

COURT FILE NUMBER: **KBG-SA-_____ -2022**

COURT OF KING'S BENCH FOR SASKATCHEWAN

IN BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE: **SASKATOON**

APPLICANTS: **TWILA REDDEKOPP AND JEROME HEPFNER**

RESPONDENTS: **THE LIGHTHOUSE SUPPORTED LIVING INC. and
BLUE MOUNTAIN ADVENTURE PARK LTD.**

IN THE MATTER OF AN APPLICATION PURSUANT TO
THE NON-PROFIT CORPORATIONS ACT, 1995 REGARDING
THE LIGHTHOUSE SUPPORTED LIVING INC. AND BLUE MOUNTAIN
ADVENTURE PARK INC.

- And -

IN THE MATTER OF THE INTERIM RECEIVERSHIP OF THE
LIGHTHOUSE SUPPORTED LIVING INC. and
BLUE MOUNTAIN ADVENTURE PARK LTD.

AFFIDAVIT OF TWILA REDDEKOPP

I, TWILA REDDEKOPP, of the City of Saskatoon, in the Province of Saskatchewan,
MAKE OATH AND SAY THAT:

1. I am one of the Applicants and except where stated, have personal knowledge of the matters and facts in this matter. Where so stated, I do verily believe the same to be true.
2. I make this Affidavit in support of an application brought by myself and Jerome Hepfner in relation to the Corporations, The Lighthouse Supported Living Inc. ("Lighthouse") and Blue Mountain Adventure Park Ltd. ("Blue Mountain"). In this application, we seek to have MNP LLP appointed as an interim receiver pursuant to *The Non-Profit Corporations Act, 1995* ("Act") and *The Queen's Bench Act, 1998*.

3. Corporate Profile Reports for the Lighthouse and for Blue Mountain are attached hereto and marked as **Exhibits "A" and "B"**, respectively. Both are corporations registered under the Act.
4. I am a board member of the Lighthouse and of Blue Mountain. I am also a member of the Lighthouse. The Lighthouse is the sole member of Blue Mountain.
5. The Lighthouse is a charitable corporation under the Act and is a federally registered charity. The Lighthouse provides supported housing and services for vulnerable populations, including the homeless population of Saskatoon.
6. Blue Mountain is a non-profit corporation under the Act, which owns and operates an outdoor adventure park near North Battleford, Saskatchewan.
7. It is with an extremely heavy heart that I have felt compelled to bring this application, as I no longer believe that the Lighthouse is able to serve its community without intervention. I have come to be of the view that the appointment of an interim receiver is necessary for both organizations to get a handle on the immediate issues that they are facing to ensure that the needs of the vulnerable population served by the Lighthouse can be met in some fashion for the foreseeable future.
8. The other board members of the Lighthouse, as of the date of this Affidavit, are Mr. Hepfner, Donald Windels, Lisa McCallum and Adeel Salman. There are approximately 40 members of the Lighthouse. A list of those members, with the contact information that the Lighthouse has been able to gather, is attached hereto and marked as **Exhibit "C"**.
9. Myself, along with Mr. Hepfner and Ian Hamilton (who was also a board member at the time) were the applicants in a previous application seeking an investigation into the affairs of the Lighthouse and Blue Mountain, which bears court file number QBG No. 751 of 2021 in the Judicial Centre of Saskatoon. We brought that application because we were extremely concerned with transparency, particularly financial transparency, within the organization. The three of us had been appointed as the Lighthouse's finance and audit committee and were unable to reconcile its finances

or obtain information with respect to financial or operational matters. By this Court's Order of September 17, 2021, a copy of which is attached hereto and marked as **Exhibit "D"**, the Court ordered an investigation into the affairs of both corporations, and included a number of interim orders intended to prevent harm to the corporations pending the outcome of the investigation. As indicated therein, those orders were to remain in place until modified by further order. Following completion of the investigation, Mr. Hepfner, Mr. Hamilton and I brought a further application to this Court seeking relief from oppression on the basis of significant financial irregularities uncovered in the investigation and additional questions raised by what had been uncovered. That application was ruled upon by this Court in a judgment dated December 6, 2021, which found that various remedies pursuant to s. 225 of the Act were appropriate, and which lifted the restrictions set out in the September 17, 2021 Order (and imposed other terms related to the governance of the corporation). A copy of the judgment of December 6, 2021 is attached hereto and marked as **Exhibit "E"**.

10. The Court's decision of December 6, 2021 was appealed by Mr. Windels. That appeal was heard on May 5, 2022, but no decision has been rendered. I understand from legal counsel and do verily believe that under the Court of Appeal Rules, the appeal automatically stayed the operation of the December 6, 2021 judgment. As a result, the Lighthouse and Blue Mountain have continued to operate in accordance with the September 17, 2021 Order which has meant, among other things, that the members of the Lighthouse have not met, that the financials have not been amended or restated and that there have been no new directors elected or appointed to the board. In addition, we are unable to amend our corporate bylaws – a copy of which are attached hereto and marked as **Exhibit "F"**.
11. Much has transpired since those court decisions. In terms of the composition of the Board, Mr. Hamilton and Mr. Trudel have both resigned. Ms. McCallum has attended a few recent board meetings beginning on December 15, 2022 (though she was absent at every meeting of the board before that date that I attended and did not, in so far as I am aware, respond to requests to participate in MNP's investigation). At this time,

there are only five board members left (myself, Mr. Hepfner, Mr. Salman, Mr. Windels and Ms. McCallum) and we have been unable to find any common understanding on how the Lighthouse should proceed forward. Essentially, the board has broken down into two factions – myself and Mr. Hepfner on one side, with Mr. Salman, Mr. Windels and Ms. McCallum on the other.

12. I have reviewed the Affidavit of Jerome Hepfner prepared in relation to these proceedings and confirm that, with respect to the matters within my knowledge, my recollection of events accords with what he has stated therein. In particular, I have reviewed the minutes and transcripts of the Lighthouse board meetings which are attached throughout Mr. Hepfner's Affidavit and I confirm that, to the best of my knowledge, they accurately capture the proceedings and discussions of the board.
13. By Board resolution on January 12, 2022, Mr. Windels was suspended, with pay, from his active duties as executive director. Excerpts from the minutes of that meeting are found at Exhibit "A" to Mr. Hepfner's Affidavit. The decision was made by the Board because we had learned that Mr. Windels had not ensured that the Lighthouse complied with numerous regulatory orders, notices of contravention and directions from the Saskatoon Fire Service in terms of deficiencies (primarily safety issues) within our main facility and further because we had learned that there had been a fire in one of our other properties for which there was no insurance (and the property added to the insurance policy in the days following the fire). As a Board, we needed the opportunity to fully investigate these matters and to take the immediate and long-term actions needed to address these concerns. To date, we have not been able to determine the full extent of these issues and Mr. Windels remains on paid leave. He remains as a member of the board.
14. The motion of January 12, 2022 also installed Mr. Hepfner and I as interim co-managing directors. We had continued to act in that capacity until the end of January 2023, when we were removed by the balance of the Board, as described in more detail below.

15. A large part of my time (more than full time equivalent) over the past year has been spent dealing with Lighthouse matters. I have worked closely with the organization's legal and financial advisors to try to sort out its affairs and have been working with our donors and funders to try to keep some of our programming in place. It has been a tedious and exhausting process, but I had believed that we would get through it.
16. However, in late June 2022, a publication ban which had applied to the previous court proceedings was lifted following a determination (on that appeal only) by the Court of Appeal, which resulted in significant publicity regarding the financial irregularities (among other things) that had been uncovered in the investigation. Without any warning to the Lighthouse (or to any of our employees or anyone on the Board, as far as I am aware), on or about June 30, 2022, the Minister of Social Services, Gene Makowsky, announced on a radio talk show that the Province intended to pull its programming from the Lighthouse. The Ministry of Social Services proceeded to discontinue most of its funding in September 2022. We are still operating some programs but our operations have been scaled back significantly, and those programs that we do have will see their funding dry up soon. Not surprisingly, the announcement from the Government has limited our ability to attract new funding.
17. One of the more important tasks that myself and Mr. Hepfner have been attempting to address since the Court's decision in December 2021 are the finances of the organization. We have been working closely with a professional team at MNP LLP, but progress has been slow. We have discovered a large number of irregularities, which we continue to try to work through, but the result has been that even if the Court of Appeal rendered a decision which would allow us to move forward procedurally, we would be unable to amend or restate the finances with any sort of confidence. Among the irregularities that we continued to sift through at the time of our removal as interim co-managing directors:
 - (a) The Lighthouse has utilized a service called Telpay for payroll and other expenses. There has been no documentation kept for payments through Telpay, so we have been having an extremely difficult time reconciling payments and

actual expenses, and determining the veracity of certain payments, including payroll amounts;

- (b) The real property associated with Blue Mountain is valued on the books at approximately \$2.0M, despite having an assessed value of less than half that amount and we have been unable to reconcile this difference;
 - (c) We have recently discovered that someone has made withdrawals from the Lighthouse's investment account with RBC Dominion Securities Inc. Attached hereto and marked as **Exhibit "G"** is a copy of the account statement for the period of January 1-December 31, 2022, received by the Lighthouse in mid-January, 2023. Until receiving this statement, I had no knowledge of any withdrawals from that investment which total \$5,468.47 over the past year (or of the \$91,299.44 since January 1, 2016). Receiving this statement prompted us to look to our internal records regarding this investment. Attached hereto and marked as **Exhibit "H"** is a copy of the Quickbooks record regarding this account, which shows that it has been quite active. Neither myself nor (to the best of my knowledge, Mr. Hepfner) have made any transactions with respect to that account.
18. On January 26, 2023, the Lighthouse received correspondence from the Ministry of Social Services, a copy of which is attached hereto and marked as **Exhibit "I"**. As indicated therein, as a result of the Lighthouse's inability to provide the required financial reporting to the Ministry, it has exercised a contractual right to withhold payment of \$101,570.00 which would otherwise be payable to the Lighthouse for services provided. This will materially impact the Lighthouse's cashflow on an immediate and go-forward basis.
19. Our permanent downtown shelter in Saskatoon has been closed since November 2022. Although we have no funding for stays, the Lighthouse still has operating costs associated with the building. Without restoration of provincial funding, which does not appear to be a possibility, we cannot afford to keep the building without major external funding.

20. The Lighthouse also owns a homeless shelter in North Battleford. Due to internal conflict within the Board, and our local funder's unwillingness to work with us until the composition of our board of directors was changed, we have been leasing that property to the Battlefords Agency Tribal Chiefs since October 2021. This arrangement addresses the immediate need to offer shelter in the Battlefords and to ensure that the building is kept up, but is not a long term solution.
21. There was a clear difference amongst the Board regarding the response to the announcement from the Province regarding the decision to discontinue funding. In the immediate aftermath of the announcement, I spent hours on the phone and in meetings with various representatives from the Province of Saskatchewan and the City of Saskatoon to try to determine what decision had actually been made, whether there were any options to continue providing certain services, and what this would mean for the Lighthouse and those that it serves. Given the apparent reasons for the decision to end funding, which I assumed, based on timing, related to the financial irregularities and mismanagement uncovered in the investigation, I did not believe (and still do not believe) that it would have been in the Lighthouse's best interests on an organizational level to publicly criticize the decision, or that this would have resulted in any change in the Government's decision. This perspective was shared by Mr. Hepfner, and supported by the Lighthouse's professional advisors, including MNP LLP and our professional communications consultants. However, Mr. Hamilton and Mr. Salman disagreed and wanted to publicly demand meetings with the Premiere and the Minister, and start an active social media campaign against the government. I have come to believe that this disagreement on how to respond resulted in irreparable cracks in the ability of the board to function for the benefit of the Lighthouse.
22. As the interim co-managing directors, over the past year, myself and Mr. Hepfner have been in regular communication with the Lighthouse's partners, funders and donors and have worked to keep the organization afloat. We have had regular conversations with our partners, several of whom have indicated that if the organization falls back under the control of Mr. Windels and/or the other board

members, they will have no further involvement with the Lighthouse. Throughout our time as co-managing directors, we have attempted to bring the Lighthouse to a transparent, open, honest and communicative position with our key stakeholders and community partners and we have received largely positive and supportive feedback.

