

CANADA / JUDGMENT

# Pakravan v. Equitable Bank

2025 BCSC 2159

## COURT

Supreme Court of British Columbia

## DECIDED

26 September 2025

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2025 BCSC 2159 Pakravan v. Equitable Bank IN THE SUPREME COURT OF BRITISH COLUMBIA

Citation: Pakravan v. Equitable Bank, 2025 BCSC 2159 Date: 20250926 Docket: S255327 Registry: Vancouver Between: Shahrzad Pakravan and Ambleside Law LLP Petitioners And: Equitable Bank Respondent Before: The Honourable Madam Justice Murray Oral Reasons for Judgment In Chambers Counsel for the Petitioners: D.L.D. Rondeau Counsel for the Respondent: A.P. Bains Place and Dates of Hearing: Vancouver, B.C. September 25-26, 2025 Place and Date of Judgment: Vancouver, B.C. September 26, 2025

- [1] THE COURT: These are my oral reasons for judgment. I reserve the right to edit them for clarity and grammar. However, the substance and the result will not change.
- [2] The petitioners, a lawyer and her law firm, seek an order discharging a mortgage held by the defendant bank on property located in Coquitlam, British Columbia. The facts, put briefly, are that Ms. Pakravan acted for vendors of a property in Coquitlam. The vendors entered into a contract of purchase and sale of the property on October 26, 2024, with a closing date of November 21, 2024. The contract included the standard term that the vendor was to provide title to the property free and clear of existing financial charges.
- [3] There were three charges on the property that needed to be cleared from the title, all in favour of the defendant, Equitable Bank, two mortgages and an assignment of rents. On October 31, 2024, the petitioner, Ms. Pakravan, advised Equitable Bank that the property was being sold and requested a pay-out statement for all three charges. On November 1, 2024, Equitable Bank responded to the lawyer's request and provided a pay-out amount. The petitioner relied on that statement. On November 21, 2024, the sale closed. Title to the property was transferred to the purchasers, and the sale proceeds were received by the petitioners in trust.

- [4] The lawyer then, among other things, transferred to the bank the amount set out in the pay-out statement in trust on the condition that they release all charges on the title. Equitable Bank accepted the funds. At no time did they advise the petitioners that the pay-out was insufficient to pay out one of the mortgages. Nor did they advise the petitioners that they were not going to sign the Form C that the petitioners appended as part of the trust conditions. As a result, the petitioners paid out the remainder of the sale proceeds.
- [5] It was not until the latter part of January, around January 27, 2025, that Equitable Bank provided to the petitioners a copy of the Form C that they had completed, a form different than the lawyer had provided, which discharged only one mortgage. The bank advised the petitioners at that time that additional funds were required to discharge the second mortgage. Equitable Bank advised the petitioners that the pay-out statement did not include the second mortgage and that that was due to an internal error.
- [6] The purchasers have commenced an action against the petitioners for breach of undertaking. Ms. Pakravan has had to self-report to the Law Society. The petitioners seek the discharge of the mortgage pursuant to s. 244 of the Land Title Act, R.S.B.C. 1996, c. 250, which provides as follows: Mortgagee's refusal or neglect to give discharge 244 (1) If a mortgagee, without just cause, refuses or neglects to give the mortgagor or owner of the equity of redemption, herein referred to as the "owner", a discharge of the mortgage, despite the tender or attempted tender of all money due and owing by the owner to the mortgagee, the owner may make an application to the Supreme Court in the same manner as provided in section 243, and the court has all the power conferred on that court by section 243.
- (2) Section 243 (1) (a) and (b) does not apply to this section.
- [7] The petitioners argue that the bank, on being told that the property was being sold, made a representation to the petitioners with the intention that they rely on it. The petitioners did rely on it. The petitioners' reliance on the representation was reasonable. They did so to their detriment. Equitable Bank knew or ought to have known that the petitioners were going to rely on the reputation in sending the pay-out funds to the bank and by paying out the balance of the sale proceeds. They are therefore estopped from taking any position different to their representation. The petitioners are therefore entitled to a discharge of the mortgage.
- [8] The respondent bank responds that the petitioner ought to have known from the bank's letter of November 27, 2024, that it was only referring to the first mortgage and the assignment of rents and that the petitioners should have taken further steps to make sure that the bank's pay-out statement was correct.
- [9] I disagree with the bank. The petitioners were clear in their correspondence to Equitable Bank. They advised that the property was going to be sold, which banks know means that all charges must be cleared from title. Ms. Pakravan's letter was clear. It read as follows: The title search indicates the following registered in your favour ...

