

[4] The University relies on two grounds in support of its request that Mr. Hosseinlou be ordered to pay security for costs.

[5] First, the University submits that Mr. Hosseinlou is “ordinarily resident outside Ontario”: see the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, r. 56.01(1)(a). Second, and in the alternative, the University asks the court to conclude that (a) “there is good reason to believe that the action [...] is frivolous and vexatious”, and (b) Mr. Hosseinlou has “insufficient assets in Ontario to pay the [University’s] costs”: see r. 56.01(1)(e).

[6] In response, Mr. Hosseinlou’s position is that the motion for security for costs is nothing more than a delay tactic, with the University engaging in frivolous and vexatious conduct. Mr. Hosseinlou submits that the evidence supports a finding that he is ordinarily resident in Ontario. Regardless of what the court may conclude about the nature and quality of his pleading, Mr. Hosseinlou points to his capacity to borrow money as evidence that he has sufficient funds to pay the University’s costs. Mr. Hosseinlou asks the court to dismiss the University’s motion.

The Issues

[7] The decision of Glustein A.J. (as he was then) in *Coastline Corporation Ltd. et al. v. Canaccord Capital Corporation et al.*, 2009 CanLII 27158 (Ont. S.C.J.), is frequently cited for its summary of the principles relevant to a motion for security for costs. The first two principles summarized provide a broad framework for the determination of such a motion.

[8] Applying the first principle, the court asks whether the University has met the onus it carries “to satisfy the court that it ‘appears’ there is good reason to believe that the matter comes within one [or both of rr. 56.01(1)(a) and (e)]”: *Coastline*, at para. 7(i). If that onus is met, then pursuant to the second principle, the onus shifts to Mr. Hosseinlou “to establish that an order for security for costs would be unjust”: *Coastline*, at para. 7(ii).

[9] With the University relying on the circumstances enumerated in rr. 56.01(1)(a) and (e), in these reasons, I determine the following issues:

1. Does it appear there is good reason to believe that Mr. Hosseinlou is ordinarily resident outside Ontario?
2. Does it appear there is good reason to believe that (a) the action is frivolous or vexatious, and (b) Mr. Hosseinlou has insufficient assets in Ontario to pay the University’s costs?
3. If the answer to one or both of Issue Nos. 1 and 2 is “yes”, has Mr. Hosseinlou established that it would be unjust to make an order for security for costs?

4. If an order for security for costs is (or were) made, in what amount and on what terms is security for costs ordered?

Issue No. 1 - Does it appear there is good reason to believe that Mr. Hosseinlou is ordinarily resident outside Ontario?

[10] In *Hoe v. Ren et al.*, 2021 ONSC 489, at para. 17, Josefo A.J. cautions against allowing Rule 56 to “be ‘weaponized’ as part of the litigator’s battle arsenal.” In the same paragraph, Josefo A.J. considers the opposite end of the spectrum – with defendants “left ‘holding the (costs) bag’ if an unsuccessful plaintiff has no ability to satisfy an adverse costs award, and can easily leave the jurisdiction given a lack of ties to Ontario.”

[11] For the following reasons, I find that there is good reason to believe that Mr. Hosseinlou is not ordinarily resident in Ontario:

- Mr. Hosseinlou lived in Iran for more than the first 30 years of his life. In his early thirties, Mr. Hosseinlou moved to Canada to begin his course of study at the University;
- Mr. Hosseinlou’s family members, including members of the extended family, reside in Iran. As of November 2024, when Mr. Hosseinlou swore his responding affidavit, if Mr. Hosseinlou had travelled to Iran to visit his family, he would have (a) done so on a one-way plane ticket, and (b) moved back to Iran. At the time, Mr. Hosseinlou did not have the financial resources to pay for a two-way plane ticket;
- Based on information received from medical and psychological professionals with whom he interacted, Mr. Hosseinlou understands that it would be beneficial for his well-being if he were to travel to Iran and visit his family;
- As of November 2024, Mr. Hosseinlou’s only source of income from either employment or self-employment was as an Uber driver. Working in that capacity suits Mr. Hosseinlou because the hours of work are flexible and self-determined. Mr. Hosseinlou believes that, as a result of the University’s conduct towards him, he was and remains unable to work in another capacity; and
- Mr. Hosseinlou’s only asset is a 2016 Honda Civic.

