

KEEPING CURRENT

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“Sugar Daddy’s” \$226 million action against “Sugar Baby” dismissed

By Stephen Thiele

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Technology has expanded the ability of people to meet others who they otherwise may have never met in a purely paper-based world. Indeed, entrepreneurs have developed various dating websites and social apps that permit people to find, among other things, the “love of their life”. However, these websites can be fraught with risk and users must carefully consider and navigate their use. Friendships or relationships that are developed online are not immune to the frailties of friendships or relationships that arise as a result of face-to-face encounters. As the fictional Forrest Gump said to a stranger as he waited for a bus to meet “his” Jenny: “My momma always said life is like a box of chocolates. You never know what you’re gonna get.”

In [Ramal-Shah v. Jones, 2023 ONSC 820](#), a website called “Seeking Arrangement” allowed the plaintiff, and the defendant, K, to develop a virtual relationship. The website was promoted to bring “sugar babies”, young people generally in need of financial assistance, together with “sugar daddies”, wealthier older people, for the

purposes of “sugar dating” or “sugaring”. Sugaring is a transactional dating practice where the wealthier person provides cash or gifts to the younger person whose is in financial need.

In this case, the plaintiff was working at an investment bank and had a background in law and business. K was a university student. They were approximately 12 years apart in age.

Their virtual relationship began in May 2016. Over the course of the relationship, the plaintiff allegedly transferred to K approximately \$20,000.

However, shortly after the plaintiff and K’s only face-to-face meeting in August 2016, where K was unable to set any boundaries to their relationship, the relationship began to lose its lustre. Although the parties had agreed at the face-to-face meeting that they could continue to meet virtually, the plaintiff eventually became very possessive of K.

K began to avoid contact with the plaintiff. She told him that they could

not meet because she had broken her leg or that she was undergoing cancer treatments. These excuses were false.

The deterioration of the relationship resulted in the plaintiff contacting K's parents and using various means to contact K when she began blocking him from her social media accounts. The plaintiff threatened that he would ruin her reputation and that he would sue her.

Among the plaintiff's communications to the defendants, in August 2018, the plaintiff wrote K's mother as follows:

...I've tried reasoning with [K] but I don't think she ever loved me, this [has] all been about exploiting me for money...At this point I don't believe there was a broken leg or surgeons or chemotherapy. I spent a lot of money trying to help [K]... So offer me a settlement and we can keep this out of the courts...I really thought [K] had cancer. [C]learly I was mistaken and was a victim of fraud.

Issues between the parties escalated to the point where K's parents retained a lawyer to ask the plaintiff to cease and desist from communicating with their family. The plaintiff did not do so.

On December 7, 2021, the plaintiff sued K and her parents for \$226 million for fraud, defamation, interference with economic interests, intentional infliction of emotional distress and conspiracy to commit these intentional torts.

Given the dates of the plaintiff's emails, the defendants sought to dismiss the plaintiff's action on the grounds that it was out of time

under Ontario's [Limitations Act, 2002](#). Under Ontario law an action, in general, must be commenced within two years after the date that it is discovered.

The plaintiff argued that he had not discovered his claim against K more than two years before commencing his action because he only had mere suspicions before then that K had lied about breaking her leg and her cancer treatment.

The court ruled in favour of the defendants. The plaintiff's action was dismissed for being commenced after the expiry of the Act's general two year limitation.

[Section 5](#) of the Act governs discoverability. An important provision in this section is section [5\(1\)\(a\)\(iv\)](#), which provides that a claim is discovered on the earlier of the day on which the person with the claim first knew...that, having regard to the nature of the injury, loss or damage, a proceeding would be an appropriate means to seek to remedy it.

Courts have determined that for a limitation period to begin to run, a plaintiff is not required to know the full extent or quantification of damages, but must merely have a subjective or objective appreciation of having suffered damages as a result of a defendant's conduct.

As cited by the motion judge, in [Markel Insurance Co. of Canada v. ING Insurance Co. of Canada, 2012 ONCA 218 \(CanLII\)](#) the Ontario Court of Appeal ruled that for section 5(1)(a)(iv) to delay the running of a limitation period, a juridical reason must exist for the commencement of an action to not be appropriate. The appropriateness of commencing an action is governed by the facts of the case. This includes considering a plaintiff's particular interests and circumstances.



In the result, the motion judge found that the plaintiff was a sophisticated party. He had identified as early as August 2018 that K had lied to him and, on the facts, knew that by at least November 3, 2018 that it was appropriate to seek a legal remedy for K's alleged conduct. The plaintiff also knew the names of the alleged wrongdoers and that he had allegedly suffered damages by November 3, 2018.

This case reminds plaintiffs that they must commence an action in a timely fashion otherwise it will be vulnerable to a summary judgment motion for dismissal on the grounds that the action was commenced beyond a limitation period. While a limitation period can be delayed on grounds of discoverability, subjective or objective factors will be taken into account when assessing if the delay in commencing a claim was appropriate. As well, this case highlights the potential risks of virtual dating and that both younger and older people must always approach virtual relationships, like any other relationship, with extreme caution, especially when it involves "sugar dating".

Contact us

If you have a litigation matter and are in need of legal advice, please do not hesitate to contact **Stephen Thiele** in our dispute resolution group at 416.865.6651 or via email at sthiele@grllp.com.

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