23. As indicated above, in or around the end of January 2023, myself and Mr. Hepfner were removed as interim co-managing directors for the Lighthouse. The matter was initially discussed during the board's meeting on January 24, 2023. The board members, other than myself and Mr. Hepfner, went in camera to discuss. The outcome of that discussion, as I understand it, was that the board would bring names and resumes of candidates to step into that role at our next scheduled meeting, which was January 26, 2023. At that meeting, although Mr. Hepfner and I were formally removed, no new candidates were brought forward. The indication was that supporting documentation would be brought to the meeting on January 31, 2023.
24. At the meeting on January 26, 2023, the balance of the board passed a motion which essentially prevents Mr. Hepfner and I from communicating at all with third parties regarding the Lighthouse. Specifically, I am to have no contact with any external organization at all, and Mr. Hepfner is to have no contact with external organizations without a member of the audit/finance committee present. This motion was to have immediate effect.
25. To date, I have been the primary contact with our major creditors (Affinity Credit Union and Saskatchewan Housing Corporation) and with Saskatchewan Health (for which we continue to have some programming). I believe that the motion restricting my ability to communicate with any external organizations will be extremely detrimental to the organization.
26. I did not attend the meeting on January 31, 2023. As of the date of this Affidavit, I have received no notification or indication of what transpired during that meeting from any member of the board. I did receive verbal direction from the Lighthouse's solicitor, advising that I was to turn in my keys and security fobs for the Lighthouse

building and offices. I did so as requested. Since that meeting, I note that my Lighthouse email access has been terminated.

27. I have also come to learn, unofficially, that the following motions were made at the January 31, 2023 meeting of the board:

- (a) Motion to hire Gail LaRose as interim manager to replace Mr. Hepfner and myself as co-managing directors;
- (b) Motion to remove board titles of president and vice-president from Mr. Hepfner and myself;
- (c) Motion to remove Mr. Hepfner and myself as signing authorities for the Lighthouse and appoint Mr. Salman and Ms. McCallum;
- (d) Motion to complete a full and thorough review of all activities of Mr. Hepfner and myself while we were in our co-managing director roles;
- (e) Motion to have Mr. Hepfner and myself return all assets to the Lighthouse, sign a confidentiality document and provide acknowledgment that we do not have any corporate documents; and
- (f) Motion to restrict Mr. Hepfner and myself from all social media and from speaking on behalf of the Lighthouse.

28. As I have received no official communications from the balance of the board, much of the information that I have as to events within the last week is second hand. Staff members, who do not wish to be identified in these proceedings for fear of retaliation, have contacted me concerned for their future employment and for the Lighthouse. It has been reported to me by staff in the building that on February 1, 2023, Mr. Windels attended at the Lighthouse along with a new individual, Gale LaRose, who has introduced as the General Manager. Mr. Windels advised staff that he was the executive director, and that the Stabilization Unit services would end immediately. It was also reported to me that he advised that all staff of the Lighthouse would be

laid off no later than March 31, 2023. It is my impression that this announcement caused significant anxiety amongst our staff.

29. I have been advised by an employee who does not wish to be identified for fear of retaliation, that on or about February 6, 2023, he received a notice of layoff of his employment which indicated that the Lighthouse was undertaking a group termination of 49 employees effective March 6, 2023. I do not know whether the Lighthouse has given notice of the group termination to the Minister of Labour Relations and Workplace Safety required by section 2-62(1) of *The Saskatchewan Employment Act*. However, it is my understanding that staff have been provided with 20 days working notice and will receive pay in lieu for the balance of their entitlements, which leads me to question whether the required four weeks' notice to the Minister has been provided.

30. I am puzzled and concerned by this apparent decision to end the Stabilization Unit services on an immediate basis, as the Lighthouse has continued to operate that Unit pursuant to its agreement with Saskatchewan Health which remains in place through March 31, 2023. Currently, the Lighthouse continues to receive a monthly payment for the services provided by the Stabilization Unit. Before my removal from the co-managing director position, I was in regular contact with Saskatchewan Health about these services and this contract, and Saskatchewan Health remained prepared to work with the Lighthouse, because it was extremely concerned about the clients who are being taken care of in that program and what would happen to them if the Lighthouse were to discontinue this service. Indeed, I understand from discussions with managers at Saskatchewan Health that following the announcement on February 1, 2023, that managers from Saskatchewan Health have reached out to managers from the Lighthouse to indicate that funding from Saskatchewan Health will not be eliminated prior to March 31. In light of this assurance, I do not know why staff have been laid off effective March 6.

31. Mr. Hepfner and I have both been working more than full time hours on behalf of these organizations for over a year, with the benefit of financial and professional advisors. We have made progress, but the issues are numerous, complicated and compounding. Ultimately, if the balance of the board does not have confidence in our ability to manage, I recognize that they do have the ability to make decisions with respect to management; however, I do not have any expectation that the Board or any new executive director will be able to “right the ship” to get the Lighthouse back on track. As described further below, the Lighthouse is now experiencing some financial/cashflow issues and the Board cannot come to any decisions on how to address these. It is for this reason that I am of the view that the appointment of a third party receiver-manager, who can make decisions in the best interests of the organization with objectivity and professional judgment, is absolutely necessary.
32. In terms of assets, the Lighthouse owns the two portions of the downtown shelter (one which we describe as the Independent Tower and one which we describe as the Dube Tower - internally referenced as the Supported Tower), and a number of other, smaller properties. Attached hereto and marked as **Exhibit “J”** is a copy of the Lighthouse’s tax records showing all of its properties within the City of Saskatoon (and their assessed values) and attached hereto and marked as **Exhibit “K”** is a copy of the records of the Saskatchewan Assessment Management Agency’s list of the Lighthouse’s properties in North Battleford. (and their assessed values)
33. The approximate value of the real estate owned by the Lighthouse (including the lands associated with Blue Mountain) is \$11,955,200. I have come to this figure based on a review of the Lighthouse’s financials and related documentation and in reliance on the assessed values outlined in the documents referenced above. However, as noted throughout this Affidavit, the financials are still being clarified and revised and there are issues outstanding regarding the value of the real estate holdings.
34. In addition to the real estate holdings, I would estimate, again based on a review of the Lighthouse’s records, that it owns other property (such as furnishings, office

equipment, etc. and again including the assets associated with Blue Mountain) valued at approximately \$1,280,900.

35. There are a number of outstanding creditors of the Lighthouse and Blue Mountain. Specifically:
 - (a) The Lighthouse two secured creditors – Saskatchewan Housing Corporation and Affinity Credit Union – both of which are discussed in further detail below;
 - (b) The Lighthouse has a number of unsecured creditors. The accounts payable summary as of January 8, 2023, obtained from Quickbooks, is attached hereto and marked as **Exhibit “L”**. I expect there would have been some change in the amounts in this summary since January 8, 2023, in the normal course of business;
 - (c) Blue Mountain has no secured creditors, but has a number of unsecured creditors. The accounts payable summary as of January 10, 2023, compiled by MNP LLP, is attached hereto and marked as **Exhibit “M”**. I expect there would have been some change in the amounts in this summary since January 10, 2023, in the normal course of business.
36. In relation to both organizations, I do expect there would also be some outstanding amounts owing for both GST and PST. I have been attempting to sort these figures out with the assistance of MNP LLP, but due to the state of the finances, this task is ongoing.
37. In addition to the amounts indicated in the attached summaries, Blue Mountain has been served with a civil claim bearing court file number KB No. 8 of 2023, Judicial Centre of Saskatoon, in which Blue Mountain’s employee, Angela Beatty, seeks in excess of \$300,000 for amounts alleging arising from her employment. A copy of the claim is attached hereto and marked as **Exhibit “N”**. No defence has yet been filed in relation to the Claim. I note that Ms. Beatty is the spouse of Adeel Salman.

38. In terms of the Lighthouse's secured creditors, in support of the Lighthouse's charitable aims, we have been fortunate to receive from Saskatchewan Housing Corporation ("SHC") funds by way of forgivable mortgages. A summary of those mortgages is attached hereto and marked as **Exhibit "O"**. The debts associated with these properties would also be reflected in the Lighthouse's financial statements. At current, the Lighthouse is making all of the payments on its debts, including these forgivable debts.
39. If it ultimately turns out that the Lighthouse must be wound up, it is my understanding from discussions with SHC that if the secured assets were transferred to an appropriate donee, it may be possible to have the forgiveness associated with the property carried forward. As a board member, I believe it is important that we explore these possibilities – for the benefit of the community that the Lighthouse serves.
40. At present, the Lighthouse has been able to service its debts and has been making progress on reducing our outstanding liabilities. For instance, in March 2022, one of SHC's forgivable mortgages, in that case, a mortgage in the amount of \$1,500,000 secured against the downtown stabilization shelter, matured. As indicated in the letter from Saskatchewan Housing Corporation dated September 13, 2022, a copy of which is attached hereto and marked as **Exhibit "P"**, all conditions within the Lighthouse's Project Development and Operating Agreement dated December 14, 2014 were met. As indicated in the related correspondence dated September 7, 2022, a copy of which is attached hereto and marked as **Exhibit "Q"**, that debt was fully forgiven.
41. We have been having ongoing discussions with our major lender (other than SHC), Affinity Credit Union ("Affinity"). The Lighthouse is currently indebted to Affinity in the sum of \$2,744,249.00, which includes \$2,394,249 outstanding under our mortgage financing and a line of credit in the amount of \$350,000. A printout showing the outstanding mortgage balances with Affinity is attached hereto and marked as **Exhibit "R"**. As this printout was as at January 8, 2023, there may be

some modest adjustment to the overall amount, as there would have been payments made at the end of the month in the normal course.

42. Affinity has indicated that it believes the Lighthouse to be insolvent. It also has expressed significant concerns with the recent developments at the board level. Affinity has advised that it will seek, in the near future, to appoint a receiver for the Lighthouse which will result in its liquidation. Obviously, this is a scenario that the Lighthouse would prefer to avoid. Among other things, this would eliminate (or at least impact) any ability to have the forgivable loans assigned to another charity. One of the primary reasons that I believe this application is necessary is to ensure that all obligations to Affinity and any other creditors of the Lighthouse are met in a way which is least disruptive to the charitable aims served by the Lighthouse. I have serious concern that the balance of the board will not ensure that the financial obligations of the Lighthouse are met.
43. I understand that one of Affinity's major concerns is the level of disfunction at the board level. I understand as well that Affinity has concerns with the new composition of the audit committee (concerns which I share). Affinity has attended at the Lighthouse's offices over the past few weeks to review the finances but it has advised us in recent weeks that it intends to proceed with an application for receivership on the basis of the Lighthouse's insolvency.
44. During recent board meetings, Mr. Windels has expressed his view that the Lighthouse does not require the assistance of MNP, because the Lighthouse cannot afford it. It is true that the Lighthouse has had significant professional expenses this year – however, even with this assistance, we have been unable to sort out the finances which had previously been managed by Mr. Windels. I believe that professional financial advice is the only way forward for the Lighthouse.
45. During these same board meetings, Ms. McCallum has indicated that as an organization, the Lighthouse needs Mr. Windels' expertise with its finances. I have little confidence in this expertise.

46. In any event, it is my considered view that it is time to wind down operations at Blue Mountain. During the previous court proceedings, we had identified that there were significant maintenance and safety concerns at the park which had not been addressed and which would come at a large cost to repair. This work has not been undertaken given the significant additional investments required.
47. The Lighthouse is the registered owner of nine parcels of land which are associated with Blue Mountain. Copies of the tax certificates for these properties showing their current status and assessed value are collectively attached hereto and marked as **Exhibit "S"**. For the past several months, the Board has been exploring the potential to sell some or all of the Blue Mountain property. In part, this is necessary because the Lighthouse needs to be reimbursed funds advanced to Blue Mountain for historical operations and to stop any future demands needed to maintain ongoing operations, in light of the Province's discontinuance of funding. It is also cost-prohibitive to carry out the repairs necessary to make Blue Mountain safe and operational.
48. There are no interests registered against any of these lands.
49. Initially, the Lighthouse engaged Realty Executives Saskatoon to list three of the Blue Mountain parcels (NE 31-45-14; NW 36-45-15 W3; and SW 36-45-15 W3). A copy of our MLS Brokerage Contract dated June 13, 2022 is attached hereto and marked as **Exhibit "T"**. Our initial listing price was \$495,000. These three quarters of land are not integral to maintain the normal operations of the Blue Mountain Operations.
50. We did not have any meaningful expressions of interest with respect to the initial listing of the properties. In July 2022, we amended the listing price to \$390,000. Still, we did not receive any offers.
51. Several months later, the Lighthouse received an unsolicited offer dated December 8, 2022 which included all nine Blue Mountain parcels. A copy of that offer is

attached hereto and marked as **Exhibit “U”**. The purchase price offered was \$950,000.

