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The Cost of a Lawsuit – \$280,000 for 8 Days of Trial

The cost of lawsuits in Ontario is always a concern for potential litigants. We often are asked, “How much will my legal fees / costs be and how can I afford them?”

The recent case of **Mathieson v. Scotia Capital Inc.** (2010 Ontario Superior Court of Justice) provides an illustration of how an 8 day Trial of a wrongful dismissal action led to \$280,000 of legal fees and expenses being awarded. The actual **Trial decision (Nov/2009) is found here.**

The 58 year old plaintiff was a senior employee in the investment banking group, having worked for 30 years prior to termination. His combined salary and bonus ranged from \$500,000/year to \$1.25M/year in the years prior to dismissal, with the bonus comprising anywhere from 70% to 90% of his annual compensation. The employer paid 24 months of salary as notice of termination and the lawsuit was a dispute over the size of his bonus. The plaintiff sought approximately \$20 million as damages at Trial for lost compensation and punitive damages.

Prior to Trial, the employer offered to settle the lawsuit for approximately \$2 million, which was not accepted. The Trial decision awarded the plaintiff \$920,000 in damages, plus costs.

As a result, on the issue of costs, the Trial Judge awarded a total of \$280,000 in costs for the lawsuit, which lasted approximately 2.5 years and took 8 days of Trial to complete.

Unfortunately for the plaintiff, he was awarded \$920,000 in damages, but in addition to paying his own lawyer fees, will have to pay approximately \$200,000 in legal costs to the employer for failing to have accepted their \$2 million offer prior to Trial.

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