



Civil Resolution Tribunal

Date Issued: May 6, 2024

File: SC-2023-004170

Type: Small Claims

Civil Resolution Tribunal

Indexed as: *Bahri v. Sleek Drafting & Design Ltd.*, 2024 BCCRT 432

B E T W E E N :

ARVIN BAHRI

APPLICANT

A N D :

SLEEK DRAFTING & DESIGN LTD.

RESPONDENT

REASONS FOR DECISION

Tribunal Member:

Sarah Orr

INTRODUCTION

1. This is a dispute about architectural design services. Arvin Bahri hired Sleek Drafting & Design Ltd. to provide architectural design services for his new coffee shop.

2. Mr. Bahri is self-represented, and Sleek is represented by its principal Gurpreet Khuman.
3. Mr. Bahri paid Sleek's \$2,992.50 invoice but says Sleek misrepresented Mr. Khuman's qualifications and failed to provide the services stated in the contract. He claims a full refund of the \$2,992.50 invoice amount.
4. Sleek denies misrepresenting Mr. Khuman's qualifications and says it provided the services in the parties' contract. It says it agreed to refund Mr. Bahri one third of the invoice amount but forgot to issue the refund.

JURISDICTION AND PROCEDURE

5. 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.
6. 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.
7. 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 court.
8. 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.

PRELIMINARY ISSUES

Unviewable Evidence

9. I was unable to open 1 piece of evidence that Sleek submitted entitled “The CAD file for Mr. Bahri’s design”. However, I find I can fairly decide this dispute without seeing this evidence because the parties do not dispute that Sleek completed 6 drawings and sent them to Mr. Bahri as a CAD file. The parties have both submitted these 6 drawings in an accessible format, and I find nothing turns on my assessment of the drawings themselves.

Parties and Late Evidence

10. After reviewing the evidence, I found it was unclear which entities made the agreement at issue in this dispute. The evidence shows that Mr. Khuman sent Mr. Bahri the initial quote from GSK Design Ltd., not Sleek. Mr. Khuman’s emails to Mr. Bahri until the end of July 2022 were from GSK. In mid-August 2022, Mr. Khuman’s emails showed his company as Sleek, not GSK. The invoice in evidence is from Sleek, but it is addressed to Archr Coffee Inc., not Mr. Bahri personally. It also appears from the evidence that Archr paid Sleek.
11. I asked the parties for their submissions about the relationship between Mr. Bahri and Archr and between GSK and Sleek, and about which people or entities made the agreement at issue in this dispute. As part of his submissions, Mr. Bahri submitted additional evidence. Sleek was given the opportunity to respond to this evidence, so in the absence of any prejudice, I accept this late evidence and I have considered it in my decision.
12. Mr. Bahri says he owns Archr, which is his coffee shop business. He says he hired GSK before Archr was incorporated, which is why he started this dispute in his own name, instead of on behalf of Archr. Sleek does not dispute any of this.
13. Both parties agree that after Mr. Bahri hired GSK, Mr. Khuman changed his company name from GSK to Sleek. Mr. Bahri submitted a July 28, 2022 email he received from

Mr. Khuman who said he had changed his company name to Sleek and asked that Mr. Bahri send all future communication to Sleek's email address. A May 31, 2023 BC Company Summary shows Sleek was incorporated on July 19, 2022, after Mr. Bahri accepted GSK's quote but before he paid Sleek's invoice.

14. On the evidence before me, I am satisfied that Mr. Bahri made an agreement with GSK in June 2022. I am also satisfied that GSK assigned its responsibilities under the agreement to Sleek in July 2022, and that Mr. Bahri agreed to this assignment. Although Archr paid Sleek's invoice, there is no indication that Mr. Bahri ever assigned his responsibilities under the contract to Archr. So, I find that Archr paid the invoice on Mr. Bahri's behalf, and Mr. Bahri has standing to bring this dispute.

