



Civil Resolution Tribunal

Date Issued: September 16, 2025

File: SC-2024-000970

Type: Small Claims

Civil Resolution Tribunal

Indexed as: *Red Letter Films Ltd. v. Wood*, 2025 BCCRT 1295

B E T W E E N :

RED LETTER FILMS LTD., MATTHEW GREGORY WILLIAM
NOSATY, and SYLVIE MARIE JACYNTHÉ PELTIER

APPLICANTS

A N D :

MURRAY DOUGLAS WOOD

RESPONDENT

REASONS FOR DECISION

Tribunal Member:

Jeffrey Drozdiak

INTRODUCTION

1. This dispute is about a commercial lease.
2. The applicants, Red Letter Films Ltd. (RLF), Matthew Gregory William Nosaty, and Sylvie Marie Jacynthe Peltier, signed a 2-year lease with the respondent, Murray Douglas Wood, to rent a commercial unit. The applicants decided to leave the unit 6

months before the lease ended. They allege Mr. Wood acted in bad faith by not reasonably consenting to a sub-tenant, and then allowing another tenant to move in early, while still collecting rent from the applicants. They claim \$5,000 in damages.

3. Mr. Wood denies acting in bad faith. He says he gratuitously helped the applicants find a sub-tenant by advertising and showing the unit. He also says he did not lease the unit to anyone else until the applicants' lease ended.
4. Ms. Peltier represents herself and RLF. Mr. Nosaty represents himself. Mr. Wood is a lawyer and represents himself.

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). CRTA section 2 says that the CRT's mandate is to provide dispute resolution services accessibly, quickly, economically, informally, and flexibly.
6. CRTA section 39 says the CRT has discretion to decide the hearing's format, including by writing, telephone, videoconferencing, email, or a combination of these. In some respects, the parties question the credibility, or truthfulness, of the other's evidence. Under the circumstances, I find that I am properly able to assess and weigh the evidence and submissions before me without an oral hearing. In *Downing v. Strata Plan VR2356*, 2023 BCCA 100, the court recognized that oral hearings are not necessarily required where credibility is in issue. Neither party requested an oral hearing. So, bearing in mind the CRT's mandate for proportionality and a speedy resolution of disputes, I decided to hear this dispute through written submissions.
7. CRTA section 42 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. Under CRTA section 48(1), in resolving this dispute, the CRT may make an order on terms and conditions it considers appropriate.

ISSUES

9. The issues in this dispute are:
 - a. Did Mr. Wood act in bad faith when helping the applicants find a sub-tenant?
 - b. Did Mr. Wood act in bad faith by allegedly renting the unit before the lease term ended?

EVIDENCE AND ANALYSIS

10. In a civil proceeding like this one, the applicants must prove their claims on a balance of probabilities (meaning “more likely than not”). 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.

The Lease

11. Ms. Peltier and Mr. Nosaty run a media production company through RLF. On January 24, 2022, all 3 applicants signed a 2-year commercial lease agreement to rent warehouse space in a building owned by Mr. Wood. The applicants agreed to pay a total monthly rent of \$2,100, and the lease term ended on January 31, 2024.
12. On May 31, 2023, Ms. Peltier emailed Mr. Wood about the notice requirements to end the lease early. Eventually, on June 28, 2023, Mr. Wood responded that the required notice was 7 months, which I find coincided with the end of the lease. After receiving Mr. Wood’s response, Ms. Peltier says she told Mr. Wood that they would not need the unit after July 15, 2023. She says the applicants left on July 14.
13. After leaving the unit, the parties discussed various options for ending the lease. On August 9, 2023, Ms. Peltier emailed Mr. Wood saying they would like to sublet the

unit. Mr. Wood agreed on the condition that the applicants find a “suitable and financially strong sub tenant”. The applicants say on August 14, Mr. Wood also told them that he would not accept auto body and repair shops even though the property was zoned for it.

14. The applicants were unable to secure a sub-tenant for the unit and paid the monthly rent until the lease ended on January 31, 2024. The applicants’ banking records show Mr. Wood cashed the last rent cheque on January 5, 2024.
15. The applicants allege Mr. Wood unreasonably withheld his consent to sublet the unit. They also allege Mr. Wood allowed another tenant to move in early while they were still paying rent.

