

# Problems found with the equipment witness testifies

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pany along with four other associated vending machine businesses later declared bankruptcy).

Mr. Prokki said there were problems with the ovens as well as with the locations, but said he failed to get through to Mr. Nadalin, despite repeated phone calls.

An experienced entrepreneur in the food industry, Mr. Prokki said he purchased the two "master" distributorships because he wanted to have exclusive distribution in the Edmonton area.

Mr. Prokki who is involved in the sale of oil tankers, ocean liners and other large water vessels, has launched a suit against Mr. Nadalin and Mr. Alty.

According to Mr. Prokki, he lost his investment of \$100,000 plus interest in the pizza venture.

Threats of a lawsuit, non-existent locations and excessive problems with so-called new vending machines which turned out to be used machines, were included in the evidence of a Kitchener man who lost approximately \$10,000 after investing with Direct Beverages Ltd.

Peter Collins testified that he visited 3153 Steeles Ave. prior to purchasing three pop machines and two ice machines and questioned Bevan Stewart, a senior salesman, about the various companies at that location.

"I asked him what I was getting involved in and he told me that they were all part of one and the same."

He said he asked for some references and received the name of Lou Nadalin, adding that Mr. Stewart gave him the impression that Mr. Nadalin was the owner of the various businesses.

He said he eventually signed a contract with John Dier to purchase two ice machines and three pop machines for \$22,000. That agreement included a clause that stipulated Direct Beverages would service the machines, but according to Mr. Collins the problem of getting the machines serviced was secondary to the difficulties experienced in getting through to the company.

He testified that on one occasion he called Mr. Nadalin "out of desperation" when he was unable to reach anyone else.

On that occasion Mr. Nadalin exchanged the machine, but according to Mr. Collins, the frequency of breakdowns with the machines, particularly the ice making models, eventually lead him to sell them "for a song" to a hotel owner.

Mr. Collins said he first experienced difficulties when he discovered that assigned locations did not exist.

He said the location owners had not agreed to taking the machines and he was forced to settle for secondary, garage locations.

He said he went out to get his own locations when the designated spots turned out to be less than profitable and the company failed to do anything for him.

Numerous telephone calls to various sales people including Mr. Alty were never returned and one day he called Mr. Nadalin on a particular machine.

He said he began investigating the machines which he had purchased and discovered that the two ice machines which were sold as new models, were in fact used.

At this point, he said he went to the police because he felt he had a case against Direct Beverages.

Mr. Collins testified he spoke to Staff Sergeant Ron Soutgate of the Halton Regional Police department who agreed to speak to Mr. Nadalin.

Mr. Collins said he had a later conversation with Mr. Nadalin who became ex-

tremely angry that Mr. Collins had gone to the police.

He told the court that Mr. Nadalin informed him that he was not connected with vending machines.

According to Mr. Collins, Mr. Nadalin maintained that Direct Beverages was owned by a John Malcolm and Roland Generoux and that Terry Alty worked for Direct Beverages under a management contract.

He added that Mr. Nadalin indicated that Direct Beverages had pulled out of their office space and had not paid their \$1,200 rent

and that Mr. Nadalin had seized their furniture.

Mr. Collins said that Mr. Nadalin also threatened him with a slander suit.

Harry Pohl of Winnipeg testified that he asked to see a pizza oven in progress when he decided to invest \$24,000 in Ideal Pizza Co. Ltd., but that he never did see one in operation.

Mr. Pohl who purchased ovens for 20 different locations, said he was taken to "Lou's Place" on Steeles Ave. to see one at work, but the oven was apparently not in use on that day.

He testified that he met with a salesman in January of 1981 at Nadalin Electric located at 3153 Steeles Ave. and paid a deposit of \$5,000.

According to Mr. Pohl, he was told by Jack Bowie (salesman) that his minimum return in the first year would be the full amount he put in (\$24,000) and that extensive market research had been conducted and that all locations were "proven, researched and excellent".

