

Contents

| | |
|---|-----|
| Dedication | iii |
| Preface to the Second Edition | xix |

Part One

Preliminary Matters

| | |
|---|----|
| Chapter 1 Introduction to the Ontario Small Claims Court | 3 |
| LEARNING OBJECTIVES | 3 |
| INTRODUCTION | 4 |
| HISTORICAL OVERVIEW | 4 |
| THE SMALL CLAIMS COURT TODAY | 5 |
| JUDGES IN THE SMALL CLAIMS COURT | 5 |
| Superior Court of Justice Judges | 7 |
| Deputy Judges of the Small Claims Court | 8 |
| • Appointment, Compensation, and Regulation of Deputy Judges | 9 |
| • Complaints against Deputy Judges | 10 |
| SMALL CLAIMS COURT HEARINGS | 12 |
| Composition of the Small Claims Court for a Hearing | 12 |
| Court Hearings | 12 |

| | |
|--|----|
| Summary Hearings | 13 |
| Representation in the Small Claims Court | 14 |
| • Exemptions from Paralegal Licensing | 16 |
| SMALL CLAIMS COURT JURISDICTION. | 22 |
| Jurisdiction over Subject Matter. | 23 |
| Monetary Jurisdiction | 24 |
| • Transfer of an Action to the Small Claims Court from the Superior Court | 25 |
| Territorial Jurisdiction | 27 |
| Jurisdiction to Grant Remedies | 28 |
| An Overview of the Small Claims Court Process: | |
| A Tale of Love Derailed | 30 |
| • The Sad Tale of Albert Oryx | 30 |
| • Commencing Proceedings | 32 |
| • Serving the Plaintiff’s Claim | 33 |
| • Defending a Claim | 34 |
| • Defendant’s Claims: Counterclaims, Crossclaims, and Third Party Claims | 34 |
| • Case Management — Control of the Progress of the Case by the Court | 35 |
| • Settlement Conferences | 35 |
| • Notice of Trial | 36 |
| • Trial | 36 |
| • Costs. | 37 |
| • Enforcement of Judgments | 38 |
| • Appeals and Motions for a New Trial | 39 |
| CHAPTER SUMMARY | 40 |
| REVIEW QUESTIONS | 41 |
| DISCUSSION QUESTIONS / CASE STUDIES | 41 |
| | |
| Chapter 2 The Small Claims Court Client and the Client File | 45 |
| LEARNING OBJECTIVES | 45 |
| INTRODUCTION | 47 |
| COMPETENCY TO ACT | 47 |
| INITIAL CONSULTATIONS. | 49 |
| FORMALIZING THE CONTRACTUAL RELATIONSHIP WITH THE CLIENT | 49 |
| Retainer Agreements | 50 |
| Financial Retainers. | 57 |

| | |
|--|-----|
| CASE INFORMATION | 61 |
| Interviewing Clients | 61 |
| Obtaining Client Documents | 63 |
| • Client Documents as Evidence | 63 |
| • Client Documents and Case Information | 64 |
| • Client Documents for Identification and Verification Purposes | 65 |
| FILE ORGANIZATION | 77 |
| STORAGE OF CLOSED FILES | 79 |
| KEEPING ON TOP OF THE FILE | 80 |
| Limitation Periods | 81 |
| • <i>Limitations Act</i> Exceptions and Qualifications | 81 |
| PROTOCOLS FOR CLIENT COMMUNICATION | 83 |
| Maintaining Communication with the Client | 83 |
| Confidentiality | 84 |
| Circumstances for Client Communication | 86 |
| CHAPTER SUMMARY | 87 |
| REVIEW QUESTIONS | 88 |
| DISCUSSION QUESTIONS / CASE STUDIES | 88 |
| | |
| Chapter 3 Background Searches for the Small Claims Court File | 91 |
| LEARNING OBJECTIVES | 91 |
| INTRODUCTION | 93 |
| OBTAINING BACKGROUND INFORMATION | 93 |
| IDENTIFYING AND LOCATING THE DEBTOR | 94 |
| Searches by Name: Consumer Debtors | 95 |
| • Ministry of Transportation Driver and Vehicle Searches | 95 |
| • Driving Record Abstract | 96 |
| • Plate History, Vehicle Identification Number, and Vehicle History Abstracts | 98 |
| • Online Name and “People Finder” Searches | 98 |
| Searches by Name: Business Debtors | 100 |
| • Conducting a Business Name Search | 105 |
| • Conducting a Corporation Profile Report Search | 107 |

