### BRITISH COLUMBIA FARM INDUSTRY REVIEW BOARD

### IN THE MATTER OF THE NATURAL PRODUCTS MARKETING (BC) ACT AND ALLEGATIONS OF BAD FAITH AND UNLAWFUL ACTIVITY

### SECOND TRANSCRIPT EXTRACT BOOK OF MPL BRITISH COLUMBIA DISTRIBUTORS INC.

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# **TAB 1**

2.1

Paul Mastronardi (for MPL) Exam for BCFIRB by Cnsl N. Mitha

- A Well, we inquired. You know, we've asked and he is just like, listen, there's been meetings. You know, the guys on the Commission are trying to keep you out. They are other agencies that are your competitors.
  - Q Okay. Mr. Mastronardi, is it fair to say that that was essentially the essence of what he said to you, what you just stated, and it was no more specific than that; is that accurate?
  - A Yes.
  - Q So when you talk about multiple meetings and members expressing their view, all of that is encompassed in the statement you made about that and that's about as specific as you got?
  - A And multiple times. Like I said, it was in the summary talk and he said there was some meetings that happen, and I think he said there was another meeting in October. So it was multiple times. It wasn't once.
  - Q Right. But he didn't identify any persons in particular, and you didn't identify any specific meetings?
  - A Well, specific about the one that happened in October.
  - Q And which meeting was this in October, sir?
  - A He said that there was a meeting amongst, you know, growers and I guess the commissioners, the agency guys.
  - Q So but there's a difference between agency and commissioners. I'm not sure what -- I'm not sure what it is you were told, whether this was a meeting of growers and agencies or --
  - A I believe he -- I'm not saying -- there was a meeting around -- I believe it was around October 19 period.
  - Q October -- so he gave you a specific day?
- A Yeah.
  - Q October 19th?
  - A That one for sure. And I think there was another one in July. I don't remember the exact date in July.
  - Q Right. All right. So let's just start with the October 19, 2020 meeting. So first of all, I'm correct in saying it was October 19, 2020?
- 45 A Yes.
- 46 Q All right. And who was at this meeting?
- 47 A I told you. I believe -- I believe in my opinion

# **TAB 2**

- did not want his name out there. He was in fear that there would be repercussions against him from his agencies and possibly the Commission. He was expanding his greenhouse too. So he wanted to add acreage and he thought that that would get through as well, and he didn't want to be blacklisted in BC amongst everybody. And on the misinformation piece, that would be Ravi telling us that Windset was telling people that we undercut them on a contract and that we were just going to bring Mexican product into British Columbia.
- Q Was anything said about Mr. Reed by Mr. Cheema to you?
- A Not at this point.
- Q Did he say anything about Mr. Reed at any other time?
- A Yes.
- Q Can you tell us what that was? What did he say to you about Mr. Reed?
- A That he was trying to make his life difficult, you know, with the allocation and the quotas and all that going through Houweling and him trying to move some of the quota over to Country Fresh to go through us.
- Q I'm going to move to a different topic. You also referenced Mr. Cheema telling you about Dawn Glyckherr in your evidence. What did Mr. Cheema tell you about what she had heard -- or about what he had heard from Dawn Glyckherr?
- A He told me that Dawn created a report for the industry and that there was a lot of corruption in the industry. There was an "I scratch your back, you scratch my back" situation at the Commission. That the commissioners made decisions at coffee shops in Delta and not at the Commission itself. There was corruption at the top. That there was racism between the original growers in BC and the Indian growers coming in. And then whoever reviewed that didn't like the report and then let Dawn go. I guess it was like a lot of entrants I think he said. I think he said there was, like, over 50 people or something like that responded to her survey or she interviewed.
- Q Going to a different topic again. You referred to a conversation you had with Mr. Steve Newell in which he said words to the effect, that don't bother, you'll never get in. Words to that effect.

Can you please clarify for the panel when this conversation took place, where, and more specifically what Mr. Newell said to you?

A Yeah. It took place at the PMA show in 2018 in October. There was a vendor appreciation get to

- A Yeah. It took place at the PMA show in 2018 in October. There was a vendor appreciation get to together at appeal sciences. And they rented a house for their cocktail party. And Steve and I were sitting at a table poolside having a discussion about it. And I informed him -- you know, I heard that they were for sale. And we were talking about whether or not Windset would sell. And also, you know, I told him that we were coming out in the west and we were going to get a licence, and that's when he said that him and John would make sure, you know, that we wouldn't get a licence.
- Q And at that time to your knowledge was Mr. Newell a commissioner?
- A John, yes.
  - Q I meant John Newell.
- 21 A Yes.

