

CITATION: Labourers' International Union of North America, Loc 183 v Vox
Construction Inc., 2025 ONSC 5531
COURT FILE NO.: CV-24-3843
DATE: 2025 10 01

SUPERIOR COURT OF JUSTICE - ONTARIO

RE: Labourers' International Union of North America, Loc 183, Creditor (moving party)

AND:

Vox Construction Inc., Euro-Royal Paving, West Star Restorations, Westar Restorations Inc., and P.D.F. Homes Inc., Debtors

AND:

Carlos Areias, responding party

BEFORE: Justice Ranjan K. Agarwal

COUNSEL: Simon Cox, for the creditor

No one appearing for the creditors and responding party

HEARD: September 29, 2025

ENDORSEMENT

I. INTRODUCTION

[1] In July 2025, I held the responding party Carlos Areias in contempt of court for disobeying an order to attend an examination in aid of execution. Areias hasn't purged his contempt despite several opportunities. Areias didn't attend the penalty phase of the hearing.

- [2] The moving party Labourers' International Union of North America, Loc 183, requests that Areias be imprisoned for 21 days. It also seeks its costs of the penalty phase.
- [3] The other penalties (suspended sentence and fine) are unlikely to compel Areias to be examined given his utter failure to participate in this proceeding. As a result, incarceration is the only reasonable and proportionate option. Based on sentences in like cases and the absence of any aggravating or mitigating factors, I order Areias to be imprisoned for 21 days. I also order him to pay the Union's costs of \$15,750.

II. BACKGROUND

A. Facts

1. The Debt

- [4] The debtor Vox Construction Inc. is a paving and concrete construction company. Areias is Vox Construction's sole officer and director. He's also the sole officer and director of Vox Construction's affiliates—the debtors Euro-Royal Paving, West Star Restorations, Westar Restorations Inc., and P.D.F. Homes Inc. (together with Vox Construction, **Vox**).
- [5] Vox employed several individual Union members. Under the collective agreement between the Union and the Toronto and Area Road Builders' Association (which is binding on Vox), Vox agreed to pay the Union their wages and benefits. The

employees did the work, but Vox didn't pay them. In December 2023, an arbitrator ordered Vox to pay \$50,587.38 to the Union. Vox didn't attend the hearing. The arbitrator's decision was entered as a court order, in Toronto, in May 2024. See *Labour Relations Act, 1995*, SO 1995, c 1, Sched A, s 48(19). The Union garnished \$263.55 but Vox hasn't paid the remainder.

2. Areias Refused to Attend Examinations in Aid of Execution

[6] The Union sought to examine Areias on behalf of Vox. It scheduled an examination in aid of execution for June 25, 2024. Such a notice must be served personally or by an alternative to personal service. See *Rules of Civil Procedure*, r 60.18(7). The Union's process server attempted to personally serve Areias at Vox's registered address. Vox no longer operated from that address. The Union's process server also tried to serve Vox at an address it found for the company online. It didn't find Vox at that address. The Union then sent the notice by mail to Vox. The Union also emailed a copy to Vox's corporate email address and Vox's bookkeeper (at both her Vox email address and a Hotmail address). The bookkeeper acknowledged receipt of the email, and said that Areias wanted to pay the debt after it got its "account open". The Union rejected these offers. The bookkeeper told the Union that she conveyed the message to Areias.

[7] Areias didn't attend the examination. The bookkeeper told the Union that "Carlos is sick and off", and she'd communicated the Union's position to his wife.

[8] The Union scheduled another examination for July 16, 2024. Again, the process server tried to serve Areias at Vox’s registered address. The company operating from that space said that Vox had moved out “a year ago”. The Union, again, mailed a copy of the notice to Vox and emailed a copy to Vox and the bookkeeper. Again, Areias didn’t attend the examination. The bookkeeper stopped responding to the Union’s emails.

