

June 8, 2021

File No.: 8006-029

VIA EMAIL: Wanda.Gorsuch@gov.bc.ca

Ms. Wanda Gorsuch
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B.C. Farm Industry Review Board
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Dear Ms. Gorsuch:

Re: Supervisory Review into Allegations of Bad Faith and Unlawful Activity

I am writing to address certain issues that have arisen in the context of applications made by Prokam, CFP and MPL.

Prokam – Class 1 Licence Application

Prokam has requested that a Class 1 Licence be issued to it by the Commission for the 2021/22 Crop Year in place of a Class III Licence. The Commission constituted a panel to address this request consisting of the following Commission members: Armand VanderMeulen, John Newell, Brent Royal, Debbie Etsell and Blair Lodder.

Though Mr. Lodder is not a shareholder, director or officer of BCfresh, Prokam has advised the Commission that it objects to Mr. Lodder's participation on the panel. Consequently, there are insufficient Commission members available to constitute a quorum for the purpose of addressing Prokam's request for the issuance of a Class I Licence.

Prokam was advised that the Commission would seek directions from the BCFIRB regarding the Commission's inability to constitute a panel of Commission members representing a quorum. I am instructed that the Commission has recently been advised by the BCFIRB that this issue would be put before the Supervisory Panel for consideration. In light of this, the Commission wishes to alert the panel of similar issues that have arisen in the context of applications made by CFP and MPL.

CFP – Agency Application

On October 29, 2020, the Commission constituted a panel for the purpose of addressing CFP's Agency application. The panel consisted of the following members: John Newel, Mike Reed, Brent Royal, Blair Lodder, and Debbie Etsell.

As a result of the 2021 election of Commission members, Mr. Reed is no longer a Commission member and his position remains vacant. Kevin Husband has been elected in place of Peter Guichon.

Though Mr. Husband could fill the gap on the panel resulting from Mr. Reed's departure, he is a shareholder of BCfresh. In light of the civil claims and allegations of bad faith advanced by Prokam, Mr. Husband seeks to recuse himself from participating on the panel based on his shareholder affiliation with BCfresh. In any event, Prokam has already objected to Mr. Lodder's participation on the panel struck to consider its application for a Class I Licence, and Mr. Lodder therefore seeks to recuse himself from participation on the CFP panel. Though CFP has not advanced an objection to Mr. Lodder's participation on the CFP panel, it is important to note that Prokam and CFP are related entities.

If either or both of Mr. Husband and Mr. Lodder do not sit on the CFP panel, the Commission will be unable to constitute a quorum for the purpose of addressing that application.

MPL – Agency Application

MPL has submitted an Agency application to the Commission. MPL has also commenced a civil action against the Commission's General Manger, Andre Solymosi, as well as Commission members, John Newell, Mike Reed, Peter Guichon, Cory Gerard and Blair Lodder.

Among other things, MPL has alleged that the defendants' failure to recuse themselves from certain proceedings concerning MPL is an unlawful act giving rise to civil liability. In addition, MPL alleges collusion (specifically, a vote-swapping agreement) between certain Commission members who are greenhouse growers and certain Commission members who are storage crop growers.

Against this background, it is unclear if the Commission could constitute a panel representing a quorum to address MPL's application.

Yours truly,

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