ISSUE

15. The issue in this dispute is whether Mr. Bahri is entitled to a \$2,992.50 refund.

EVIDENCE AND ANALYSIS

16. As the applicant in this civil proceeding, Mr. Bahri must prove his claims on a balance of probabilities, which means more likely than not. I have read all the parties' evidence and submissions but refer only to what I find relevant to explain my decision.
17. On June 27, 2022, GSK sent Mr. Bahri a quote for "Architectural Design Service for Coffee Shop" for \$2,850 plus GST. The scope of work included providing a site plan, floor plans, cross section, electrical plan, reflected ceiling plan, and cross section for architectural plans. It also included promptly providing revisions required by the municipality or the Fraser Health Authority, and coordination with all other consultants to complete the project.
18. There is no signed quote in evidence. However, both parties refer to the quote throughout their submissions, and Sleek invoiced Mr. Bahri for the quoted amount. On the evidence before me I am satisfied that Mr. Bahri accepted the quote from GSK, and this formed the parties' agreement.

19. As noted above, on July 28, 2022, Mr. Khuman notified Mr. Bahri that he had changed his company's name from GSK to Sleek, and that Mr. Bahri should email Sleek with all future communications. I find this is when GSK assigned Sleek its responsibilities under the contract.
20. On August 16, 2022, Sleek emailed Mr. Bahri a CAD file with the 6 drawings listed in the quote. On August 17, 2022, Sleek sent Mr. Bahri the \$2,992.50 invoice, which was paid on August 19, 2022.
21. On September 14, 2022, Mr. Bahri emailed Sleek saying that the Township of Langley had requested more documents, including architectural drawings.
22. It is undisputed that Mr. Khuman is not an architect and was not qualified to complete architectural drawings. It is also undisputed that without these completed documents, Mr. Bahri could not get a permit from the Township of Langley to build and open his coffee shop.
23. Mr. Bahri says that on October 25, 2022, Sleek agreed to refund one third of the amount paid but failed to do so. Sleek acknowledges agreeing to this but says it forgot to issue the refund. So, I find that Sleek owes Mr. Bahri at least \$997.50 as a refund of one third of the invoice amount. However, for the following reasons, I find Mr. Bahri is entitled to a full refund of the \$2,992.50 invoice amount.

Is Mr. Bahri entitled to a refund?

24. Mr. Bahri says when he and his wife first decided to start a coffee shop, the Township of Langley informed him that he would need to hire an architect for the construction process. He says he was referred to Mr. Khuman through a personal connection, and Mr. Khuman assured him he could complete the work agreed upon. Mr. Bahri says he believed Mr. Khuman was an architect when he accepted GSK's quote.
25. Mr. Bahri says Sleek misrepresented that Mr. Khuman was an architect and misrepresented the nature of the architectural services it could provide. He says Sleek failed to complete the scope of work in the contract because that work required

Mr. Khuman to be a certified architect, which he is not. Mr. Bahri says he has since hired another firm to complete the work Sleek was unable to complete.

26. Sleek denies making any misrepresentations and says it fulfilled its obligations under the contract. It says it never told Mr. Bahri that Mr. Khuman was an architect, and it provided all drawings included in the quote, which did not specify that they would be signed and sealed by an architect. Sleek says it had performed similar work in the past, and no municipality had ever asked that its drawings be signed and sealed by a registered architect. Nevertheless, Sleek says it warned Mr. Bahri at the start of the project that the Township of Langley may require this. He says he told Mr. Bahri that he knew several architects who could provide that service. I do not accept that Sleek told Mr. Bahri this, as it is inconsistent with the parties' agreement that Sleek would provide the services. Sleek says that after the Township of Langley asked for signed and sealed architectural drawings it connected Mr. Bahri with an architect willing to sign and seal the drawings but Mr. Bahri refused to pay for this service.
27. A misrepresentation is a false statement of fact made during negotiations or in an advertisement. A "negligent misrepresentation" occurs when someone carelessly or negligently makes a statement of fact that is untrue, inaccurate, or misleading, and the person to whom it was made reasonably relied on the misrepresentation to their detriment. To prove a negligent misrepresentation, Mr. Bahri must prove that Sleek owed him a duty of care, Sleek negligently made an untrue, inaccurate, or misleading statement, and that he reasonably relied on that statement to his detriment (see *Queen v. Cognos Inc.*, 1993 CanLII 146 (SCC)).
28. For the following reasons, I find Sleek negligently misrepresented the services it was able to provide, and I find it must refund Mr. Bahri the \$2,992.50 invoice amount. As a company providing design services to its clients, I find Sleek owed Mr. Bahri a duty of care.
29. In 2022, the *Architects Act* governed the Architectural Institute of British Columbia (AIBC), which regulates the profession of architecture in British Columbia. The