3. Areias Was Ordered to Attend the Examination

[9] The Union moved to compel Areias to attend an examination. Because of the delay in getting motion dates in Toronto, the Union filed the arbitrator’s decision in Brampton in August 2024 (not a practice I would countenance). The Union scheduled another examination for October 4, 2024. Again, the process server tried to serve Areias at Vox’s registered address. Again, it didn’t find Vox at that address. So, again, the Union mailed a copy of the notice to Vox and emailed a copy of the notice to Vox and the bookkeeper. And again, Areias didn’t show up.

[10] In February 2025, the Union moved for an order compelling Areias to attend an examination. The motion was left at Areias’s house. Though this house is in Areias’s wife’s name, he owned it jointly with her until 2009 and one of the cars on the driveway belonged to Vox. The Union also emailed the motion record to Vox and the bookkeeper. Areias didn’t attend the motion hearing.

[11] Justice McSweeney ordered Areias to attend an examination on March 4, 2025. She ordered that notice be provided by email to Areias by emailing Vox and the bookkeeper, which the Union did. She also ordered \$5500 in costs.

[12] Areias didn't attend the examination.

4. Areias Was Held in Contempt

[13] The Union then moved for contempt in July 2025. The process server found Areias at home, and left a copy with him. Areias didn't attend the liability phase of the hearing.

[14] Civil contempt has three elements which must be established beyond a reasonable doubt:

- (a) the order alleged to have been breached “must state clearly and unequivocally what should and should not be done”;
- (b) the party alleged to have breached the order must have had actual knowledge of it; and
- (c) the party allegedly in breach must have intentionally failed to do the act that the order compels.

See *Carey v Laiken*, 2015 SCC 17, at paras 32-35.

[15] I found Areias in contempt of court:

- (a) Justice McSweeney’s order clearly and unequivocally stated that Areias must attend an examination on March 4, 2025, bring certain documents with him, and pay costs of the motion;
- (b) the order stated that it could be served by email to Vox and the bookkeeper, which the Union did; and
- (c) Areias’s failure to attend the examination was intentional, which I inferred from his failure to attend prior examinations.

I ordered that the penalty phase of the contempt hearing proceed on September 29, 2025. I also awarded \$8042.97 in costs to the Union. Finally, I directed that my endorsement and order be served personally on Areias. See *Labourers’ International Union of North America, Loc 183 v Vox Constructions Inc.* (8 July 2025), Brampton CV-24-3843 (Sup Ct).

5. Areias Evaded Service for the Penalty Phase

[16] The Union had scheduled another examination for August 14, 2025. I said in my endorsement that Areias could purge his contempt by attending the examination. The Union’s process server tried to serve Areias at his home but no one answered the door, even though Vox’s cars were parked outside. The endorsement and order were left on Areias’s door twice—the documents were gone the next day. The Union also

emailed the order and endorsement to Vox and the bookkeeper. Areias didn't attend the examination on August 14th. He hasn't contacted the Union to purge his contempt.

[17] The Union scheduled yet another examination on September 16, 2025. The Union's process server tried to serve Areias personally at home but no one answered the door. Again, a copy of the notice was left on Areias's door, and gone the next day. The Union also emailed Vox and the bookkeeper. For the first time, the Union's emails to Vox and the bookkeeper's work email bounced. The Union then sent the materials to Areias on Facebook and mailed and couriered them to him.

[18] Areias didn't attend the penalty phase hearing on September 29th.

B. Law

[19] A contempt order to enforce an order requiring a person to do an act, other than the payment of money, may be obtained only on motion to a judge in the proceeding in which the order to be enforced was made. In disposing of a motion for a contempt order, the judge may make such order as is just, and where a finding of contempt is made, the judge may order that the person in contempt,

- (a) be imprisoned for such period and on such terms as are just;
- (b) be imprisoned if the person fails to comply with a term of the order;

- (c) pay a fine;
- (d) do or refrain from doing an act;
- (e) pay such costs as are just; and
- (f) comply with any other order that the judge considers necessary,

and may grant leave to issue a writ of sequestration against the person's property. See *Rules of Civil Procedure*, r 60.11(1), (5).

