

IN THE FEDERAL COURT OF CANADA (TRIAL DIVISION)

Between:

RENOVA HOLDINGS LTD., JOHN JACKSON,
DAVE BOUCHARD, and RON DUFFY
each on their own behalf and on behalf of
all persons who have been producers or are producers
and do reside or have resided in the Designated area
between July 5, 1935 and the present day

PLAINTIFFS

-and-

THE CANADIAN WHEAT BOARD, and
THE ATTORNEY GENERAL OF CANADA

DEFENDANTS

STATEMENT OF CLAIM

TO THE DEFENDANTS:

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the Plaintiffs. The claim made against you is set out in the following pages.

IF YOU WISH TO DEFEND THIS PROCEEDING, you or a solicitor acting for you are required to prepare a statement of defence in Form 171B prescribed by the *Federal Court Rules, 1998*, serve it on the Plaintiff's solicitor or, where the plaintiff does not have a solicitor, serve it on the plaintiff, and file it, with proof of service, at a local office of this Court, WITHIN 30 DAYS after this statement of claim is served on you, if you are served within Canada.

If you are served in the United States of America, the period for serving and filing your defence is forty days. If you are served outside Canada and the United States of America, the period for serving and filing your statement of defence is sixty days.

Copies of the Federal Court Rules, 1998, information concerning the local offices of the Court and other necessary information may be obtained on request to the Administrator of this Court at Ottawa (telephone 613-992-4238) or at any local office.

IF YOU FAIL TO DEFEND THIS PROCEEDING, judgment may be given against you in your absence and without further notice to you.

Dated this 8th day of February, 2002. Issued by:

Original signed by M. Elizabeth Caverly, Registry Officer
Federal Court of Canada
Pacific Centre, 3rd Floor
701 West Georgia Street
Post Office Box 10065
Vancouver, British Columbia
V7Y 1B6

CLAIM

1. The Plaintiff, Renova Holdings Ltd., is a corporation incorporated under the laws of British Columbia and is a Producer as defined in the *Canadian Wheat Board Act*, R.S. 1985, c. C-24, (the “Act”), Section 2.
2. The Plaintiff, Dave Bouchard, resides in Fertile, Saskatchewan, and is a Producer as defined in Section 2 of the Act.
3. The Plaintiff, John Jackson, resides in Sinclair, Manitoba and is a Producer as defined in Section 2 of the Act.
4. The Plaintiff, Ron Duffy, resides in Blackfalds, Alberta and is a Producer as defined in Section 2 of the Act.
5. The Defendant, the Canadian Wheat Board, (the “Wheat Board”) was created on July 5, 1935 by an Act of Parliament, and continued as a shared governance corporation, without share capital, by *An Act to Amend the Canadian Wheat Board Act*, effective December 31, 1998.
6. By operation of Section 4(3) of the Act, prior to December 31, 1998, proceedings against the Wheat Board, as a result of rights and obligations acquired or incurred on behalf of Her Majesty, are proceedings deemed to be against the Government.
7. The Attorney General of Canada is designated as the Defendant on behalf of Her Majesty the Queen in Right of Canada (the “Government”) in this proceeding pursuant to Section 23(1) of *The Crown Liability and Proceedings Act*, R.S. 1985, c. C-50.
8. All of the Provinces of Manitoba, Saskatchewan, Alberta, and a portion of the Province of British Columbia known as the Peace River District, are defined under Section 2 of the Act as the “Designated Area”.
9. Pursuant to Section 32 of the Act, the Wheat Board and the Government have been solely responsible for the marketing of wheat, wheat products and, subsequently, barley and barley products (hereinafter the “Products”) from the Designated Area”.

10. At all times material to the within action, the Plaintiffs have been Producers of the Products within the Designated Area.
11. Pursuant to Section 32 of the Act, the Wheat Board was to maintain separate accounts for the operation of activities with respect to its handling of Products produced in the Designated Area.
12. During the course of its existence, the Wheat Board did arbitrarily issue export licenses and licenses to process grains to individuals and corporations from regions outside the Designated Area which allowed them to purchase Products directly from Producers inside the Designated Area. They payments for such purchases did not enter the pooled accounts for Producers sold from the Designated Area (hereinafter the "Pooled Accounts") and were not disbursed back to the Producers.
13. During the course of its existence, the Wheat Board arbitrarily refused to issue export licenses and licenses to process grains to individuals and corporations from within the Designated Areas, other than in exceptional circumstances and in very small numbers. When such licenses were issued, the payments for Products purchased from Producers by the licensees did not enter the Pooled Accounts and were not disbursed back to the Producers.
14. Pursuant to Section 33 of the Act, certain expenses incurred during the course of handing Products from the Designated Area may be deducted from the aggregate funds received as a result of that handling.
15. In the course of its investigations and licensing procedures to enable it to grant such licenses, the Wheat Board incurred, and continues to incur, considerable expenses, which expenses were deducted from the Pooled Accounts, without authority or consent, and contrary to Section 33 of the Act.
16. At all material times, the Defendants knew, or ought to have known, that deducting the above expenses from the Pooled Accounts was not authorized and contrary to their statutory powers.
17. In the circumstances where licenses were granted to individuals and/or corporations within the Designated Area, they were on terms significantly different from licenses granted to individuals and/or corporations outside the Designated Area.
18. The Wheat Board was and is in a relationship of trust with the Plaintiffs, and at all material times owed a fiduciary duty to the Plaintiffs.

19. The Government was and is in a relationship of trust with the Plaintiffs, and at all material times owed a fiduciary duty to the Plaintiffs.
20. The Defendants breached their fiduciary duty to the Plaintiffs, and are accountable to the Plaintiffs and the producers they represent for the monies which did not enter the Pooled Account and for the monies wrongfully deducted from the Pooled Account.
21. The Defendants' conduct was high-handed, without care, and with disregard to the rights of the Plaintiffs they were designated to represent and to whom they owed a fiduciary duty.
22. The Plaintiffs therefore claim the following relief:
 - a. Pecuniary damages;
 - b. Exemplary and punitive damages;
 - c. Damages for breach of Fiduciary Duty;
 - d. An Accounting and Judgment for all sums due;
 - e. In these exceptional circumstances, interest at market rates from time to time on all the sums wrongfully deducted or charged from the date of wrongful deductions and charges to the date of payment;
 - f. Alternatively, Pre-Judgment Interest in accordance with the legal entitlement;
 - g. Costs to take into account advertising and disclosure to Producers of their entitlement; and
 - h. Such further and other relief as counsel may advise and this Honourable Court may allow.

DATED at Victoria, British Columbia this 8th day of February, 2002.

Signed: per: WM. RORY LAMBERT

Solicitors for the Plaintiffs