

CITATION: David v. Loblaw Companies Ltd., 2026 ONSC 3496
COURT FILE NO.: CV-17-586063-00CP
DATE: 20260615

SUPERIOR COURT OF JUSTICE - ONTARIO

RE: MARCY DAVID, BRENDA BROOKS and ANDREW BALODIS, Plaintiffs

– and –

LOBLAW COMPANIES LIMITED, GEORGE WESTON LIMITED, WESTON FOODS (CANADA) INC., WESTON BAKERIES LIMITED, CANADA BREAD COMPANY, LIMITED, GRUPO BIMBO, S.A.B. DE C.V., MAPLE LEAF FOODS INC., EMPIRE COMPANY LIMITED, SOBEYS INC., METRO INC., WAL-MART CANADA CORP., WAL-MART STORES, INC., and GIANT TIGER STORES LIMITED, Defendants

BEFORE: Justice E.M. Morgan

COUNSEL: *David Wingfield, Alexandra Allison, and Renee Taillieu*, for the Plaintiffs

Colette Koopman, for the Defendants George Weston Limited, Loblaw Companies Limited, Weston Foods (Canada) Inc. and Weston Bakeries Limited

HEARD: June 15, 2026

ENDORSEMENT

[1] The Plaintiffs bring this urgent motion after being alerted to certain indicators of potentially fraudulent claims being made on the settlement funds for this class action.

[2] This action with respect to the price of packaged bread was commenced by Notice of Action issued November 7, 2017. A companion action was commenced in Quebec.

[3] A national settlement agreement between the Plaintiffs and Loblaw Companies Limited, George Weston Limited, Weston Foods (Canada) Inc., Weston Bakeries Limited, Loblaws Inc. and Weston Food Distribution Inc. was approved by this Court on 7 May 2025 and subsequently by the Quebec Superior Court (the “Settlement Agreement”).

[4] The Settlement Agreement provides compensation of \$500 million (composed of an all-inclusive settlement payment of \$404 million plus \$96 million in a card program previously paid

by Loblaw to potential class members) for distribution by the Settlement Administrators in both actions.

[5] From 11 September 2025 to 12 December 2025, Ontario Settlement Class Members could file a secure online Consumer Claim on the Ontario Settlement Website. Each Ontario Settlement Class Member was required to submit their own Claim and provide the details set out in the Distribution Protocol. Proof of purchase or identity was not required. The Claim requirements were established to provide a short, simple form to maximize claim rates for the modest payouts expected.

[6] The events giving rise to the present motion and related below have been deposed to the affidavit of Ivan Bobanovic, the Settlement Administrator's Vice-President for class action services.

[7] Mr. Bobanovic states that, among other things, the Settlement Administrator implemented fraud detection procedures and assessments in its administration of the settlement pursuant to s. 27 of the Distribution Protocol.

[8] Distribution of payment to eligible Ontario Settlement Class Members occurred between 15-27 May 2026, by Interac e-transfer and cheque.

[9] On 27 May 2026, the Settlement Administrator was notified of possible fraudulent activity, whereby seemingly authentic Consumer Claims, approved for payment, were aggregated and channeled through a small number of bank accounts at three smaller Canadian financial institutions (the "Financial Institutions").

[10] Due to customer confidentiality obligations, the Settlement Administrator was only able to obtain information regarding the number of deposits made into a single account. The Settlement Administrator was informed by Interac that approximately \$3.7 million had landed in accounts receiving high volumes of deposits.

[11] The Settlement Administrator has been working with its banking partner, Bank of Nova Scotia ("BNS"), in investigating this matter. BNS requires an indemnity from the Settlement Administrator (the "Settlement Administrator Indemnity") to provide an indemnity to the Financial Institutions in respect of these matters.

[12] The Settlement Administrator will hold any Returned Funds in the same Ontario Consumer Fund bank account and will separately account for them. If any Returned Funds are received, the Settlement Administrator will verify the identities of individuals who contact the official settlement call center to claim those payments and re-issue payments to individuals who are able to verify their identities (the "Re-Issued Payments").

[13] The Returned Funds will first be used for the Re-Issued Payments;

[14] In the event claims are made against the Settlement Administrator under the Settlement Administrator Indemnity, the Settlement Administrator seeks an order permitting it to rely on any Returned Funds that remain following the Re-Issued Payments to help cover those claims until the time of the *cy-près* distribution of the remainder of the Ontario Consumer Fund under the Distribution Protocol.

[15] Any Returned Funds that remain at the time of the *cy-près* distribution of the remainder of the Ontario Consumer Fund will form part of that *cy-près* distribution.

[16] Defendants' counsel have been advised of these issues and have notice of this motion. The Defendants take no position on the relief sought here.

[17] There will be an Order to go setting out the relief sought, as submitted by Plaintiffs' counsel.

Date: June 15, 2026

Morgan J.