Mr. Pohl said the locations turned out to be "deplorable" and that he had to show the

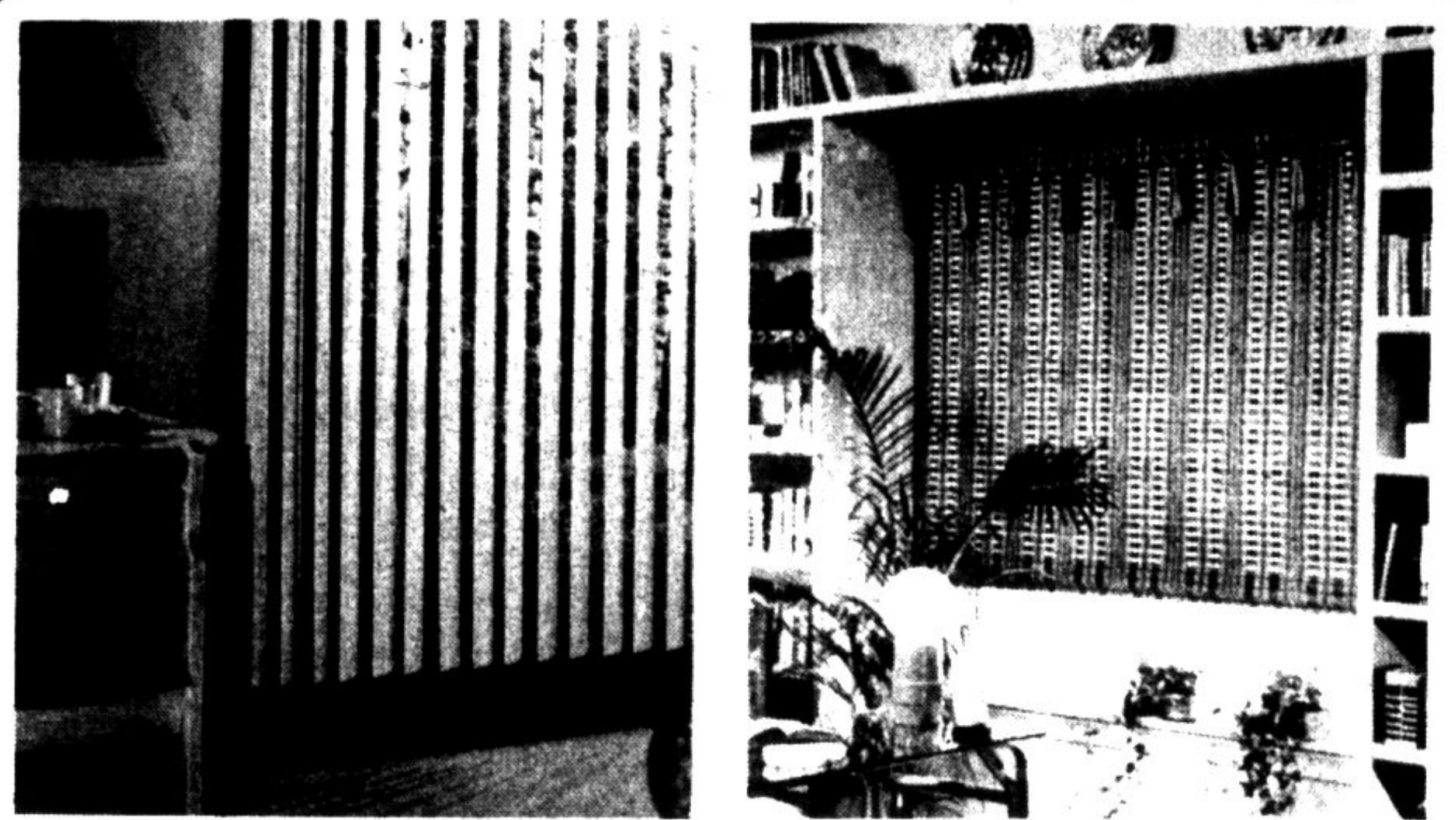
locator around the city of Winnipeg himself.