| | |
|---|-----|
| INFORMATION ABOUT THE DEBTOR'S ASSETS AND DEBTS | 115 |
| Is the Defendant Worth Suing? | 115 |
| Execution Search | 116 |
| • Conducting an Execution Search | 118 |
| <i>Personal Property Security Act</i> Search | 120 |
| • Conducting a PPSA Search | 121 |
| <i>Bank Act</i> Search | 122 |
| • Searching under the <i>Bank Act</i> | 122 |
| <i>Bankruptcy and Insolvency Act</i> Search | 123 |
| Credit Bureau Search | 124 |
| • Commercial Credit Reports | 125 |
| • Consumer Credit Reports | 128 |
| POST-SEARCH STRATEGIES | 133 |
| CHAPTER SUMMARY | 138 |
| REVIEW QUESTIONS | 140 |
| DISCUSSION QUESTIONS / CASE STUDIES | 141 |
| | |
| Chapter 4 Introduction to Credit Transactions and Collections | 143 |
| LEARNING OBJECTIVES | 143 |
| INTRODUCTION | 144 |
| THE SMALL CLAIMS COURT AND CREDIT COLLECTION | 144 |
| COLLECTION PROCEDURES AND STRATEGIES | 144 |
| Secured and Unsecured Debt | 144 |
| Administration of Credit Transactions: Debt, Interest, Terms of Payments | 149 |
| • Consumer Credit Administration | 149 |
| CREDIT COLLECTION: TIME AND MONETARY CONSIDERATIONS | 155 |
| THE <i>COLLECTION AND DEBT SETTLEMENT SERVICES ACT</i> | 156 |
| Contacting Debtors under the <i>Collection and Debt Settlement Services Act</i> | 157 |
| Registering as a Collection Agency or as a Collector under the <i>CDSSA</i> | 159 |
| CHAPTER SUMMARY | 159 |
| REVIEW QUESTIONS | 161 |
| DISCUSSION QUESTIONS / CASE STUDIES | 161 |

| | |
|---|-----|
| Chapter 5 Determining Damages and the Amount Owning | 163 |
| LEARNING OBJECTIVES | 163 |
| INTRODUCTION | 164 |
| CALCULATING THE INTEREST OWING | 164 |
| Calculating Overdue "Net 30" Accounts | 166 |
| Calculating Simple Interest When There Is a Fixed Date for Repayment | 168 |
| Calculating Simple Interest over a Period of Years | 169 |
| Determining What Kind of Interest to Charge | 170 |
| DETERMINING THE AMOUNT OWING ON A DEBT | 172 |
| Determining the Amount Owning on Simple Interest Running Accounts | 173 |
| INTEREST: HOW MUCH IS TOO MUCH? | 176 |
| MEASURING DAMAGES IN TORT AND CONTRACT | 177 |
| Heads (Categories) of Damages | 179 |
| • General or Unliquidated Damages | 179 |
| • Special or Liquidated Damages | 181 |
| Aggravated and Punitive Damages | 182 |
| Harm With No Damages | 183 |
| The Duty to Mitigate Damages | 183 |
| Apportioning Damages | 184 |
| Dependants' Claim for Damages | 186 |
| HEALTH CARE COSTS IN PERSONAL INJURY ACTIONS | 189 |
| CHAPTER SUMMARY | 190 |
| REVIEW QUESTIONS | 191 |
| DISCUSSION QUESTIONS / CASE STUDIES | 192 |

