

CITATION: *Royal Family Realty Inc. v. Juanli Liu*, 2026 ONSC 5228
COURT FILE NO.: CV-19-00620126-0000
DATE: 20260916

ONTARIO

SUPERIOR COURT OF JUSTICE

BETWEEN:

ROYAL FAMILY REALTY INC.

Plaintiff

– and –

JUANLI LIU

Defendant

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)
) Calvin Zhang, for the Plaintiff
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) Rebecca Huang and Simon Cameron, for the
) Defendant
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) **HEARD:** March 16-23, 2026
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COST ENDORSEMENT

CALLAGHAN J.

[1] This is the cost endorsement in respect of the trial in this matter. The trial was heard over six days. The plaintiff claimed \$237,000 in real estate commissions. The action was dismissed.

[2] The defendant now seeks her partial indemnity costs in the amount of \$200,000. These costs consist of: (1) partial indemnity fees of \$168,893.19 (\$149,463 plus HST); (2) disbursements of \$27,837.65 (inclusive of HST); and (3) \$3,269.16 (inclusive of HST) for cost submissions.

[3] As the successful party, the plaintiff is entitled to her partial indemnity costs: *McBride Metal Fabricating Corp. v. H. & W. Sales Co.* (2002), [2002 CanLII 41899 \(ON CA\)](#), 59 O.R. (3d) 97, [2002] O.J. No. 1536 (C.A.).

[4] The exercise now is “to fix an amount of costs that is objectively reasonable, fair, and proportionate for the unsuccessful party to pay in the circumstances of the case”: *Apotex Inc. v. Eli Lilly Canada Inc.*, 2022 ONCA 587, [2022] O.J. No. 3632, at para. 61, citing *Boucher v. Public Accountants Council (Ontario)* (2004, 71 O.R. (3d) 291 (C.A.)). This is not a mechanical exercise but rather involves consideration of the criteria set out in r. 57.01 and an exercise in judgment.

[5] In this case, there are several factors to be considered. First the costs being sought are almost as great as the claim. In my view, this does not accord with the principle of proportionality. The defendant says that the plaintiff ought not to hide behind the concept of proportionality to deny the defendant her full amount of partial indemnity costs. I accept that proportionately ought

not to be a refuge for those litigants who have “put forth a wholly unmeritorious defence to a legitimate claim or have caused the proceeding to become unduly prolonged or complicated”: *Youkhana v. Pearson*, 2024 ONSC 3184 (CanLII), at para. 7. But that proviso does not apply in this case. While I did not accept the plaintiff’s argument at trial, I also do not accept that the claim was “wholly unmeritorious” or that the action was “unduly prolonged or complicated” by the plaintiff. As such, I do not think the principle of indemnity overrides the other considerations, particularly proportionality.

[6] I have been provided with a bill of costs for the defendant but not the dockets. As such, it is not easy to assess the costs in any detail. In this case, there were no discoveries. Absent the allegations of forged signatures and initials, the claim was straightforward. Those allegations of forgeries were not determinative of the action. As such, this action was not complex either legally or factually. I accept that the action was important to the parties.

[7] In March 2022, there was an offer by the plaintiff to settle this matter with each party walking away on a without cost basis. While this was not a formal r. 49 offer, under r. 49.13, it is a factor that may be considered in fixing costs: r. 49.13; *Lawson v. Viersen*, 2012 ONCA 25 (CanLII), at para. 46. Rule 49.13 calls on the judge to take a “holistic approach” to costs awards which includes the consideration of offers, even where the offers do not invoke the cost shifting sanctions in r. 49.: *Konig v. Hobza*, [2015 ONCA 885](#), 129 O.R. (3d) 57, at paras. [42-43](#). Clearly, this offer was very near to what occurred. The only issue was the dismissal of the action without costs, and undoubtedly the costs escalated significantly from 2022 to trial. From the bill of costs, it would appear that fees in the range of \$125,000 were incurred for the mediation, preparation for trial and the trial itself, all of which would have occurred after the offer. There is no evidence as to what, if any response, there was to the offer. While the offer does not shift either the entitlement to costs or the scale of costs, looking at the costs on a holistic basis, I believe it is yet a factor to support a more modest cost award.

[8] I note that the bill of costs of the plaintiff was \$55,000 on a partial indemnity basis of which \$45,000 was fees. This bill of costs was filed prior to the trial decision being released. As such, I do not accept the submission of the defendant that the bill of costs was artificially low. In my view, the amount charged to the plaintiff assists in appreciating what a losing party in an action might reasonably expect to pay. Although again, that is one factor to be considered.

[9] In terms of the disbursements of \$27,837, there are significant disbursements associated with the defendant attending in Toronto from China. The defendant claims \$20,460.57 for airfare (\$10,621.47) and a downtown Toronto hotel (\$9,839.10), being nearly three-quarters of her claimed disbursements of \$27,837. It is not clear why those costs are so high or whether they reflect economy flights and reasonably modest hotel expenses. There are no details and no invoices. I accept that the defendant was entitled to attend in person, even though her husband testified remotely. However, without invoices or some further explanation, I do not accept the amount of the disbursements are demonstrably reasonable, although some amount of compensable costs ought to be factored into the award.

[10] Having regard to the factors in r. 57.01 and the discussion above, including the principles of indemnity and proportionality, I find that an all-in cost figure of \$75,000 is appropriate in the

circumstances. It is an amount that a losing party in an action such as this could reasonably expect to pay.

[11] In setting costs, is necessary to “step back and consider the result produced and question whether, in all the circumstances, the result is fair and reasonable”: *Apotex Inc.*, at para. 60, applying *Restoule v. Canada (Attorney General)*, 2021 ONCA 779, 466 D.L.R. (4th) 2, at para. 356. Having considered the factors above and the success achieved, I am of the view that the proposed cost award is fair and reasonable.

[12] The plaintiff placed \$45,000 into the plaintiff’s lawyer’s trust account in furtherance of an order for security for costs. In January 2026, Ms. Hui undertook to pay any amounts over \$45,000 which might be ordered to be paid at the end of the trial. This Court has a “broad discretion” under s. 131 of the *Courts of Justice Act* in assessing costs and it may give effect to an undertaking by a non-party: *Printing Circles Inc. v. Compass Group Canada Ltd.*, 2007 CanLII 57095 (ON SC), at para. 41. It will be recalled that Ms. Hui testified that she was to receive 50% of any award, if successful. She was a promotor of this litigation and stood to benefit if it was successful. Her son is counsel to the plaintiff, and I have no doubt that she has been directing much of the litigation. There was no submission by the plaintiff or Ms. Hui contesting this request. In the circumstances, I see no reason that an order not be issued giving effect to the undertaking.

Disposition

[13] The plaintiff shall pay to the defendant her costs in the amount of \$75,000. The law firm shall release the amount held in trust to the defendant. The plaintiff and Ms. Hui shall be jointly and severally liable for the remaining \$30,000. The defendant shall be entitled to post-judgment interest on any outstanding amount owed in accordance with the *Courts of Justice Act*.

Callaghan J.