

CANADA / JUDGMENT

Pollard v. Pollard

2025 BCSC 2283

COURT

Supreme Court of British Columbia

DECIDED

20 November 2025

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2025 BCSC 2283 Pollard v. Pollard IN THE SUPREME COURT OF BRITISH COLUMBIA Citation: Pollard v. Pollard, 2025 BCSC 2283 Date: 20251120 Docket: E26180 Registry: Fort St. John Between: Brittany Jordynn Pollard Claimant And Lukas William Pollard Respondent Before: The Honourable Judge A. Ross Reasons for Judgment Counsel for the Claimant: A.H. Devitt Counsel for the Respondent: N. Bauder S. Niven Place and Date of Trial: Fort St. John, B.C. February 3-7, 2025 July 7-9, 2025 Place and Date of Judgment: Fort St. John, B.C. November 20, 2025 Table of Contents Introduction.. 4 Issues. 4 Background Facts. 5 Credibility and Reliability. 6 Division of Assets. 9 Pollard Welding Ltd. 9 Real Estate. 10 Family Home. 10 Duplex. 11 Accounts and Investments. 11 Chattels. 13 The Claimant's Vehicle. 13 The Respondent's Vehicle. 13 Lawn Tractor 14 Snowmobile and Two ATVs. 14 Travel Trailer 14 Tools and Equipment (PWL) 14 2007 Nissan Titan Truck. 15 Boat and Trailer 15 Engagement and Wedding Ring. 15 Summary on Division of Assets. 15 Child and Spousal Support. 16 The Claimant's Income. 17 The Respondent's Income. 18 Income Through PWL. 18 Bookkeeping Fees. 23 Depreciation. 23 Gas Expense. 24 Repair and Maintenance. 25 Travel 25 Office and Rental 26 Insurance Premiums. 27 Small Tools and Supplies. 27 Telephone. 27 Utilities. 27 Tax Gross Up. 28 Retained Earnings. 28 Summary of Calculations and Determination of Income for Support Purposes. 28 Rental Income. 29 Summary of Findings on the Respondent's Income. 30 Summary of Findings on Income for the Claimant and the Respondent 30 Child Support (Retroactive and Prospective) 31 Section 7 Expenses. 31 Spousal Support (Retroactive and Prospective) 32 Credit for Past Amounts. 35 Penalties. 35 Interest 36 Divorce. 37 Costs. 37

Introduction

- [1] This matter came on for trial before me in Fort St. John on February 3-7 and July 7-9, 2025.
- [2] The issues addressed at trial were primarily financial. To the credit of the parties and their counsel, the issues regarding parenting were resolved immediately before the trial commenced.

- [3] The claimant seeks orders relating to division of property, child support, and spousal support. She also seeks an order imposing a fine and special costs against the respondent. She asserts that the respondent has reduced his income by claiming personal spending as expenses in his company. Further, she says that his conduct during the course of this litigation deserves rebuke.
- [4] The respondent agrees that the assets and debts should be divided. He also concedes that spousal and child support are payable. He disputes the amount of his income. He seeks an order imputing income to the claimant. He denies that any of his conduct was worthy of the court's intervention.
- [5] Both parties seek a divorce.
- [6] As discussed below, I have:
- a) divided the assets, but left it to the parties to achieve a balance in the most tax efficient manner;
 - b) made orders relating to income and level of child and spousal support.

Issues

- [7] The issues for me to decide are:
- a) Credibility and reliability;
 - b) Division of assets:
 - i. The family home, ii. Other real estate, iii. The respondent's company, iv. Investments and accounts, and
 - v. Chattels.
 - c) The claimant's income earning capacity;
 - d) The respondent's income;
 - e) The impact of the findings on issues c) and d) on:
 - i. Child support, retroactive and prospective; ii. S. 7 expenses (prospective); iii. Spousal Support, retroactive and prospective.
 - f) The amounts the claimant has received from the respondent since separation in lieu of support;
 - g) Divorce;
 - h) The claimant's case for the imposition of a fine;
 - i) Costs. Background Facts

- [8] The claimant was born in 1991. She is now 34. She was raised in Ft. St. John. After finishing high school (in 2009), she moved to Grand Prairie to train and work as a hairdresser. She returned to Ft. St. John in 2012 when her relationship with the respondent became more serious.
- [9] The respondent was born in 1990. He is now 35. He operates his own welding business, Pollard Welding Ltd. ("PWL"), working in the oil and gas industry in the Peace Region.
- [10] The chronology of important events is as follows:
- a) The parties were married in September 2014;
 - b) They separated in July 2022;
 - c) They have two daughters, born October 2015 and May 2018, respectively.
- [11] This action was commenced in September 2022. There is a parallel action in the Provincial Court. In the past 30 months, there have been 17 orders made in the two courts. Unfortunately, the relationship between the parties is antagonistic, perhaps toxic.
- [12] As noted, the main issues at trial were financial. To give some context for the discussion below:
- a) The claimant is not employed on a full-time basis. Her evidence is that she earns approximately \$40,000 a year from three main sources: part-time employment, self-employment (hairstyling), and social assistance. She will not be entitled to social assistance if she receives spousal support. She has not received spousal or child support since separation.
 - b) The respondent operates his own welding company. The amount of his income is in dispute. On his 2024 personal income tax return, he reported welding income of approximately \$122,000. Of that amount, approximately \$97,000 was paid as employment income and the remaining \$25,000 was paid as dividends. The claimant asserts that the respondent's true income is well over \$200,000.
 - c) The respondent also owns a rental property from which he derives income. Credibility and Reliability
- [13] There is significant distrust between the parties. As a result, many issues were explored in cross-examination.
- [14] Dealing first with the credibility and reliability of the claimant, I find her to be a forthright and honest witness. Her evidence was not seriously challenged in cross-examination.