Part Two

Small Claims Court Proceedings: From Commencement of Proceedings to Trials

| | |
|---|-----|
| Chapter 6 Commencing Proceedings for the Plaintiff | 197 |
| LEARNING OBJECTIVES | 197 |
| INTRODUCTION | 199 |
| SENDING A COLLECTION LETTER | 200 |

| | |
|---|-----|
| COMMENCEMENT OF PROCEEDINGS IN SMALL CLAIMS COURT | 204 |
| Choice of Forum: The Basic Rule Is Sue Where a Defendant Resides or Where the Cause of Action Arose | 204 |
| • Sue Where a Defendant Resides or Carries on Business | 205 |
| • Commencing the Proceeding Where the Cause of Action Arose: Rule 6.01(1)(a)(i) | 206 |
| • Filing Requirements for An Action Commenced in the Jurisdiction in Which a Defendant Resides or Carries on Business | 208 |
| • Filing Requirements for An Action Commenced in the Court Located Nearest to Where a Defendant Resides or Carries on Business. | 208 |
| • Filing Requirements for An Action Commenced in the Jurisdiction in Which the Cause of Action Arose. | 208 |
| • The Balance of Convenience and Judicial Override. | 209 |
| Suing the Proper Party | 210 |
| • Choosing the Proper Party | 211 |
| • Fixing Mistakes If You Start An Action Against the Wrong Party | 212 |
| • Naming the Party Correctly | 212 |
| • Fixing “Naming” Mistakes | 213 |
| Parties Under Disability — Rule 4 | 213 |
| • Litigation Guardians | 215 |
| • Litigation Guardian Consent | 218 |
| • Court Supervision of Settlements Where Party under Disability | 223 |
| • Procedure for Making Payments Into or Out of Court. | 224 |
| Suing or Being Sued by Partnerships and Sole Proprietorships — Rule 5 | 230 |
| • The Importance of Being a “Partner at Any Material Time”. | 232 |
| • Expanding Enforcement Rights: Notice to Alleged Partner | 233 |
| • Adding Individual Parties after Trial. | 237 |
| • Rule 5.06 — Sole Proprietors | 237 |
| PREPARATION AND DRAFTING OF THE CLAIM | 238 |
| The Plaintiff’s Claim (Form 7A) | 241 |
| • How to Complete the Plaintiff’s Claim | 241 |

| | |
|--|-----|
| Some Suggestions for Drafting the Reasons for Claim and Details | 247 |
| • Organizing Your Claim | 248 |
| Drafting the Claim | 250 |
| • The Detailed Approach to Drafting a Claim | 251 |
| ISSUING THE PLAINTIFF'S CLAIM | 256 |
| Issuing the Claim | 257 |
| Court Fees to Issue Claims — Frequent and Infrequent Claimants | 261 |
| SERVICE OF THE CLAIM AND LATER DOCUMENTS — RULE 8 | 262 |
| Personal Service — On Whom? Rule 8.02 | 263 |
| Alternatives to Personal Service: Rule 8.03 | 268 |
| 1. At the Place of Residence (Individuals) Where Personal Service Ineffective (Rule 8.03(2)) | 271 |
| 2. Corporations No Longer At the Last Known Business Address (Rule 8.03(3)) | 271 |
| 3. Service on Lawyer or Paralegal Who Is Authorized to Accept Service (Rule 8.03(5)) | 272 |
| 4. Service of Claim by Mail to the Last Known Address (Rule 8.03(7)) | 273 |
| Modes of Services: Rule 8.07 and Rule 8.08 | 273 |
| Substitutional Service: Rule 8.04 | 275 |
| When Served Documents Fail to Reach a Party | 276 |
| Notice of Change of Address | 276 |
| CHAPTER SUMMARY | 278 |
| REVIEW QUESTIONS | 280 |
| DISCUSSION QUESTIONS / CASE STUDIES | 282 |
| | |
| Chapter 7 Default Proceedings | 283 |
| LEARNING OBJECTIVES | 283 |
| INTRODUCTION | 284 |
| DEFAULT PROCEEDINGS | 284 |
| When May a Default Judgment Be Signed? | 284 |
| Conditions Precedent to Signing Default Judgment | 285 |
| Consequences of Being Noted in Default — Rule 11.05 | 288 |
| Obtaining Default Judgment — Liquidated and Unliquidated Damages | 290 |
| • Liquidated Damages | 290 |
| • Unliquidated Damages | 291 |