[12] The findings listed in the bullet points, above, are based primarily on Mr. Hosseinlou’s affidavit evidence. Mr. Hosseinlou was not cross-examined on his November 2024 affidavit (“the Hosseinlou affidavit”). Mr. Hosseinlou’s evidence regarding his personal circumstances is unchallenged and uncontradicted.

[13] The allegations in the statement of claim are consistent with Mr. Hosseinlou's affidavit evidence about his personal circumstances. While the allegations are not evidence, the allegations, including the consistency of their contents with the contents of the affidavit, contribute to my finding that there is good reason to believe that Mr. Hosseinlou is not ordinarily resident in Ontario.

[14] For example, at paragraph 9 of his pleading, Mr. Hosseinlou alleges that he "has engineering experience with different engineering companies in Iran, along with teaching in a university in Iran, but even with those successful experiences, he is disqualified to find a job in his field in Canada." In the same paragraph, Mr. Hosseinlou alleges that, solely as a result of the University's conduct towards him, he is unable to obtain employment in Canada in either academia or the field of engineering.

[15] The allegations in paragraph 17 of the statement of claim provide another example of the consistency between the contents of the pleading and the contents of the Hosseinlou affidavit. Paragraph 17 includes (a) a description of Mr. Hosseinlou's original plan to remain in Canada upon completion of his PhD; (b) a summary of Mr. Hosseinlou's depression, sense of isolation from his family, and status as a single person; and (c) an allegation that Mr. Hosseinlou "has to move back to Iran."

[16] Last, I consider Mr. Hosseinlou's communications with counsel for the University. In the Spring of 2024, Mr. Hosseinlou exchanged emails with the University's counsel. The parties were attempting to agree upon a discovery plan. In an email sent on April 10, 2024, Mr. Hosseinlou included the following information about where he would be located geographically over time:

My plan is to do Discover[y] and Mandatory Mediation as soon as possible as I am here in Canada in-person. But for pre-trial and trial sessions I can do it remotely from Iran.

As I cannot find appropriate related jobs here in Canada; then unfortunately, I have to leave Canada as I cannot live without job. I have talked with my connections in Iran, and my jobs are ready over there.

[17] A copy of the April 10, 2024 email is an exhibit to the supporting affidavit upon which the University relies ("the associate's affidavit"). The affiant is an associate lawyer with the University's lawyers of record. Mr. Hosseinlou did not cross-examine the associate lawyer on his affidavit. In his responding affidavit, Mr. Hosseinlou does not address the contents of the April 10, 2024 email.

[18] In summary, there is "no evidence of anything actually tethering [Mr. Hosseinlou] to this jurisdiction": see *Elliott et al v. Turbitt et al*, 2011 ONSC 3637, at para. 81.

[19] The question posed as Issue No. 1 is answered in the affirmative. Regardless of the outcome under Issue No. 2, it will be necessary to determine Issue No. 3 (i.e., whether Mr. Hosseinlou has met his onus to satisfy the court that it would be unjust to order him to pay security for costs).

Issue No. 2 - Does it appear there is good reason to believe that (a) the action is frivolous or vexatious, and (b) Mr. Hosseinlou has insufficient assets in Ontario to pay the University's costs?

[20] As a preliminary issue, the University asks the court to strike all or a part of the Hosseinlou affidavit. The University submits that the Hosseinlou affidavit contains argument, opinion evidence, inflammatory rhetoric, and inflammatory allegations.

[21] I will determine the procedural issue and then determine the two-part question which constitutes Issue No. 2.

▪ ***The Procedural Issue***

[22] In its factum, the University raises the issue of the nature of the contents of the Hosseinlou affidavit. The University does so in a single paragraph and without identifying the offending paragraphs or content. The University does not provide any case authority on this issue.

[23] The University relies exclusively on r. 25.11, which provides that “[t]he court may strike out or expunge all or part of a pleading or other document, with or without leave to amend” on the basis of one or more of three enumerated grounds. Only the second and third enumerated grounds are relevant to the Hosseinlou affidavit. Those grounds are that the document “(b) is scandalous, frivolous or vexatious; or (c) is an abuse of the process of the court.”

- ***The Single Paragraph Approach***

[24] The University chose not to proceed with a motion to strike all or a portion of the Hosseinlou affidavit prior to the hearing of the motion for security for costs. The University acknowledges that, in its factum, it does not address the request for that procedural relief in a fulsome manner. The University based the timing of and its approach to the request for procedural relief on (a) its desire to avoid incurring additional costs, and (b) an intention to avoid overburdening judicial resources.

