

- [3] The Defendants were served with the motion. The motion was first scheduled to be heard on May 13, 2025. On that date, the personal defendant Gregor Vahramian advised that he would be bringing a motion to set aside the noting in default. The noting in default occurred July 19, 2024.
- [4] That motion to set aside the noting in default never materialized despite three case conferences all of which is set out in the affidavit of Melissa Ritter sworn December 10, 2025.
- [5] Based on the record, I can safely conclude that the Defendants have notice of the proceedings and ample opportunity to move to set aside the noting in default and have not.

B. Factual Background

- [6] The allegations set out in the statement of claim are deemed admitted. In addition to those allegations, the Plaintiffs tendered the affidavits to support their claims.
- [7] The Plaintiffs were long-time employees of the business known as Interspec Systems Ltd. (“Interspec”). They worked in Interspec’s manufacturing facility in Rosemount, Ontario.
- [8] On September 5, 2023, the Defendants closed the facility and relocated it 106 km to the south in Scarborough, Ontario. The Plaintiffs’ average age is 54 and they worked for the Defendants for between 2 to 32 years full time.
- [9] The Defendant, Gregor Vahramian, is the President of Interspec and 1890141 Ontario Inc. operating as VDF Vertical Business Accounts (“VDF”). The Defendant Foundry Asset Management Inc. was the full-time employer of the Defendants and paid the Defendants for the work that they did for Interspec. VDF also employed the Defendants. VDF and Interspec shared a letterhead.
- [10] The Defendant, John Doe Corporation, is the successor corporation created or incorporated by Mr. Vahramian to operate the business that was Interspec.
- [11] Mr. Vahramian owns all the corporate Defendants, and he decided to relocate the business thereby terminating the employment relationships.

II. Issues

- [12] On this motion, I must decide:
- a. What are the governing principles on a motion for default judgment?
 - b. What deemed admissions of fact flow from the facts pleaded?
 - c. Do the facts entitle the Plaintiffs to judgment on the claim? In this regard, have the Plaintiffs proved wrongful dismissal, age discrimination, and an entitlement to damages?

- d. Have the Plaintiffs adduced evidence when combined with the deemed admissions that entitles them to judgment?

III. Analysis

[13] I will address these issues in turn, save for the last issue which I address throughout my analysis.

A. *Governing Principles*

[14] Rule 19 governs motions for default judgment. On a motion for default judgment, the Court makes the following inquiries:

- a. What deemed admissions of fact flow from the facts pleaded in the Statement of Claim?
- b. Do those deemed admissions entitle the plaintiffs as a matter of law to judgment in the claim?
- c. If not, have the plaintiffs adduced admissible evidence which when combined with the deemed admissions entitle them to judgment? See: *Elekta v. Rodkin*, 2012 ONSC 2062, at para. 14.

B. *Deemed Admissions Flowing from the Statement of Claim?*

[15] I highlight the key deemed admissions that flow from the Statement of Claim:

- a. The Defendants together employed the Plaintiffs and the interrelated nature of the Defendants;
- b. The Defendants closed the Rosemount facility which had the effect of terminating the Plaintiffs. The Defendants changed the primary terms of the employment relationship unreasonably and without notice by moving the place of employment over 100 km away without notice;
- c. The Defendants did not comply with the statutory requirements set out in the *Employment Standards Act* or at common law. The Plaintiffs were terminated without pay, absent notice, absent the minimum payment under the ESA while the Defendants were in arrears of wages and unpaid vacation;
- d. The Plaintiffs suffered damages because of the Defendants' actions;
- e. The Plaintiffs were older workers, many of whom had long tenures which will be further discussed. All the Plaintiffs were valuable, reliable and diligent workers with exemplary work histories;

- f. The Defendants terminated the Plaintiffs unilaterally targeting their age and tenure in violation of their obligations under the *Ontario Human Rights Code*; and
- g. The salaries, length of employment and nature of the employment have all be established.

C. Do these Facts Entitle the Defendants to Judgment?

- [16] On these admitted facts, the Plaintiffs have proven wrongful dismissal on a balance of probabilities because they have shown that there was an employment contract and that it was terminated without cause and notice.
- [17] The Plaintiffs have also demonstrated that the Defendants discriminated against them on the ground of age which is a prohibited ground of discrimination under the Ontario Human Rights Code. I will next address damages.