| | |
|---|-----|
| OBTAINING A DEFAULT JUDGMENT — STEP BY STEP | 292 |
| Default Judgment for Damages for a Debt or Liquidated Claim. | 292 |
| Service of the Default Judgment | 300 |
| Proceeding with Other Parts of the Claim | 300 |
| Default Judgment for an Unliquidated Claim | 300 |
| • Assessment of Damages on the Basis of a Motion in Writing Using Filed Documents | 301 |
| • Hearing for the Assessment of Damages | 303 |
| SETTING ASIDE A NOTING IN DEFAULT AND A DEFAULT JUDGMENT. | 314 |
| CHAPTER SUMMARY | 315 |
| REVIEW QUESTIONS | 321 |
| DISCUSSION QUESTIONS / CASE STUDIES | 321 |
| | |
| Chapter 8 Preparing Defences and the Defendant’s Claim | 323 |
| LEARNING OBJECTIVES | 323 |
| INTRODUCTION | 324 |
| DEFENCES | 324 |
| Defence Options | 324 |
| Organizing and Preparing a Defence. | 325 |
| Drafting and Filing a Defence | 326 |
| • Time for Filing a Defence. | 326 |
| • What Happens If the Parties Do Not Move the Case Forward? Dismissal by Clerk of Abandoned Cases | 327 |
| • Contents of the Defence | 328 |
| • Some Suggestions for Drafting the Reasons for Disputing the Claim and Details. | 336 |
| Admitting Liability and Proposing Terms of Payment. | 337 |
| • The Plaintiff’s Response to the Proposal. | 339 |
| • Procedure Where There Is No Dispute. | 340 |
| • Plaintiff’s Dispute of the Proposal | 341 |
| THE DEFENDANT’S CLAIM | 346 |
| Procedure for Completing a Defendant’s Claim | 348 |
| Service of Defendant’s Claim. | 355 |
| Disputing a Defendant’s Claim. | 355 |
| Special Rules for Third Party Defences to a Defendant’s Claim | 355 |

| | |
|---|-----|
| CHAPTER SUMMARY | 356 |
| REVIEW QUESTIONS | 357 |
| DISCUSSION QUESTIONS / CASE STUDIES | 357 |
| | |
| Chapter 9 Repairs, Amendments, Motions, and Discontinuance | 359 |
| LEARNING OBJECTIVES | 359 |
| INTRODUCTION | 360 |
| THE RULES TOOLBOX | 360 |
| Rule 1.03: The General Principle | 360 |
| Rule 2.01: Effect of Non-compliance with the Rules | 361 |
| Rule 2.02: Dispensing with Compliance with the Rules | 362 |
| Rule 3.02(1): Power of the Court to Lengthen or Shorten Time | 362 |
| AMENDING PLEADINGS | 363 |
| How to Amend Pleadings | 365 |
| Striking Out or Amending Improper Pleadings | 365 |
| COURT'S POWER TO DISMISS ON ITS OWN INITIATIVE | 368 |
| MOTIONS | 370 |
| Motion Documents | 370 |
| • The Notice of Motion and Supporting Affidavit | 371 |
| • The Affidavit | 371 |
| Motion Procedure | 373 |
| • Obtaining a Motion Date | 373 |
| • Service of Motion Materials | 373 |
| • Filing Motion Materials with the Court | 374 |
| • Responding to a Motion | 375 |
| • Timing Sequence for Serving and Filing Motion Material | 376 |
| Methods of Hearing on Motions with Notice | 378 |
| Motions without Notice | 380 |
| Consent Motions | 381 |
| • Consent Motions by Request for a Clerk's Order | 381 |
| Unnecessary Motions and Costs on Motions | 388 |
| DISCONTINUANCE OF AN UNDEFENDED ACTION | 388 |
| CHAPTER SUMMARY | 389 |
| REVIEW QUESTIONS | 390 |
| DISCUSSION QUESTIONS / CASE STUDIES | 391 |