- Q What was Steve Newell's position in Windset to your knowledge at the time of this conversation in 2018?
- A I believe Steve is CEO.
- Q CEO?
- 26 A Yes.
  - O And John Newell?
  - A John is either COO or president.
  - Q To your knowledge were they the two shareholders in Windset?
  - A Yes.
    - Q Were there other shareholders in Windset to your knowledge?
    - A Not that I know.
    - Q Turning to a different topic again. You also referred to a conversation you had with Jeff Madu. Can you tell us when that conversation took place and what he said?
    - A Yeah. So that was at a customer charity golf tournament that was in I believe August of '21.
  - Q What did Mr. Madu say to you?
  - A Madu said that Jeff and Steve will make sure that we're not going to get our licence, so you better just drop it. Give up. There's no use.
- Q Sorry, who and Steve? You said Jeff.
  - A Sorry, John and Steve.
- 47 Q You referring to Newell?

- A Yes. Jeff -- sorry, John and Steven Newell, yes. Q Did he say anything more about how they intended
  - Q Did he say anything more about how they intended to do that?
  - A No.

- Q And who -- what's the relationship between Jeff Madu and the Newells?
- A Jeff Madu is married to Steve and John's sister. And he, as far as I know, the head salesman for Windset.
- Q I would like you to tell us a little bit more about your -- the history of your dealings with the Newell brothers. When did Mastronardi -- I'll just call the company MPL. When did MPL first start having dealings with the Newell brothers?
- A The Newell brothers reached out to us, it would have been in the early 2000 year. And they wanted to sell us some of their produce. They were saying that BC Hothouse wasn't doing a good job. And they wanted us to buy their products. So we started buying product from them. So they were shipping us a whole bunch of cherry tomatoes and other types of tomatoes at that time.

And then they came out and visited us, and they wanted us to do more for them. And over the next I think it was about two years, they asked us to write support letters to them -- to the Commission so they could get their own licence. And I think during this time something happened because there was I think a breach by them at BC Hothouse and the Commission, and they weren't actually following the rules and they got some type of carveout eventually.

And then after that, like I said, they asked me to write them support letters to be able to get their own commission. And then I believe that happened by the end of 2002. And then after that, once they got their licence, they started to move away from our relationship. And in our view basically was once they got their own agency and then they were on the board eventually, it was, you know, lock the door behind them and don't let anybody else in.

- Q Since the Newells or Windset got their own licence, has MPL continued doing business with them?
- A Yeah. We still buy produce from them. I think, if I remember right, you know, basically over the last -- I don't know, we went three or four years

# **TAB 3**

```
CNSL R. BASHAM:
                        Second paragraph --
 2
                     -- from Dentons, yeah.
       CNSL R. HIRA:
 3
       CNSL R. BASHAM:
 4
            Second paragraph is -- Morgan Camley refers to --
 5
 6
                 We would also like to advise the Commission
 7
                 of certain concerning facts that have
 8
                 recently come to MPL BC's attention. MPL BC
 9
                 has been advised that there was a movement
10
                 to discredit its application by certain
11
                 entities, that they have a direct role in
12
                 deciding its agency application.
13
14
            First of all, did you hear anything about that in
15
            the industry?
16
            Where is this?
       Α
            Did you hear anything about certain entities
17
18
            opposing MPL's agency application --
19
       CNSL R. HIRA:
                     He's trying to read --
20
       CNSL R. BASHAM:
21
            -- on September 11th, 2020?
22
       CNSL R. HIRA: He's trying to read the second
23
            paragraph.
24
       CNSL R. BASHAM: All right, read it.
25
            This was September --
26
            8th -- 11, 2020. Were you aware of that?
27
            I was not aware, no.
       Α
28
            Did you look into it?
       Q
29
       Α
            No.
30
       Q
            Why not?
31
            Why not? I -- I think we replied to this letter
       Α
32
            to ask for some further information on it.
33
            No, my question is why didn't you look into what
34
            was being alleged?
35
                     Well, in fairness, you have a letter
       CNSL R. HIRA:
36
            from him dealing with that issue.
37
       CNSL R. BASHAM: No. Please, Mr. Hira, I'm asking him
38
            whether he made an investigation and he said no,
39
            and I'm asking him why not.
40
            Well, we had -- we had a letter -- I issued a
       Α
41
            letter in reply, and that was the position.
42
            No, I asked you whether you made any
43
            investigation into that allegation, and you said
44
            no. And I asked you --
45
       Α
            But --
            -- why not?
46
       Q
47
       Α
            Well, it wasn't substantiated here what -- what
```

- the -- I guess this in -- information had been communicated.