- ***Analysis***

[25] For the following reasons, the request for an order striking all or a part of the Hosseinlou affidavit is dismissed.

[26] First, Mr. Hosseinlou is a self-represented litigant. In September 2006, the Canadian Judicial Council adopted a document titled, “Statement of Principles on Self-represented Litigants and Accused Persons” (“the Statement of Principles”). That document sets out expectations for the judiciary, court staff, members of the Bar, and self-represented litigants.

[27] Pursuant to the Statement of Principles, it was incumbent on Mr. Hosseinlou to familiarize himself with the practices and principles pertaining to his case. Those practices and principles include, for example, the requirements for affidavit evidence generally and, specifically, on a motion. I agree with the University’s description of at least some of the contents of the Hosseinlou affidavit; the affidavit includes argument and expressions of Mr. Hosseinlou’s beliefs and opinions. Mr. Hosseinlou fell short of the expectation that he would familiarize himself with the rules and principles applicable to affidavit evidence.

[28] Counsel for the University also fell short of expectations set in the Statement of Principles. Based on those expectations, something more was required of counsel than to approach the issue of the quality of Mr. Hosseinlou’s evidence on the basis of a single paragraph in the University’s factum. Fairness to Mr. Hosseinlou, as a self-represented litigant, required that he be provided with particulars as to the offending paragraphs. If the University was not prepared to incur the costs to address the procedural issue in a manner that is fair to Mr. Hosseinlou, then the procedural relief should not have been requested.

[29] The outcome on a motion for security for costs has the potential to bring litigation to a halt – at least until security for costs, if ordered, are paid. The practical consequences of such an order, if made by this court, may be that Mr. Hosseinlou is precluded from pursuing the action any further.

[30] Without deciding the point, fairness to Mr. Hosseinlou may have required that the procedural issue be addressed on a separate motion heard prior to the return of the motion for security for costs: see *Allianz Global v. Attorney General of Canada*, 2016 ONSC 29, at para. 19. There may, on the other hand, be circumstances in which both parties are represented such that the approach taken by the University is fair to a responding party. Fairness, or the lack of it, is determined on a case-by-case basis.

[31] Second, the University is misguided in its efforts to fulfill an intention not to overburden judicial resources. In its factum and during oral submissions, the University did not provide particulars as to the portions of the Hosseinlou affidavit it requests be struck (i.e., if the affidavit is not struck in its entirety). Some of the offending content is patently obvious. Regardless, the court is left to parse the affidavit to identify paragraphs or partial paragraphs the University requests be struck.

[32] The end result is that the court is burdened with a task that should have been carried out by the University's counsel. I decline to carry out the task of parsing the Hosseinlou affidavit for full or partial paragraphs that might fall within the scope of the relief requested by the University.

- *Summary*

[33] The request for an order striking all or part of the Hosseinlou affidavit is dismissed. I move on to the substantive components of Issue No. 2.

▪ *Does it appear there is good reason to believe that the action is frivolous or vexatious?*

- *The Law*

[34] In *Coastline*, at paras. 7(vi) and (vii), Glustein A.J. provides an overview of the principles applicable to a request for security for costs based on r. 56.01(1)(e). The overview includes the following principles:

- The analysis of the merits is different from the analysis of the merits on a motion for summary judgment;
- The court primarily considers the pleadings. Recourse may be had to the evidence filed on the motion. If a discovery transcript is made available, the court may also consider relevant excerpts from the discovery evidence;
- Where the outcome of the action turns on credibility or the litigation is, by its nature, complex, at an interlocutory stage of the proceeding it is generally not appropriate to assess the merits of the action; and
- An assessment of the merits that is decisive should only be carried out where “(a) the merits may be properly assessed on an interlocutory application; and (b) success or failure appears obvious”.

[35] In the context of that framework, it is not surprising that the threshold to be met by the moving party has been described as “a high standard”: *7868073 Ontario Ltd. et al v. 1841978 Ontario Inc. et al*, 2017 ONSC 92, at para. 12. In the same paragraph, the standard is phrased as follows: the moving party is required to demonstrate “that the action is one which ‘on its face, is so unreal that no reasonable or sensible person could bring it’”. Paragraph 12 of the decision concludes with the following description of the standard: the moving party is required to demonstrate that the action is “devoid of merit”.