| | |
|---|-----|
| Chapter 10 Settlement | 393 |
| LEARNING OBJECTIVES | 393 |
| INTRODUCTION | 394 |
| SETTLEMENT CONFERENCES | 394 |
| Encouraging Settlement | 396 |
| Scheduling of Settlement Conferences | 398 |
| Mandatory Attendance and Alternatives to Personal Attendance | 399 |
| Disclosure and Production | 403 |
| Adjournments, Non-attendance, Non-cooperation, Unpreparedness, Costs Consequences, and Second Conferences | 404 |
| Adjournment of Settlement Conference on Consent | 405 |
| The Conduct of a Settlement Conference | 406 |
| Using a Settlement Conference to “Clean Up” an Action | 409 |
| Obtaining a Final Determination at a Settlement Conference | 413 |
| Concluding a Settlement Conference | 414 |
| • Costs | 415 |
| • No Discontinuance of Claim | 415 |
| • Moving on to Trial — Notice of Trial | 416 |
| RULE 14 OFFER TO SETTLE — PLAYING “SETTLEMENT ROULETTE” | 416 |
| The Rule 14 Offer Procedure | 419 |
| Who Can Make an Offer? | 419 |
| • Requirements for Attracting Cost Consequences | 419 |
| • Written Requirement for Offers | 419 |
| • Withdrawal of Offer | 420 |
| • Acceptance of Offers | 420 |
| • Costs in Respect of an Offer Accepted Before Trial | 425 |
| • Enforcement of an Offer to Settle | 429 |
| Cost Consequences after Judgment on a Rule 14 Offer | 430 |
| • Cost Consequences When a Plaintiff Makes an Offer | 432 |
| • Cost Consequences When a Defendant Makes an Offer | 433 |
| SETTLEMENT DOCUMENTATION AND PRACTICE | 434 |
| Settlement Before the Action Begins | 434 |
| • Documents Required for Settling Before the Action Begins | 435 |

| | |
|---|-----|
| Settlement After the Action Begins | 435 |
| • Documents Required for Settling After the Action Begins | 437 |
| Settling After Judgment | 437 |
| • Documents Required for Settling After Judgment | 443 |
| CHAPTER SUMMARY | 443 |
| REVIEW QUESTIONS | 444 |
| DISCUSSION QUESTIONS / CASE STUDIES | 445 |
| | |
| Chapter 11 Preparation for Trial and Trial | 447 |
| LEARNING OBJECTIVES | 447 |
| INTRODUCTION | 448 |
| PREPARING FOR TRIAL | 448 |
| Adjourning a Trial and Consequences of Non-attendance | 448 |
| • Adjournments | 449 |
| • Consequences of Non-attendance at Trial | 449 |
| • Setting Aside a Judgment for Failure to Attend Trial | 451 |
| Reviewing and Revising the Theory of the Case Prior to Trial | 452 |
| • Initial Theory of the Case for the Plaintiff and Defendant | 453 |
| • Consideration of Revisions to Your Theory of the Case | 453 |
| Evidentiary Considerations | 455 |
| • Section 27 of the <i>Courts of Justice Act</i> | 455 |
| • Rules 18.01 and 18.02: Controls and Protections on the Admission of Evidence | 457 |
| • Procedure for Summoning Witnesses | 461 |
| • Witness Management | 468 |
| • What to Do If the Witness Fails to Appear | 469 |
| PRESENTING THE CASE AT TRIAL — A STEP-BY-STEP OVERVIEW | 474 |
| PROFESSIONAL CONDUCT IN COURT PROCEEDINGS | 478 |
| Media Statements and Public Comment on Court Cases | 479 |
| Duty to Report Persons Not Authorized to Practise Law | 480 |

| | |
|---|-----|
| General Courtesy and Good Faith Towards Others Involved in the Administration of Justice | 481 |
| CHAPTER SUMMARY | 483 |
| REVIEW QUESTIONS | 484 |
| DISCUSSION QUESTIONS / CASE STUDIES | 484 |

III

Judgment and Enforcement

| | |
|---|-----|
| Chapter 12 Judgment, Post-Judgment Motions, and Appeals | 489 |
| LEARNING OBJECTIVES | 489 |
| INTRODUCTION | 490 |
| JUDGMENT, PRE- AND POST-JUDGMENT INTEREST, AND COSTS | 490 |
| Judgment | 491 |
| Pre- and Post-Judgment Interest | 492 |
| • Pre-Judgment Interest | 493 |
| JUDGMENT, PRE- AND POST-JUDGMENT INTEREST, AND COSTS | 494 |
| • Post-Judgment Interest | 495 |
| Instalment Orders | 495 |
| Costs | 504 |
| 1. Disbursements and Expenses | 507 |
| 2. Preparation Fee | 511 |
| 3. The Representation Fee | 511 |
| 4. Compensation for Inconvenience and Expense If Unrepresented | 511 |
| 5. Costs Penalty | 512 |
| Certificates of Judgment | 512 |
| APPEALS AND MOTIONS FOR A NEW TRIAL | 516 |
| Appeals | 516 |
| Motions for a New Trial | 520 |
| CHAPTER SUMMARY | 521 |
| REVIEW QUESTIONS | 523 |
| DISCUSSION QUESTIONS / CASE STUDIES | 524 |