  Well, as the general manager, did it not conce
  - Q Well, as the general manager, did it not concern you whether there was a movement to discredit an applicant?
  - A I guess -- I guess not.
  - Q Why not? We're talking about trust, confidence, fair play. Why wouldn't it have made you concerned?
  - A 'Cause I -- like I -- I guess I didn't see it as a -- as a matter of -- I guess I didn't see it as a matter of -- targeted to MPL or -- like I guess that's what the answer would be.
  - Q No, I don't want the answer "would be." What were you thinking? I don't want a would be. What was your actual thinking at the time? You're the general manager. You've been told by an applicant that there was a movement to discredit its application by certain entities that may have a direct role in deciding the agency application. Did it not concern you who that might be and whether there's any merit to it?
  - A I would get --
- 25 Q Sorry?

- A At the time, I did not.
- Q Okay. This is in the midst of a FIRB review that was investigating exactly into matters of bias, governance, conflict of interest. Here's a new applicant and you're saying that that didn't concern you?
- A I guess the application -- if there's an application here, it would be -- we would have a process in place to manage the presumption of bias at the Commission level, and that's how it would -- it would be dealt with.
- Q No, sir, I don't want you to presume. I don't want you to assume. I want you to tell me what your state of mind was and what you actually did. I think you agree with me that you didn't do anything about it.
- CNSL R. HIRA: Well, just a moment. This ground has been tilled well by Commission counsel, and the questions here are frankly unfair, because you know that a week later he wrote to your client, saying please give me the particulars and there was no response. [Indiscernible] --

```
CNSL R. BASHAM:
                         [Indiscernible].
 2
       CNSL R. HIRA: No --
                             just let me finish. 4456, in
 3
            fairness you should put that to my client, the
 4
            last paragraph.
 5
       CNSL R. BASHAM:
 6
            Before I do that, I know you asked my client, but
 7
            did you not investigate independently anything
 8
            [indiscernible]?
 9
       Α
            I did not.
10
                   So what about this allegation of
            Okav.
11
            misinformation that has been communicated to B.C.
12
            growers about MPL BC and it's application by
13
            these entities? Did you check into what that
14
            misinformation was?
15
            Well, I was requesting further information on
       Α
            that from MPL.
16
17
       Q
            Well, let me just get to page 4470. Now, first
18
            of all, you attended a meeting on October 19,
19
            2020 for the growers -- with the growers?
20
       Α
            Correct.
21
            And if you look at 4470 --
22
       CNSL R. HIRA: Well --
       CNSL R. BASHAM:
23
24
            -- page 4470 --
25
       CNSL R. BASHAM: Shall we start with 4466 so he knows
26
            what he's looking at?
27
       CNSL R. BASHAM: If you want to.
                                          4466, that's the
28
            start of the document, I presume, Mr. Hira?
29
       CNSL R. HIRA:
                      Yes.
30
       CNSL R. BASHAM:
                        Okay.
31
            Now, this is supposedly notes of -- or some kind
32
            of report on the meeting that you attended in
33
            October of 2020, October 19 --
34
       Α
            We -- I organized that. It happened, facilitated
            by Larry [indiscernible], and this was in a
35
36
            meeting of the advisory groups to talk about
37
            agency governance, and that was the topic of the
38
            meeting. And --
39
            There's also a tape, is there?
40
       CNSL R. HIRA: Can he finish his answer, please?
41
            And there was -- at that meeting, there was a lot
42
            of, I guess, frustrations expressed at that
43
            meeting by producers. I'm not in contact -- you
44
            know, I'm -- maybe it could be a miss --
45
            misinterpretation here, but I'm not in contact
            with growers on a daily basis and I don't talk to
46
47
            them on a daily basis or I don't communicate with
```