.
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 inform itself in any other way it considers appropriate.

ISSUE

7. The issue in this dispute is whether Mr. Shah must pay Mr. Arora the claimed \$5,000 in commission.

EVIDENCE AND ANALYSIS

8. In a civil proceeding like this one, the applicant Mr. Arora must prove his claims on a balance of probabilities (meaning more likely than not). While I have read all the parties' submitted evidence and arguments, I have only referred to those necessary to explain my decision.

9. In February 2021, Mr. Shah listed his townhome for sale. Mr. Arora acted as Mr. Shah's realtor for the listing. Mr. Shah received and accepted an offer to purchase the townhome, but the sale ultimately did not complete for reasons I find unnecessary to detail here.
10. Mr. Arora says that regardless of whether the sale completed, Mr. Shah owes him commission under a February 6, 2021 Multiple Listing Contract. Both parties provided the contract in evidence.
11. As a preliminary matter, I considered who the parties to the contract were. The contract says that it is between Mr. Shah as the owner and seller, and Oneflatfee.ca as the listing brokerage. Clause 5 of the contract sets out the circumstances in which the seller agrees to pay commission to the listing brokerage. Clause 7 designates Mr. Arora as the agent to act on the seller's behalf.
12. Because it was not clear whether Mr. Arora and Oneflatfee.ca were the same legal entity, through CRT staff, I requested that the parties provide submissions about Oneflatfee.ca's legal status. Mr. Shah did not respond to this request.
13. Mr. Arora did respond. He advised that One Flat Fee Real Estate Incorporated (OFF) is a legal entity that does business as Oneflatfee.ca, and that he is the sole director of OFF. In support, Mr. Arora provided copies of OFF's incorporation application, which shows that he is a director, and its central securities register showing him as a shareholder.
14. Based on these documents and Mr. Arora's submissions, I find OFF is a corporation that does business as Oneflatfee.ca. So, I find the parties to the contract were Mr. Shah and OFF, doing business as Oneflatfee.ca.
15. A corporation is a separate legal entity, distinct from its shareholders, officers, director, and employees. Even though Mr. Arora may be OFF's sole director, I find he has no standing, or legal right, to bring a claim in his own name to recover a debt allegedly owed to OFF. In other words, it is OFF as the listing brokerage that is entitled to commission in the circumstances outlined in the contract, not Mr. Arora personally.

16. For these reasons, I find it is unnecessary to consider the parties' arguments about the merits of the dispute. This is because even if I agreed that Mr. Shah owed OFF commission under the contract, OFF is not a party to the dispute and so I could not order Mr. Shah to pay it. Because Mr. Arora is the sole applicant to this dispute, and I have found he does not have standing to bring a claim about the contract, I dismiss Mr. Arora's claims.
17. 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. As Mr. Arora was unsuccessful in this dispute, I dismiss his claim for CRT fees. Mr. Shah did not pay CRT fees, and neither party claimed dispute-related expenses.

ORDER

18. I dismiss Mr. Arora's claims and this dispute.

Alison Wake, Tribunal Member