[36] I turn next to the pleadings in the action.

- ***The Pleadings***

o ***For the Purpose of the Motion***

[37] The University's motion record includes copies of the September 2023 statement of claim and the University's January 2024 statement of defence. The pleadings are included as part of the record in the proceeding (i.e., tabbed separately from the evidence).

[38] The associate's affidavit includes evidence about an amended statement of claim. A copy of the amended statement of claim is an exhibit to the associate's affidavit. The amended statement of claim is dated subsequent to the date of the statement of defence.

[39] The associate's unchallenged and uncontradicted evidence is that Mr. Hosseinlou filed the amended statement of claim with the court without seeking the University's consent to the amendments made to the originating process. I draw an inference and find that Mr. Hosseinlou did not seek or obtain leave of the court to amend his originating process.

[40] In his affidavit, the associate also addresses a reply served by Mr. Hosseinlou in mid-February 2024. A copy of that document is an exhibit to the associate's affidavit.

[41] The associate's unchallenged and uncontradicted evidence is that Mr. Hosseinlou (a) served his reply after the expiration of the ten-day period provided by r. 25.04(3), and (b) did not seek the University's consent to late service and filing of that document. I draw an inference and find that Mr. Hosseinlou did not seek or obtain leave of the court to serve and file a reply after the expiration of the deadline prescribed in the *Rules* for delivery of a reply.

[42] In summary, the University does not consent to Mr. Hosseinlou relying on either the amended statement of claim or the reply as pleadings in the action. The University's approach to the state of the pleadings is cost-effective and proportionate. For the purpose of the motion now before the court, I rely on the originating process and the statement of defence as the only pleadings in the action.

o ***The Choice of Procedure***

[43] The statement of claim does not include particulars of the quantum of damages Mr. Hosseinlou seeks globally or for each head of damages mentioned. The action is, however, commenced under the Simplified Procedure provided in Rule 76.

[44] The availability of the Simplified Procedure is addressed in r. 76.02. One of the circumstances in which it is mandatory for an action to proceed under the Simplified Procedure is when the monetary amount claimed is \$200,000 or less (excluding interest and costs): r. 76.02(1), item 2.

[45] Pursuant to the endorsement of Fortier A.J. from the September 2024 case conference, Mr. Hosseinlou was required to deliver a notice (Form 76A) stating that the action and any related proceedings would continue under the ordinary procedure. Mr. Hosseinlou served the requisite notice in September 2024.

[46] Having served a notice to continue the action under the ordinary procedure, Mr. Hosseinlou is entitled to claim and, if awarded, receive payment of damages totaling in excess of \$200,000 (exclusive of interest and costs). The potential exposure for the University is now greater than the exposure it faced when the action was commenced.

- *The Positions of the Parties*

[47] The University's position is that there appears to be good reason to believe that the action is frivolous or vexatious. In support of that position, the University makes the following submissions:

- Mr. Hosseinlou failed to plead material facts required to support each of the causes of action he advances;
- The statement of claim bears some of the well-known hallmarks of claims that are frivolous and vexations. As a result, the claims are amenable to being struck; and
- The claims are statute-barred on the basis of a two-year limitation period. The expiration of the applicable limitation period renders the claims devoid of merit.

[48] The University submits that none of the admissible evidence from Mr. Hosseinlou's affidavit rises to the level of a challenge to the limitation defence. The University submits that the portions of the Hosseinlou affidavit that are admissible as evidence enhance the merits of the limitation defence.

[49] In response, Mr. Hosseinlou relies on the contents of his affidavit as evidence of the merits of the claims he advances. Regarding the limitation period, Mr. Hosseinlou's position is that the limitation period did not begin to run until December 2022, when he received his PhD.

- *Analysis*

o *The Causes of Action*

[50] The substantive portion of the statement of claim is eight pages and includes 18 paragraphs. The first three paragraphs are introductory; they include the prayer for relief and identification of the parties.

[51] In the prayer for relief, Mr. Hosseinlou seeks (a) declaratory relief related to “wrongful breach of contract”, (b) punitive damages, (c) special damages, (d) pre-judgment and post-judgment interest, and (e) costs on a substantial indemnity basis. It is helpful to review the specific declaration requested in paragraph 1(a) of the statement of claim:

[A] declaration that the defendant wrongfully breached the contract and resulted in significant loss of earning capacity, benefits, opportunities for advancement, unemployment in the future, systematic discrimination, negligence, torture, emotional distress, and mental and psychological issues which caused physical damages of the plaintiff.