- [10] She then lists two mortgages and an assignment of rent, and she specifies the charge actually using the mortgage charge numbers from the title search. She further writes: Please provide a pay-out statement as of November 21, 2024, with a per diem thereafter setting out all funds required to obtain a release of the aforesaid charges.
- [11] Then she says, "please respond as soon as possible." To that letter, Ms. Pakravan appended a copy of the title search, which set out the three charges in favour of the bank.
- [12] As stated above, on November 1, 2024, the bank responded. They stated as follows: Please find attached a pay-out statement which outlines the total amount required to fully pay out your loan with Equitable Bank. The bank's pay-out statement did not refer to the charges using the registration numbers, as used by Ms. Pakravan. Rather, it used an internal bank number, which was mortgage number 429852. Ms. Pakravan attests that she believed that the bank's pay-out statement pertained to all three charges. The single number did not cause her to question that, as she believed that all three charges could be under one internal file number.
- [13] I find that to be a reasonable interpretation given that it was in response to such a clear request made by the petitioners.
- [14] Upon receipt of the funds, on closing on November 21, 2024, Ms. Pakravan couriered a cheque to Equitable Bank with a covering letter which stated as follows: Further to your pay-out statement (copy enclosed) ...
- [15] And she enclosed a copy of it. ... we enclose our trust cheque in the sum of ...
- [16] And she set out the sum. ... representing the net sale proceeds required to fully pay out and release ...
- [17] And she itemized the two mortgages and the assignment of rents, again using the registration number from the title search, and stated that these were the three charges registered in favour of Equitable Bank against the title of the property. Again, she enclosed a copy of the title search.
- [18] She writes further: These funds are forwarded on the trust condition that you will attend to execution of the enclosed Form C release discharging your mortgage and return same in registrable form for filing in the Vancouver Land Title Office. If upon receipt of this letter you are unable to comply with these trust conditions, you are to return our trust cheque to us forthwith.
- [19] The bank responded on November 27, 2024, simply advising that there was a shortfall of one day's interest. The bank then writes that upon receipt of that amount, the applicable discharge/assignment document will follow. The next day, November 28, 2024, the petitioner sent the requested amount. In the covering letter, the petitioners state: Further to your notice of shortfall dated November 27, 2024 (copy enclosed), we enclose our certified trust cheque in the amount of ...