52. The offer was considered at the Board’s meeting of December 9, 2022, the minutes of which are included at Exhibit “D” to Mr. Hepfner’s Affidavit. The Board passed a motion at that meeting to authorize myself and Mr. Hepfner to negotiate and conclude the sale of the Blue Mountain land. However, subsequently, communications were provided by Mr. Windels, Mr. Salman and Ms. McCallum indicating that they did not agree to the sale. The Lighthouse has not proceeded with the sale because of the concerns expressed by the balance of the Board.
53. In particular, the day following the board meeting, I received an email from Mr. Salman calling for a special meeting of the Lighthouse board to be held on December 10, 2022 (ie, approximately two hours after delivery of notice). A copy of his email, and the resulting exchange amongst the board members, is attached hereto and marked as **Exhibit “V”**. It is concerning to me that Mr. Salman seems to have conflated a meeting of directors with a meeting of members under the terms of the Act, and I did not appreciate the tone of the correspondence or the accusations levied therein.
54. In terms of the Blue Mountain lands, during the negotiation process, the prospective purchasers obtained several inspection reports for the various Blue Mountain properties (and in particular, the buildings upon the properties), all of which identified issues with things like electrical systems, structural integrity, insulation and ice damming and plumbing. The Lighthouse has also received from its realtor a summary of the repairs required for these properties and the approximate costs, and a list of considerations for the Board in assessing the potential sale of the properties. A copy of those documents attached hereto and marked as **Exhibit “W”**.
55. I also learned, following the receipt of the offer in December 2022, that the Blue Mountain lands have a value of approximately \$2,000,000 on the Lighthouse’s books. We have engaged MNP LLP to assist with sorting out this value, but have not been able to come to any conclusions in this respect.

56. At this point, the Board is not operational. As outlined in the minutes of the meetings over the past several months, even mundane, day to day matters cannot be decided upon. Mr. Salman has become extremely critical of Mr. Hepfner and myself, and I believe there has been a complete breakdown in any sort of trust that might have existed amongst the members of the Board. As a result of this complete breakdown in communications, and the inability to appoint or elect new board members to address the vacancies created by the resignations of Mr. Trudel and Mr. Hamilton, as well as the uncertainty remaining with the Court of Appeal's outstanding decision on Mr. Windels' status, I do not believe there is any likelihood that the board will be able to resolve any issues on its own.
57. It is my sincerely held concern that if the Board is left to govern the Lighthouse, any of the good that the Lighthouse has done for the community and all that it has built will be destroyed without any potential to ensure that the needs of our vulnerable clients are addressed. It is also my sincerely held concern that if the Board is left to govern the Lighthouse, it is unlikely that it will continue to meet its financial obligations.
58. I have approached MNP LLP about taking on the role of an interim receiver for the Lighthouse/Blue Mountain and have confirmed that MNP LLP is prepared to act in this capacity. MNP LLP carried out the original investigation ordered by the Court and have been assisting us on an ongoing basis, particularly with respect to the finances. I am of the view that MNP LLP is well situated to step into the role of interim receiver to ensure that the assets of the Lighthouse are managed, that the debts are paid, and that every effort is made to preserve the value in the Lighthouse for the benefit of the community.

59. I make this Affidavit for the information of the Court and for no other purpose.

SWORN (OR AFFIRMED) BEFORE ME)
At the City of Saskatoon, in the Province of)
Saskatchewan, this 7th day of)
February, 2023.)



A Commissioner for Oaths
For Saskatchewan.



TWILA REDDEKOPP

~~My Commission expires: _____~~

Or being a Solicitor

This *Affidavit* delivered by:



ROBERTSON STROMBERG LLP

Barristers & Solicitors
Suite 600, 105 – 21st Street East
Saskatoon, SK S7K 0B3

Lawyer in Charge of file: Candice D. Grant
Direct Line: (306) 933-1304
Facsimile: (306) 652-2445
E-Mail: c.grant@rslaw.com



**Information™
Services
Corporation**

This is Exhibit A referred to in the Affidavit of Saskatchewan
Twila Reddekopp
sworn before me this 7 day of February, 2023
[Signature]

**Saskatchewan
Corporate Registry**

Profile Report

Entity Number: 290846

Entity Name: THE LIGHTHOUSE SUPPORTED LIVING INC.

A Commissioner for Oaths for Saskatchewan
My Commission expires _____
OR Being a Solicitor

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Report Date: 31-Jan-2023

Entity Details

Entity Type	Non-profit Corporation
Entity Subtype	Saskatchewan Non-profit - Charitable
Entity Status	Active
Incorporation Date	15-Jun-1992
Annual Return Due Date	31-May-2022
Fiscal Year End Date	31-Dec-2021
Financial Statement Due Date	31-May-2022
Nature of Business	SUPPORTED HOUSING AND SERVICES FOR MENTALLY AND PHYSICALLY CHALLENGED
MRAS indicator	No

Registered Office/Mailing Address

Physical Address	304-2ND AVENUE SOUTH, SASKATOON, Saskatchewan, Canada, S7K1L1		
Mailing Address	THE LIGHTHOUSE SUPPORTED LIVING INC., 304 - 2ND AVE. S., SASKATOON, Saskatchewan, Canada, S7K1L1		
Attention To	DON WINDELS		

Directors/Officers

TRUDEL PIERRE (Officer)

Physical Address:	227 LARONGE RD, SASKATOON, Saskatchewan, Canada, S7K 5C5	Office Held:	PAST PRESIDENT
Mailing Address:	227 LARONGE RD, SASKATOON, Saskatchewan, Canada, S7K 5C5	Effective Date:	16-Jun-2008

DON WINDELS (Officer)

Physical Address:	301 POPLAR CRES., SASKATOON, Saskatchewan, Canada, S7M0A8	Office Held:	OFFICER
Mailing Address:	301 POPLAR CRES., SASKATOON, Saskatchewan, Canada, S7M0A8	Effective Date:	21-Jun-2004



Profile Report

Entity Number: 290846

Page 2 of 5

Entity Name: THE LIGHTHOUSE SUPPORTED LIVING INC.

Report Date: 31-Jan-2023

JEROME HEPFNER (Officer)

Physical Address: 246 LEWIS CRES,
SASKATOON, Saskatchewan,
Canada, S7L 7H4

Mailing Address: 246 LEWIS CRES,
SASKATOON, Saskatchewan,
Canada, S7L 7H4

Office Held: PRESIDENT

Effective Date: 09-Jun-2005

DON WINDELS (Director)

Physical Address: 301 POPLAR CRES.,
SASKATOON, Saskatchewan,
Canada, S7M0A8

Mailing Address: 301 POPLAR CRES.,
SASKATOON, Saskatchewan,
Canada, S7M0A8

Resident Canadian: Yes

Effective Date: 09-Jun-2002

JEROME HEPFNER (Director)

Physical Address: 246 LEWIS CRES,
SASKATOON, Saskatchewan,
Canada, S7L 7H4

Mailing Address: 246 LEWIS CRES,
SASKATOON, Saskatchewan,
Canada, S7L 7H4

Resident Canadian: Yes

Effective Date: 22-Dec-2004

TRUDEL PIERRE (Director)

Physical Address: 227 LARONGE RD,
SASKATOON, Saskatchewan,
Canada, S7K 5C5

Mailing Address: 227 LARONGE RD,
SASKATOON, Saskatchewan,
Canada, S7K 5C5

Resident Canadian: Yes

Effective Date: 24-May-2007

LISA MCCALLUM (Director)

Physical Address: RR3 SITE 316 BOX 33,
SASKATOON, Saskatchewan,
Canada, S7K 3K6

Mailing Address: RR3 SITE 316 BOX 33,
SASKATOON, Saskatchewan,
Canada, S7K 3K6

Resident Canadian: No

Effective Date: 30-Mar-2017



Profile Report

Entity Number: 290846

Page 3 of 5

Entity Name: THE LIGHTHOUSE SUPPORTED LIVING INC.

Report Date: 31-Jan-2023

ADEEL SALMAN (Director)

Physical Address: 618 DELARONDE CRES, SASKATOON, Saskatchewan, Canada, S7J 3Z7 Resident Canadian: Yes

Mailing Address: 618 DELARONDE CRES, SASKATOON, Saskatchewan, Canada, S7J 3Z7

Effective Date: 26-Mar-2019

TWILA REDDEKOPP (Director)

Physical Address: 543 DELARONDE RD, SASKATOON, Saskatchewan, Canada, S7J 4A7 Resident Canadian: Yes

Mailing Address: 543 DELARONDE RD, SASKATOON, Saskatchewan, Canada, S7J 4A7

Effective Date: 30-Nov-2020

TWILA REDDEKOPP (Officer)

Physical Address: 543 DELARONDE RD, SASKATOON, Saskatchewan, Canada, S7J 4A7

Mailing Address: 543 DELARONDE RD, SASKATOON, Saskatchewan, Canada, S7J 4A7

Office Held: VICE CHAIR

Effective Date: 30-Nov-2020

IAN HAMILTON (Director)

Physical Address: 9000 16TH AVE, NORTH BATTLEFORD, Saskatchewan, Canada, S9A 2T5 Resident Canadian: Yes

Mailing Address: 9000 16TH AVE, NORTH BATTLEFORD, Saskatchewan, Canada, S9A 2T5

Effective Date: 30-Nov-2020

Articles

Minimum Number of Directors: 3 Maximum Number of Directors: 12

Membership Structure:

Class Name	Voting Rights	Number of Members
CHARTER	Yes	49
ACTIVE	Yes	0
ASSOCIATE	No	222



Profile Report

Entity Number: 290846

Page 4 of 5

Entity Name: THE LIGHTHOUSE SUPPORTED LIVING INC.

Report Date: 31-Jan-2023

Previous Entity Names

Type	Name	Effective Until
Registered Name	VOYAGEUR CLUB OF SASKATOON INC.	15-Feb-2007

Notes

Date	Note
2/23/2022 12:23:37 PM	Warning: a lock has been put on this entity due to a current directors dispute and any information on this report must be viewed with caution.

Event History

Type	Date
Non-profit Corporation - Annual Return and Financial Statement	29-Jun-2021
Notice of Change of Directors/Officers	07-Jun-2021
Notice of Change of Directors/Officers	03-Jun-2021
Non-profit Corporation - Annual Return and Financial Statement	23-Nov-2020
Resignation of Director	23-Nov-2020
Non-profit Corporation - Annual Return and Financial Statement	14-May-2019
Notice of Change of Directors/Officers	14-May-2019
Notice of Change of Directors/Officers	14-May-2019
Notice of Change of Directors/Officers	25-Apr-2019
Non-profit Corporation - Annual Return and Financial Statement	26-May-2018
Non-profit Corporation - Annual Return and Financial Statement	30-Jun-2017
Resignation of Director	30-Jun-2017
Notice of Change of Directors/Officers	30-Jun-2017
Non-profit Corporation - Financial Statement	27-May-2016
Non-profit Corporation - Annual Return	03-Jul-2015
Non-profit Corporation - Financial Statement	27-Mar-2015
Non-profit Corporation - Annual Return	17-Jun-2014
Non-profit Corporation - Financial Statement	28-Apr-2014
General Information	13-Jun-2013
Non-profit Corporation - Annual Return	11-Jun-2013
Non-profit Corporation - Financial Statement	22-Apr-2013
Non-profit Corporation - Annual Return	26-Jun-2012



Profile Report

Page 5 of 5

Entity Number: 290846

Entity Name: THE LIGHTHOUSE SUPPORTED LIVING INC.

Report Date: 31-Jan-2023

Non-profit Corporation - Financial Statement	31-May-2012
Non-profit Corporation - Annual Return	16-Aug-2011
Non-profit Corporation - Financial Statement	14-Apr-2011
Non-profit Corporation - Annual Return	19-Jun-2010
Non-profit Corporation - Financial Statement	06-Apr-2010
Non-profit Corporation - Financial Statement	23-Jun-2009
Non-profit Corporation - Annual Return	23-Jun-2009
Non-profit Corporation - Annual Return	16-Jun-2008
Non-profit Corporation - Financial Statement	03-Jun-2008
Non-profit Corporation - Amend Articles	28-Jan-2008
Non-profit Corporation - Annual Return	04-Jul-2007
Non-profit Corporation - Financial Statement	04-Jun-2007
Non-profit Corporation - Amend Articles	16-Feb-2007
Non-profit Corporation - Financial Statement	19-May-2006
Non-profit Corporation - Annual Return	19-May-2006
Non-profit Corporation - Annual Return	09-Jun-2005
Non-profit Corporation - Financial Statement	18-May-2005
Non-profit Corporation - Annual Return	21-Jun-2004
Non-profit Corporation - Financial Statement	26-May-2004
Non-profit Corporation - Annual Return	28-Oct-2003
Non-profit Corporation - Financial Statement	25-Jul-2003
Non-profit Corporation - Annual Return	16-Jul-2002
Non-profit Corporation - Financial Statement	16-May-2002
Non-profit Corporation - Financial Statement	28-Jun-2001
Non-profit Corporation - Annual Return	28-Jun-2001
Non-profit Corporation - Financial Statement	28-Jul-2000
Non-profit Corporation - Annual Return	29-Jun-2000
Non-profit Corporation - Incorporation	15-Jun-1992



This is Exhibit B referred to in the Affidavit of

Saskatchewan

Twila Reddekopp
sworn before me this 7 day of
February, 2023

Corporate Registry

Profile Report

Entity Number: 102067796

A Commissioner for Oaths for Saskatchewan

Page 1 of 3

Entity Name: BLUE MOUNTAIN ADVENTURE PARK INC.