[52] In paragraph 1(b) of the prayer for relief, Mr. Hosseinlou identifies the damages he seeks as being for “wrongful breach of contract”. He does not claim damages for one or more of “systematic discrimination, negligence, torture, or emotional distress” – being four types of conduct addressed in the declaration requested. When paragraph 1(b) is read together with the balance of the statement of claim, it is clear that Mr. Hosseinlou’s claims focus on discriminatory treatment he alleges he received while attending the University. Paragraphs 4, 7-9, and 12-13 include one or more of the following phrases: “systematic injustice”; “discriminatory conditions”; “systematic discriminatory conditions”; and “arbitrary and discriminatory conditions”.

[53] Mr. Hosseinlou is a self-represented litigant. For that reason, and taking into account the substantive portions of the statement of claim, I interpret the reference in paragraph 1(a) to “emotional distress” and “torture” as intended, in combination, to mean the cause of action known as “intentional infliction of emotional harm”.

[54] In April 2013, Mr. Hosseinlou accepted an offer of admission from the University to pursue a PhD in Civil Engineering. In correspondence with Mr. Hosseinlou at that time, the University informed Mr. Hosseinlou that “[a] PhD program normally requires four (4) years of study.” That information is emphasized in bold font.

[55] Mr. Hosseinlou began his study at the University in September 2013; he received his PhD in December 2022 – more than nine years after he entered the Graduate Program. Paragraphs 4 to 18 of the statement of claim include allegations as to why Mr. Hosseinlou did not complete his PhD by December 2017 (i.e., within the four years “normally” required). The allegations focus on discriminatory and arbitrary treatment of or conditions imposed on Mr. Hosseinlou during his course of study. Topics covered include the number of academic papers Mr. Hosseinlou was required to publish; the conduct of PhD supervisors; academic plagiarism by one of the supervisors; and the lack of a fair process for internal resolution of concerns raised by Mr. Hosseinlou over time.

[56] I agree with the University that there are deficiencies in the statement of claim – including, potentially, to the point that some portions of the statement of claim are amenable to being struck. That issue is, however, for determination on a motion to strike. On such a motion, the court would determine (a) what portions, if any, of the statement of claim to strike, and (b) whether Mr. Hosseinlou is entitled to leave to amend his pleading.

[57] The deficiencies in the statement of claim do not support a finding that the action is one which “on its face is so unreal that no reasonable or sensible person would bring it”: see *7868073 Ontario Ltd.*, at para. 12. With the causes of action not necessarily properly pleaded, the potential failure or success of Mr. Hosseinlou’s claims is not obvious. It is not possible to assess the merits of the causes of action on which Mr. Hosseinlou relies.

[58] In summary, given the nature of the claims advanced and because Mr. Hosseinlou is a self-represented litigant, the alleged deficiencies in the statement of claim are best addressed on a motion to strike all or a part of the pleading. The manner in which the pleading is drafted does not support a finding that there is good reason to believe that the action is frivolous or vexatious within the meaning of r. 56.01(1)(e).

[59] I turn next to the University’s reliance on a limitation period defence.

○ *The Limitation Period Defence*

[60] It is not in dispute that, in August 2019, Mr. Hosseinlou filed a complaint with the University about the treatment he received and the conditions imposed on him as he pursued his PhD. Mr. Hosseinlou’s complaint is set out in a 15-page document, a copy of which is an exhibit to the associate’s affidavit. Mr. Hosseinlou sent the complaint to the University by email on August 15, 2019.

[61] In the body of the cover email, Mr. Hosseinlou discusses the dissemination of a copy of his complaint to a “governmental organization” and his intention to pursue in court the matters raised in his complaint. The University relies on Mr. Hosseinlou’s mention of the latter topic as evidence that, by the date of the email, Mr. Hosseinlou knew or ought to have known of the circumstances giving rise to the claims advanced in the action. The University submits that the action is out of time because it was commenced in September 2023 – more than two years after the limitation period began to run. The University asks the court to conclude that, because of the potential for the limitation period defence to succeed, there is good reason to believe that the action is frivolous or vexatious within the meaning of r. 56.01(1)(e).

[62] For several reasons, I reject the University’s submissions linking the potential merits of the limitation defence to a determination that there is good reason to believe that the action is frivolous or vexatious within the meaning of r. 56.01(1)(e).