[20] The power of civil contempt is a cornerstone of the justice system, enabling courts to uphold and enforce the rule of law. Its purpose extends beyond resolving private disputes; it safeguards public order and the integrity of judicial authority. Court orders are not optional—they are binding commands. Willful defiance of such orders is a grave matter, striking at the very foundation of our legal system. By permitting courts to declare contempt and impose penalties, this power underscores the principle that justice depends on compliance with judicial decisions. Like criminal sanctions, civil contempt also serves a deterrent function, discouraging disobedience and fostering respect for court authority. Though litigants may benefit directly from a contempt finding—for instance, by compelling compliance with an order—the consequences reach further, protecting the broader societal interest in the proper administration of justice. For this reason, the contempt power is not routine. It's an extraordinary measure, invoked only as a last resort, once all elements are proven and the alleged

contemnor has been afforded procedural fairness. See *Sutherland Estate v Murphy*, 2025 ONCA 227, at paras 30-47.

[21] The relevant factors to a determination of an appropriate sanction for civil contempt are:

- proportionality of the sentence to the wrongdoing—a sentence must be proportionate to the gravity of the offence and the degree of responsibility of the offender
- presence of aggravating and mitigating factors
- deterrence and denunciation—the sentence should denounce unlawful conduct and promote a sense of responsibility in the contemnor, and deter the contemnor and others from defying court orders.
- similarity of sentence in like circumstances
- reasonableness of a fine or incarceration

See *Perley-Robertson, Hill & McDougall LLP v Eureka 93 Inc.*, 2025 ONCA 95, at para 22.

[22] Incarceration should be treated as an order of last resort. A finding of contempt, together with a fine or some other order in relation to the litigation, is ordinarily

sufficient to gain compliance and restore the court's authority. See *Business Development Bank of Canada v Cavalon Inc.*, 2017 ONCA 663, at para 82.

III. ANALYSIS AND DISPOSITION

[23] The Union submits that Areias should be incarcerated for 21 days. Areias didn't respond.

[24] For all "practical purposes", there are four penalties available:

- no penalty (usually where the contempt has been purged)
- a suspended sentence (perhaps conditional upon some act or event occurring)
- a fine
- incarceration

See *Greenberg v Nowack*, 2015 ONSC 2015, at para 23.

[25] No penalty isn't an option. Areias hasn't purged his contempt. He's had five opportunities to attend an examination. He's disobeyed a court order requiring him to do. He's failed to explain his disobedience.

[26] There's no evidence that a suspended sentence would encourage Areias to attend an examination. He hasn't done so in the face of several summons, a court order, and the threat of contempt and incarceration.

- [27] There's also no reason to believe that a fine will encourage Areias's compliance. If money were an incentive, he would've paid the judgment or at least attended court if only to avoid the mounting costs awards.
- [28] That leaves only jail. When a party repeatedly attempts to frustrate an examination in aid of execution by being "uncooperative, unresponsive, or untruthful," and thereby violates the court order requiring that examination, imprisonment for contempt is an appropriate sanction. See *Greenberg*, citing *Kopyto v Clarfield* (1999), 43 OR (3d) 435 (Ont CA).
- [29] The Union asks for 21 days, which is similar to the sentence in *Doobay v Diamond*, 2010 ONSC 3554. In *Greenberg*, Justice Morgan found that the sentencing range for contempt of an examination in aid of execution was between 10 days and 90 days. Justice Morgan sentenced the contemnor in that case to 15 days in jail.
- [30] Areias hasn't come to court to identify any mitigating factors. The record doesn't disclose any. I don't know his age. He hasn't expressed any remorse. He hasn't identified any mental health issues connected to his contempt. I don't know anything about his background or his character. That said, there are also no aggravating factors. There's no evidence that Areias has disobeyed court orders before. Ultimately, this is a money dispute. The amount at issue is relatively small, but important to the Union given that Areias failed to pay workers their hard-earned wages and benefits.