My Commission expires _____

~~OR Being a Solicitor~~

Report Date: 31-Jan-2023

Entity Details

Entity Type	Non-profit Corporation
Entity Subtype	Saskatchewan Non-profit - Charitable
Entity Status	Active
Incorporation Date	01-Jan-2019
Annual Return Due Date	31-Mar-2023
Fiscal Year End Date	31-Oct-2022
Financial Statement Due Date	31-Mar-2023
Nature of Business	Amusement parks and arcades
MRAS Indicator	No

Registered Office/Mailing Address

Physical Address	304 2ND AVE SOUTH, SASKATOON, Saskatchewan, Canada, S7K 1L1
Mailing Address	BLUE MOUNTAIN ADVENTURE PARK INC., 304 2ND AVE SOUTH, SASKATOON, Saskatchewan, Canada, S7K 1L1

Directors/Officers

DON WINDELS (Director)

Physical Address:	301 POPLAR CRES, SASKATOON, Saskatchewan, Canada, S7M 0A8	Resident Canadian:	Yes
Mailing Address:	301 POPLAR CRES, SASKATOON, Saskatchewan, Canada, S7M 0A8	Effective Date:	01-Jan-2019

DON WINDELS (Officer)

Physical Address:	301 POPLAR CRES, SASKATOON, Saskatchewan, Canada, S7M 0A8	Office Held:	EXECUTIVE DIRECTOR
Mailing Address:	301 POPLAR CRES, SASKATOON, Saskatchewan, Canada, S7M 0A8	Effective Date:	01-Jan-2019



Profile Report

Entity Number: 102067796

Page 2 of 3

Entity Name: BLUE MOUNTAIN ADVENTURE PARK INC.

Report Date: 31-Jan-2023

JEROME HEPFNER (Director)

Physical Address: 246 LEWIS CRES,
SASKATOON, Saskatchewan,
Canada, S7L 7H4 Resident Canadian: Yes

Mailing Address: 246 LEWIS CRES,
SASKATOON, Saskatchewan,
Canada, S7L 7H4

Effective Date: 01-Jan-2019

JEROME HEPFNER (Officer)

Physical Address: 246 LEWIS CRES,
SASKATOON, Saskatchewan,
Canada, S7L 7H4

Mailing Address: 246 LEWIS CRES,
SASKATOON, Saskatchewan,
Canada, S7L 7H4 Office Held: PRESIDENT

Effective Date: 01-Jan-2019

TWILA REDDEKOPP (Director)

Physical Address: 543 DELARONDE RD,
SASKATOON, Saskatchewan,
Canada, S7J 4A7 Resident Canadian: Yes

Mailing Address: 543 DELARONDE RD,
SASKATOON, Saskatchewan,
Canada, S7J 4A7

Effective Date: 01-Jan-2020

TWILA REDDEKOPP (Officer)

Physical Address: 543 DELARONDE RD,
SASKATOON, Saskatchewan,
Canada, S7J 4A7

Mailing Address: 543 DELARONDE RD,
SASKATOON, Saskatchewan,
Canada, S7J 4A7 Office Held: VICE CHAIR

Effective Date: 01-Jan-2020

ADEEL SALMAN (Director)

Physical Address: 618 DELARONDE CRES,
SASKATOON, Saskatchewan,
Canada, S7J 3Z7 Resident Canadian: Yes

Mailing Address: 618 DELARONDE CRES,
SASKATOON, Saskatchewan,
Canada, S7J 3Z7

Effective Date: 01-Jun-2019



Profile Report

Entity Number: 102067796

Page 3 of 3

Entity Name: BLUE MOUNTAIN ADVENTURE PARK INC.

Report Date: 31-Jan-2023

Articles

Minimum Number of Directors: 3 Maximum Number of Directors: 12

Membership Structure:

Class Name	Voting Rights	Number of Members
Class A Members	Yes	

Previous Entity Names

Type	Name	Effective Until
Registered Name	BLUE MOUNTAIN ADVENTURE PARK INC.	18-May-2021
English Name	BLUE MOUNTAIN ADVENTURE PARK INC.	18-May-2021
Registered Name	BLUE MOUNTAIN ADVENTURE PARK INC.	25-Aug-2022

Event History

Type	Date
Non-profit Corporation - Restoral	25-Aug-2022
Notice of Change of Directors/Officers	07-Jun-2021
Resignation of Director	03-Jun-2021
Notice of Change of Directors/Officers	03-Jun-2021
Non-profit Corporation - Restoral	18-May-2021
Non-profit Corporation - Incorporation	01-Jan-2019

	First	Last	Member Since
	Eugene	Arcand	Nov-20
	Dave	Armstrong	Mar-19
	Dawn	Beaudry	Prior 2015
	Phil	Beaudry	Prior 2015
	Jean	Donauer	Prior 2015
	Joe	Donauer	Prior 2015
	Elenore	Gerbrandt	Mar-17
	Patrick	Girardeau	Mar-17
	Ian	Hamilton	Nov-20
	Charlotte	Hamilton	Nov-20
	Donna	Hepfner	Prior 2015
	Jerome	Hepfner	Prior 2015
	Julie-Anne	Manoach	Prior 2015
	Kristen	Hepfner	Prior 2015
	Tiffany	Klassen	Prior 2015
	Dave	Janzen	Mar-16
	Judy	Janzen	Mar-16
	Sandra	Lazar	Mar-19
	Cameron	McBride	Nov-20
	Lisa	McCallum	Mar-17
	Tyrone	McKenzie	Mar-17
	Brad	Mayer	Prior 2015
	Kim	Mayer	Prior 2015
	Vera	Olfert	Mar-17
	Dave	Piska	Prior 2015
	Marg	Piska	Prior 2015
	Twila	Reddekopp	Nov-20
	Doug	Richardson	Nov-20
	Adeel	Salman	Mar-19
	Rose	Simpson	Prior 2015
	Shane	Simpson	Prior 2015
	Christina	Schurman	Mar-17
	Bill	Stoesz	Mar-19
	Elaine	Stoesz	Mar-19
	Dan	Tangjerd	Prior 2015
	Carol	Trudel	Prior 2015
	Pierre	Trudel	Prior 2015
	Alan	Webster	Mar-19
	Melanie	Webster	Mar-19
	Margarite	Wiggins	Prior 2015
	Adele	Windels	Prior 2015

This is Exhibit C referred to in the Affidavit of Twila Reddekopp sworn before me this 7 day of February, 2023

A Commissioner for Oaths for Saskatchewan
My Commission expires _____
OR Being a Solicitor

	Bonnie	Windels	Prior 2015
	Don	Windels	Prior 2015
	Leah	Windels	Prior 2015
	Nathan	Windels	Prior 2015
	Nikki	Windels	Mar-17
	Steven	Windels	Prior 2015

Email
d75arm@gmail.com
philbeaudry@icloud.com
beaudrypad@sasktel.net
jgdonauer@shaw.ca
jgdonauer@shaw.ca
elegerbrandt@sasktel.net
l.mccallum@yahoo.ca
i.hamilton@sasktel.net
i.hamilton@sasktel.net
dhepfner@sasktel.net
jhepfner@sasktel.net
jamanoach@gmail.com
khepfner@sasktel.net
tiffany.wellwood@gmail.com
dj.jj@sasktel.net
dj.jj@sasktel.net
samlaz93@hotmail.com
Cameron.McBride@police.saskatoon.sk.ca
l.mccallum@yahoo.ca
ty.mckenzie@lighthousesaskatoon.org
bmayer@citycentrechurch.ca
bmayer@citycentrechurch.ca
pvolfert@sasktel.net
marjpiska@gmail.com
marjpiska@gmail.com
treddekopp@sunrisepublish.com
d.richardson@mckercher.ca
adeel.salman@gmail.com
rosefaith28@gmail.com
c.schurman@shaw.ca
williamstoesz@gmail.com
williamstoesz@gmail.com
dtangjerd@wardellaw.ca
peppycar@sasktel.net
peppycar@sasktel.net
alanwebster@live.ca
alanwebster@live.ca
margueritew@sasktel.net
amwindels@gmail.com

windels1@sasktel.net
don.lighthouse@gmail.com
nlwindels@gmail.com
nlwindels@gmail.com
1stvnwindels@gmail.com
1stvnwindels@gmail.com

DUPLICATE ORIGINAL

This is Exhibit D Page 1 of 1 in the Affidavit

Twila Reddekopp
sworn before me this 7 day of
February, 2023

COURT FILE NUMBER Q.B.G. No. 751 of 2021

COURT OF QUEEN'S BENCH FOR SASKATCHEWAN

JUDICIAL CENTRE SASKATOON

APPLICANTS

JEROME HEFNER, TWILA REDDEKOPP, IAN HAMILTON

A Commissioner for Oaths for Saskatchewan

My Commission expires _____

OR Being a Solicitor

IN THE MATTER OF AN APPLICATION PURSUANT TO DIVISION XVII OF
THE NON-PROFIT CORPORATIONS ACT, 1995 REGARDING
THE LIGHTHOUSE SUPPORTED LIVING INC.

BEFORE THE HONOURABLE)

MR. JUSTICE D.G. GERECKE) THE 17TH DAY OF SEPTEMBER, 2021

ORDER

Upon application of Candice D. Grant, lawyer on behalf of the Applicants, and in consideration of and having read the pleadings and proceedings had and taken herein, all filed:

The Court Orders:

1. An inspector shall be appointed to conduct an investigation into the following:
 - i. The terms of the loan of \$60,000 to Don Windels by The Lighthouse Supported Living Inc., the documentation therefor if any, the repayment of such loan and whether the calculations of interest and additional costs provided by Don Windels are commercially reasonable;
 - ii. The terms of the loan of \$30,000 to Mech-El Services Inc. by The Lighthouse Supported Living Inc., and the documentation therefor if any;
 - iii. Whether any additional irregular or potentially irregular non-arm's length transactions have been engaged in by The Lighthouse Supported Living Inc. or Blue Mountain Adventure Park Inc. including, without limitation, with or to

This Order of the Court of Queen's Bench – and its existence, the existence of this matter and the underlying disputes and facts, are subject to a publication ban – is ordered by the Court to be held confidential by each person who receives it, and shall not be published by any person in any manner, pending further order of the Court.

any member of the board of directors of either corporation, or any person affiliated with or related to any such board member; and

- iv. If any such irregular or potentially irregular transactions have been engaged in, the particulars of each such loan or transaction and whether such loans or transactions are appropriately recorded in the records, accounts and financial statements of the relevant corporation.
2. The inspector shall be MNP LLP, provided that within seven days of this order they file written consent to perform the role as an officer of the Court on the terms of the orders set forth herein.
3. If MNP LLP fails or refuses to provide such written consent, counsel shall forthwith attempt to agree to an alternate accounting firm to serve as inspector. In the event of such agreement, counsel have leave to file consent from the alternate accounting firm along with a consent order confirming its appointment. Absent such agreement, counsel shall communicate that to the Local Registrar forthwith and provide a range of available dates and times as to when submissions may be made concerning the accounting firm to be appointed as inspector.
4. The inspector shall make and deliver to this Court and each Director of The Lighthouse Supported Living Inc. a report containing the inspector's findings, which report shall be sealed and shall not be disclosed without further order of this Court. The report shall be delivered as early as possible and in any event within 30 days of filing the consent referred to herein.
5. The inspector shall be at liberty to employ such assistants, agents, employees, auditors, advisors and counsel, including legal counsel, and incur such expenses as it may consider necessary for carrying out the investigation authorized herein.

This Order of the Court of Queen's Bench – and its existence, the existence of this matter and the underlying disputes and facts, are subject to a publication ban – is ordered by the Court to be held confidential by each person who receives it, and shall not be published by any person in any manner, pending further order of the Court.