[63] First, to ascertain whether all of the causes of action advanced and damages claimed are covered by the August 2019 complaint requires an analysis that is beyond the scope of the type of analysis carried out on a motion for security for costs. Second, even if there is overlap between subjects addressed in the complaint and the causes of action advanced in the statement of claim, it is possible that some of the causes of action crystallized after August 2019. Without deciding the limitation issue in any way, the point is that some of the causes of action may be statute-barred and others may not.

[64] Third, the University does not provide any case authority to support the proposition that satisfying the court there is merit to a limitation defence is sufficient to bring the matter within the circumstances of r. 56.01(1)(e). I am not convinced that the standard of “devoid of merit” is intended to equate to an action being statute-barred by reason of the expiration of a limitation period. An action which is statute-barred for that reason may otherwise be meritorious.

[65] If the University is confident in the limitation defence, then it has the option of pursuing a motion for summary judgment on the grounds that the action is statute-barred. If the University intends to pursue such a motion, it is entitled to include the costs of such a motion in an amount requested for security for costs.

[66] The University relies on a ‘staged’ approach to security for costs. On the motion now before the court, the amount requested for security for costs (a) is based on steps in the proceeding to the conclusion of the discovery process, and (b) includes the costs associated with bringing a motion to strike the statement of claim. Assuming the University brings another motion for security for costs following the conclusion of those steps in the proceeding, then it can decide whether to include the costs of a motion for summary judgment in the additional security requested at that time.

[67] In summary, whatever the merits of the limitation defence, the University’s reliance on that defence does not support a conclusion that there is good reason to believe that the action is frivolous and vexatious within the meaning of r. 56.01(1)(e).

○ *Summary – Part One of Issue No. 2*

[68] The first question posed as part of Issue No. 2 is answered in the negative. I am not satisfied that there is good reason to believe that the action is frivolous and vexatious within the meaning of r. 56.01(e). In the event my conclusion in that regard is wrong, then the answer to the second question posed as part of Issue No. 2 is relevant. For that reason, I will briefly address the second question.

- ***Does it appear that there is good reason to believe that Mr. Hosseinlou has insufficient assets in Ontario to pay the University's costs?***

- ***The Evidence***

[69] At the outset of the hearing, the University's counsel drew the court's attention to three documents uploaded to Case Center by Mr. Hosseinlou in the hours preceding the hearing. The three documents, totaling four pages, are,

- a TD Canada trust document titled "Your Personal Assessment" for a checking account, savings account, unsecured line of credit and Visa;
- an RBC "Account Information" statement for a checking account, a savings account, two credit cards, a "Loan/Mortgage", and an "AC RCL" account; and
- The Vehicle Permit and Plate Permit for a 2016 Honda vehicle registered in Mr. Hosseinlou's name.

[70] The bank documents are dated January 27, 2025 – the day prior to the return date for the motion.

[71] The University did not oppose Mr. Hosseinlou's request for leave to give oral evidence about the documents. Mr. Hosseinlou was granted leave to do so and gave brief evidence explaining the documents and their substantive content. The documents are collectively Exhibit "1" on the motion. The University's counsel had no questions for Mr. Hosseinlou in cross-examination.

[72] In determining this second part of Issue No. 2, I rely on Mr. Hosseinlou's oral evidence, Exhibit "1"; and the affidavit evidence.

- ***Analysis***

[73] First, I consider the onus on the University at this stage of the analysis. In *Georgian Windpower Corporation v. Stelco Inc.*, 2012 ONSC 292, the defendant corporation relied on r. 56.01(1)(d) in support of a request for an order requiring the plaintiff corporation to pay security for costs. That rule applies where the plaintiff is a corporation "and [...] there is good reason to believe that the plaintiff [corporation] has insufficient assets in Ontario to pay the costs of the defendant": at para. 6.

[74] The language in r. 56.01(1)(d) is the same as the language in the rule upon which the University relies (i.e., r. 56.01(1)(e)). In *Georgian Windpower*, at para. 7, F.C. Newbould J. describes the onus stipulated in those rules as "a relatively light one" and as falling below a balance of probabilities.

