



Civil Resolution Tribunal

Date Issued: May 31, 2024

File: SC-2023-003903

Type: Small Claims

Civil Resolution Tribunal

Indexed as: *CCI Cypress Cleaning Inc. v. Demysheva*, 2024 BCCRT 398

B E T W E E N :

CCI CYPRESS CLEANING INC.

APPLICANT

A N D :

OLGA DEMYSHEVA, MIKHAIL KNYAZEVA, SENGHERA HOLDINGS LTD., and GURJIT GARY SENGHERA

RESPONDENTS

REASONS FOR DECISION

Tribunal Member:

David Jiang

INTRODUCTION

1. This dispute is about cleaning services at a residential property. The applicant, CCI Cypress Cleaning Inc. (CCI), says the respondents owe \$5,300. It abandons its claim in excess of the tribunal's \$5,000 small claims limit.

2. The respondents Olga Demysheva and Mikhail Knyazev own the property. They deny liability. They say they hired the respondent Senghera Holdings Ltd. (Senghera) as a general or head contractor, and the respondent Gurjit Gary Senghera acted as its principal. They say they never contracted directly with CCI. Neither Senghera nor Mr. Senghera filed a Dispute Response and are in default.
3. A principal or employee represents CCI. Ms. Demysheva represents herself and Mr. Knyazev.
4. For the reasons that follow, I find CCI has proven its claim against Senghera only. I dismiss CCI's remaining claims.

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.

Claims of Builders Lien

9. CCI referred to placing a lien on Ms. Demysheva's and Mr. Knyazev's property at a cost of \$500. CCI did not provide further specifics. It said that it would "maybe" claim this cost as a dispute-related expense. Given this equivocal language, I find it has not actually claimed this expense, and I make no findings about it.
10. Even if CCI had explicitly made this claim, I find that I would be unable to decide it in any event. This is because the BC Supreme Court has exclusive jurisdiction over builders liens under the *Builders Lien Act*. This includes the costs associated with filing or removing such a lien. See, for example, the non-binding decision of *Burt dba Exburt Contract Services v. HBM Property Management & Real Estate Ltd.*, 2024 BCCRT 270 at paragraph 30.

ISSUE

11. The issue in this dispute is whether any of the respondents are liable for \$5,000 in claimed cleaning costs.

BACKGROUND, EVIDENCE AND ANALYSIS

12. In a civil proceeding like this one, CCI as the applicant must prove its claims on a balance of probabilities. I have read all the parties' submissions and evidence but refer only to the evidence and argument that I find relevant to provide context for my decision. Senghera and Mr. Senghera are in default, so they did not provide any evidence or submissions.
13. Ms. Demysheva and Mr. Knyazev signed a written construction contract dated November 11, 2020, with Senghera. Mr. Senghera signed as Senghera's representative.
14. The contract said that Senghera would act as a general contractor to provide all labour, equipment, and materials to design and build a house. The contract and an attached document labelled "Supplementary General Conditions" indicated that

Senghera would also clean up the property upon completing the house. CCI was not a party to this contract.

15. As construction neared completion, Mr. Senghera texted CCI's representative on July 9, 2022. Mr. Senghera asked CCI to clean up the property at issue. CCI agreed.
16. I find that CCI contracted with Senghera alone at the time to clean up the property. I say this in part because Ms. Demysheva and Mr. Knyazev were not part of the text message chain. This is also consistent with the construction contract outlined above that omits any mention of CCI. Further, as the text messages were connected to Senghera's role as a general contractor, I also find it unlikely that Mr. Senghera acted in his personal capacity at the time to contract with CCI. I will return to this point below.
17. Senghera subsequently completed the house. Municipal authorities issued an occupancy permit on December 20, 2022. CCI issued an invoice for \$5,300 to Ms. Demysheva and Mr. Knyazev on January 15, 2023. The invoice shows it was for vacuuming the house interior and cleaning the exterior windows to prepare the house for staging. There is no dispute that CCI did the work shown in the invoice.
18. I turn now to the parties' positions. Ms. Demysheva and Mr. Knyazev say they hired Senghera as their general contractor and have no contract with CCI.
19. CCI says that Ms. Demysheva and Mr. Knyazev are liable because they received the benefit of the cleaning. It did not directly address why Senghera or Mr. Senghera would also be liable.
20. I find it clear that CCI contracted with Senghera through the July 9, 2022 text messages. I also find it clear that CCI did not contract with Ms. Demysheva or Mr. Knyazev. As noted above, the construction contract clearly shows that the property owners communicated only with Senghera as general contractor to provide cleaning services. There is no indication they knew about CCI at the time or asked Senghera to act as their agent to contract with CCI.

21. I acknowledge that CCI addressed its invoice to Ms. Demysheva and Mr. Knyazev. However, the text messages in evidence show that, contrary to this, CCI texted Mr. Senghera for payment on January 24, 2023. CCI asked, “When Gary...When you’re paying”? Mr. Senghera replied, “I’m getting it sent”. CCI also emailed the same invoice to Senghera on April 4, 2023. In contrast, there is no correspondence in evidence from CCI asking Ms. Demysheva or Mr. Knyazev for payment. I find that from an objective perspective, the text messages shows that both CCI and Senghera understood they had contracted with each other.
22. The common law principle of privity of contract means that generally, a contract cannot give rights or impose obligations on a person who is not a party to the contract. See, for example, the non-binding decision of *Infinity Glass Co. Ltd. v. DBD Westcoast Construction Ltd.*, 2022 BCCRT 1296. As I have found that CCI did not contract with Ms. Demysheva or Mr. Knyazev, I dismiss CCI’s claims against them.
23. As noted, I find that Senghera contracted with CCI. I find Senghera is therefore liable for the invoice and order it to pay the claimed \$5,000.
24. This leaves CCI’s claim against Mr. Senghera. Generally, liability is assumed where a respondent is in default. However, the applicant must still prove they are entitled to requested remedies.
25. At law, officers, directors, and employees of corporations are not personally responsible or legally liable unless they commit a wrongful act independent from that of the corporation. Mr. Senghera is in default. He is also the president of Senghera. CCI did not provide evidence or submissions to show he committed a wrongful act independent of Senghera. So, I dismiss CCI’s claim against Mr. Senghera personally.
26. The *Court Order Interest Act* applies to the CRT. CCI claimed non-contractual interest but also said it waived interest in its reply submissions. Given this, I award no pre-judgment interest.
27. 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. I find CCI is entitled to reimbursement of \$175 in CRT fees from Senghera. The parties did not claim any dispute-related expenses.

ORDERS

28. Within 30 days of the date of this order, I order Senghera to pay CCI a total of \$5,175, broken down as follows:
 - a. \$5,000 in debt, and
 - b. \$175 in CRT fees.
29. CCI is entitled to post-judgment interest, as applicable.
30. I dismiss CCI's claims against Ms. Demysheva, Mr. Knyazev, and Mr. Senghera.
31. 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.

David Jiang, Tribunal Member