



SOTOS LLP | LAWYERS & TRADE-MARK AGENTS

FACSIMILE TRANSMITTAL

TO: Geoffrey Shaw, , Derek Ronde
**CASSELS BROCK &
BLACKWELL LLP**

FROM: Jean-Marc Leclerc
416.977.6857

FAX: 1-416-350-6916
1-416-640-3063

DATE: February 18, 2015

PHONE: 1-416-869-5982
1-416-869-5428

FILE: 19037

RE: **1250264 Ontario Inc. v. Pet Valu Canada Inc.**
Court File No. CV-09-392 962-OOCP

Please find attached Notice of Cross-Appeal of 1250264 Ontario Inc. and Respondent's Certificate Respecting Evidence.

PAGES (INCLUDING COVER): (10)

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SOTOS LLP | LAWYERS & TRADE-MARK AGENTS

February 18, 2015

Jean-Marc Leclerc
T 416.977.6857
jleclerc@sotosllp.com

Assistant: Trudy Marchant
T 416.977.5333 x 310
tmarchant@sotosllp.com

Geoffrey Shaw & Derek Ronde
CASSELS BROCK & BLACKWELL LLP
Scotia Plaza, Suite 2100
40 King St. W.
Toronto, ON M5H 3C2

Our File No. 19037

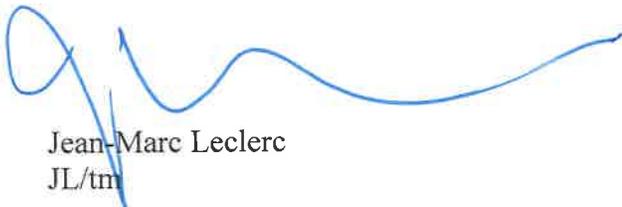
DELIVERED BY FAX

Dear Mr. Shaw and Mr. Ronde :

Re: 1250264 Ontario Inc. v. Pet Valu Canada Inc.
Court File No. CV-09-392 962-OOCP

Enclosed is the Notice of Cross-Appeal of 1250264 Ontario Inc., which is served on you pursuant to the *Rules of Civil Procedure*.

Yours very truly,
SOTOS LLP



Jean-Marc Leclerc
JL/tm

Attachment (1)

COURT OF APPEAL FOR ONTARIO

B E T W E E N:

1250264 ONTARIO INC.

Plaintiff (Respondent)

- and -

PET VALU CANADA INC.

Defendant (Appellant)

Proceeding under the *Class Proceedings Act, 1992*

NOTICE OF CROSS-APPEAL

THE RESPONDENT CROSS-APPEALS in this appeal and asks that the judgment be varied as follows:

1. an Order granting leave to the plaintiff to amend the Statement of Claim in the form attached as Exhibit "B" to the affidavit of Shane Murphy, sworn November 18, 2014;
2. an Order certifying the following common issues:

Did the defendant have a duty at common law or pursuant to s. 3 or s. 5 of the *Arthur Wishart Act* to truthfully disclose to franchisees, in the disclosure document, the franchise agreement or otherwise during the course of the relationship with the parties, whether it possessed substantial or significant purchasing power and whether it received significant volume discounts offered by suppliers?

If yes, did it breach its duty or duties?

If yes, what damages are the class members entitled to, if any?

3. and such further and other relief as this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

1. the plaintiff's motion to amend was brought in response to the court's decision dated October 31, 2014, in which the court suggested a common issue should be amended to added to directly address issues regarding purchasing power, as described at paragraphs 38-43 of the court's decision;
2. to these ends, the plaintiff sought to amend its claim to plead relevant facts regarding substantial purchasing power and volume rebates, as well as references to s. 3, s. 5, s. 6 and s. 7 of the *Arthur Wishart Act (Franchise Disclosure)*, 2000, S.O. 2000, c. 3;
3. the court dismissed the motion to amend the statement of claim on the basis of prejudice to the defendant, reasoning that the summary judgment would have been complete and the defendant would likely have prevailed on most of the common issues;
4. the court erred in its assessment of prejudice because the defendant obviously did not prevail on the common issues, with the court having found in its reasons that Pet Valu breached its duties under section 3 of the *Arthur Wishart Act*, and found against Pet Valu on common issues 6(i), 6(iii) and 6(iv);
5. the court also erred in its conclusion that Pet Valu's motion "should have been concluded in full without this court suggesting and encouraging this motion to amend the pleadings and add a new common issue"; a class action case management judge plays an important role in guiding the evolution of the proceedings and there was nothing improper with the court's suggestions;

6. the court erred in concluding that the claims under s. 5 and s. 6 of the Act were untenable because “there are no franchise agreements that can be rescinded” and “all of the class members are former franchisees”;
7. there is no evidence in the record that all of the class members are former franchisees, as included among the class are current franchisees with existing, active franchises;
8. in any event, the plaintiff pleads that section 6 of the Act is subject to the discoverability principle, an issue that was not addressed in the court’s reasons;
9. there are no timing or limitation period restrictions applicable to section 5 of the *Arthur Wishart Act*; and
10. such further and other grounds as counsel may advise and this Honourable Court may permit.