He said the locator insisted on going into every storefront location and that he later ended up going through "dozens" of locations for his 20 pizza ovens.

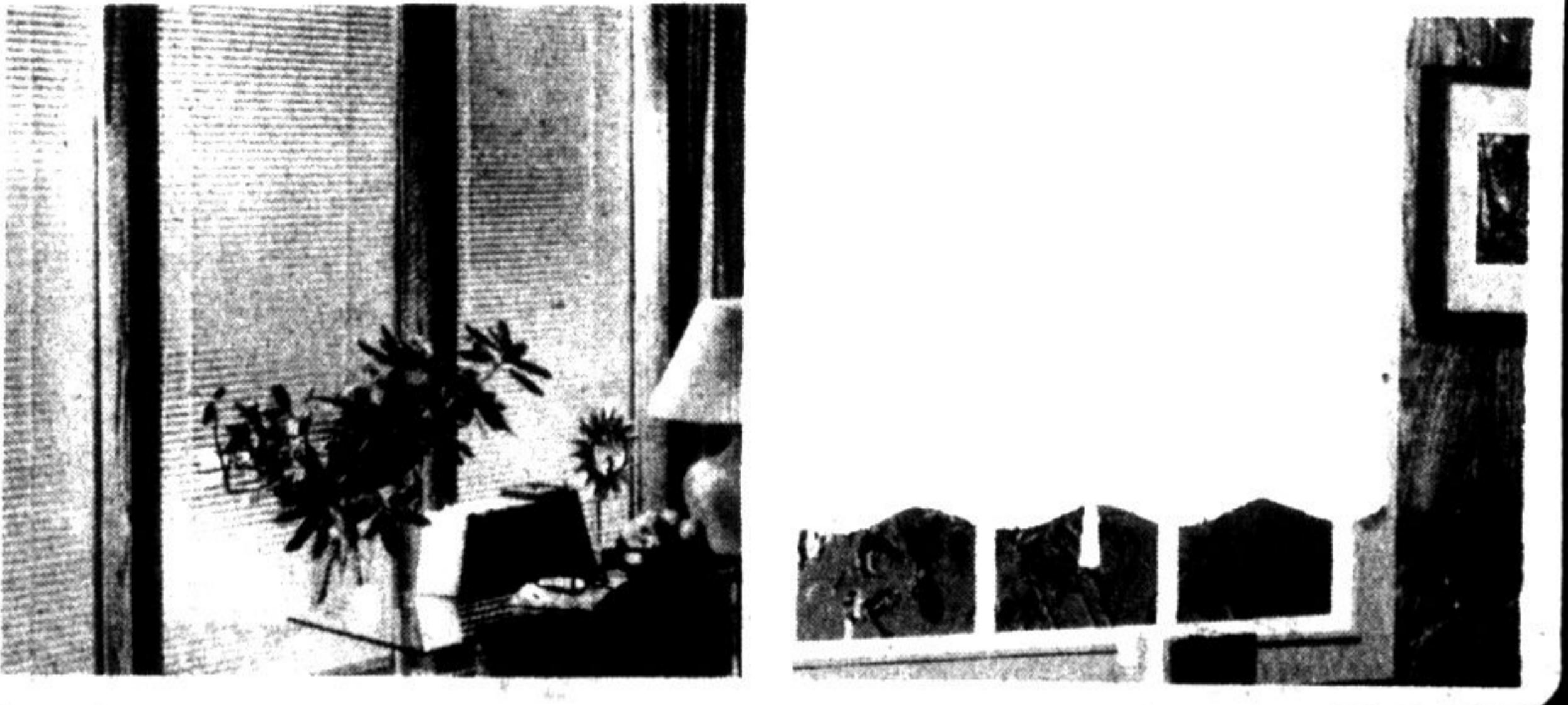
He testified that when he called the company to speak with Mr. Bowie after experiencing problems he was told Mr. Bowie no longer worked for Ideal Pizza.

"People were always being replaced and I always lost contact with the person," he said in court.

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