



This is the 1st affidavit
of Jayson R. Thompson in this case and
was made 11/JUNE/2025

Court File No. S2030255
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

WAYGAR CAPITAL INC., as agent for
NINEPOINT CANADIAN SENIOR DEBT MASTER FUND L.P.

PETITIONER

AND:

THE VERY GOOD FOOD COMPANY INC., 1218158 B.C. LTD., 1218169
B.C. LTD., THE CULTURED NUT INC., THE VERY GOOD BUTCHERS INC.,
LLOYD-JAMES MARKETING GROUP INC., and VGFC HOLDINGS LLC

RESPONDENTS

AFFIDAVIT

I, JAYSON R. THOMPSON, of 170 University Avenue, Suite 1600, Toronto, Ontario,
Executive, SWEAR THAT:

1. I am a Senior Vice President and Chief Administrative Officer employed
by CAFO Inc. ("CAFO"), a creditor of The Very Good Food Company Inc. ("VGFC").
As such, I have knowledge of the matters to which I hereinafter depose except where I
indicate that such knowledge is based upon the information of others. Where such
information is obtained from others, I verily believe it to be true.

2. Among my current responsibilities is the supervision of CAFO's business
record keeping. I am familiar with CAFO's policies, practices and procedures in
connection with the daily receiving, recording, filing and retrieving of business
information, including the maintenance of records relating to the financing of insurance

premiums for commercial insurance policies. For the purposes of this application, I have reviewed CAFO's records in connection with VGFC, which records have been kept in accordance with such business practices.

3. I make this affidavit as a supplement to the Agreed Statement of Facts jointly filed in this application by CAFO and the Receiver. The capitalized terms used herein have the same meaning ascribed to them in the Agreed Statement of Facts.

A. THE PREMIUM FINANCE INDUSTRY

4. CAFO's sole business involves the financing of insurance premiums for commercial enterprises pursuant to the terms set out in a standard form of contract called a Continuous Premium Instalment Contract. Pursuant to such contracts, (i) CAFO advances funds on behalf of a borrower for insurance with one or more insurers; and (ii) the borrower agrees to repay the financed amount back to CAFO in monthly instalments.

5. In the event that a policy of insurance is cancelled before its full term expires, the insurers will refund to the insured an amount equal to the value of the unearned premiums as at the effective cancellation date.

6. Borrowers grant security to CAFO pursuant to the terms of Continuous Premium Instalment Contracts by (i) irrevocably appointing CAFO as its attorney with the authority to cancel the financed premiums in the event of a payment default; and (ii) assigning to CAFO all unearned premiums in the financed policies which may be refunded should the financed policies be cancelled before the expiry of their term.

7. The details of the loan agreement between CAFO and VGFC – defined as the PIC in the Agreed Statement of Facts – is accurately set out in the Agreed Statement of Facts.

8. The insurance premium finance market in Canada is an approximate five-billion-dollar industry, providing insurance premium liquidity (and flexibility) to mostly small and mid-size commercial businesses. Lenders, such as CAFO, operate their respective businesses and advance funds on the basis that they have a first ranking interest

and priority in the refunded premiums in the event of payment defaults – without additional notice or other operational steps to other secured lenders. Indeed, this has been a foundational and fundamental part of the insurance premium finance industry for multiple decades. As such, the issues before the court are existential for the industry.

B. THE LENDING TRANSACTION

9. It may be of assistance to the court to understand how these financing arrangements arise – and CAFO’s specific and limited role.

10. CAFO is not an insurer; it does not offer coverage; it does not create or draft policies of insurance; it does not make underwriting decisions related to whether coverage ought to be extended. CAFO is a finance company.

11. CAFO’s involvement in financing arrangement typically begins *after* insurance is bound by an insurer.

12. In most cases an insurer who has bound coverage requires the insured to pay 100% of the premium within 30 days of the coverage having been bound. If the insured requires financing to pay the premiums due, it is typical for its broker to approach a number of premium finance companies for quotes related to the financing.

13. In this case, CAFO was approached by VGFC’s Broker for a financing quote *after* the three Financed Policies were bound. As is always the case, CAFO was not provided a copy of the policies; it was provided copies of the binders (which is not always the case). CAFO does not require those documents to make financing decisions. CAFO only needs to know the following with respect to each policy it may offer financing for: the name of the insurer; the policy number; the amount of the premium payable for the policy; confirmation that that the policy is cancellable pursuant to its terms.

14. In this case, the Broker sought a quote from CAFO; CAFO provided the quote; VGFC ultimately accepted the quote; and the PIC was signed between the parties on the basis of that quote.

C. CAFO AND THE INSURERS

15. As indicated above, CAFO is not an insurer.

16. Moreover, CAFO does not have a contractual relationship with the insurers in respect of these financing agreements.

17. Specific to the matter before the court, CAFO did not (does not) have a contractual relationship with the insurers that issued the three Financed Policies in respect of those policies.


18. As such, CAFO had (and has) no ability to compel the insurers to make changes to the wording of the Financed Policies. That limitation is more clear still given that the Financed Policies were bound prior to CAFO’s involvement in this matter.

19. I make this affidavit in support of:

- (1) an application made by CAFO for a declaration that it has a first ranking interest in the Trisura Premium Refund and an order that the Receiver deliver the Trisura Premium Refund to CAFO;
- (2) CAFO’s opposition to the application made by the Receiver that it deliver up the premium refunds it received from the insurers ; and

for no other nor improper purpose.

SWORN BEFORE ME at Toronto,)
Ontario, on June 11, 2025.)
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JAYSON R. THOMPSON

Commissioner for taking
affidavits for Ontario

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