- [15] Turning to the respondent, I find that he was capable of dishonesty under oath when it suited his purposes. The most obvious example of this propensity was displayed during his evidence regarding a house that was purchased in March 2023 (after separation). He testified that his parents own the house, and he rents it from them. He held to that position through cross-examination. His testimony flew in the face of the following evidence:
- a) He paid the down payment;
 - b) He makes the monthly mortgage payments;
 - c) He sent an email on March 14, 2023, wherein he wrote, "I bought a house in town on the weekend. I'll be taking out 5000 for my deposit on the sale, 30,000 for my down payment and 6000 for the property transfer tax."
- [16] The ownership of that house was not in issue in the trial. However, I find his testimony regarding the ownership of the house to be a blatant attempt to mislead the court.
- [17] I find that I must scrutinize the respondent's evidence carefully. When there is a conflict between the claimant's and the respondent's testimony, I prefer the claimant's evidence.
- [18] As I discuss below, most of the relevant facts (i.e., events) are not disputed. However, there is one substantive issue related to the credibility and reliability of one witness. The crux of this case is the respondent's income. The claimant submits that the respondent's bookkeeper, Ms. Jennifer Pollard (the respondent's mother), keeps the accounting in a manner that deliberately reduces his net income. Ms. Jennifer Pollard denies that allegation. As a result, I must assess Ms. Jennifer Pollard's credibility.
- [19] I find Ms. Jennifer Pollard to be a generally trustworthy witness. However, I also find that she was willing to do the bookkeeping (and testify) in a manner that was most advantageous to her son. I note the following example.
- [20] The claimant was employed as the bookkeeper for PWL at the date of separation (July 2022), and she continued in that role until December 2022. Prior to separation, the claimant drove a company vehicle, and the expense of that vehicle was claimed as an expense by PWL.
- [21] After separation, Ms. Jennifer Pollard took over the role of bookkeeper in January 2023. When she started, Ms. Jennifer Pollard "re-built" the PWL General Ledger from June 2022 onward.
- [22] PWL purchased a truck in August 2022 for the claimant to use. The truck was registered in the name of PWL. The evidence suggests the parties were considering reconciliation at that time. That attempt at reconciliation ended in December 2022. The claimant drove the truck from August through December 2022 and following. During the period August through December, the claimant drove the truck for both work and personal purposes. She continued to be an employee of PWL.

- [23] In rebuilding the 2022 General Ledger, Ms. Jennifer Pollard assigned 100% of truck loan and insurance payments to the claimant as a "shareholder's loan" for the period August-December 2022. That attribution purported to decrease the profit of PWL and increase the income of the claimant.
- [24] There are two obvious problems with that piece of bookkeeping (and Ms. Jennifer Pollard's defence of those entries at trial):
- a) The claimant continued as an employee of PWL and was driving in that capacity from August through December. Hence, there was no basis to assign 100% of the usage to the claimant.
 - b) The claimant was not a shareholder in PWL and could not have a "shareholder's loan".
- [25] At trial, Ms. Jennifer Pollard testified that PWL's accountant had instructed her to make the journal entry in that fashion. However, the evidence was clear that she had not spoken to the accountant in January 2023 when she was reconstructing the 2022 General Ledger. I infer that she made those bookkeeping decisions on the instruction, and for the benefit, of her son. He instructed her to take that step because he was angry at the claimant. Ms. Jennifer Pollard made the journal entries because they would benefit her son and hurt the claimant's interests.
- [26] Hence, I approach the evidence of both the respondent and his mother with caution.
Division of Assets
- [27] During the marriage the parties were successful at acquiring assets and saving money in investment accounts. The claimant says they were aggressive in declaring personal expenses as business expenses. The respondent denies that allegation. I accept the claimant's evidence.
- [28] At the time of separation, the parties, either individually or separately, owned the following assets (excluding chattels):
- a) Pollard Welding Ltd.
 - b) Family Home
 - c) Duplex (Rental Property)
 - d) Joint Bank Accounts and Investment Accounts
- [29] I will deal with each asset in order then move on to deal with the chattels. Pollard Welding Ltd.
- [30] As noted, the respondent operates his welding business through PWL. He operated that business before the marriage.

- [31] PWL is a personal service company. PWL obtains contracts to carry out welding work. Mr. Pollard performs that welding work. PWL bills the clients, collects the fees, pays the expenses, and remits the tax. PWL also pays the respondent a salary. Any amount left over at the end of the year constitutes profit to PWL. The respondent, as sole shareholder, is entitled to take that profit out of the company as dividends.
- [32] The respondent owned and operated PWL before the date of the marriage. The claimant concedes that the company, and its assets, are excluded property.
- [33] Although the value of PWL is not in issue, PWL as a vehicle to earn income is very much in issue. I address this issue below under the heading "Respondent's Income". Real Estate Family Home
- [34] There is general agreement between the parties regarding the family home on Old Hope Road. The home was purchased during the marriage. It was appraised in late 2024 at a value of \$606,000. The mortgage sits at \$373,640.83, resulting in equity of \$232,359.17.
- [35] Both parties agree that this asset should be divided evenly.
- [36] The respondent proposes that if the claimant wishes to keep the home, she could pay him out half of the equity or \$116,175 and assume the mortgage.
- [37] Subject to receiving a favourable decision following this trial, the claimant acknowledges that she would like to purchase the former family home. She proposes to set off her purchase amount against the arrears of support. I return to that issue below. Duplex
- [38] The respondent purchased a duplex on 94A Street in Ft. St. John (the "Duplex") before the start of this relationship. He claims it as excluded property. Two appraisals on the property indicate that the value of the property decreased during the relationship and up to the date of trial. The mortgage on the Duplex stands at \$193,096.97.
- [39] The claimant agrees that the Duplex is excluded property and that the mortgage obligation is the respondent's alone. She notes that the Duplex produces income that should be used in the calculation for support purposes. I return to that issue below.
- [40] Bank records show that, pre-separation, the rent from the two units in the Duplex was paid to the parties' joint account. Then, post-separation from October 2022 until February 2023, the rental payments were deposited into a bank account controlled solely by the claimant:
- a) The claimant acknowledges receiving \$9,514, which she deposited into her own bank account.
 - b) The respondent believes she received \$14,800.
- [41] The difference lies in four monthly rent amounts that were presumably paid, but for which there is no evidence of a bank deposit. The respondent's theory is that the claimant received cash payments. The claimant denies receiving those.