D. Damages

- [18] The affidavit of Sean Donley sets out the damage calculations, mitigation efforts and other information relating to damages. The approach accords with the legal principles for awarding damages. I accept his evidence and that of the other Plaintiffs.
- (i) *Retroactive Wages, Unpaid Accrued Vacation, Statutory Pay in Lieu of Notice and Benefits Calculation*
- [19] The ESA sets out an employer's obligations relating to benefit plans and premiums, and their obligation to pay as benefits and contributions to benefits as unpaid wages to the employees on termination where there is a failure to contribute. See: ss. 60(3) and 62(1) and (2) of the ESA.
- [20] The affidavit evidence establishes those failures and the corresponding entitlement.
- [21] Section 57 of the ESA sets out the minimum notice period. The Defendants closed the Rosemount manufacturing facility without notice. The Plaintiffs received no statutory pay in lieu of notice and are entitled to by law.
- [22] The Plaintiffs shall have damages for arrears as follows:
- i. Jeffrey Dunlop:
\$4,038.46 (6-weeks' wages in arrears)
 - ii. Michel Gosselin:
\$11,596.15 (9-weeks' wages in arrears)
 - iii. Mischa Intihar:
\$3,230.77 (4-weeks' wages in arrears)

- iv. Michael Wright:
\$8,653.84 (6-weeks' wages in arrears)
- v. Michael Baker:
\$12,788.45 (10-weeks' wages in arrears)
- vi. John Kamstra:
\$8,211.54 (7-weeks' wages in arrears)
- vii. Henry Kamstra:
\$2,500.00 (2-weeks' wages in arrears)
- viii. Sean Donley:
\$11,884.62 (6-weeks' pay in arrears)

[23] The Plaintiffs shall have damages for unpaid vacation, loss of benefits and statutory pay in lieu of notice as follows:

- i. Jeffrey Dunlop:
\$3,865.38 unpaid vacation accrued;
8-weeks' pay in lieu of notice (\$5,384.62)
Loss of Benefits: \$2,500.00
- ii. Michel Gosselin:
\$3,000.00 unpaid vacation accrued;
8-weeks' pay in lieu of notice (\$10,307.69)
Loss of Benefits: \$2,500.00
- iii. Mischa Intihar:
\$3,230.77 unpaid vacation accrued;
2-weeks' pay in lieu of notice (\$1,615.38)
Loss of Benefits: \$2,500.00
- iv. Michael Wright:
\$8,653.85 unpaid vacation accrued;
8-weeks' pay in lieu of notice (\$11,538.46)
Loss of Benefits: \$2,500.00
- v. Michael Baker:
\$12,045.76 unpaid vacation/holiday pay accrued;
\$5,250.00 (non-discretionary bonus unpaid)
8-weeks' pay in lieu of notice (\$10,307.69)

- vi. John Kamstra:
\$9,384.62 unpaid vacation accrued;
Loss of Benefits: \$2,500.00
8-weeks' pay in lieu of notice (\$9,384.62)
- vii. Henry Kamstra:
\$6,500.00 unpaid vacation accrued;
8-weeks' pay in lieu of notice (\$10,000.00)
Loss of Benefits: \$2,500.00
- viii. Sean Donley:
\$5,054.00 unpaid vacation accrued;
2-weeks' pay in lieu of notice (\$3,961.54)
Loss of Benefits: \$2,500.00

(ii) *Common Law Pay in Lieu of Notice*

- [24] The affidavits support that the Plaintiffs are entitled to reasonable pay in lieu of notice in accordance with their length of service and other factors. See: *Bardal v. Globe & Mail Ltd.*(1960), 1960 CanLII 294 (ON SC), 24 D.L.R. (2d) 140 (Ont. H.C.), at p. 145.
- [25] The Plaintiffs shall have damages in this regard based on four weeks per year of service less mitigation. I accept the calculations for pay in lieu of notice and evidence regarding mitigation as set out in paras. 31 and 32 of Mr. Donley's affidavit.
- [26] The Plaintiffs are therefore entitled at common law to pay in lieu of notice less mitigation as follows:
- i. Jeffrey Dunlop: \$23,333.33
 - ii. Michel Gosselin: \$55,833.33
 - iii. Mischa Intihar: \$5,250.00
 - iv. Michael Wright: \$41,420.50
 - v. Michael Baker: \$37,475.00
 - vi. John Kamstra: \$31,848.33
 - vii. Henry Kamstra: \$142,083.33

(iii) *Damages for Breach of Human Rights*

[27] Damages can be awarded as a remedy for breach of human rights. In *Strudwick v. Applied Consumer & Clinical Evaluations Inc.*, 2016 ONCA 520, at paras. 54 to 62, the Court of Appeal for Ontario canvassed the law regarding damages for human rights breaches. The following factors are to be considered:

- a. The immediate impact of the conduct;
- b. The complainant's vulnerability;
- c. The degree of anxiety the conduct caused; and
- d. The frequency and intensity of the conduct.