[75] I am satisfied that the University has established there is good reason to believe that Mr. Hosseinlou has insufficient assets in Ontario to pay the University's costs. In reaching that conclusion I rely on the following findings of fact:

- The only asset Mr. Hosseinlou has in Ontario is a 2016 Honda vehicle;
- Mr. Hosseinlou's only source of employment or self-employment income is as an Uber driver on a less-than-fulltime basis; and
- As of January 27, 2025, the funds in Mr. Hosseinlou's bank accounts totalled \$2,000.

[76] I reject Mr. Hosseinlou's request that the court consider his ability to borrow money – whether from friends, family, or a Canadian-based financial institution. The ability to borrow money does not constitute an asset for the purpose of a motion for security for costs: see *Avan v. Benarroch*, 2017 ONSC 4729, at para. 57, and *Lancaster Group Inc. v. Kenaidan Contracting Ltd.*, 2020 ONSC 1653, at para. 23.

○ ***Summary – Part Two of Issue No. 2***

[77] The second question posed under Issue No. 2 is answered in the affirmative. I am satisfied that there is good reason to believe that Mr. Hosseinlou has insufficient assets in Ontario to pay the University's costs.

- ***Summary – Issue No. 2***

[78] In the end, the University is unsuccessful in meeting its onus pursuant to r. 56.01(1)(e) and the answer to Issue No. 2 is “no”.

Issue No. 3 - If the answer to one or both of Issue Nos. 1 and 2 is “yes”, has Mr. Hosseinlou established that it would be unjust to make an order for security for costs?

[79] With the question posed in Issue No. 1 answered in the affirmative, it is necessary to move to the second stage of the analysis – the question posed as Issue No. 3.

[80] At this stage of the court's analysis (a) the test is permissive; (b) the court may take into account a multitude of factors; and (c) the court has a broad discretion in making an order that is just: *Coastline*, at para. 7(iii). Mr. Hosseinlou bears the onus of establishing that an order for security for costs would be unjust: *Coastline*, at para. 7(ii).

[81] At paras. 7(iv)(a)-(c) of *Coastline*, Glustein A.J. lists three ways in which a plaintiff may satisfy their onus at this stage of the analysis. I find that, for each of those three ways, Mr. Hosseinlou falls short of meeting the onus.

[82] First, as found under Issue No. 2, Mr. Hosseinlou does not have “appropriate or sufficient” assets in Ontario from which to pay the University’s costs: see *Coastline*, at para. 7(iv)(a). Nor does Mr. Hosseinlou have appropriate or sufficient assets in a reciprocating jurisdiction. There is no evidence that Mr. Hosseinlou has assets in any jurisdiction – let alone in a reciprocating jurisdiction.

[83] Second, Mr. Hosseinlou does not rely on impecuniosity. A plaintiff can, for example, meet their onus at this stage of the analysis by satisfying the court that (a) they are impecunious, and (b) their claim is not “plainly devoid of merit”: *Coastline*, at para. 7(iv)(b). In any event, the evidentiary threshold for a finding of impecuniosity is high and the evidence before this court falls far short of that threshold: see *Coastline*, at paras. 7(viii), (ix), (xi).

[84] Third, where a plaintiff does not rely on or is unable to establish impecuniosity, they “must meet a high threshold to satisfy the court of [their] chances of success” in the action: *Coastline*, at para. 7(iv)(c). For the reasons explained under Issue No. 2, the court is not in a position to assess the merits of the action or to make a finding about Mr. Hosseinlou’s chances of success. As a result, Mr. Hosseinlou does not meet the “high threshold” stipulated in the first sentence of this paragraph.

[85] The question posed as Issue No. 3 is answered in the negative. Mr. Hosseinlou has not met his onus. With that finding made, the court takes a step back to “consider the justness of the order sought in all the circumstances of the case, with the interests of justice at the forefront”: *Yaiguaje v. Chevron Corp.*, 2017 ONCA 827, 138 O.R. (3d) 1, at para. 22.

[86] Applying that holistic approach, I am satisfied that it is just, in the circumstances of this action, to require Mr. Hosseinlou to pay security for the University’s costs. In reaching that conclusion, I take into account the following factors:

- If the University is ultimately successful in defending the action, including at trial, it will face significant difficulties in recovering costs which may be awarded in its favour;
- Although the merits of the action are a factor in assessing the justness of an order for security for costs, the importance of the merits is at the low end of the spectrum when the order for security is based on r. 56.01(1)(a) (see *Coastline*, at para. 7(v)); and
- The University takes a cost-effective and proportionate approach to the proceeding, including by moving in a timely manner for an order for security for costs.