- [42] On the evidence, I am unable to determine which party received the missing \$5,286. I have decided to ascribe half of the amount to each party (\$2,643). I make no further order in relation to those funds.
- [43] I find that the Duplex is excluded property. I deal with income below. Accounts and Investments
- [44] The parties have the following bank and investment accounts: Claimant Respondent Joint RRSP \$71,260 \$37,094 TFSA \$103,349 \$102,257 Non-Registered Investments \$332,291 North Peace Credit Union Joint account \$49,343 Total \$103,349 \$210,611 \$381,634
- [45] Hence, the total amount of the funds invested is \$695,594.
- [46] I order that the total amount be divided evenly on the terms I set out below.
- [47] There was also some concerning evidence regarding cash that was located at the family residence. The claimant testified that, at the date of separation, there was \$30,000 in cash stored in an envelope in her dresser drawer in the master bedroom. The respondent moved out of the home after separation.
- [48] The claimant returned home one day to find her dresser drawer opened and the envelope (and cash) removed. She alleges that the respondent had arranged to have the cash stolen from the dresser.
- [49] As I understand the respondent's position: he denies that he was involved in any theft from the home and, in any event, it was not \$30,000.
- [50] The claimant did not make submissions on these funds. In my opinion, there is not enough evidence to include this amount as an asset to be divided. Chattels The Claimant's Vehicle
- [51] The claimant drives a 2022 Chevrolet 1500 truck. The ownership and liability for that truck are somewhat complicated. It was purchased in the name of PWL in August 2022 (post separation). The claimant has had possession of this truck since purchase. By order of Justice Groves, title to the truck was transferred to the claimant in October 2024. However, the loan, in the name of PWL, is outstanding.
- [52] The truck is valued at approximately \$50,000. There is an outstanding loan in the amount of \$34,365.57.
- [53] The respondent notes that PWL paid the loan and insurance payments (post separation) from August 2022 to December 2024 (approximately 30 months). The respondent then repaid the company from his personal funds in 2025 to avoid the attribution of those payments to him as income. The respondent says he made loan and insurance payments totalling \$29,920.13. He seeks to set off that amount against spousal support.
- [54] The respondent submits that the claimant should keep the Chevrolet truck. She should purchase it from PWL.

- [55] I return to this asset below. The Respondent's Vehicle
- [56] The respondent drives a 2020 Chevrolet 3500 truck. It is registered in the name of PWL. It is valued at approximately \$48,000.
- [57] The claimant concedes that the truck is an asset of PWL. She makes no claim for an interest in PWL or the assets it owns. I discuss below the claimant's submission that the respondent receives a personal benefit from the operation of the truck, and a certain amount should be added back into his income. Lawn Tractor
- [58] The couple had a lawn tractor/mower at the family home. However, it was purchased by PWL.
- [59] PWL is entitled to pick up the lawn tractor. It is not a family asset. Snowmobile and Two ATVs
- [60] Before separation, the couple purchased two ATVs for the children. In my opinion they should be maintained for the children's use. It seems to make sense that the respondent store them, and I so order. If the respondent sells either ATV, he must give half of the sale proceeds to the claimant.
- [61] The claimant is entitled to the snowmobile. Travel Trailer
- [62] At the time of separation, the couple owned a travel trailer. It was stored at the Old Hope Road property. Immediately after separation the respondent lived in the trailer (until January 2023).
- [63] At some point, the trailer was damaged by a falling tree.
- [64] In my opinion, the trailer now has no resale value as between the parties. It should be sold, and the proceeds divided equally. Tools and Equipment (PWL)
- [65] There were tools and equipment owned by PWL stored at the Old Hope Road property. As noted above, the claimant agrees that PWL and its assets are excluded property.
- [66] If he has not already done so, the respondent is entitled to pick those tools up on behalf of PWL at a time that is convenient to the claimant. 2007 Nissan Titan Truck
- [67] At the time of separation, the respondent owned a 2007 Nissan Titan truck. He sold the truck for \$13,000.
- [68] The claimant is entitled to a credit of \$6,500. Boat and Trailer
- [69] The family owns a fishing boat trailer valued at \$8,000.
- [70] The respondent will keep the boat, and the claimant is entitled to a \$4,000 credit. Engagement and Wedding Ring