6. The inspector shall be paid its reasonable fees and disbursements and shall from time to time render and pass its accounts, which fees and expenses, as passed, shall be paid by The Lighthouse Supported Living Inc. Absent further order, the fees of the inspector shall not exceed \$30,000.
7. Should the inspector determine at any time that the corporation may be incapable of paying its fees and expenses, the inspector shall have leave to apply to this Honourable Court for suspension or discharge of the duties and obligations imposed on the inspector hereunder, or such order or relief as may be required.
8. The inspector is hereby authorized to:
 - i. Enter into the business premises of The Lighthouse Supported Living Inc. or Blue Mountain Adventure Park Inc. and to examine books, documents, contracts, corporate and accounting records, and any other papers, records and information of any kind relating to the matters that the inspector has been appointed to investigate, and any computer programs or data storage media containing any such information [collectively, Records], and make copies of any Records; and
 - ii. Make application to this Honourable Court, which may be in writing, to examine any person on oath, without the requirement that the inspector commence a hearing as contemplated by ss. 215(f) and (g) of *The Non-Profit Corporations Act, 1995*; provided that the foregoing shall not preclude the inspector from requesting the opportunity to make oral submissions. If an application in writing is made, counsel noted in the Court's Fiat dated September 17, 2021 shall be served with the application, along with the person whom the inspector wishes to examine under oath. Each party shall then have two business days to provide written submissions concerning the application, which may include a request for an oral hearing. If the inspector desires an oral hearing, a notice of application shall be served on no less than two days' notice on counsel noted in the Court's Fiat dated September 17, 2021 and the person

This Order of the Court of Queen's Bench – and its existence, the existence of this matter and the underlying disputes and facts, are subject to a publication ban – is ordered by the Court to be held confidential by each person who receives it, and shall not be published by any person in any manner, pending further order of the Court.

whom the inspector wishes to examine. If a current email address of such person is known to the inspector, service on such person may be made by email.

9. All persons, whether employees of, accountants for or directors of The Lighthouse Supported Living Inc. or Blue Mountain Adventure Park Inc., in possession or control of Records shall forthwith give unfettered access to the inspector for the purpose of allowing the inspector to review and copy all information contained therein, whether by way of printing the information onto paper or making copies of computer discs or such other manner of retrieving and copying the information the inspector deems expedient. For the purpose of this paragraph, all persons shall provide the inspector with such assistance in gaining immediate access to the information in the Records as the inspector may in its discretion require including providing the inspector with instructions on the use of any computer or other system and providing the inspector with any and all access codes, account names and account numbers that may be required to gain access to the information.
10. The inspector may from time to time apply to this Honourable Court, with or without notice to the parties hereto, for directions and guidance in the discharge of its duties hereunder, including with respect to the cap on fees and the deadline for providing its report; provided that an application to increase the cap on fees shall be made with notice.
11. Absent further order of this Court, the inspector shall conduct its duties in a manner consistent with the requirements of ss. 214(5) and 214(6) of *The Non-Profit Corporations Act, 1995* and the confidential nature of this matter. Notwithstanding the foregoing, the inspector shall be permitted to provide a copy of this order to any person in order to carry out its duties hereunder.


This Order of the Court of Queen's Bench – and its existence, the existence of this matter and the underlying disputes and facts, are subject to a publication ban – is ordered by the Court to be held confidential by each person who receives it, and shall not be published by any person in any manner, pending further order of the Court.

12. Notwithstanding s. 214(6) of *The Non-Profit Corporations Act, 1995*, the Board of Directors of The Lighthouse Supported Living Inc. shall provide a copy of this order to each member of The Lighthouse Supported Living Inc. for the purpose of notifying the members of paragraphs 14(i) and 14(ii) hereof. Counsel for the Applicants is hereby directed to serve the Court's Substituted Fiat of September 10, 2021 and this Order, which may occur by email using the most current email address for each Member contained in the records of The Lighthouse Supported Living Inc. Counsel for the Applicants shall ensure that appropriate admonishments as to Court-ordered confidentiality and publication ban are communicated to each such Member. The foregoing shall form a limited exception to paragraphs 13 and 14(iii) of this Order.
13. Any person to whom this order is provided, including any Member shall keep such order strictly confidential. In no event shall any publication be made of the existence of this order or the within matter.
14. Pending further order of this Court:
 - i. Any action pursuant to the process pursuant to section 18 of the Bylaws of The Lighthouse Supported Living Inc., the Special Meeting and the calling or holding of an AGM will be enjoined. No Board members shall be elected or removed, though if a Board member wishes to resign, he or she shall be permitted to do so.
 - ii. To ensure that a faction does not attempt to "stack" a future Members' meeting, The Lighthouse Supported Living Inc. shall not admit any new Members, nor remove any Members, though if a Member wishes to resign their membership, he or she shall be permitted to do so.
 - iii. The entirety of the Court file concerning this matter shall be sealed, and its existence, the existence of this matter and the underlying disputes and facts, shall be subject to a publication ban.
15. Board meetings shall be permitted to occur during the investigation.

This Order of the Court of Queen's Bench – and its existence, the existence of this matter and the underlying disputes and facts, are subject to a publication ban – is ordered by the Court to be held confidential by each person who receives it, and shall not be published by any person in any manner, pending further order of the Court.

16. Section 214(3) of *The Non-Profit Corporations Act, 1995* requires that the director of corporations be served with an application made under that section. The Applicants shall ensure that proof of service of their application without notice on the director is or has been filed, together with the response of the director dated July 16, 2021 confirming that the director does not intend to appear or intervene in this matter.
17. No costs shall be payable.

ISSUED at the City of Saskatoon, in the Province of Saskatchewan, this 17th day of October, 2021.




X. PINO

(Deputy) Local Registrar

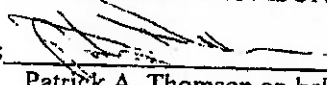
APPROVED AS TO THE ORDER GRANTED
McKERCHER LLP

Per:


Michael A. MacDonald on behalf of
Don Windels

APPROVED AS TO THE ORDER GRANTED
WARD MISCHUK THOMSON LLP

Per:


Patrick A. Thomson on behalf of
Tyrone McKenzie and Eleanor Gerbrandt

This Order of the Court of Queen's Bench -- and its existence, the existence of this matter and the underlying disputes and facts, are subject to a publication ban -- is ordered by the Court to be held confidential by each person who receives it, and shall not be published by any person in any manner, pending further order of the Court.

This *Order* delivered by:



ROBERTSON STROMBERG LLP

Barristers & Solicitors
Suite 600, 105 – 21st Street East
Saskatoon, SK S7K 0B3

Lawyer in Charge of file:	Candice D. Grant
Direct Line:	(306) 933-1304
Facsimile:	(306) 652-2445
E-Mail:	c.grant@rslaw.com

This Order of the Court of Queen's Bench – and its existence, the existence of this matter and the underlying disputes and facts, are subject to a publication ban – is ordered by the Court to be held confidential by each person who receives it, and shall not be published by any person in any manner, pending further order of the Court.

QUEEN'S BENCH FOR SASKATCHEWAN

Citation: 2021 SKQB 313

Date: 2021 12 06
Docket: QBG 751 of 2021
Judicial Centre: Saskatoon

This is Exhibit E referred to in the Affidavit of
Twila Reddekopp
sworn before me this 7 day of
February, 20 23

APPLICANTS:

A Commissioner for Oaths for Saskatchewan
~~My Commission expires~~
OR Being a Solicitor

JEROME HEPFNER, TWILA REDDEKOPP, IAN HAMILTON

IN THE MATTER OF AN APPLICATION PURSUANT TO DIVISION XVII OF
THE NON-PROFIT CORPORATIONS ACT, 1995 REGARDING
THE LIGHTHOUSE SUPPORTED LIVING INC.

PUBLICATION BAN: This decision of the Court of Queen's Bench for Saskatchewan – and its existence, the existence of this matter and the underlying disputes and facts, are subject to a publication ban – is ordered by the Court to be held confidential by each person who receives it, and shall not be published by any person in any manner, pending further order of the Court.

The publication ban is lifted as at 12:01 a.m. on December 9, 2021, pursuant to the Judge's order of November 30, 2021.

Counsel:

Candice D. Grant
Andrew M. Mason
Patrick A. Thomson

for the applicants
for Don Windels
for Tyrone McKenzie and Elenore Gerbrandt

JUDGMENT
December 6, 2021

GERECKE J.

Look for 3 things in a person – intelligence, energy and integrity. If they don't have the last one, don't even bother with the first two.

Warren Buffett

Integrity is doing the right thing, even when no one is watching.

C.S. Lewis

<u>ITEM</u>	<u>PARAGRAPH</u>
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A. INTRODUCTION

[1] To better organize this judgment, I have divided it into sections. There are further levels of subheadings that have not been included in the Table of Contents.

[2] Homelessness is a blight on society, particularly in a place such as Saskatchewan with our harsh winters. The great majority of us live comfortably, in private homes with our own belongings, under well-shingled roofs, with furnaces that reliably keep us warm.

[3] Some – too many – do not have that comfort. Whether through misfortune, addiction, mental illness, self-destruction or other causes, some individuals do not have homes. They live, perhaps merely attempting to survive, shrouded in poverty, uncertainty, fear, cold and illness.

[4] In 2019, the Saskatoon Housing Initiatives Partnership released a brief report: *Saskatoon Homelessness Report Card 2018* <https://www.homelesshub.ca/sites/default/files/attachments/Homelessness%2BReport%2BCard%2B2018.pdf> (2 December 2021) [*Report Card*]. Some of the statistics set out in the *Report Card* are startling – 475 homeless individuals were counted, of whom 297 were sheltered and 178 were unsheltered. Indigenous people comprised over 85 percent of Saskatoon’s homeless population. More than half experienced chronic homelessness. That is merely a snapshot taken on April 18, 2018.

[5] Every level of government identifies homelessness as a priority, but the problem has not come close to being solved. These issues exist in every city.

[6] The *Report Card* says that the shelters that served the most people in Saskatoon in 2018 were the YWCA Crisis Shelter & Residence (11,482 served), the Lighthouse Emergency Shelter & Stabilization Unit (10,730) and the Salvation Army

(10,668).

[7] The Lighthouse Supported Living Inc. [Lighthouse], the primary entity that is the subject of this application, operates one of those shelters in Saskatoon – the one that bears the Lighthouse name. It had also operated a shelter in North Battleford, though I was advised during argument of this application that another entity has taken over that shelter. It also operates rental housing for low income families in Saskatoon.

[8] Don Windels, who is at the centre of the issues in this matter, stated the following in an affidavit sworn November 8, 2021:

19. The Lighthouse serves the needs of the distressed, vulnerable, mentally-ill, those suffering from substance abuse, the homeless and destitute people in our communities on a 24 hour a day/ 7 days a week, year-in and year-out basis. It is able to operate continuously because of the commitment of its 140 full and part-time staff under the direction of a dedicated management team.

[Emphasis added]

[9] Over the years, the Lighthouse’s location in the downtown core has been the source of considerable controversy in Saskatoon. There are many who would like to see it gone from its current location. They may be in the minority but are vocal. While there are neighbouring businesses who suffer adverse effects from their proximity to the Lighthouse, there also is an element of NIMBYism (“not in my back yard”).

[10] This is not an application about whether the Lighthouse belongs in its current spot. Instead, the applicants apply for an oppression remedy under s. 225 of *The Non-profit Corporations Act, 1995*, SS 1995, c N-4.2 [Act]. I began by briefly discussing homelessness because if the Lighthouse is unable to get through its current mess, many vulnerable individuals will suffer from its absence. That risk weighs heavily on the Court.

B. MAIN ACTORS

[11] Before I get to the oppression remedy application, I will provide some broad context. I will be brief here, as I outlined the history in some detail in my previously unpublished Fiat dated September 10, 2021 (now 2021 SKQB 312) [*First Fiat*] and will cover aspects of the evidence in significant detail below. This decision should be read in conjunction with the *First Fiat*, though I will attempt to cover the evidence relevant to the oppression remedy application here such that this decision is reasonably self-contained.

[12] The Lighthouse is a charitable non-profit corporation. As with any non-profit, it has members rather than shareholders. Members do not hold equity in the corporation. Their main functions are to elect directors, approve resolutions and financial statements at annual meetings, and participate in special meetings when called (which may be to, for example, approve amendment of bylaws, or vote to remove directors). The Lighthouse has about 40 members [Members].

