



STAFF REPORT INFORMATION ONLY

Continuation of Legal Proceedings Against Arad Group Inc. and Afshin Tajarrood

Date:	November 28, 2011
To:	City Council
From:	City Solicitor
Wards:	Ward 20
Reference Number:	

SUMMARY

At its meeting of November 3, 2011, Public Works and Infrastructure Committee considered a report entitled "Continuation of Legal Proceedings Against Arad Group Inc. and Afshin Tajarrood".

In considering this report, Committee requested a further report from the City Solicitor on further action the City can take to support the residents and to send a message that the City will not stand for actions like this. This report responds to the Committee request.

Financial Impact

There are no financial implications arising from the adoption of this report.

DECISION HISTORY

At its meeting on November 3, 2011, the Public Works and Infrastructure Committee requested that staff report to City Council on November 29, 2011 on any further action the City can take to support the residents and to send a message that the City will not stand for actions like this:

<http://www.toronto.ca/legdocs/mmis/2011/pw/bgrd/backgroundfile-41631.pdf>

COMMENTS

In my report dated October 13, 2011, I advised the Public Works and Infrastructure Committee concerning legal action taken against Arad Group Inc. and Afshin Tajarrood (collectively referred to as "Arad"). As detailed in that report, Arad was a subcontractor

of Neptune Technology Group (Canada) Ltd. ("Neptune"). Neptune in turn had entered into a contract with the City to engage in a comprehensive program to replace and upgrade water meters in local businesses and homes in Toronto. Although Arad's contract was with Neptune, in an effort to obtain the amounts it claimed it was owed, in June 2011 Arad began demanding payment from local residents who had had water meters installed or upgraded by it in April and May. Those residents owed nothing to Neptune, let alone Arad. Arad also began posting the names, addresses and phone numbers of residents that it claimed owed it money, along with indications that it was commencing legal proceedings against them unless they paid. I reported my office was successful in obtaining an interim injunction order restraining Arad from having any contact with City residents concerning the removal, retrofitting, replacement or installation of water meters and payment therefor, and from posting personal information concerning them on the internet. Those postings were ordered removed.

In my opinion, the City has taken all reasonable steps to support the residents and to send a message that it will not stand for such actions. There are no further actions that can reasonably be taken to support the residents or send a message that the City will not stand for these actions. The reaction of City staff was timely, comprehensive and effective. The following steps were taken:

- Legal proceedings were commenced and an interim injunction was obtained
- Legal services sent letters demanding that Arad cease and desist – when it did not, the legal proceedings were brought expeditiously

- City staff visited residents to reassure them and delivered over 600 letters to homeowners on two separate occasions informing them of the situation, and advising them that they were not to pay Arad
- the City fielded and responded to over 60 calls from concerned homeowners
- the Toronto Police Service was notified of the situation
- affected Councillors were notified
- the City's 311 Service was informed of the situation
- before commencing legal proceedings, the City set up a meeting between itself, Neptune and Arad with a view to resolving the problem.
- Arad commenced Small Claims Court actions against two residents that we are aware of. We contacted Neptune and they arranged to provide free legal counsel to the residents to defend those claims.

In my opinion, the timely actions of City staff dealt comprehensively with this matter. Staff went to great lengths to re-assure the residents concerned.

CONTACT

Darrel Smith, Solicitor, Legal Services Division, Tel (416) 392-8052,
Fax (416) 397-1765, e-mail: dsmith5@toronto.ca

SIGNATURE

Anna Kinastowski
City Solicitor