THE BASIS FOR THE APPELLATE COURT’S JURISDICTION IS:

1. *Courts of Justice Act*, R.S.O. 1990, c. C.43, s. 6(1)(b);
2. *Rules of Civil Procedure*, R. 61.07;
3. the judgment appealed from is final; and
4. leave to appeal is not required.

February 18, 2015

SOTOS LLP

Barristers and Solicitors
180 Dundas Street West, Suite 1250
Toronto, Ontario M5G 1Z8

Louis Sokolov (LSUC# 34483L)
Jean-Marc Leclerc (LSUC# 43974F)

Tel: (416) 977-0007
Fax: (416) 977-0717

Lawyers for the respondent

TO: CASSELS BROCK & BLACKWELL LLP

Scotia Plaza, Suite 2100
40 King St. W.
Toronto, ON M5H 3C2

Geoffrey B. Shaw (LSUC # 26367J)
Tel: (416) 869-5982
Fax: (416) 350-6916

Derek Ronde (LSUC # 46978W)
Tel: (416) 869-5428
Fax: (416) 640-3063

Lawyers for the appellant

1250264 Ontario Inc.
Appellant/Plaintiff

-and-

Pet Valu Canada Inc.
Respondent/Defendant

Court File No.

COURT OF APPEAL FOR ONTARIO
PROCEEDING COMMENCED AT TORONTO

NOTICE OF CROSS - APPEAL

SOTOS LLP

Barristers and Solicitors
180 Dundas Street West, Suite 1200
Toronto, ON M5G 1Z8

Louis Sokolov LSUC#: 34483L
Jean-Marc Leclerc LSUC#: 43974F
Tel: (416) 977-0007
Fax: (416) 977-0717

Lawyers for the Plaintiffs

COURT OF APPEAL FOR ONTARIO

B E T W E E N:

1250264 ONTARIO INC.

Plaintiff
(Respondent)

-and-

PET VALU CANADA INC.

Defendant
(Appellant)

Proceeding under the *Class Proceedings Act, 1992*

RESPONDENT'S CERTIFICATE RESPECTING EVIDENCE

The Respondent, 1250264 Ontario Inc., confirms the appellant's certificate except for the following, which are required for the appeal:

ADDITIONS

1. The motion record of the plaintiff, dated November 19, 2014;
2. Transcripts of the cross-examinations of Thomas McNeely held August 20, August 21, and September 25, 2014.
3. E-mail string dated January 6, 2015.

DELETIONS

4. References to motion records filed "in the production and refusals motions".

February 18, 2015

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Barristers and Solicitors
180 Dundas Street West, Suite 1200
Toronto, ON M5G 1Z8

Louis Sokolov LSUC # 34483L
Jean-Marc Leclerc LSUC # 43974F
Tel: 416-977-0007
Fax: 416-977-0717

Lawyers for the Plaintiff (Respondent)

TO: CASSELS BROCK & BLACKWELL LLP

2100 Scotia Plaza
40 King Street West
Toronto, ON M5H 3C2

Geoffrey B. Shaw LSUC # 26367J
Tel: 416-869-5982
Fax: 416-350-6916

Derek Ronde LSUC # 46978W
Tel: 416-869-5428
Fax: 416-640-3063

Eric Mayzel LSUC # 58663P
Tel: 416-860-6448
Fax: 416-642-7144

Lawyer for the Defendant (Appellant)

1250264 ONTARIO INC.
Plaintiff (Respondent)

-and-

PET VALU CANADA INC.
Defendant (Appellant)

Court File No. _____

COURT OF APPEAL FOR ONTARIO
PROCEEDING COMMENCED AT TORONTO

RESPONDENT'S CERTIFICATE

SOTOS LLP
Barristers and Solicitors
180 Dundas Street West
Suite 1200
Toronto, ON M5G 1Z8

Louis Sokolov (LSUC # 34483L)
Jean-Marc Leclerc (LSUC # 43974F)

Tel : (416) 977-0007
Fax: (416) 977-0717

Lawyers for the Plaintiff (Respondent)

*** FAX TX REPORT ***

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