[13] The Lighthouse has a subsidiary that is also a non-profit corporation, though not with charitable status: Blue Mountain Adventure Park Inc. [Blue Mountain]. The Lighthouse is the only member of Blue Mountain.

[14] Usually, the most important function of directors of a non-profit is the hiring and, if needed, firing, of the most senior layer of management, whether that be a General Manager, Executive Director or the like. For the Lighthouse, it is an Executive Director.

[15] By virtue of unusual provisions in the Lighthouse's bylaws, the Executive Director also is a member of the Board of Directors [Board] for an indefinite term. The bylaw provisions make it extremely difficult for the Board to terminate the Executive

Director, which also would not have the effect of removing him from the Board.

[16] These proceedings have been ongoing for several months, first coming before the Court in July 2021. There have essentially been two sides. One side is led by Don Windels, the Lighthouse's Executive Director. He has the unqualified support of many employees, a Member named Tyrone McKenzie who holds the role of the Lighthouse's Spiritual Care Coordinator, and likely also a healthy proportion of the Members.

[17] Mr. Windels is a long-time Chartered Professional Accountant [CPA] and Certified General Accountant. Both designations were current when these proceedings began.

[18] The other faction is comprised of several Board members, including the three applicants, Twila Reddekopp, Jerome Hepfner and Ian Hamilton.

[19] Twila Reddekopp is the Vice-Chair. She was appointed as a Director in May 2020, and then elected to the Board in November 2020 at which time she also became a Member. Mr. Hamilton became a Member and Board member in November 2020. Mr. Hepfner has been the Chair/President for several years. He has been a Member and Board member for over 15 years.

[20] The Court heard (and was guilty of inviting) speculative argument about whether one side or the other would hold greater support among the Members. That remains unknown.

[21] I speak of "sides" with reluctance because that should not matter. Indeed, the application before me is only partly about the "sides". It is much more about self-dealing transactions committed by Don Windels, transactions that were condoned and/or approved by the Board at the relevant times.

[22] The remaining current Board members are Pierre Trudel, Lisa McCallum and Adeel Salman. Pierre Trudel was the subject of much discussion in the *First Fiat*, having taken a \$30,000 loan in 2010 [Mech Loan] for his company, Mech-El Services Ltd. [Mech] to fund development of a patent. Mr. Trudel also knew of and approved of the transactions with Mr. Windels.

[23] The Court has received affidavits from the following individuals:

- a. Twila Reddekopp (three);
- b. Don Windels (three);
- c. Melissa Smith, the Lighthouse's Advancement Services Manager (two). Ms. Smith is the most senior member of the Lighthouse's management team after Mr. Windels;
- d. Tyrone McKenzie (two);
- e. Tom McKenzie of McKenzie and Company [McKenzieCo], the Lighthouse's current auditors. Tom McKenzie swore one affidavit on August 12, 2021 [Auditor Affidavit];
- f. Pierre Trudel (one); and
- g. Jerome Hepfner (one).

For the purpose of these proceedings, Don Windels, Tyrone McKenzie and Eleanor Gerbrandt (another Member) are effectively the respondents [respondents]. They generally oppose the relief sought by the applicants. The Lighthouse itself is unrepresented as currently there is no one in the organization who could instruct counsel.

[24] A prior application was made to me that resulted in the *First Fiat*. That

application was to appoint MNP LLP as inspector [Inspector], which I ordered in the *First Fiat*. The Inspector stands in the role of a court-appointed officer. He produced a report dated October 15, 2021 [First Report] that provided information as to transactions involving the Lighthouse and Blue Mountain, and also gave indications as to potential further investigations. I asked for further analysis on what might merit additional investigation, which led to a brief second report dated October 25, 2021 [Second Report].

C. SUMMARY OF EVIDENCE

[25] It will be useful here to provide a summary of the evidence (which includes information from the Inspector's reports). As I discuss particular issues, I will delve deeper into aspects of the evidence. Note that this summary is focused on matters that the applicants have raised. It does not address the applicants' own actions that contributed to the escalation of hostilities.

[26] All or most of the underlying facts are admitted by Don Windels or are uncontroverted.

1. Previous background

[27] From 2008 to 2013, Don Windels, his wife Bonnie, and their family corporation, 629511 Saskatchewan Ltd. [511 Ltd.], took a series of loans from the Lighthouse that totalled approximately \$287,000 [Early Loans]. He asserts that all such loans were repaid. That is not in dispute, though no one has had the opportunity to undertake an accounting. He also says that he has evidence of the repayments but has filed no documentation.

[28] Mr. Windels says that all of the Early Loans were approved by the Board. There are not resolutions for all of those loans. The one for the largest was made after

repayment. Where resolutions exist, Mr. Windels and his family made up a majority of Board members who signed those resolutions.

[29] Mr. Windels says that in 2018 he told the Board that existed in 2018 about the Early Loans. Jerome Hepfner, the current President and one of the applicants, was on the Board for the entire relevant time, as was Pierre Trudel.

[30] Further detail on the Early Loans is located in Appendix A.

2. Events involving the Walmer House

[31] In the spring of 2017, Don Windels approached the Board to ask for assistance for his daughter, whose marriage had ended. He wanted a loan of \$60,000 to help her buy a house, located at 716 Walmer Road in Saskatoon [Walmer House]. The entirety of the transactions involving the Walmer House are referred to herein as the [House Transactions].

[32] The Board met *in camera* in the spring of 2017 [2017 Board meeting], producing no resolutions or similar documentation. Several witnesses say, and it is uncontroverted, that the Board approved the deal, but it was altered to become a purchase of the house by the Lighthouse. The Court has never been told exactly who was in the 2017 Board meeting. The only persons who have been identified in evidence as having participated in that meeting are Mr. Windels, Mr. Hepfner, Mr. Trudel and a lawyer, Daniel Tangjerd. Presumably there were additional Board members at that time, but their identities are unknown to the Court, though ultimately that is largely immaterial.

[33] Mr. Windels continues to maintain that the proper characterization is that the Board loaned him \$30,000 and took title to the Walmer House as security.

[34] The Lighthouse entered into an agreement with the vendor dated March 19, 2017 to purchase the Walmer House for \$60,000 [Walmer Purchase Agreement]. Title to the Walmer House was registered in the Lighthouse's name on April 25, 2017.

[35] Don Windels had sole and exclusive possession of the Walmer House for the entire time it was owned by the Lighthouse. The Lighthouse paid for insurance, utilities and property taxes during that time.

[36] It is apparent that no auditors were ever advised of the nature of the deal concerning the Walmer House before 2021. It was recorded on the Lighthouse's books as a capital asset worth \$60,000. No one produced the 2017 audited financial statements for the Court, nor furnished them to the Inspector.

[37] The audited financial statements for the year ending December 31, 2018 [2018 Audit Statements] were silent concerning the Walmer House – there was no disclosure that the Walmer House was the subject of a related party transaction. They were finalized in the spring of 2019.

[38] The audited financial statements for the year ending December 31, 2019 [2019 Audit Statements] were again silent concerning the Walmer House. They were finalized in November 2020.

[39] At the end of 2020, the Lighthouse transferred the Walmer House to Don Windels and his wife Bonnie Windels (for simplicity, I will generally refer only to Don Windels). The transfer authorization [Walmer House Transfer] was dated December 8, 2020 and was signed by Mr. Windels and Jerome Hepfner.

[40] Mr. Windels paid \$60,000 to the Lighthouse to acquire the Walmer House from the Lighthouse, plus paid some interest and reimbursed the Lighthouse for

insurance, utilities and property taxes it had paid. The value shown on the new title in the name of Don and Bonnie Windels was \$230,000.

[41] Other than Jerome Hepfner's signature on the transfer authorization, there is no evidence as to how, when or to what extent Don Windels advised anyone at the Lighthouse of that transaction in late 2020 (until April 2021), let alone having consulted with the Board or obtaining Board approval. (He logically must have communicated with someone, as the payment to the Lighthouse would have needed to be recorded in the Lighthouse's books).

[42] No accounting was provided at the time, or since, as to the increase of value from \$60,000 to \$230,000.

[43] Don Windels advised the Lighthouse's auditors on April 20, 2021 that the Walmer House was transferred to a "related party". There is no evidence of disclosure before that date to any party (outside the individuals who were part of the 2017 Board meeting) that the Walmer House was the subject of a related party transaction.

[44] For the first time, the draft audited statements produced by the auditors for 2020 [2020 Draft Audit Statements] referenced a related party transaction concerning the Walmer House.

3. Other instances of commingling

[45] The matters discussed above are not the only instances of Mr. Windels, or his family or other Board members commingling their personal financial affairs with those of the Lighthouse or Blue Mountain. Other instances, some of which are ongoing, include the following:

- a. The Kowach Foundation for Advancing Education Inc. [Kowach] is a non-profit corporation established in 1994. It is registered as a charitable corporation and Mr. Windels says it is a registered charity with Canada Revenue Agency [CRA]. He is a director of Kowach (as is Mr. Hepfner). Its only current program is to hire summer students to work at Blue Mountain. There may be nothing wrongful occurring there, but the Inspector has recommended that the relationship be investigated further. No further detail is needed for this stage of the discussion.
- b. The Lighthouse leases houses from members of the Windels family. The Inspector identified five such houses as having been historically leased from the family, with two being leased currently. The Lighthouse then rents the houses to low income families. Between 2009 and September 2021, the Lighthouse paid about \$417,000 to the Windels family under the leases. The Lighthouse earned \$534,400 of revenue from its tenants over that period, so it has earned profits of about \$117,000 from the arrangements. The Inspector has not evaluated whether the Lighthouse would be in a better position if it had simply purchased houses itself and rented them out.
- c. In 2010, Pierre Trudel requested the \$30,000 Mech Loan for his company, Mech, to work on developing a patent. The Board of the day approved the Mech Loan and it was advanced. Mech ceased operations in 2017 and has made no repayment, though the Court has very recently been advised that Mr. Trudel has signed an agreement to address repayment. The terms of the repayment agreement are not known to the Court. The application before me seeks no relief against

Mr. Trudel so I will not analyze the Mech Loan further other than to observe that there is no evidence that Mr. Trudel recused from any decisions (as he was required to do), and there is clear evidence that Board decisions were made from which he did not recuse. For further detail, see the *First Fiat*.

[46] In the First Report, the Inspector observed that arrangements seen by him “indicate an overarching culture of commingling personal interests with the interests of the Lighthouse”.

[47] On November 3, 2021, the applicants brought this application for oppression remedies.

D. MAIN RELIEF SOUGHT AND CENTRAL ISSUES

[48] The primary matter before the Court relates to the following relief sought by the applicants pursuant to s. 225(2) of *The Non-profit Corporations Act, 1995*, along with the potential implications. I have paraphrased and simplified:

- a. An order declaring that the Lighthouse’s affairs and the powers of its director, Don Windels, have been exercised in a manner which:
 - i. is oppressive and unfairly prejudicial to the Members, the Board and to the public generally; and
 - ii. unfairly disregarded the interests of the Members, the Board and the public generally.
- b. An order:
 - i. permanently removing Don Windels from the Lighthouse

Board and the Blue Mountain Board or, alternatively, directing his removal on an interim basis pending the outcome of any further investigation by the Inspector;

- ii. restraining all directors from approving or accepting any loans to directors of the corporation or non-arm's length parties of those directors; and
- iii. amending the Lighthouse's bylaws by striking out section 18.

[49] The core issues in their most simple form are:

- a. Does *The Limitations Act*, SS 2004, c L-16.1, preclude the Court from granting a remedy?
- b. Under s. 225 of the *Act*, did the noted actions rise to the level of what is broadly referenced as oppressive conduct under s. 225 of the *Act*? In other words, were the actions oppressive or unfairly prejudicial to the interests of Members, Board members or the public, or did the actions unfairly disregard such interests?
- c. If the actions fall under the broad concept of oppressive conduct and the Court is not prevented from acting by the expiry of limitation periods, what are the appropriate remedies? What should the Court do?

[50] The respondents have also raised questions as to whether only Mr. Windels should be the subject of scrutiny, though they have brought no applications of their own. One of the applicants, Jerome Hepfner, was on the Board for the entire period in question and approved all or most of the improper transactions.

[51] Patrick Thomson, counsel for Tyrone McKenzie and Ms. Gerbrandt, accuses Ms. Reddekopp of conspiring with three other board members to try to fire Mr. Windels. They say she used confidential information known to the people she conspired with (specifically, Mr. Hepfner). Instead of bringing that to the attention of the Board or the Members or commencing an action on behalf of the Lighthouse, they say that instead she placed the corporation into a strange limbo for five to six months, ultimately seeking to become a paid staff member. Mr. Thomson also repeatedly refers to her having attempted a “coup” and argues she should expect to be fired from the Board as a result of that conduct. I will return to those allegations, though I note here that at no point has Ms. Reddekopp asked to be paid. It was made clear during argument that the respondents entirely misunderstood that part of Ms. Reddekopp’s position.

