

[3] My trial decision states:

Briefly, both claims are dismissed in large part. Ozzy [the franchise owner] was entitled to thirty days' notice before his franchise was terminated. He received only two days. For that breach, Ozzy is owed \$10,000. Ozzy has not proved that the franchise was wrongfully terminated in other ways, or that a remedy lies in equity. With regard to their counterclaim, the defendants have not proved the great majority of their claims including that they are owed \$1.4 million damages. The defendants are entitled to recoup some of their claimed expenses, and to nominal damages for trespass. Neither party breached the [*Wishart Act*].

2026 ONSC 1686 (CanLII) at para. 7.

[4] The plaintiffs seeks costs of \$222,299.45. They say that:

- a. Costs follow the event, and the plaintiffs were successful in their claim for wrongful termination.
- b. This is not a case of divided success. The defendants pleaded over \$1,500,000 in damages and won nominal damages of \$100 for trespass (as well as an offsetting amount for outstanding royalties).
- c. The defendants made bad faith claims.
- d. The plaintiffs offered to settle the matter for \$200,000.

[5] The defendants seek costs fixed at \$150,000 based on a Bill of Costs at \$169,697.37. They argues that:

- a. The plaintiffs were only notionally successful at trial. They sought \$1,500,000 and were awarded \$10,000 which was offset by awards to the defendants.
- b. As a result, the plaintiffs netted \$8,625, which is below the threshold for Small Claims.
- c. The defendants' costs are significantly less than the Plaintiffs' costs.

ANALYSIS

[6] Under Rule 57.01, the overriding consideration for costs is what is reasonable and what the other party would expect to pay.

[7] If a plaintiff recovers an amount within the jurisdiction of the Small Claims Court, the court may order that the plaintiff shall not recover any costs: Rule 57.05(1).

[8] Having considered the parties' arguments, I find that both parties should bear their own costs because:

- a. Contrary to the plaintiffs, I find that the parties did achieve divided success. The plaintiffs succeeded in proving that their franchise was terminated without sufficient notice. But they failed to prove economic loss and breach of the *Arthur Wishart Act*. They attained much lower success than they sought, including in their offer.
- b. I agree with the defendants that the fact that the plaintiffs' damage award does not surpass the Small Claims limit is relevant. However, I disagree that that entitles the defendants to costs. The defendants pleaded nuisance, defamation, intentional interference with economic relations, trespass, and a breach of the *Wishart Act*. They succeeded only in trespass, for which I awarded nominal damages of \$100; and reimbursement for franchise royalties in the amount of \$1275. The defendants' unsuccessful claims increased the proceedings' length, complexity and costs.

[9] As a result, I find, both parties achieved very modest success. Neither was more successful than the other. This is a not a case meriting any award of costs.

ORDER

[10] In conclusion, I order that both parties shall bear their own costs.

Mathen J.

Released: May 25, 2026

CITATION: Queen Mamma Ltd. et al v. 2755060 Ontario Inc. et al, 2026 ONSC 3040
COURT FILE NO.: CV-21-00668404-0000
DATE: 20260525

ONTARIO
SUPERIOR COURT OF JUSTICE

BETWEEN:

QUEEN MAMMA LTD.; AJMAL ANWARI

Plaintiff(s)/Defendant(s) by Counterclaim

– and –

2755060 ONTARIO INC., DBA MAMMA'S PIZZA;
JOGINDER SINGH KHAKH; MAMMA'S
MARKETING INC.; 2755067 ONTARIO INC.

Defendant(s)/Plaintiff(s) by Counterclaim

REASONS FOR DECISION ON COSTS

Mathen J.

Released: May 25, 2026