- [20] The shortfall: ... representing the balance required to fully pay out and release ...
- [21] Again, Ms. Pakravan lists the two mortgages and the assignment of rents, again referencing the registration numbers from the title search, and she says: ... registered in favour of Equitable Bank against the title of property. We trust you will find the above in order and look forward to receiving the executed Form C release in due course.
- [22] If I did not already make clear, I make clear that the Form C release was attached to these letters.
- [23] As above, the petitioners heard nothing more from the bank until January when they were advised that one mortgage remained on title, as it had not been paid. The issue is whether the petitioner's reliance on the bank's representations was reasonable. I am satisfied that it was.
- [24] Ms. Pakravan could not have been clearer in her correspondence with the bank. The law is clear that where a bank provides a pay-out statement and a lawyer reasonably relies on that bank statement to their detriment by providing an undertaking to the purchasers to discharge the bank mortgage, the bank is then estopped from later taking the position that additional funds are required to discharge the mortgage beyond those stated in their pay-out statements.
- [25] There is nothing contradicting the evidence in the affidavit of Ms. Pakravan that the pay-out statement was made in error by the bank. Again, I stress there is nothing in that letter that should have alerted Ms. Pakravan that there was an error in that amount. Plus, as I have carefully gone through the events, Ms. Pakravan on three occasions listed the three mortgages. Again, in my view Ms. Pakravan could not have been clearer with the bank.
- [26] If I am wrong, I am further satisfied that the bank breached the trust conditions. It is uncontroversial on the facts that Equitable Bank received the funds on the trust conditions set out by Ms. Pakravan and was therefore a trustee of the funds and subject to the trust conditions, by accepting the funds and using them without complying with the trust conditions to provide a registrable discharge of all three charges so that clear title could be passed, breached the trust.
- [27] Accordingly, given my findings, I find that the appropriate remedy in this case is to order that the mortgage be cleared from the title. I make the following order: 1) I direct the Registrar of Land Titles to discharge the mortgage registered in the name of Equitable Bank, and the order will go in the same wording as in the petition number 1.
- [28] Ms. Rondeau, given my findings, do you want me to make an alternative order?
- [29] CNSL D. RONDEAU: I think that would be prudent, just in case there is an issue with the registrar.
- [30] THE COURT: Okay. So should I make both orders? I further order that ... Yes?

- [31] CNSL D. RONDEAU: Yes. I would say in the event there is some issue with the registrar, the order not being sufficient, that the petitioner -- or the respondent would take further steps to provide the registrable discharge.
- [32] THE COURT: Okay. I further order: 2) If there is an issue with order 1 being complied with, Equitable Bank is to comply with the trust condition it was placed under by providing the petitioner in registrable form a Form C release discharging mortgage 2 from the property.
- [33] And should that be like within seven days of the request, or should it just be by a date certain?
- [34] CNSL D. RONDEAU: I would say seven days of a request being made following an issue.
- [35] THE COURT: Okay.
- [36] CNSL A. BAINS: The only concern with the seven days is our clients are out east, and my understanding they only attend office once a week. So it should be
- [37] THE COURT: Well, it is going to come to you.
- [38] CNSL A. BAINS: Like, can we do, like, ten days maybe?
- [39] THE COURT: Ten days is a long time.
- [40] CNSL A. BAINS: It's just because of the one day in the office is their policy. That's the only concern about executing the form and then getting it sent back.
- [41] THE COURT: Do they not
- [42] CNSL A. BAINS: Depending on when
- [43] THE COURT: They do not get their
- [44] CNSL A. BAINS: I get request
- [45] THE COURT: emails? Never heard of a bank who only operates one day a week.
- [46] CNSL A. BAINS: But, I mean, someone that has to execute it. So if they only go into the office one day, they can like, because it has to be a wet-ink signature, I guess, and then sent back. So they could receive it by email, but then they have to I guess go to the office, give it to someone, and courier it. So that delay can be just a couple like, I don't know how long that delay would be. That's my only concern.
- [47] THE COURT: Ms. Rondeau.
- [48] CNSL D. RONDEAU: I ten days is fine. I have no real issue with that.
- [49] THE COURT: Okay. Within ten days of the request being made by the petitioners.
- [50] Costs?

- [51] CNSL D. RONDEAU: Well, we would say that costs is appropriate in the circumstances of the entire proceeding, to the petitioners.
- [52] THE COURT: I agree.
- [53] Anything? As the successful party is entitled to costs?
- [54] CNSL A. BAINS: I have no submissions on costs.
- [55] THE COURT: Yes, okay. Costs to the petitioners.
- [56] Now, clearly as I have given this judgment quickly, if it is ordered in writing, I may make grammatical changes, but the result will not change. "The Honourable Madam Justice Murray"

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