- [71] The claimant is in possession of her engagement and wedding ring. The only evidence at trial indicated that those items could be sold on commission for net return of approximately \$3,000.
- [72] The claimant should keep those items, and the respondent is entitled to a \$1,500 credit.
Summary on Division of Assets
- [73] Based on my analysis and discussion above:
- a) The equity in the Old Hope Road property is \$232,359.
 - i. If the claimant wishes to keep that property, she can pay (or set off) \$116,175 to the respondent and assume the mortgage. If the parties can make other equivalent arrangements involving investments, they are welcome to do so. If they are unable to agree, either party can apply pursuant to s. 97 of the Family Law Act, S.B.C. 2011, c. 25 [FLA]. ii. Otherwise, the house should be sold and the equity divided equally. The claimant will have conduct of sale.
 - b) Total investments and accounts sit at \$695,000.
 - i. Of that amount, the claimant controls \$103,349:
 - (1) The claimant is entitled to payment or transfer (in the most tax efficient manner) such that each party has control (ownership) of half of the total amount of the investments (at trial, that figure was \$347,500). This transfer is subject to any agreement the parties may make for a set-off (as discussed elsewhere in these reasons).
 - c) The chattels should be divided as described above with the following credits assigned:
 - i. the claimant's truck should be sold and the net proceeds divided equally; ii. the respondent's Nissan truck was sold. The claimant is entitled to a \$6,500 credit; iii. the fishing boat will go to the respondent, and the claimant is entitled to \$4,000 credit; iv. the claimant's rings will remain with the claimant. The respondent is entitled to a \$1,500 credit.
- [74] I will let the parties decide how to proceed with those credits and debits. Any transfers should be made in the most tax efficient manner. Child and Spousal Support
- [75] The issues relating to child and spousal support primarily dependent upon my assessment of the parties' income. The Claimant's Income
- [76] As noted, the claimant is qualified as a hairdresser. Since the children were born, she has not worked in that capacity, except out of her home. Since 2024 she has been employed on a casual basis by the local school district at the children's school.
- [77] The respondent submits that I should impute an annual income to the claimant of \$50,000.

- [78] In 2023, the year after separation, the claimant declared income of \$22,680. In my opinion, that was a reasonable amount. The claimant had not been employed during the marriage. I decline to impute any income to the claimant for the years 2022 and 2023.
- [79] In 2024, the claimant's income rose to \$40,843. That amount consisted of:
- a) Employment Income: \$10,452.95
 - b) Dividends, Interest and Investment: \$8,000.32
 - c) Self-Employment/Business: \$2,150.17
 - d) Social Assistance: \$20,240.40 Total: \$40,843.84
- [80] The support guidelines will not include social assistance payments as "income". Hence, in my calculations below, I remove that income.
- [81] I decline to impute any income to the claimant for 2024 or 2025. I find her earnings were reasonable given her childcare responsibilities.
- [82] In the future the claimant will not be entitled to social assistance when she starts receiving spousal support. I am confident that the only reason the claimant resorted to seeking social assistance was to keep afloat during a period of time when the respondent was paying neither child nor spousal support.
- [83] The respondent submits that I should impute an income to the claimant of \$50,000 per year. I do not accept that submission.
- [84] In my opinion, the claimant will continue to have significant childcare responsibilities. Those responsibilities will decrease her earning potential. If the claimant were to become fully employed, her income would be in the range of \$40,000 per year. I discount that amount by \$10,000 to account for her childcare responsibilities. I impute an income of \$30,000 to her. The Respondent's Income
- [85] The respondent's income, as declared on his 2024 income tax return, was \$102,989 consisting of:
- a) Employment Income: \$77,335
 - b) Dividends: \$936
 - c) Interest: \$1,300
 - d) Capital Gains: \$681
 - e) Rental Income (net) \$37,800 (gross) \$21,654 (net)
- [86] The claimant submits that this income, as declared, does not accurately reflect his income for support purposes. She submits that he has deducted expenses that benefit him personally.

- [87] I deal first with the earnings through PWL, then the rental income. Income Through PWL
- [88] First, I note PWL's year end is not December 31. So, the figures do not port evenly between financial statements and personal tax returns.
- [89] PWL's financial statement for the year ending May 31, 2024, shows:
- a) Gross revenue \$252,000
 - b) Salaries (to Mr. Pollard) \$ 96,614
 - c) Other expenses \$ 95,668
 - d) Net income (retained earnings) \$ 59,719
- [90] The claimant submits that several of the expenses claimed by PWL are not reasonable because the respondent receives a personal benefit. She also argues that the retained earnings are available to the respondent. She urges a finding that his income is in the range of \$216,000.
- [91] In response, the respondent submits that his income through PWL is in the range of \$120,000 to \$145,000.
- [92] My assessment of his earnings from PWL lands in between those figures; \$194,000. I explain my reasoning and my calculations below.
- [93] First, I must consider the proper manner of addressing the respondent's income. This requires an interpretation of the Federal Child Support Guidelines SOR/97-175 (the "Guidelines"). Prior cases involving personal services corporations have discussed the application of the Guidelines and whether the court should assess annual income based upon the payor's personal income tax return (s. 16) or based on some analysis of the corporate income (s. 18). The goal is to choose the correct measuring rod to determine the appropriate amount of support payable
- [94] The Court of Appeal provided guidance on the proper assessment of corporate income in *Chandler v. Chandler*, 2024 BCCA 325:
- [45] In view of the issues that arise in the present appeal, and considering the decisions in *Kowalewich*, *Hausmann*, and *Quinton*, I would add the following--the nuance--to the principles set out in *Quinton*. The fact that a payor receives income through a corporation that they control does not, by itself, mean that the payor's Guidelines income is to be determined through the application of s. 18(1)(a), let alone that all of the pre-tax income of the corporation should be considered income available for support purposes. A court must first decide whether application of s. 16 (the use of line 150 of the T1 General form) "would not be the fairest determination" of their income and whether it "fairly reflects all the money available" for the payment of support. As I have indicated, choosing the "measuring rod" which gives the most accurate measure of a payor's income is an exercise of discretion.

