

## [Deal to save Kredl's from bankruptcy doubtful, court hears](#)

**'Terribly sympathetic' judge sets hearing over until Jan. 17 to allow more time for negotiations**

By Rachel Cave, [CBC News](#) Posted: Dec 16, 2016



Dave Wolpin, owner of Kredl's Corner Market in Hampton, said he thought his \$50,000 non-refundable payment offer would stop the bankruptcy proceedings. (CBC)

130 shares

A bankruptcy hearing for Kredl's Corner Market has been set over for 30 days to allow more time for negotiations, but Farm Credit Canada could still choose to exercise its secured remedies.

Farm Credit's lawyer, Josh McElman, told the Saint John Court of Queen's Bench on Friday morning that several options had been explored for the Hampton-based food market, but the company "failed to cross the finish line" on the terms.

McElman told CBC News that Farm Credit had taken months to try to reach some workable terms.

Insolvency consultant Robert Powell said the Crown corporation was even prepared to "walk away" from \$1 million of the \$1.9 million it is owed.

But there was no deal to be had, he told Justice Darrell Stephenson.

Powell also confirmed to the court that mediations had ended.

"As you can imagine, I've not had very much sleep," David Wolpin, Kredl's owner and president, told reporters outside the courthouse.

"I'm very fortunate that somebody stepped in to help me, so that I'm not losing my house in all of this."

However, the Kredl's market property is part of the secured assets.

## **Not giving up**

Wolpin says he's still fighting to save the business and the 70 jobs that go with it.

"We are confident that Farm Credit will agree with Justice Stephenson and give us the time required to resolve this manner in their favour," he said.

"We are hoping they will work with us in positive resolutions, positive discussions, to resolve this preventable loss of 70 jobs in Hampton just before Christmas and a longstanding outlet for local farmers."

'I'm hearing no deal is possible.' - *Darrell Stephenson, Court of Queen's Bench justice*

Wolpin said Kredl's would not be open Friday and promised to post an update on his Facebook page.

"We've got rid of pretty much all of the inventory," he said.

CBC News asked McElman if Farm Credit would be moving to seize the Kredl's property within 30 days, but he declined to comment without instructions from his client.

All parties are due back in court on Jan. 17.

## **'A lot' of creditors**

While Farm Credit Canada is the main creditor, there are others, including suppliers.

When Powell was asked how many, he replied, "a lot."



Kredl's Corner Market was closed on Friday. (CBC)

Wolpin told the court multiple times he felt there was a deal to be reached with FCC and that he thought they had come to terms on Friday morning before the hearing.

He said that deal included a \$50,000 non-refundable deposit to be paid on Friday with funds raised "in large part thanks to an [outpouring] of community support, led by [his] employees," a \$700,000 payment within 60 days, and \$50,000 to be paid over five years to "release [his] personal guarantee."

McElman told the court that was false.

The judge said he was "terribly sympathetic" to Wolpin's situation, but as a judge, he pointed out, he was not there to broker a deal or offer advice.

He encouraged Wolpin to consult with a lawyer.

"It takes two sides to make a deal," said Stephenson. "I'm hearing no deal is possible."

## Staff launch GoFundMe campaign



David Wolpin said Kredl's had cleared out most of its inventory as of Friday. (Brian Chisholm/CBC)

A GoFundMe campaign launched by Kredl's staff on Thursday, entitled Save Our Jobs At Kredl's, had raised \$36,645 of its \$50,000 goal, as of Friday at about 3:30 p.m., according to the website.

"The team at Kredl's love their jobs. We have put so much effort to successfully regain profitability. We want to continue to bring healthy food to your table. Please help!" it states.

"We have less than 24 hours to meet our goal. \$50,000 will stop the court proceedings and give us the time needed to obtain the additional [\$650,000] financing needed."

It's an "all-or-nothing" campaign, aimed at stopping the closing of "a New Brunswick institution," and keeping 70 families employed through Christmas, it states.

"If it is successful, you will get your investment back in the form of a gift card for Kredl's. If it is not successful, your money will be returned."

## **Hoping for a 'Christmas miracle'**

The donations range from about \$10 to \$1,000 and come from people as far away as Iceland, according to the posts.

"I love Kredl's and have been shopping here for years," wrote April Glendenning. "My fingers are crossed that we can save this little gem in our community."

"Sometimes supporting local means a little bit more than buying an ice cream," wrote Greg and Wendy Doran. "We love Kredl's and certainly hope we can continue making our weekly trips from the valley to get local, farm fresh food. Best of luck, Dave and staff."

"Everyone needs a Christmas miracle," wrote Stacie McGarity.