| | |
|---|-----|
| Chapter 13 Post-Judgment Considerations | 525 |
| LEARNING OBJECTIVES | 525 |
| INTRODUCTION | 526 |
| DEVELOPING A STRATEGY TO COLLECT A JUDGMENT DEBT. | 527 |
| Specific Steps to Take After Obtaining Judgment | 528 |
| ENFORCEMENT REMEDIES | 530 |
| Basic Enforcement Procedure | 530 |
| • Calculating the Amount Owing after Judgment: Step by Step | 531 |
| Certificates of Judgment | 541 |
| Examination Hearing | 542 |
| • Procedure for Examination of Judgment Debtor | 560 |
| • Examination of a Person Other Than the Judgment Debtor | 564 |
| • The Judgment Debtor’s Obligations at the Examination | 572 |
| • Contempt Proceedings | 573 |
| Relief for Judgment Debtors | 584 |
| • Instalment Orders. | 584 |
| • Consolidation Orders. | 585 |
| CHAPTER SUMMARY | 589 |
| REVIEW QUESTIONS | 592 |
| DISCUSSION QUESTIONS / CASE STUDIES | 592 |
| | |
| Chapter 14 Writs of Delivery and Writs of Seizure and Sale | 595 |
| LEARNING OBJECTIVES | 595 |
| INTRODUCTION | 596 |
| WRITS OF DELIVERY | 596 |
| Content of the Writ of Delivery | 597 |
| Enforcement of the Writ of Delivery | 598 |
| Taking Other Property “Hostage” | 601 |
| WRITS OF SEIZURE AND SALE — PERSONAL PROPERTY | 602 |
| Contents of the Writ of Seizure and Sale — Personal Property | 603 |
| Seizure and Sale Procedure. | 604 |
| Considerations in Seizing and Selling Property | 610 |
| Personal Property Exempt from Seizure | 612 |

| | |
|--|-----|
| WRITS OF SEIZURE AND SALE — REAL PROPERTY | 613 |
| Procedure for Writs of Seizure and Sale of Land | 614 |
| CHAPTER SUMMARY | 626 |
| REVIEW QUESTIONS | 627 |
| DISCUSSION QUESTIONS / CASE STUDIES | 627 |
| | |
| Chapter 15 Garnishment | 629 |
| LEARNING OBJECTIVES | 629 |
| INTRODUCTION | 630 |
| WHEN TO USE A GARNISHMENT | 630 |
| GARNISHMENT PROCEDURE | 632 |
| Commencement of Garnishment Proceedings | 633 |
| Service of the Notice of Garnishment | 638 |
| GARNISHEE’S RESPONSE | 642 |
| GARNISHMENT DISPUTES AND HEARINGS | 645 |
| GARNISHMENT PAYMENTS AND DISTRIBUTIONS TO CREDITORS | 648 |
| RENEWAL OF GARNISHMENT | 655 |
| TERMINATION OF GARNISHMENT | 655 |
| CHAPTER SUMMARY | 655 |
| REVIEW QUESTIONS | 661 |
| DISCUSSION QUESTIONS / CASE STUDIES | 661 |

Appendices, Glossary, Bibliography, Index

| | |
|---|-----|
| Appendices | 665 |
| Appendix 1 Days of the Year Chart | 666 |
| Appendix 2 Rules of the Small Claims Court | 668 |
| Appendix 3 Table of Forms | 727 |
| Appendix 4 Small Claims Court Fees and Allowances | 728 |
| Appendix 5 Post-judgment and Pre-judgment Interest Rates | 733 |
| Appendix 6 Ontario Small Claims Court List | 735 |
| | |
| Glossary | 739 |
| Bibliography | 747 |
| Index | 751 |