[87] All that remains to be determined is the amount of the security to be paid and the terms on which security shall be paid.

Issue No. 4 - If an order for security for costs is made, in what amount and on what terms is security ordered?

[88] The University requests that Mr. Hosseinlou be ordered to pay security in the amount of \$65,000, inclusive of HST. That amount is for costs on the substantial indemnity scale through to the completion of the discovery process and includes costs for a motion to strike the statement of claim. For the following reasons, I order that security be paid in the amount of \$42,700 on the partial indemnity scale.

[89] In *Lipson v. Lipson*, 2020 ONSC 1324, at para. 49, McGraw A.J. summarizes three principles for the court to apply when determining the quantum of costs ordered as security. First, the broad discretion the court exercises on a motion for security for costs is similar to the discretion exercised by the court when fixing costs pursuant to r. 57.01. Second, the amount ordered for security should reflect (a) “a number that falls within the reasonable contemplation of the parties”; (b) “what the successful defendant would likely recover”; and (c) the factors listed in r. 57.01. Third, in most cases security is ordered on the partial indemnity scale.

[90] Taking into consideration that Mr. Hosseinlou is a self-represented litigant, there is nothing in his conduct of the litigation to date to warrant elevating the basis for the amount ordered as security from the partial to the substantial indemnity scale.

[91] The University filed a costs outline in which it sets out its actual costs to date and its projected costs. The outline includes costs on both the partial and substantial indemnity scales. The costs outlined on the partial indemnity scale are in the amount of \$37,780 *plus* HST – for a total of \$42,700 (rounded figure).

[92] The actual costs to date relate to the initial file review, the exchange of pleadings, documentary discovery (under Rule 76), and one case conference. The projected costs are for a motion to strike, another case conference, documentary discovery (under the ordinary procedure), and examinations for discovery. I am satisfied that the quantum stipulated for each component of costs on the partial indemnity scale is reasonable.

[93] Based on the order in which the components of the projected costs are addressed, it appears that the University plans to follow through on its intention, of which notice was given at the September 2024 case conference, to bring a motion to strike. It makes sense for the University to bring that motion prior to both continuing the documentary discovery process and commencing examinations for discovery.

[94] The University acknowledges that a staged approach to security for costs is reasonable. The amount ordered for security for costs shall be paid in the following instalments:

- a) No later than 60 days from the date of this ruling, 50 percent of the amount ordered as security for the University's costs on the partial indemnity scale; and
- b) No later than 120 days from the date of this ruling, the remaining 50 percent of the amount ordered as security for the University's costs on the partial indemnity scale.

[95] The order requiring Mr. Hosseinlou to pay security for costs to the completion of examinations for discovery is without prejudice to the University bringing a further motion for security for costs following the examinations for discovery. For clarity, the University shall be entitled to proceed with a further motion for security for costs prior to pursuing any interim relief related to the discovery process (i.e., a motion related to undertakings or refusals).

[96] Pursuant to r. 56.05, Mr. Hosseinlou may not take any step in the proceeding (except to appeal this ruling if he chooses to do so) until the security ordered has been paid. I make that point for Mr. Hosseinlou's information; a term to that effect shall not be included in the order made.

Disposition

[97] The University's request for an order requiring Mr. Hosseinlou to pay security for costs is granted on the terms set out in this ruling.

[98] The University is successful on the motion. It is not, however, successful on all grounds upon which it relies in support of the motion, on its request for procedural relief related to the Hosseinlou affidavit, or on the scale upon which security for costs is ordered. Given the University's mixed success on the motion, there shall be no costs of the motion.

[99] Mr. Hosseinlou is a self-represented individual who has not yet familiarized himself with the principles and practices relevant to the action. For that reason, I dispense with the requirement for the University to obtain Mr. Hosseinlou's approval as to form and content of a draft order. The University shall otherwise file a draft order with the court's civil administration staff in the usual manner.

Madam Justice Sylvia Corthorn

Released: December 29, 2025

CITATION: *Hosseinlou v. University of Ottawa*, 2025 ONSC 7244
COURT FILE NO.: CV-23-93432
DATE: 2025/12/29

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N

Daniel Hosseinlou

Plaintiff

– and –

University of Ottawa

Defendant

RULING ON MOTION

Madam Justice Sylvia Corthorn

Released: December 29, 2025