The Law

16. I will start by summarizing the applicable law. The applicants allege Mr. Wood acted fraudulently and in bad faith. I infer they argue Mr. Wood did not act in good faith and honestly perform the lease. In *Bhasin v. Hrynew*, 2014 SCC 71, the Supreme Court of Canada wrote that parties generally must perform their contractual duties honestly and reasonably and not capriciously or arbitrarily. This means in all contracts a party must act in good faith when performing the contract and not knowingly mislead the other party.

Did Mr. Wood Act in Bad Faith when Helping Find a Sub-Tenant?

17. The applicants argue Mr. Wood unreasonably withheld his consent for a sub-tenant. The applicants say they posted an advertisement on Facebook Marketplace and directed interested parties to Mr. Wood. They allege Mr. Wood showed one prospective tenant the wrong unit and told another prospective tenant that the rent was \$2,500. They also allege they had a potential sub-tenant in November 2023, but that person later rented a different commercial space from Mr. Wood.
18. The challenge for the applicants is that they signed a 2-year lease for the unit. This means the applicants, and not Mr. Wood, were obligated to find a sub-tenant for the

remaining term. The courts have found that while a lease is in effect, a landlord can continue to collect rent for the full term of the lease, and they do not have a duty to find a replacement tenant. See *Anthem Crestpoint Tillicum Holdings Ltd. v. Hudson's Bay Company ULC Compagnie de la Baie D'Hudson SRI*, 2022 BCCA 166. There is no evidence before me that Mr. Wood agreed to end the lease early. There is also no documentary evidence before me about what terms the parties agreed to for Mr. Wood to show the unit. The only agreement before me is the lease.

19. The lease says the applicants could not assign or sublet the lease "without leave". The lease does not clarify what this means, but I infer it means Mr. Wood needed to approve any assignment or sublease. Notably, there is no term that required Mr. Wood to act reasonably when granting his approval. This means Mr. Wood was entitled to not allow an auto body or repair shop to sublease the unit. The lease also does not have a term requiring Mr. Wood to help find a replacement tenant. So, I find the applicants have not proven Mr. Wood breached the duty of good faith and honest performance in the lease when helping find a sub-tenant.
20. I considered whether Mr. Wood may have been unjustly enriched when dealing with a prospective sub-tenant, AB. To prove unjust enrichment, the applicants must prove Mr. Wood was enriched, they suffered a corresponding loss, and there was no juristic reason or valid basis for the enrichment. See *Moore v. Sweet*, 2018 SCC 52.
21. On November 12, 2023, AB emailed the applicants about renting the unit. The applicants had AB complete a rental application form supplied by Mr. Wood. On November 13, the applicants sent AB's application to Mr. Wood, and he consented to subletting the unit to AB. On November 21, 2023, the applicants followed up with AB, and AB responded that the unit was "perfect", but they were waiting on another plan. The applicants say AB followed up in December and said that they had rented a space on Mr. Wood's farm.

22. Mr. Wood says AB originally contacted him in July 2023. Mr. Wood says he showed AB a \$3,500 per month unit for their business, but AB told him the rent was too much. Mr. Wood says he showed AB the applicants' unit twice in November 2023, but AB decided the unit was not suitable due to size, layout, and electrical supply. In late November, Mr. Wood says AB contacted him about a much larger metal building with a 3-phase power supply. Mr. Wood says AB started renting that space in January 2024.
23. It is unclear from the evidence before me whether AB actually intended to sublease the applicants' unit and whether Mr. Wood was enriched at the applicants' expense. The only evidence showing AB's motives are the 2 short emails AB sent to the applicants. On November 21, AB wrote that the applicants were free to show the unit to other prospective tenants, and they would follow up later in the week. The applicants did not provide any further correspondence from AB. From AB's 2 short emails, I am not persuaded that AB intended to sublease the unit. So, without more, I find the applicants have not proven Mr. Wood was unjustly enriched by later renting other commercial space to AB.

Did Mr. Wood Act in Bad Faith by Renting the Unit Early?

