

But for the Plan

Renovation Issues and Contractors Who Walk Away

Markus and Juanita (not their real names), hired a contractor to substantially renovate their cottage. Once the work started, and the walls were opened, the contractor sought input from a structural engineer regarding the safety of the old framing - a matter that, according to the contractor, was unforeseen when the original contract was signed.

What followed is a very typical scenario. The contractor walked off the job over a disagreement as to how much of the additional work was unforeseen, how much it would cost and who should pay for it.

Not surprisingly, when Markus and Juanita came to our Oshawa office to meet with Robert Banik, a very experienced litigation lawyer, the two sides were far apart. The contractor had suggested that they give up on some of the finishes within the cottage; our clients had offered \$5,000 with no questions asked, and as much as \$10,000 upon proof of the cost over-runs.

By the time lawyer's letters were exchanged, there was close to a \$60,000 difference - the unpaid balance of the original contract and the extra amount required for the additional work.

Following a few months of negotiations, an action was started in the Ontario Superior Court of Justice. The matter was settled at a pre-trial hearing. Not only was our client not required to pay the contractor anything further, the contractor agreed to pay our client back the sum of \$20,000.

Most of our fees were covered by the Plan benefit. The total bill to our clients was less than \$2,000.

But for the Plan, the legal costs and the potential risk of being unsuccessful would likely have been too great, and our clients would not have started their action.

As one of the client's stated, "You went the distance to win ... very very satisfied!"



*... Submitted by William Clark,
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