- [95] I accept the proposition that I am to ask myself what an objective, well-informed parent would make available for child support in the circumstances of the particular business over which the parent exercise control, having regard to objectives of the Child Support Guidelines, the underlying parental obligation to support children in accordance with one's means and any applicable situation described in s. 17 of the Guidelines (Kowalewich v. Kowalewich, 2001 BCCA 450 at para. 45).
- [96] On this point, the respondent concedes that his personal income tax return is not an accurate reflection of his income. Hence, the starting point (the measuring rod) is a combination of the respondent's personal income and a review of the income of PWL. The main point of dispute is not the calculation of the income, but the appropriateness of the expenses. The claimant submits that certain expenses should be added back in to calculate the respondent's total income. Neither party retained an accountant to provide an opinion, or to summarize, the financial statements. I cast no blame for that omission. The expense may well have been more than the benefit. However, I am left to do the arithmetic.
- [97] The financial statements of PWL show income in the following amounts. (Noting that the date of separation was September 2022 and that PWL has a fiscal year end on May 31):
- | Year | Ending May 31 PWL Gross Revenue | Wages | Benefits | Other Expenses | Net Income of PWL |
|-------|---------------------------------|-----------|-----------|----------------|-------------------|
| 2020 | \$263,020 | \$102,746 | \$58,234 | \$102,044 | 2021 |
| 2021 | \$131,288 | \$116,932 | \$87,399 | -\$73,043 | 2022* |
| 2022* | \$228,689 | \$125,126 | \$110,412 | -\$6,732 | 2023 |
| 2023 | \$208,390 | \$118,875 | \$85,520 | \$3,995 | 2024 |
| 2024 | \$252,001 | \$96,614 | \$95,668 | \$59,719 | |
- [98] There is some variation in "Gross Revenue" and in "Other Expenses". To some extent that variation is due to the May 31 year-end and expenses falling just before or just after that date. However, the respondent's evidence was to the effect that his work had been steady for the past several years. Further, I was not informed of any extraordinary expenses. For that reason, I infer that the income available to Mr. Pollard from PWL has been consistent.
- [99] The respondent declared the following income in his income tax returns:
- | Year | Line 101 and 120 Income (employment and dividends) | Line 126 Rental Gross (Net) | Line 150 |
|------|--|-----------------------------|------------|
| 2020 | \$215,398 | \$0 | \$0 |
| 2021 | \$115,024 | \$9,800 | (\$4,900) |
| 2022 | \$83,879 | \$12,599 | (\$0) |
| 2023 | \$122,671 | \$12,599 | (\$0) |
| 2024 | \$77,335 | \$37,800 | (\$21,654) |
- [100] In the figures above, it should also be noted that (prior to separation) PWL paid the claimant as its bookkeeper (\$44,000-\$48,000). The claimant says that this was a form of revenue sharing. I accept her evidence on that point. Since separation, PWL has retained the respondent's mother as its bookkeeper. It has continued to pay her in the range of \$30,000 per year. The claimant says that that is an overpayment to a non-arms length person.

- [101] I look first at the gross income of PWL. The claimant testified that during the marriage it was common for PWL to have gross revenue of \$330,000. Income of that amount is not borne out in the financial statements, and I do not accept it as correct. Instead, I accept that the gross revenue for PWL is in the range of \$230,000-\$250,000.
- [102] The claimant submits that the business of PWL requires very few essential expenses. She concedes that it needs a truck, a welding rig, gas, and (to some extent) bookkeeping services. She says that the expenses discussed below represent overpayments by PWC which should be added back, in whole or in part, to calculate Mr. Pollard's actual income:
- a) Bookkeeping Fees
 - b) Depreciation
 - c) Gas Expense
 - d) Repair and Maintenance
 - e) Travel
 - f) Office and Rental
 - g) Insurance Premiums
 - h) Small tools and Supplies
 - i) Telephone
 - j) Utilities
- [103] The claimant also says that tax should be added back ("grossed up") on these expenses that are "added back". She also argues that Retained Earnings in 2024 should be added back.
- [104] I discuss each of these topics below and then summarize my findings. Bookkeeping Fees
- [105] As noted above the claimant acted as the bookkeeper for PWL until five months post separation. PWL paid her between \$44,000 and \$48,000 per year. I find that there was some element of income splitting in those payments. PWL could have found the same service for less.
- [106] PWL paid the claimant as its bookkeeper until December 2022. Since separation the respondent's mother has performed the bookkeeping tasks. In the stub year ending May 31, 2023, PWL paid the respondent's mother \$7,500. In 2024, PWL paid the respondent's mother \$30,000.
- [107] The claimant submits that the 2024 payment was an overpayment. As discussed above the claimant says that the respondent's mother is not at arm's length. His mother is otherwise employed on a full-time basis, as well as doing the bookkeeping for another business.

- [108] I accept the submission that the respondent's mother is not arm's-length to the company. I noted my conclusion under the heading "Credibility and Reliability".
- [109] I accept that PWL paying the respondent's mother \$30,000 for bookkeeping is non-arm's-length. I also accept that it is an overpayment. I have little evidence on the fair compensation, but I arbitrarily set it at \$15,000.
- [110] Hence, I add back \$15,000. Depreciation
- [111] PWL claims depreciation of \$16,604 in fiscal year 2024.
- [112] Depreciation is a concept similar to Capital Cost Allowance. It is an accounting principle that recognizes that chattels decrease in value over time and, ultimately, must be replaced.
- [113] As noted above, Mr. Pollard drives a vehicle owned by PWL. He also owns a welding rig.
- [114] I decline and add back in the depreciation claimed by PWL. In my opinion, it provides a guide as to the replacement costs of items over time. However, I take note of the depreciation when addressing the Retained Earnings of PWL in 2024. In my opinion, the "expense" item of depreciation allows PWL to prepare for the replacement of equipment over time. Hence, PWL does not need to keep retained earnings for the same purpose. Gas Expense
- [115] PWL claims gas expense of \$12,011 in fiscal year 2024.
- [116] The claimant notes that PWL's gas expense doubled in the year after separation. In fiscal year 2022, the claim was \$6,262. In fiscal year 2023, it was \$13,970. She also submits that some percentage of the gas cost must relate to Mr. Pollard's personal use of his vehicle.
- [117] Of note, prior to separation, PWL was writing off the gas cost of two trucks. After separation, PWL stopped paying for the truck that claimant was driving.
- [118] I take the following evidence into account:
- i. PWL's expense claimed for "gas and oil" jumped from \$6,262 in fiscal year 2022 up to \$13,970 in fiscal year 2023. ii. The respondent testified that his work pattern changed post separation. He did less work in camps and more work in the area surrounding Ft. St. John. Obviously, when he was in camps, he would incur no gas costs. iii. The evidence was clear from both the respondent and his mother (bookkeeper) that there was no attempt to account for Mr. Pollard's personal use of the PWL truck. In other words, they had not decided on a percentage of the use which would be attributed to business versus personal. They attributed all gas to work and none to personal use.
- [119] I am left to make an estimate based on the evidence I heard. Given the long distances Mr. Pollard must travel for work, I am willing to accept that only 20 percent of the gas cost was (and is) personal.