24. The applicants allege Mr. Wood rented the unit to another person in January 2024, before their lease ended. In support, they provided 2 videos and a summary report from CPA International Investigations Inc. (CPA).
25. In the first video from January 9, 2024, CPA's president, JP, filmed themselves visiting the warehouse building to check whether the unit was vacant. In the video:
- a. JP discovers that someone is living in the unit, and the unit is full of belongings. Notably, JP needs to use a key to enter the unit and there is no evidence of forced entry.
 - b. Two neighbours speak with JP and tell them someone is living in the unit and "Murray" okayed it.

26. In the second video from January 18, 2024, JP filmed themselves returning to the unit. In the video:
- a. JP knocks on the door and a person answers. After initially being combative, the person tells JP that they signed paperwork and paid money to be there.
 - b. They tell JP that they moved in about 2 weeks ago. The person also says, “apparently the guy wasn’t quite out of his lease or something, and there’s an overlap, But I’ve paid, and Murray is the guy they need to talk to.”
27. Since JP is an impartial third-party, I place significant weight on their videos. The applicants also provided a January 11, 2023 letter they received from Mr. Wood. In the letter, Mr. Wood wrote that the new tenant had begun moving their equipment into the unit to protect it from winter weather and vandalism.
28. Mr. Wood generally denies leasing the unit to anyone else in December 2023 and January 2024. However, he does not address CPA’s video evidence or his own January 11 letter. Instead, Mr. Wood says that due to January’s freezing weather, he had someone check and maintain the portable heaters in the unit. He also makes a general statement that it is a regular occurrence for building owners in Langley to find squatters living in vacant warehouses. Notably, he does not explain how someone was living in the unit with all their belongings when there was no evidence of forced entry.
29. Apart from a weather report showing cold temperatures in January 2024, Mr. Wood provided no documentary evidence in this dispute. So, I find Mr. Wood has not provided sufficient evidence to contradict CPA’s videos, which I find clearly shows someone living in the unit. I find CPA’s videos do not support Mr. Wood’s statement that someone was only checking and maintaining portable heaters. Given this, I accept the applicants’ assertion that Mr. Wood rented the unit early.
30. From the videos, I find someone was living in the unit from at least January 5, 2024, onwards. By failing to provide the applicants with exclusive possession of the unit

until the lease ended, I find Mr. Wood did not act in good faith and honestly perform the lease. So, I find Mr. Wood breached the lease and is liable for damages.

31. Damages for breach of contract are generally intended to put the innocent party in the same financial position they would have been in if the parties had completed the contract as agreed. See *Water's Edge Resort Ltd. v. Canada (Attorney General)*, 2015 BCCA 319 at paragraph 39.
32. Under the circumstances, I find it appropriate to award the applicants January's rent as damages for Mr. Wood's breach of contract. So, I order Mr. Wood to pay the applicants \$2,100.

INTEREST, DISPUTE RELATED EXPENSES, AND CRT FEES

33. The *Court Order Interest Act* applies to the CRT. The applicants are entitled to pre-judgment interest on the \$2,100 damages award from January 5, 2024, the date the applicants paid the final month's rent, to the date of this decision. This equals \$154.82.
34. Under CRTA section 49 and the CRT rules, the CRT will generally order an unsuccessful party to reimburse a successful party for CRT fees and reasonable dispute-related expenses. I find the applicants were successful in proving a loss. So, I find they are entitled to be reimbursed \$175 for CRT fees.
35. The applicants claim dispute-related expenses of \$15.93 for registered mail. However, the applicants' April 1, 2024 Canada Post receipt shows they only paid \$12.27. They did not explain the \$3.66 shortfall. I find the \$12.27 expense proven and was reasonably incurred, so the applicants are entitled to be reimbursed \$12.27 in dispute-related expenses.

ORDERS

36. Within 15 days of the date of this decision, I order Mr. Wood to pay the applicants a total of \$2,442.09, broken down as follows:

- a. \$2,100 in damages,
- b. \$154.82 in pre-judgment interest under the *Court Order Interest Act*,
- c. \$12.27 in dispute-related expenses, and
- d. \$175 for CRT fees.

37. The applicants are entitled to post-judgment interest under the *Court Order Interest Act*, as applicable.

38. 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.

Jeffrey Drozdiak, Tribunal Member