



May 6, 2002

File: 44200-35/MuMC AMY

DELIVERED BY FAX - ORIGINAL TO FOLLOW

Acting Chair and Members
British Columbia Mushroom Marketing Commission
2669 Deacon St
Abbotsford BC V2T 6H3

Dear Sirs/Mesdames:

On April 16, 2002 the British Columbia Marketing Board ("the BCMB Panel") considered the application of the British Columbia Mushroom Marketing Commission (the "Mushroom Commission") for approval of the appointment of Amycel-Canada Distributing Inc. ("Amycel") as an agency of the Mushroom Commission. The BCMB struck a panel of four members to consider the application under s. 12(4) of the *Natural Products Marketing (BC) Act*.

The BCMB Panel received additional information provided by the Mushroom Commission as requested by the BCMB on April 25, 2002, which included confidential information provided to the Commission by Amycel. As agreed with the Mushroom Commission, in order to maintain the confidentiality of this information, the majority of documents were returned to the Mushroom Commission offices on Friday, May 3, 2002. A package which contains letters and attachments dated March 26, 2002 and February 22, 2002, from Amycel's counsel to the Mushroom Commission is returned with the original of this letter. No copies have been retained by the BCMB.

On April 24, 2002, the BCMB received a letter from counsel representing Money's Mushrooms Inc expressing opposition to the designation of Amycel. The Mushroom Commission and the Intervenor identified in the Decision and Findings of the Commission were invited to respond to this letter. The objections of Money's Mushrooms Inc. and a response to these concerns by Amycel's counsel were also considered by the BCMB on May 2, 2002.

The BCMB Panel has assessed the Mushroom Commission's recommendation both in its process and in its substance. The BCMB Panel is satisfied that, as a matter of process, the Mushroom Commission has complied with its own guidelines for designation of agencies, and with the BCMB's *Procedural Policy for the Appointment or*

British Columbia
Marketing Board

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Designation of Agencies. The BCMB Panel is satisfied that all parties have received a fair and balanced hearing of their positions. The BCMB Panel is also satisfied that the Mushroom Commission's decision, and the conditions attached to that decision, is sound and appropriate as a matter of marketing policy.

It is the decision of the BCMB that subject to the terms and conditions established by the Mushroom Commission, the designation of Amycel-Canada Distributing Inc is approved. This approval is also subject to the additional requirement that the Commission notify producers of the following disclaimers:

1. BCMB approval is not a warranty to producers concerning any aspect of the agency's business, including the ability of the agency to pay for products delivered to them. Producers should independently and consistently assure themselves of the financial viability of the entity to which they sell product.
2. The conferring of an agency designation is a privilege under the *Natural Products Marketing (BC) Act*. It is non-transferable and is not approved in perpetuity. The designation of agency may be reviewed by the Vegetable Commission from time to time and upon any material changes in the conditions giving rise to the initial approval. In the event of a proposed sale of the business of the agency, by way of sale of assets or shares, the party seeking to continue the business must receive the Vegetable Commission's prior approval. Without prior approval, the agency designation will terminate.

Yours truly,

(Original signed by):

Ross Husdon, P.Ag.
Chair

Attachment (confidential information returned to Commission with original)

cc Cherrington Easingwood Kearn
Critchley Wenner, counsel to
Amycel-Canada Distributing Inc.

Gudmundseth Mickleson counsel to
Money's Mushrooms Inc.

All Seasons Mushroom Farms Ltd.

Champs Mushrooms Inc.