



Civil Resolution Tribunal

Date Issued: March 4, 2024

File: SC-2022-009666

Type: Small Claims

Civil Resolution Tribunal

Indexed as: *Simon Kent Employment Law Corporation v. Rex*, 2024 BCCRT 214

B E T W E E N :

SIMON KENT LAW CORPORATION (Doing Business As KENT
EMPLOYMENT LAW)

APPLICANT

A N D :

PAUL REX

RESPONDENT

REASONS FOR DECISION

Tribunal Member:

Peter Mennie

INTRODUCTION

1. This dispute is about an unpaid invoice for legal fees.
2. The applicant, Simon Kent Law Corporation, doing business as Kent Employment Law (Kent Law), says that it was retained by Paul Rex on a contingency fee arrangement.¹ It says Paul Rex terminated its agreement and that it is entitled to bill

for its work on an hourly basis. It asks for \$7,334.27 plus interest, but has reduced its claim to \$5,000 to remain within the small claims monetary limit at the Civil Resolution Tribunal (CRT).

3. Paul Rex says that Kent Law terminated the parties' agreement so they should not have to pay. They also say that Kent Law's invoice is unreasonable.
4. Kent Law is represented by an authorized employee. Paul Rex is self-represented.

JURISDICTION AND PROCEDURE

5. 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.
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 a court of law.

ISSUE

8. The issue in this dispute is whether Paul Rex must pay all or part of Kent Law's invoice.

EVIDENCE AND ANALYSIS

9. In a civil proceeding like this one, the applicant Kent Law 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.
10. It is undisputed that Paul Rex retained Simon Kent, working through Kent Law, as their legal counsel. The parties signed a contingency fee agreement on January 4, 2021. The agreement said that Kent Law would receive a percentage of any settlement Paul Rex received. Clauses 11 and 12 apply to termination of the agreement:
 - a. Clause 11 states that Paul Rex may terminate the agreement on written notice to Kent Law. If Paul Rex terminates the agreement then Kent Law will charge for its work at specified hourly rates.
 - b. Clause 12 states that Kent Law may terminate the agreement if there is no merit in the claim, in which case Kent Law will not receive a fee but will charge for disbursements and taxes.
 - c. Clause 12 also states that Kent Law may terminate the agreement if there is good reason such as a complete loss of confidence between the lawyer and client. If Kent Law terminates the agreement with good reason, then Kent Law will charge for its work at specified hourly rates.
11. On April 12, 2021, Paul Rex emailed Mr. Kent expressing concern about their case. Mr. Kent responded that he understood Paul Rex was anxious about how Kent Law was handling the case and suggested that it may make sense to refer Paul Rex to another lawyer. Paul Rex interpreted this as Kent Law terminating the parties' agreement and found new legal counsel. Paul Rex's second lawyer later settled their legal claim.

12. I find that Paul Rex terminated the parties' agreement. Mr. Kent's email suggesting that Paul Rex find new legal counsel was phrased as a suggestion. It was open to Paul Rex to respond that they wished to continue with Kent Law. Instead, Paul Rex responded that they would seek new counsel. So, I find that clause 11 of the agreement applies to this dispute and Kent Law is entitled to charge Paul Rex on an hourly basis.
13. Kent Law sent Paul Rex its invoice on April 21, 2021, for \$7,334.27. The invoice gave an \$806.50 courtesy discount and charged \$6,500 for legal fees, \$782.58 for taxes, and \$51.69 in disbursements. The invoice shows that Kent Law reviewed Paul Rex's documents, researched their potential claim against their former employer, drafted a demand letter, and prepared and filed a Notice of Civil Claim.
14. Paul Rex says that Mr. Kent agreed to take their case, however he broke this agreement and gave the case to a junior lawyer. I disagree. The parties' correspondence and the invoice show that Mr. Kent acted as Paul Rex's lawyer. The junior lawyer, billing at a lower hourly rate, did research and drafting. I find this was consistent with clauses 3, 11, and 12 of the agreement which state that both Mr. Kent and a junior lawyer would work on Paul Rex's employment dispute.
15. Paul Rex argues that Kent Law overbilled on its invoice because the junior lawyer at Kent Law was learning and took too long on certain tasks. In particular, Paul Rex says that the junior lawyer spent too long drafting a demand letter. Paul Rex points to their second lawyer's invoice which was only \$2,500 plus tax and says that Kent Law charged three times as much. I note that Kent Law had already researched the case and filed a Notice of Civil Claim, so the second lawyer only needed to review the file and advise on settlement.
16. I do not have any evidence about the complexity of Paul Rex's legal matter or the contents of the demand letter which Paul Rex says should have been completed faster. While some time entries in Kent Law's invoice may be on the higher side, Kent Law gave Paul Rex an \$806.50 courtesy discount. Kent Law also lowered its claim to \$5,000 to fit within the CRT's small claims monetary limit. On the evidence before

me, I find that Kent Law's \$5,000 claim for its work is reasonable. So, I order Paul Rex to pay Kent Law \$5,000.

FEES, EXPENSES, AND INTEREST

17. Under the parties' agreement, Paul Rex agreed to pay 18% annual interest on any amounts owing for more than 30 days. However, both a debt award and contractual interest on it together are subject to the CRT's \$5,000 small claims monetary limit. So, I find that Kent Law is only entitled to \$5,000, without any additional award for contractual interest.
18. The *Court Order Interest Act* (COIA) applies to the CRT and pre-judgment interest under the COIA is exclusive of the \$5,000 monetary limit. However, section 2(b) of the COIA says pre-judgment interest does not apply where there is an agreement about interest between the parties. The parties have an agreement about interest. So, I find that Kent Law is not entitled to pre-judgment interest under the COIA.
19. 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. However, Kent Law states specifically states that it is not seeking reimbursement of its CRT fees. So, I do not order reimbursement of Kent Law's \$175 in CRT fees. Neither party claimed any dispute-related expenses.

ORDERS

20. Within 30 days of the date of this order, I order Paul Rex to pay Kent Law a total of \$5,000.
21. Kent Law is entitled to post-judgment interest, as applicable.

22. 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.

Peter Mennie, Tribunal Member

¹ The CRT has a policy to use inclusive language that does not make assumptions about a person's gender. As part of that commitment, the CRT asks parties to identify their pronouns and titles to ensure the CRT respectfully addresses them throughout the process, including in published decisions. The respondent did not provide their title or pronouns so I will refer to them as Paul Rex and will use gender neutral pronouns for them throughout this decision, intending no disrespect.