[31] Given all of these factors, I endorse an order that Areias be incarcerated for a term of 21 days in a provincial correctional institution. This amount of jail time strikes the right balance between the scope of his wrongdoing and the need to denounce the flagrant and intentional flouting of court orders.

[32] If Areias complies with the order of Justice McSweeney to be examined in aid of execution and pays the outstanding costs awards (\$13,542.97) before he completes his sentence, he may apply to court for a reduction of the sentence. Under the *Prisons and Reformatories Act*, RSC 1985, c P-20, s 6, and *Ministry of Correctional Services Act*, RSO 1990, c M.22, s 28, there shall be no remission of the sentence absent a court order.

[33] I have signed the warrant of arrest.

IV. COSTS

[34] Subject to the provisions of an act or rules of court, the costs of and incidental to a proceeding or a step in a proceeding are in the discretion of the court, and the court may determine by whom and to what extent the costs shall be paid. See *Courts of Justice Act*, RSO 1990, c C.43, s 131.

[35] In exercising its discretion under the *Courts of Justice Act* to award costs, the court may consider, together with the result in the proceeding and any offer to settle or to contribute made in writing, the factors listed in the *Rules of Civil Procedure*, r 57.01.

- [36] In the usual case, costs are awarded to the prevailing party after judgment has been given. The traditional purpose of an award of costs is to indemnify the successful party in respect of the expenses sustained either defending a claim that in the end proved unfounded (if the successful party was the defendant), or in pursuing a valid legal right (if the plaintiff prevailed). Costs awards are “in the nature of damages awarded to the successful litigant against the unsuccessful, and by way of compensation for the expense to which he has been put by the suit improperly brought”. See *British Columbia (Minister of Forests) v Okanagan Indian Band*, 2003 SCC 71 at paras 20-1.
- [37] The main objective 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, rather than to fix an amount based on the actual costs incurred by the successful litigant. See *Boucher v Public Accountants Council (Ontario)*, 2004 CanLII 14579 (Ont CA) at para 26.
- [38] The Union seeks \$15,761.31 in substantial indemnity costs. Most of the Union’s costs are for disbursements for trying to serve Areias personally with the contempt order. Some of the costs are related to the aborted examinations in August and September, which were organized to facilitate Areias purging his contempt. As the successful party, the Union’s costs are fair. The costs are reasonable given that it had to

prosecute this step, and Areias made it more complex by evading service. The costs are proportional to other costs awards in this proceeding.

[39] As a result, I endorse an order that Areias shall pay the Union's costs of this proceeding, fixed in the amount of \$15,750, by October 31, 2025.

[40] The Union shall send a copy of this endorsement to Areias by email (info@voxconstruction.com) and Facebook. The Union shall also send a copy by mail to Areias's home address and Vox's registered business address. Finally, the Union will attempt to personally serve Areias by leaving a copy with him or an adult member of his household, or leaving a copy at his door. **Candidly, my hope is that upon receiving this endorsement but before Areias is arrested, he will attend an examination and pay the costs awards in the hopes of avoiding incarceration.**

V. CONCLUSION

[41] Areias hired workers. They did the work. He didn't pay them. He may have an explanation or justification for his failure to do so. But since then, he has flouted the rule of law. He didn't defend the arbitration. He didn't pay the award. He ignored the Union's repeated summons. He didn't defend his failure to do so before Justice McSweeney. He ignored repeated attempts by the Union and this court to coax his cooperation. He didn't defend himself at the contempt hearing.

[42] Areias may not have the assets or funds to pay the judgment. But the Union is entitled to examine him to test that proposition. It's too bad it has come to jail time. I'm hopeful that Areias will use his time in prison to carefully consider his conduct here. I hope that, because of the penalty that I am imposing, he will finally be examined and pay the costs awards. The Union, its members, and the public at large, deserve no less.

Agarwal J

Date: October 1, 2025