[52] There are additional questions raised by the respondents.

[53] Tyrone McKenzie and Ms. Gerbrandt strenuously argue that it is time to return control of the Lighthouse to the Members. Through various orders of this Court, the Members have been prevented since late July 2021 from holding meetings to appoint or remove directors. They want the Court to permit an annual general meeting [AGM] to be held.

[54] The 2020 year-end financial statements have not been completed, despite my urging to get them done. There are differing viewpoints on why that is.

[55] Among the Court’s own questions are:

- a. If the case is made out for a remedy under s. 225 of the *Act*, to what extent should I intervene?
- b. What happens if Mr. Windels is removed? What plan exists for what comes next and who runs the organization until at least an interim

Executive Director is hired and in place?

- c. What should happen with other members of the Board who are the subject of criticism?
- d. For how long should Members be prevented from carrying out their normal roles, if for any further time?
- e. Perhaps most importantly, assuming that the Court has the legal ability to provide a remedy, what approach provides the Lighthouse with the best chance to survive and continue to provide services to our most vulnerable?

[56] Those are but some of the thorny issues that need to be addressed.

[57] I also heard an application requesting that I approve further investigations to be conducted by the Inspector. I will deal with that in a separate fiat after receiving further submissions from the parties.

E. BRIEF SUMMARY OF MAIN FINDINGS AND DETERMINATIONS

[58] This is a very brief summary of the main findings and determinations that I make in this decision. Each will be explained below. Note that this summary does not address many additional findings that I make herein:

- a. The Lighthouse is a charitable corporation.
- b. Don Windels argues that the oppression claims were brought outside the applicable limitation periods. I find that they were not and that I am able to grant remedies if the claims of oppression are made out.

- c. The House Transactions are appropriately characterized as a purchase by the Lighthouse and then a subsequent sale to Mr. Windels.
- d. Don Windels committed multiple acts and omissions that were oppressive or unfairly prejudicial to the interests of Members, Board members or the public, or unfairly disregarded such interests under s. 225 of the *Act*. Those include:
 - i. causing the Lighthouse to enter into the House Transactions or orchestrating the same, which wrongfully conferred personal benefits on Mr. Windels;
 - ii. failing to ensure that the House Transactions were transparently recorded in the Lighthouse's books and records; and
 - iii. failing to ensure that complete and accurate audited financial statements were prepared and filed.

All of the foregoing breached the reasonable expectations of the applicants, stakeholders of the Lighthouse and the public interest.

- e. Among the remedies that it is appropriate for the Court to grant, Don Windels must be removed from his offices with the Lighthouse and Blue Mountain and barred for two years from holding such offices.

F. PRELIMINARY MATTERS

1. The Inspector's work and reports

[59] Because it was subjected to criticism by the respondents, I will begin by

commenting on the Inspector's work. The Inspector has produced two reports to date, both of which I reference above.

[60] In my opinion, the Inspector has done as the Court would expect. He has attempted to balance cost and the benefits to be obtained from investigation. As a result of the First Report, the Court has knowledge of important facts that otherwise would remain hidden, and confirmation of other important facts by an objective source who has reviewed documents and interviewed persons with knowledge.

[61] The respondents continue to argue that appointment of the Inspector was unnecessary. They say the Board could just have ordered an investigation, which fails to account for the following:

- a. When the Audit Committee was formed and began to ask questions about financial matters, Mr. Windels expressed doubt in an email to Mr. Hepfner about whether the Board "has my back". The inference I draw is that Mr. Windels was resisting full financial transparency.
- b. Twila Reddekopp attested in her first affidavit, sworn July 16, 2021 [First Reddekopp Affidavit], that "For my entire term on the LH and BM Boards, I have been asking Mr. Windels for corporate and financial information regarding both organizations. Mr. Windels has been slow to respond to my inquiries and in most cases, has not responded at all." Further, she attested: "Until recently, LH has had no regular Board oversight of its finances."
- c. Once the Audit Committee members started to become insistent about looking into the Lighthouse's finances and then to challenge Mr. Windels' position (in an improper and unduly aggressive

manner, which I will discuss below), Members loyal to Mr. Windels mounted what are fairly characterized as counter-attacks designed to remove the Audit Committee members and one other Board member thought to be friendly to them (Mr. Salman). In my opinion, the Audit Committee members, who became the applicants, rightly interpreted the counter-attacks as an attempt to shut them out and to preclude investigations. I covered those matters in some detail in the *First Fiat*. Below I will discuss the efforts by Tyrone McKenzie and Elenore Gerbrandt to treat the actions of the applicants as more egregious than those of Mr. Windels. For now it is sufficient to find that if the applicants had not brought the original application without notice in this matter, the Court likely would not know what it does, and Mr. Windels likely would have greater control over the Board such that no investigations would have proceeded.

[62] The stance that the Inspector's appointment was unnecessary is not merely mistaken – it also is a question that I already decided in the *First Fiat*. My decision was not appealed, and I will not permit the question to be re-litigated.

[63] Argument on these applications opened with a procedural objection by Mr. Windels. He argued that the oppression remedy was brought improperly, that it was required to be initiated by statement of claim or originating notice. While that is correct, *The Queen's Bench Rules* contain provisions to promote efficiency and minimize duplication of proceedings. *The Queen's Bench Rules* authorize the Court to cure such procedural defects. I exercised my discretion to do so and dismissed the procedural objection.

[64] Mr. Windels insisted repeatedly (raising it for the first time during oral

argument) that he needed an adjournment to enable him to take steps such as cross-examine on affidavits and cross-examine the Inspector. I denied the adjournment for reasons given orally during argument.

[65] In the course of these proceedings, Mr. Windels has filed the following affidavits:

- a. Affidavit of Don Windels sworn July 27, 2021 [First Windels Affidavit], which attached 21 exhibits;
- b. Affidavit of Don Windels sworn August 16, 2021 [Second Windels Affidavit]; and
- c. Affidavit of Don Windels sworn November 8, 2021 [Third Windels Affidavit].

(In oral argument, I more than once mistakenly characterized Mr. Windels as having filed four affidavits. For that error I apologize.)

[66] The First Report was delivered on October 15, 2021. Mr. Windels has not brought forward a single document since then to suggest that any of the Inspector's information or analysis was inaccurate or other than objective. Nor do his prior affidavits do so, nor the numerous affidavits from other individuals involved in the Lighthouse who support Mr. Windels.

[67] Cross-examination on affidavits is permitted only sparingly in Saskatchewan and in any event the Court has received no application in this matter to cross-examine any party. Further, the Inspector was appointed to carry on a role akin to that of a receiver or monitor in insolvency proceedings. There is a longstanding practice in and beyond Saskatchewan that such court officers are not subject to cross-

examination.

[68] I see nothing in the Inspector's reports or other evidence filed in this matter to suggest that cross-examination would be appropriate or desirable. I find his reports to be objective, balanced and informative. They are supported by documentation where available. They express limitations where appropriate. Mr. Windels has admitted the central conduct that has been brought to light. The Court will not permit its court-appointed Inspector to be cross-examined. This application will be decided on the affidavit evidence and the Inspector's reports, and the Court is deeply grateful for the work of the Inspector in this matter.

2. Urgency

[69] The respondents argued several times that these applications are not urgent. I disagree. The Court file, and the existence of this matter, have been held confidential to date. The publication ban will be lifted effective December 9, 2021. In my opinion, it is critical for the Lighthouse's future that a decision be rendered on the oppression remedy application before the removal of the publication ban goes into effect. It is not in the public interest, nor in the Lighthouse's interests, that the oppression remedy application be undecided and up in the air when these matters become public.

[70] At the same time, Tyrone McKenzie and Elenore Gerbrandt argued that it is urgent that the Court return control of the Lighthouse to its Members and permit them to hold meetings in an unfettered manner. With that I largely agree. The Members need to meet and conduct business. As discussed below, I am authorizing the Members to do so, though not without constraints. That said, the position of Tyrone McKenzie and Elenore Gerbrandt that the Members must meet urgently contradicts the notion that deciding the oppression remedy application is not urgent.

3. The Lighthouse is a charitable corporation

[71] The Lighthouse is a charitable corporation under the *Act*. That status will impact on both the limitations analysis and the analysis of the substantive issues, so I will deal with it up front.

[72] The scope of interests to be protected under the oppression remedy found in s. 225 of the *Act* expands where the corporation is a charitable corporation. Section 2(9) defines what will be a charitable corporation, as follows:

2(9) A corporation other than a corporation mentioned in Division XV of Part II is deemed to be a charitable corporation where, after incorporation or continuance pursuant to this Act, the corporation:

- (a) carries on activities that are not primarily for the benefit of its members;
- (b) solicits or has solicited donations or gifts of money or property from the public;
- (c) receives or has received any grant of money or property from a government or government agency in any fiscal year of the corporation that is in excess of 10%, or any greater amount that may be prescribed, of its total income for that fiscal year;
- (d) is a registered charity within the meaning of the *Income Tax Act* (Canada).

[73] Satisfaction of any one of those criteria would be sufficient to qualify the Lighthouse as a charitable corporation. All four criteria are easily satisfied:

- a. The Lighthouse carries on activities that are not primarily for the benefit of its members. It has some 40 members and serves 10,000 individuals or more in a year. Its mission and main activities were described by Don Windels in the First Windels Affidavit as follows:

2. The Lighthouse is a charitable organization serving those

in inner-city Saskatoon and North Battleford. The Lighthouse provides emergency shelter, supported living and affordable housing to those in need. ...

That description, echoed elsewhere in the evidence, clearly satisfies s. 2(9)(a).

- b. The evidence is clear that the Lighthouse solicits donations from the public, satisfying the second criteria.
- c. The grant revenues received by the Lighthouse in a given year far exceed 10 percent of its revenues. The proportion is closer to 40 percent.
- d. The Lighthouse is a registered charity with CRA, as demonstrated by Exhibit H to the affidavit of Twila Reddekopp sworn August 20, 2021 [Second Reddekopp Affidavit].

[74] I also note that the Lighthouse's registration with the Saskatchewan Corporate Registry shows it as a "Saskatchewan Non-profit – Charitable".

[75] Accordingly, I find that the Lighthouse is a charitable corporation under the *Act*. That carries implications concerning the Court's jurisdiction, which I will discuss below.

G. LIMITATION PERIODS

[76] Don Windels argues that the claims for remedies asserted by the applicants were brought outside the applicable limitation period(s). If he is right about that, it would render the remaining issues moot, at least with respect to the oppression application itself.

[77] Alternatively, if oppressive acts or omissions occurred within the relevant limitation period, it is possible that *The Limitations Act* would apply to allow the Court to grant remedies only in respect of such oppressive acts or omissions. There may also be nuanced approaches in between.

[78] For the reasons that follow, I find that *The Limitations Act* does not bar the Court from granting the oppression remedies sought by the applicants. This part of the decision is organized as follows:

1. I determine the appropriate characterization of the 2017 transaction involving the Walmer House, finding that it was a purchase of the Walmer Home by the Lighthouse, not a loan.
2. I set out the relevant provisions of *The Limitations Act*.
3. I analyze whether *The Limitations Act* applies to oppression remedies in Saskatchewan and find that it does.
4. I discuss principles drawn from case law concerning application of limitation period to oppression claims.
5. I set out my findings of fact relevant to limitation periods. I set out a much more detailed recitation of the factual background at Appendix A.
6. I set out my determinations as to the applicability of limitation periods.

1. Characterization of 2017 transaction involving the Walmer House

[79] The characterization of the 2017 transaction involving the Walmer House

has significance to matters I will discuss below. I find that the proper characterization of the 2017 transaction is as a purchase of the Walmer Home by the Lighthouse, not a loan. I will discuss.