- [120] Based on those factors, I add back \$2,794, representing 20 percent of the total gas cost for 2024. Repair and Maintenance
- [121] The claimant notes that the expense for repairs and maintenance increased significantly after separation. In fiscal years 2020 through 2022, repairs and maintenance did not exceed \$1,700. Post separation that expense has ballooned to \$4,915 in 2023 and \$7,497 and 2024.
- [122] Despite the ballooning cost, I am unable to point to any evidence suggesting that the repairs and maintenance expenses that were claimed by PWL were not, in fact, incurred by PWL.
- [123] I add back nothing under this heading. Travel
- [124] The claimant says that the respondent has not provided any reasonable explanation to justify his travel expenses. She submits that 75% of the yearly travel expenses should be attributed back to the respondent personally. That would total \$8,120.
- [125] In his testimony the respondent indicated that, since separation, he has done very little work in camps. With very few exceptions, he drives to his worksite in the morning and drives home in the evening. That would account for increased gas expenses but not "travel" expenses.
- [126] The respondent testified that he travels and entertains clients. I do not accept that evidence. Instead, PWL has near constant employment with one or two companies. I am satisfied on the evidence that these amounts are actually the respondent's personal meals and trips.
- [127] I accept that all of the travel expenses should be added back.
- [128] I add back \$8,120. Office and Rental
- [129] The claimant submits that amounts claimed by PWL as either "rent" or "office" expenses are not actually incurred. PWL does not rent any office space outside of Mr. Pollard's home.
- [130] I note that there was a change in accounting policy after the 2022 fiscal year. Amounts contributed to "office" expenses increased from \$174 in 2022 to \$4,505 in 2023 and \$5,500 in 2024.
- [131] While I accept that Mr. Pollard requires a computer and perhaps, some ledger paper to conduct his business, I can see no basis for "office" expenses of \$5,500. I infer that he is writing off some portion of the square footage of his residence. Accordingly, he receives the benefit of that "expense". To the extent that PWL may "pay" that rent (which I find it does not), PWL would, by necessity, pay it to Mr. Pollard.
- [132] I reduce the "office" expense to \$1,000. As a result, I add back \$4,500.

- [133] The amounts claimed as "rent" by PWA are inconsistent. No rent was claimed in fiscal year 2022. Then, after separation, Mr. Pollard moved out of the family home and rented a townhome in Ft. St. John. Thereafter, PWL claimed "rental expense" of \$13,026 in fiscal year 2023 and \$13,518 in fiscal year 2024. I find that those were overpayments representing Mr. Pollard's apartment rent.
- [134] I add back \$13,518 under "rent" to each of those years.
- [135] Thus, in total, I add back \$18,018 under the "Office" and "Rent" headings. Insurance Premiums
- [136] The claimant questions PWL's deduction for insurance payments. She notes that the insurance covers Mr. Pollard while driving for personal use.
- [137] Mr. Pollard testified that his insurance covers both his vehicle and his welding business.
- [138] In my opinion, removing the personal use expense of Mr. Pollard's vehicle expense would be akin to trying to separate the salt from the soup. I decline to do so. Small Tools and Supplies
- [139] PWL claims \$12,247 for "small tools and supplies" in 2024.
- [140] The claimant submits that 50 percent of these expenses should be attributed to Mr. Pollard's income on the basis that he has the ability to use those for personal use.
- [141] I decline to add back any amount for personal use. Telephone
- [142] PWL claims telephone and mobile expense of \$1,488 in fiscal year 2024.
- [143] The claimant submits that some portion of that benefited the respondent personally.
- [144] I am unwilling to add back any amount of the telephone expenses. I am satisfied that PWL could not operate without the cellular phone that Mr. Pollard uses. Utilities
- [145] PWL claims expenses of \$1,442 for utilities in fiscal year 2024.
- [146] As noted above, PWL does not have a physical office outside of Mr. Pollard's residence. I infer from the evidence that the "utilities" constitute some portion of utilities paid by Mr. Pollard on his residence. That is clearly a personal benefit. In my opinion, PWL uses zero utilities.
- [147] I add back \$1,442. Tax Gross Up
- [148] The claimant notes that all amounts that were claimed as expenses by PWL but were of personal benefit to the respondent, were received by Mr. Pollard without having to pay tax. She suggests a 25% tax gross up on those amounts.
- [149] I agree. I note, however, that this will not include retained earnings. Retained Earnings

[150] I noted above that PWL had retained earnings for fiscal year 2024 of \$59,719. Under the heading "Depreciation", I did not add back the expenses under that heading.

[151] It follows that the income available to Mr. Pollard through PWL, in fiscal year 2024 should include the retained earnings of \$59,719. PWL does not need those funds for future capital investments. The retained earnings would, otherwise, be available for the use of the respondent. Summary of Calculations and Determination of Income for Support Purposes

[152] In summary, I add back the following amounts to Mr. Pollard's income in 2024:

- a) Bookkeeping: \$15,000
- b) 20% of the Total Gas Cost: \$2,794
- c) Travel: \$8,120
- d) Office and Rental: \$18,018
- e) Utilities: \$1,442 Sub-Total: \$45,374
- f) Tax Gross-up 25%: \$11,343 Total Expense Add-back: \$56,718

[153] In addition, the retained earnings were \$59,719.