Architects Act was repealed on February 10, 2023, but it was in force when the parties made their agreement. At the time, section 63(1) of the *Architects Act* said,

Subject to this Act, a person not registered as a member or as an architectural firm must not use or be held out under the title “architect” or any similar title or description or use, and must not advertise or be held out under any name, title, addition or description implying, or likely to lead the public to infer, that a registration under this Act applies.

30. Mr. Bahri submitted a December 2018 AIBC bulletin which lists descriptive terms and terms for services offered that the AIBC says are inappropriate for use by an individual who is not registered as an AIBC member, or by a business that does not hold an AIBC Certificate of Practice. These unacceptable terms include “Architectural Design(er)”, “Architectural Drawings”, “Architectural Plans”, “Architectural Design”, and “Architectural Services”. As noted above, GSK’s quote said it would provide “Architectural Design Service” and “architectural plans”.
31. Mr. Bahri also submitted evidence showing that since he started this CRT dispute, the AIBC published an illegal practice resolution indicating that Mr. Khuman of GSK and Sleek is not an architect. The resolution said Mr. Khuman prepared building permit drawings for a building that required the services of an architect under the former *Architects Act*.
32. Though the AIBC resolution does not refer specifically to Mr. Bahri, I find it describes what happened here. I find that by using terms in its quote that the AIBC says are inappropriate for use by a business that does not hold an AIBC Certificate of Practice, Sleek misrepresented the services it was able to provide. I find the evidence shows that Mr. Bahri believed Mr. Khuman was an architect when he hired Sleek. I find Mr. Bahri reasonably relied on the terms of the quote to his detriment, because he had to pay someone else to complete the work set out in the quote. So, I find Sleek must refund Mr. Bahri the \$2,992.50 invoice amount he paid on August 19, 2022.

33. I note here that in its submissions, Sleek alleges that Mr. Bahri received value from its work, because the architect Mr. Bahri hired simply signed and sealed Sleek's drawings. Sleek has not filed a counterclaim, so I find he is claiming a set-off based on the concept of *quantum meruit*. This means that someone is generally entitled to be paid a reasonable amount for work they completed. However, I find Sleek is not entitled to any set-off amount for 2 reasons. First, Mr. Bahri denies that Sleek provided any value to him. I find there is insufficient evidence before me to determine what value, if any, Sleek provided to Mr. Bahri.
34. Second, a party must have "clean hands" to be entitled to damages based on *quantum meruit*. This means they must have acted in good faith (see *Chudy v. Merchant Law Group*, 2008 BCCA 484). In that case, the court found that a lawyer who became ineligible to practice law but continued to represent his client without telling them about his status was not entitled to recover legal fees based on *quantum meruit*. While the facts here are not identical, I find that because Sleek misrepresented Mr. Khuman's qualifications, it is not entitled to compensation based on *quantum meruit*. I find Sleek has failed to prove that it is entitled to any set-off.
35. The *Court Order Interest Act* applies to the CRT. Mr. Bahri is entitled to pre-judgment interest on the \$2,992.50 owing calculated from August 19, 2022, which is the date Mr. Bahri paid Sleek, to the date of this decision. This equals \$213.67.
36. 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. Bahri was successful, I find he is entitled to reimbursement of \$125 in CRT fees. Sleek did not pay any CRT fees, and neither party claimed any dispute-related expenses.

ORDERS

37. Within 14 days of the date of this order, I order Sleek to pay Mr. Bahri a total of \$3,331.17, broken down as follows:

- a. \$2,992.50 as a refund of the invoice amount,
- b. \$213.67 in pre-judgment interest under the *Court Order Interest Act*, and
- c. \$125 in CRT fees.

38. Mr. Bahri is entitled to post-judgment interest, as applicable.

39. This is a validated decision and order. 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. Once filed, a CRT order has the same force and effect as an order of the Provincial Court of British Columbia.

Sarah Orr, Tribunal Member