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Jeweller alleges rival stole customers

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If you were already having trouble wrapping your head around the many installments in the Bathurst St. cash-for-gold skirmish, here's another lawsuit.

Jack Berkovits — owner of Omni Jewelcrafters & Java and its Bathurst St. neighbour Easy Cash for Gold — is suing Harold “the Jewellery Buyer” Gerstel for “nuisance and intentional interference with economic interest.”

A statement of claim filed in Ontario Superior Court of Justice last week claims Gerstel's sandwich board clad employees have been aggressively poaching gold-selling customers in the Bathurst St. and Lawrence Ave. area.

The court documents allege sandwich boarders blocked access to the entrances of Berkovits' stores, entered or banged on the window of one and told customers inside to come out. And on certain occasions, that they've physically grabbed customers, relocating them to Gerstel's shop.

The lawsuit seeks \$3 million for compensatory and punitive damages (\$1.5 million for each location), as well as an injunction to restrain such activity in the future. None of the allegations has been proven in court.

Reached by phone Tuesday, Gerstel said of the allegations: “It's hard to believe that people would even take it in seriously it's so ridiculous.”

Of the sandwich boarders: “Actually all my workers are instructed to be respectful and to be polite and not to bother anybody. And they're not supposed to go near the door of the competitor,” said Gerstel.

The statement of claim alleges that from February to July of last year, Gerstel employed an individual named Warren Albert “for the specific purpose of blocking customers' access to Easy Cash for Gold and diverting them to Harold the Jewellery Buyer instead.”

The statement of claim also alleges that Gerstel once asked a person named Clansie Hayoun whether he could ever physically hurt Berkovits or break his legs. “Mr. Gerstel did not, however, finalize payment with Mr. Hayoun and Mr. Hayoun never confronted Mr. Berkovits,” said the statement of claim.

Gerstel responded by saying Hayoun never worked for him. “It's the opposite. He asked me to give him money to harm the Omni store . . . I told him just don't bother me.” As for Albert, Gerstel said “There's no credibility.”

The lawsuit is the latest development in the gold wars between the two jewellers, a bizarre tale taking place in the largely Orthodox Jewish neighbourhood, and now gaining some notoriety south of the border. *The New Yorker* recently published a feature on the “frenzy on Bathurst St.”

Berkovits also filed a counterclaim last week, seeking an additional \$1.5 million from Gerstel and Maria Konstan, the 72-year-old woman charged last August in an alleged murder-for-hire plot against Berkovits.

In June, the Crown decided it could not prove those charges and dropped them. The next month, Konstan responded by suing Berkovits, Saeed Hosseini — a mixed martial arts fighter who Berkovits said told him that he'd been hired by Konstan to kill him — as well as the Toronto Police for a total of \$3.35 million.

Her lawsuit alleges Hosseini (who now appears to have disappeared, with no forwarding address on court documents) concocted a story about Konstan seeking his services as a hit man and that Berkovits encouraged him to do so to undercut Gerstel.

Konstan also claims she suffered extreme mental anguish because of the allegations.

Berkovits' counterclaim says Konstan was instructed by Gerstel to hire Hosseini to either murder or physically harm him. “Of course it's bologna. The police investigated and they had to drop the charges,” said Gerstel.

Konstan's lawyer, Barry Swadron, called the allegations in the counterclaim "bogus," saying "it doesn't reflect in the smallest way Maria's involvement." He plans to file a statement of defence.

"Clearly this is very helpful to (Gerstel) in terms of more publicity for his business," said Berkovits' lawyer, Clayton Ruby. "And we think that it's important to take the issue to the guy who's truly responsible, namely Harold."

As for his client, currently in Israel and not interested in interviews, Ruby said Berkovits just wants it all to be done.

"It's not what he wants out of life," said Ruby. "He has five stores. They're all doing fine. This is not important."

Gerstel, who said he has yet to decide on a lawyer said: "The scandal about it is huge amounts of public resources being wasted on this nonsense." He also said he's the one who put Bathurst St. on the map.

"You should know as a person in the media that I'm the magnet that's bringing the people here," he said.

What happened?

2006: Harold "the Jewellery buyer" Gerstel parts ways with Russell "the Cashman" Oliver, opening his own cash-for-gold business at the corner of Bathurst St. and Glencairn Ave. Jack Berkovits' Omni Jewelcrafters & Java is selling jewellery (and coffee) kitty corner. The men had known each other for years, attending the same synagogue.

Starting in 2008, the recession starts to kick in and the price of gold begins to rise. Berkovits decides to go full tilt into the gold-buying business. He erects two "Cash for Gold" banners on the exterior of his shop.

Gerstel counters by dispatching sandwich board employees to the corners. As time goes on, Berkovits alleges these sandwich boarders would stand right outside his Bathurst location, from time to time blocking customers. Maria Konstan, now 72, was one of the boarders.

July 2010: Berkovits opens up Easy Cash for Gold, just down the street on Bathurst.

Also in July, Saeed Hosseini allegedly asks to meet with Berkovits. The two sit down at King David Pizza where Hosseini allegedly tells the jeweller Konstan had offered him \$50,000 to kill him.

In August 2010, Konstan is charged in connection with an alleged murder-for-hire plot.

On Dec. 28, 2010, police probe a "deliberately set" fire at Gerstel's store. He relocates down the street. Police have yet to charge anyone.

May 2011: Gerstel complains that Easy Cash for Gold is putting up "Herald" signs in their window.

In June, charges against Konstan are dropped because the Crown decided it could not prove them. The jewellers turned to a rabbinical court.

In mid July, Konstan launches her lawsuit.

Last week, Berkovits counters by launching a suit against Gerstel and a counterclaim against both Konstan and Gerstel.