[154] Thus, in total, I increase Mr. Pollard's income by the (rounded) amount of \$116,437 (\$59,719 + \$56,718).

[155] His declared PWL income was \$77,335. Hence, I find that his total income for support purposes was (rounded) \$194,000.

[156] As discussed above, Mr. Pollard's evidence was that his work has been steady over the past several years. He has not faced any extraordinary expenses. Hence, I am confident on the evidence that the PWL income available to him has been in the range of \$194,000 since separation. Rental Income

[157] I noted above Mr. Pollard's ownership of the Duplex. He rents out two suites in that property. His income tax returns indicate that he sometimes reports the rental income from those suites and sometimes he does not.

[158] The evidence at trial indicated that there are two suites in the duplex. One is rented at \$1,500 and the other at \$1,550 per month. Hence, the total annual income is \$36,600. That figure accords with the amount disclosed on Mr. Pollard's income tax return for 2024.

[159] There was no evidence that the Duplex had been vacant for any period of time. Hence, it is unclear why Mr. Pollard declared lower rental income in the years 2020 through 2023.

[160] Regardless, I find that the gross income from the Duplex is (and has been) \$36,600. Mr. Pollard declares expenses of approximately \$15,000 to reduce his rental income to \$21,654.

- [161] In his testimony, Mr. Pollard agreed that he writes off the full amount of the mortgage payments. It is clear from the financial disclosure regarding the outstanding amount on the mortgage that Mr. Pollard is paying both interest and principal each month. For support purposes, he is not entitled to deduct payments that go toward principal.
- [162] Based on the land title documents, it appears that the respondent's equity in the Duplex increased by \$4,738 in the period February 2023 to November 2024. I infer that the mortgage payments reduced the principal by approximately \$3,000 per year. I add that back into the expenses, with the result that the respondent's net income from the rental of the Duplex is \$24,654. Summary of Findings on the Respondent's Income
- [163] In summary, I find that Mr. Pollard's annual income for child and spousal support purposes is:
- a) Income from PWL: \$194,000
 - b) Rental Income: \$24,654 Total (rounded): \$220,000 Summary of Findings on Income for the Claimant and the Respondent
- [164] Based on my analysis above, I find that the parties have the following annual incomes at present (i.e., for 2024, with social assistance backed out):
- a) Claimant: \$20,000
 - b) Respondent: \$220,000
- [165] I find the claimant's income for 2022 and 2023 was also in the range of \$20,000.
- [166] I find the respondent's income has been steady at \$220,000 from 2022 to the present. Child Support (Retroactive and Prospective)
- [167] The respondent has not paid child support. Further, as noted, the parties settled parenting issues at the start of trial. I understand that, pursuant to that agreement, the claimant has the children for the great majority of the time.
- [168] My understanding of the evidence was that the parties separated in July 2022 but continued to live on the same property through December 2022. Until he moved away, the respondent continued to cover the family's expenses. Hence, no child support is payable for 2022.
- [169] The respondent is obligated to pay retroactive child support starting January 1, 2023, based on his yearly income of \$220,000.
- [170] I find that the child support payable for the period January 1, 2023, to the date of release of these reasons is \$2,985 per month. I will leave it to the parties to determine the arrears, and any interest payable.
- [171] Moving ahead, from the date of the release of these reasons, Ms. Pollard's income will be imputed at \$30,000. Section 7 Expenses

- [172] I understand that there are no section 7 expenses owing (i.e., no arrears).
- [173] I order that if any s. 7 expenses are incurred, they be paid in proportion to the parties' earnings as set out above. The parties should agree on the expenses before incurring them. These expenses should be paid within 30 days of submission. Spousal Support (Retroactive and Prospective)
- [174] I note that the parties reached agreement on a without prejudice payment of spousal support commencing July 9, 2025. My award below does not take those payments into account.
- [175] The claimant seeks both compensatory and non-compensatory spousal support. As noted above, she is qualified as a hairdresser. She was 23 when the parties married. She has not worked significant hours since that time. She did some hairdressing out of the family home. By her own testimony, she always wanted to be a mother and homemaker and that suited the respondent's wishes. As noted, their first daughter was born the year after the marriage.
- [176] The respondent's position is that the claimant has been underemployed since separation in July 2022. He submits that she is capable of working as a full-time hairdresser or receptionist or secretary. I have already imputed a future income to her of \$30,000.
- [177] Justice LeBlanc recently efficiently summarized the courts' considerations and the legal principles applicable when considering compensatory and non-compensatory support in *Mohabir v. Mohabir*, 2025 BCSC 1839:
- [89] There are three forms of spousal support which a spouse may be entitled to: compensatory, non-compensatory, and contractual: *Zacharias v. Zacharias*, 2015 BCCA 376 at paras. 25-27. Contractual support is not at issue here.
- [90] The purpose of compensatory support is to equitably share any economic disadvantages (or advantages) arising from the marriage, especially any of such arising from the division of childcare responsibilities: *Chutter v. Chutter*, 2008 BCCA 507 at para. 50. To achieve this equitable sharing, compensatory support may be awarded to ensure an equal standard of living between the spouses, particularly where the marriage was a long one: *Moge v. Moge*, [1992] 3 S.C.R. 813 at 870, 1992 CanLII 25 (S.C.C.).
- [91] The purpose of non-compensatory support is to "narrow the gap between the needs and means of the spouses upon marital breakdown": *Chutter* at para. 54. The concept of "need" has been interpreted liberally and must be considered with reference to the standard of living during the relationship and the payor spouse's post-separation standard of living: *Chutter* at paras. 57-61.