[28] The Defendants terminated an older workforce without notice based on age. The effect of the conduct was to terminate benefits, including health benefits. I do not have sufficient evidence to particularize the claims with respect to each Plaintiff. In my view, damages in the medium range of \$25,000 per Plaintiff are warranted to remedy the impact of the Defendants' discriminatory conduct.

[29] To each of the Plaintiffs, I award \$25,000.

(iv) *Moral and Aggravated Damages*

[30] Aggravated damages are compensatory for the additional harm that occurred because of the way that the contract was breached. In a wrongful dismissal claim, the Court may award aggravated damages where the evidence establishes that the employer engaged in conduct during dismissal that is unfair or in bad faith. See: *Boucher v. Wal-Mart Canada Corp.*, 2014 ONCA 419, at para. 66.

[31] The Plaintiffs have set out in their Statement of Claim the factors that support an award of aggravated damages including refusal to pay accrued retroactive wages, refusal to pay ESA statutory minimum pay and unilaterally terminating the collateral health benefits. There are other factors. Together, these support an award of aggravated damages.

[32] I award each Plaintiff \$25,000 in aggravated damages for this reprehensible conduct.

(v) *Joint and Several Liability*

[33] The last issue is whether all the Defendants are liable and whether liability is on a joint and several basis. I find the law supports joint and several liability.

[34] The first reason for this finding is that the common employer doctrine recognizes that an employee can have more than one employer and that an employment relationship is more than a matter of form and technical corporate structure. See: *Downtown Eatery (1993) Ltd. v. Ontario*, 2001 CanLII 8538 (ON CA), 4 OR (3d) 161, 200 DLR (4th) 289, 147 OAC

275 [2001] OJ No 1879; *King v. 1416088 Ontario Ltd. (Danbury Industrial)*, 2015 ONCA 312.

- [35] In this case, Foundry Asset was the paymaster, and the work has been done for the Interspec and VDF businesses. I find these businesses to be sufficiently interrelated such that they were common employers for the Plaintiffs.
- [36] I also find that the Plaintiffs have pleaded sufficient facts and provided evidence that allows me to find Mr. Vahramian personally liable because he personally discriminated against this senior workforce.
- [37] Next, under the *Business Corporations Act*, R.S.O. 1990, c. B.16, (“OBCA”), a creditor of a corporation may apply to the Court as a complainant and a former employee who is owed wages may qualify as a creditor. In *Downtown Eatery, supra*, the Ontario Court of Appeal held that a former employee was entitled to an OBCA oppression remedy for damages for wrongful dismissal against the directors of a corporation that had ceased operation and transferred all of its assets to another corporation.
- [38] I find Mr. Vahramian is implicated in the oppression and the Plaintiffs had a reasonable expectation that the Corporate Defendants’ affairs would be conducted in a manner that would protect their interests as employees owed wages and benefits.
- [39] These principles are directly on point. I find that Mr. Vahramian did cease operations and transferred its assets to another corporation.
- [40] For these reasons, I am prepared to find the Defendants jointly and severally liable.

IV. Disposition

- [41] Judgment shall issue in accordance with the draft provided at the hearing as signed by me today.
- [42] The Defendants shall pay, on a joint and several basis, the Plaintiffs’ costs of the action on a partial indemnity basis in the amount of \$14,161.04 inclusive of HST and disbursements. These costs are fair and reasonable given the number of parties, the complexity of the parties, the number of appearances and factum filed by counsel for the Plaintiffs. I find that these costs are within the reasonable expectation of the parties.

Justice S.E. Fraser

Released: April 9, 2026

CITATION: Dunlop v. Interspec Systems Ltd., 2026 ONSC 2112

ONTARIO

SUPERIOR COURT OF JUSTICE

BETWEEN:

JEFFREY DUNLOP, MICHEL GOSSELIN, MISCHA
INTIHAR, MICHAEL WRIGHT, MICHAEL BAKER,
JOHN KAMSTRA, HENRY KAMSTRA, and SEAN
DONLEY

Plaintiffs

– and –

INTERSPEC SYSTEMS LTD., GREGOR
VAHRAMIAN, FOUNDRY ASSET MANAGEMENT
INC., 1890141 ONTARIO INC. O/A VDF VERTICAL
BUSINESS ACCOUNTS, and JOHN DOE
CORPORATION

Defendants

REASONS FOR JUDGMENT

Justice S.E. Fraser

Released: April 9, 2026