[192] Section 15.2 of the Divorce Act (Canada) requires the court to consider the "condition, means, needs and other circumstances of each spouse" in making an order for spousal support. This includes considering the length of time the spouses cohabitated, the functions performed by each during that time, and any order, agreement or arrangement relating to the support of either spouse: *Y.M.F. v. R.V.F.*, 2022 BCSC 699 at para. 111.

[178] The Guidelines set out a list of factors that include:

- a) strength of a compensatory claim: I find it is a strong claim.
- b) recipients' needs: the claimant's needs are reasonable.
- c) age, number and needs and standard of living of the children: the children are young, and they are used to a standard of living commensurate with their father's income.
- d) needs and ability to pay of the payor: the respondent has the ability to pay.
- e) work incentives for the payor: the respondent has steady work.
- f) property division and debts: I accept that the division of property has provided certain assets to the claimant.
- g) self-sufficiency incentives: as noted above, I have imputed an income to the claimant.

[179] In my opinion, the claimant is entitled to support slightly above the "Mid" range.

[180] From my findings above, the claimant is entitled to retroactive spousal support based upon child support being paid and the parties having the following incomes: Year Claimant's Income Respondent's Income 2023 \$22,000 \$220,000 2024 \$20,000 \$220,000 2025 \$20,000 \$220,000

[181] Moving forward, I have imputed an income of \$30,000 to the claimant.

[182] The claimant seeks an order for lump sum retroactive spousal support.

[183] The respondent notes that payment of arrears on a lump-sum basis is an exceptional order. He submits that the claimant is receiving a windfall in respect of the division of assets. He notes that he does not have any large amount available. He seeks an order for the payment of arrears over time.

[184] In my opinion, the retroactive spousal support should be paid on a lump-sum basis. It was the respondent's decision not to pay any support until the agreement in 2025. It is possible that the parties can reach an agreement which uses the equity in the Old Hope Road property to achieve that goal. I leave that negotiation to the parties.

[185] The Spousal Support Guidelines, based on the 2023-2025 incomes of the parties, provide a range from \$2,956 ("Low") to \$3,695 ("Mid") to \$4,381 ("High"). In my opinion, spousal support of \$4,000 per month is fair and reasonable for the retroactive benefits. This amount recognizes some non-compensatory factors.

- [186] Looking ahead, the claimant seeks spousal support at the mid-range for 10 further years. Despite the length of the marriage, she notes that she gave up her career. As noted, she claims on both compensatory and non-compensatory grounds.
- [187] The respondent submits that spousal support should cease in four more years (i.e., a total of seven years).
- [188] As I noted above, the parties settled parenting issues immediately before trial. The respondent will have some increased time with the children. However, I do not accept that this will reduce his ability to earn income. On a going-forward basis, I assess his net total income at \$220,000.
- [189] In my opinion, taking all of the factors into consideration, I find the fairest result in the circumstances is the following, and I order:
- a) Spousal support payable at the mid-range is \$3,375 per month starting the month after the release of these reasons. This is calculation on the basis of the claimant earning \$30,000 and the respondent earning \$220,000;
 - b) This amount is reviewable every other year (starting in 2027) in September, with full financial disclosure by August.
 - c) Spousal support will be payable for a further seven years from the date of these reasons.
- Credit for Past Amounts
- [190] As noted above, PWL paid the loan and insurance on the claimant's truck. Earlier this year the respondent repaid PWL for those amounts. The respondent seeks a credit for the amounts paid.
- [191] First, for the reasons stated above, any payment through December 2022 will not be credited to the respondent. The claimant was still an employee of PWL.
- [192] However, I will allow credit to the respondent of amounts for the years 2023, 2024, and 2025 (to the date of the start of trial). Only loan and insurance payments are to be credited to the respondent. I leave it to counsel to make that calculation. Penalties
- [193] The claimant submits that the respondent's actions in this litigation and separation are worthy of a fine under s. 230 of the FLA, which provides: 230 (1) Subject to section 188, an order under this section may be made only if no other provision of this Act applies for the purposes of enforcing an order made under this Act.
- (2) For the purposes of enforcing an order made under this Act, the court on application by a party may make an order to do one or more of the following:
 - (a) require a party to give security in any form the court directs;
 - (b) require a party to pay

- (i) the other party for all or part of the expenses reasonably and necessarily incurred as a result of the party's actions, including fees and expenses related to family dispute resolution, (ii) an amount not exceeding \$5,000 to or for the benefit of the other party, or a spouse or child whose interests were affected by the party's actions, or (iii) a fine not exceeding \$5,000.

[194] Specifically, she pointed to the following acts of the respondent:

- a) He threatened to send compromising (nude) pictures to the congregation of the claimant's church.
- b) He reported her to the Canada Revenue Agency because she claimed and received social assistance. (Notably, he made this report during a time when he was not paying child or spousal support.)
- c) He failed to report his full financial picture until the Friday before the commencement of trial.
- d) He refused to pay child or spousal support, despite agreeing (at trial) that they are both payable. He also claimed (to CRA) that he was paying spousal support on his income tax return.

[195] I accept that the respondent's conduct is worthy of rebuke. I assess a fine of \$5,000 under s. 230 of the FLA. Interest

[196] The claimant is entitled to interest on all retroactive payments. Divorce

[197] Both parties seek divorce.

[198] The evidence establishes that there is no possibility of reconciliation. I am satisfied that the pre-requisites to granting a divorce as set out in s. 11(1) of the Divorce Act, R.S.C. 1985, c. 3 (2nd Supp.), are met. I therefore order that the claimant and the respondent are divorced, the divorce to take effect on the 31st day after the date of this order. Costs

[199] I am not aware of any offers that were exchanged.

[200] It is my perception that the claimant has been successful and, in the ordinary course, would be entitled to her costs.

[201] The claimant seeks to speak to costs. I suggest written submissions of no more than seven pages from each side. "A. Ross J."

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