[80] The 2017 transaction has been framed in two ways by the parties and the Inspector. Mr. Windels views it as a loan, secured by the Walmer House. The Inspector characterizes it as a purchase by the Lighthouse in which Mr. Windels had some interest. The First Report states:

- 5.16 In substance, this was a loan of \$60,000 from the Lighthouse to Mr. Windels. Although there is no evidence to document the arrangement between the parties, it is acknowledged by Mr. Windels and multiple other Board members at the time that the transaction was intended to allow Mr. Windels to secure housing for his daughter.
- 5.17 Between 2017 and 2020, Mr. Windels maintained personal and exclusive use of the property. He reported making extensive renovations to the property to improve its condition, however, this process precluded his daughter from living there. The Lighthouse held title to the property as security on the "loan".
- 5.18 In December 2020, Mr. Windels repaid the \$60,000 "loan", plus interest and expenses such as utilities and property taxes. With the approval of Mr. Hepfner, the Board Chair, the property was transferred to Mr. Windels at that time as security on the loan was no longer required
- 5.19 In form, the Lighthouse purchased the house for \$60,000. The accounting records and financial statements appropriately recorded the purchase of this asset. Given the form of this transaction, we would not expect a \$60,000 loan to Mr. Windels to also be recorded in the financial statements, as this would overstate the assets of the Lighthouse by \$60,000.
- 5.20 Absent information to establish a relationship between the Vandales and the Lighthouse, the purchase of the property is not a related party transaction and therefore did not need to be disclosed as such.
- 5.21 However, the fact that Mr. Windels was essentially a tenant of the property for four years, rent-free, should have been disclosed

in the financial statements. This may also create a taxable benefit to Mr. Windels that, to our knowledge, was not accounted for.

5.22 Further, when Mr. Windels repaid the purchase price, interest, and related costs and took title of the property, the form of that transaction was to allow Mr. Windels to purchase the asset with a market value of \$230,000 (less his personal renovation costs) for less than \$82,000. Effectively, both parties invested in the property but only Mr. Windels benefitted from any appreciation while only the Lighthouse bore any risk of ownership. This related party transaction is noted on the draft 2020 financial statements of the Lighthouse.

[81] The Inspector also made the following observation:

5.15 On January 20, 2021, the Windels borrowed \$176,250 against the value of the Property (**Appendix G**). Per the land titles document, the value of the Property on this date was \$230,000, which means the Property increased in value by \$170,000 from when the Lighthouse disposed of the Property for \$60,000 on December 30, 2020. It is unclear whether the increase in value is due to the renovations performed by Mr. Windels, market appreciation, or a combination of the two.

[82] McKenzieCo as auditors essentially try to have it both ways. Note 13 to the draft 2020 Draft Audit Statements calls it a \$60,000 loan, but states:

In April 2017 a director was granted a \$60,000 loan from the Organization. The loan was secured by title of a building being signed over to the Organization. While the building was titled to the Organization, the Organization paid utility, insurance, and property taxes of the building. ...

In 2017 the \$60,000 loan was accounted for as a building addition. In 2020 the repayment was accounted for as a disposition of that building equal to cost. The interest has been accounted for as interest income and the utility, insurance and property tax repayments have been accounted for as a reduction of those expenses.

[83] Mr. Windels viewed it as a loan. So did Mr. Hepfner.

[84] If it is treated as a loan, with the title held by the Lighthouse as security, then the circumstances of the repayment are closely connected with the advance of the “loan”.

[85] However, it was not recorded as a loan. No loan was entered into the Lighthouse’s books. Rather, the purchase of the Walmer House was treated as acquisition of a capital asset for the purpose of the Lighthouse’s internal books and audited financial statements in each year until the 2020 Draft Audit Statements were prepared.

[86] Mr. Windels is a CPA. That expertise, along with his dual role as a Board member and Executive Director, along with his direct participation in the transactions, leave no doubt that Mr. Windels had the ability to control how the purchase of the Walmer House was entered in the Lighthouse’s financial records.

[87] Further, there is no agreement, certainly none in writing, as to any terms. There was no agreement drawn or executed between the Lighthouse and Mr. Windels. For something akin to a mortgage to have existed, it must have been in writing and must have complied with s. 129 of *The Land Titles Act, 2000*, SS 2000, c L-5.1. For an agreement for sale to have been enforceable, it must have been in writing. That requirement arises from the *Statute of Frauds, 1677 (UK)*, 29 Cha II, c 3) [*Statute of Frauds*]. See, for example, *Semchyshen v Semchyshen*, 2016 SKCA 108 at paras 55 to 57, 402 DLR (4th) 623.

[88] No funds flowed to Mr. Windels in the manner one would expect under a loan transaction, except reimbursement of the \$2,000 deposit he had paid.

[89] In my view, for the purpose of determining this application, it is appropriate for the Court to rely on the legal form of transaction as it was recorded from

2017 through most of 2020 – that the Lighthouse purchased the Walmer House, and held it. In December 2020, the Lighthouse sold it to Mr. Windels, though there was no enforceable legal obligation for it to do so. The Lighthouse did so in 2020 because Mr. Windels had the practical ability to orchestrate that result.

[90] Accordingly, I find that the proper characterization of the 2017 transaction is as a purchase of the Walmer Home by the Lighthouse, not as a loan.

[91] If I am mistaken in that characterization, such that it should properly be treated as a loan, that would even further heighten the importance (discussed elsewhere) of ensuring that a substantial transaction to a related party was disclosed transparently in the Lighthouse’s financial statements. Mr. Windels is a CPA with full knowledge of what would be expected.

2. Relevant statutory provisions

[92] The relevant provisions of *The Limitations Act* are as follows:

Interpretation

2 In this Act:

- (a) “claim” means a claim to remedy an injury, loss or damage that occurred as a result of an act or omission;

...

Application of Act

3(1) Subject to subsections (2) to (5), this Act applies to claims pursued in court proceedings that:

- (a) are commenced by statement of claim; or
- (b) are commenced by originating notice and are not proceedings in the nature of an application.

...

Basic limitation period

5 Unless otherwise provided in this Act, no proceedings shall be

commenced with respect to a claim after two years from the day on which the claim is discovered.

Discovery of claim

6(1) Unless otherwise provided in this Act and subject to subsection (2), a claim is discovered on the day on which the claimant first knew or in the circumstances ought to have known:

(a) that the injury, loss or damage had occurred;

(b) that the injury, loss or damage appeared to have been caused by or contributed to by an act or omission that is the subject of the claim;

(c) that the act or omission that is the subject of the claim appeared to be that of the person against whom the claim is made; and

(d) that, having regard to the nature of the injury, loss or damage, a proceeding would be an appropriate means to seek to remedy it.

(2) A claimant is presumed to have known of the matters mentioned in clauses (1)(a) to (d) on the day on which the act or omission on which the claim is based took place, unless the contrary is proved.

...

Concealment

17 The limitation periods established by this Act or any other Act or regulation are suspended during any time in which the person against whom the claim is made: (a) wilfully conceals from the claimant the fact that injury, loss or damage has occurred, that it was caused by or contributed to by an act or omission or that the act or omission was that of the person against whom the claim is made; or

...

[93] Ordinarily a defendant is required to plead a limitation period before a court will give effect to it: Graeme Mew, Debra Rolph & Daniel Zacks, *The Law of Limitations*, 3d ed (Toronto: LexisNexis, 2016) at paras 5.11 and 5.14. However, this application has proceeded in a summary fashion so in my view it would not be appropriate to give effect to that rule here, even though the limitations defence was first

put to me in oral argument.

3. Does *The Limitations Act* apply to an application for an oppression remedy?

[94] No case law on the limitations defence was provided to the Court. I have located no jurisprudence that addresses whether *The Limitations Act* applies to oppression remedies in Saskatchewan. As I discuss below, I find that it does.

[95] In other provinces from Ontario through British Columbia, courts have denied oppression remedy applications where the applicable limitation period has expired, though there is inconsistency between jurisdictions.

[96] In Manitoba, it is the law that limitations legislation will apply to bar oppression remedies where the limitation period has expired. See *Jaska v Jaska* (1996), 141 DLR (4th) 385 (Man CA) [*Jaska*], where the Court stated at page 390:

... I come to the conclusion that the *LAA* applies generally to all proceedings - including an application - whatever their source and however commenced. Indeed, from a policy standpoint it would be strange if it were otherwise because, as noted in the authorities cited by Robert's counsel, at some point there must be an end to the prospect of litigation and this surely applies regardless of how the process is started.

...

[97] Further exploring the policy and jurisprudence concerning the oppression remedy and the issue of timeliness, the Court in *Jaska* stated at pages 391-393:

Although this is sufficient to deal with the issue before the Court, there is yet another reason, not fully developed in argument, to support the conclusion that Walter's application ought not to be allowed to proceed many years after his discovery of the "oppressive" or "unfair" conduct on the part of Robert. The question is whether the remedy is available at all where the complainant is not, either at the time of the application or the hearing, being subjected to the conduct complained

of. Karen C. Ulmer in her article *Business Issues: The Oppression Remedy* (1989), 53 Sask. L.R. 209, writes (at p. 222):

Some controversy exists about when the oppressive activities must occur, whether the oppression must be ongoing at the time of the application, if the remedy can be applied retroactively, or if relief may be sought for the possibility of future oppression.

...

In my opinion these decisions are consistent with the fundamental policy behind the oppression remedies in the various Corporations Acts. The purpose of these provisions is to provide protection from unfair conduct, usually perpetrated by majority shareholders or management. The element of timeliness arises directly from the scope and purpose of the oppression provisions themselves and is distinct from the statutory limitation period or the equitable principle of *laches*. If the minority shareholders or creditors do not need to be protected, then there is no reason to invoke the remedies under the statute since other remedies are still available, most notably the commencement of an ordinary lawsuit for damages as was done in the *Michalak* [*Michalak v Biotech Electronics Ltd.* (1986), 35 BLR 1] case itself.

[98] Oppression remedies can be statute-barred in Alberta, though there they utilize a concept of rolling limitation periods that are not consistent with current Saskatchewan law, so I do not find Alberta jurisprudence to be of assistance. For an example, see *L Egoroff Transport Ltd. v Green Leaf Fuel Distributors Inc.*, 2020 ABQB 360.

[99] British Columbia law is not helpful as its *Business Corporations Act*, SBC 2002, c 57, contains a provision that precludes a court from granting relief for oppression if the application is not made in a “timely manner”. They also appear to have a concept of oppression that is of a continuing nature. See *Brockman v Valmont Industries Holland B.V.*, 2021 BCSC 500 at paras 48 to 58.

[100] Limitation periods will apply to oppression remedies under Ontario law, though the Ontario Court of Appeal has developed some principles concerning inter-

connectedness between oppressive acts and how that will impact limitation periods, which I will discuss below. The two key Ontario decisions are *Maurice v Alles*, 2016 ONCA 287, 401 DLR (4th) 482 [*Maurice*] and *Zhao v Li*, 2020 ONCA 121, 149 OR (3d) 353 [*Zhao*].

[101] I have not attempted to canvass case law from other Canadian jurisdictions.

[102] *The Limitations Act* provides in s. 5 that, except as otherwise provided in that *Act*, “no proceedings shall be commenced with respect to a claim after two years from the day on which the claim is discovered”. The term “claim” is defined as “a claim to remedy an injury, loss or damage that occurred as a result of an act or omission”. “Claimant” is defined as “a person who has a claim”.

[103] Section 3 sets out when *The Limitations Act* will and will not apply. An oppression remedy is to be brought by originating notice (or other originating documents) pursuant to s. 232 of the *Act*. That should bring this application under s. 3(1)(b) which refers to court proceedings that “are commenced by originating notice and are not proceedings in the nature of an application”. [Emphasis added]

[104] *Hanson v Hanson*, 2019 SKCA 102, 32 RFL (8th) 257 [*Hanson*], contains some discussion of s. 3(1)(b) at paras. 44-49. I do not interpret *Hanson* as providing guidance on how to apply s. 3(1)(b) here, nor am I aware of other jurisprudence that would assist me in interpreting it. I consider it unlikely that s. 3(1)(b) would apply here to result in there being no limitation period.

[105] As an aside, I interpret *Hanson* as emphasizing what form of originating document is “properly used to initiate a claim”: para. 47. In evaluating whether s. 3(1)(b) would apply, what matters is the requisite form of originating document, not

what was actually used. In this case an originating notice of application would have been appropriate, but I exercised my discretion to cure that defect pursuant to (among others) Rule 3-2(7).

[106] I conclude that s. 3(1)(b) of *The Limitations Act* does not preclude the availability of a limitations defence here.

[107] Section 15 of *The Limitations Act* lists certain proceedings where no limitation period will apply, but this application is not among them.

[108] Section 17 addresses concealment, which may be relevant, but that does not address whether limitation periods apply generally to oppression remedies in Saskatchewan.

[109] Section 12 provides for an extension of the limitation period for claims based on a fraudulent breach of trust to which a trustee was a party, or to recover trust property from a trustee. However, neither circumstance exists here. While Don Windels is a fiduciary of the Lighthouse, that does not make him a trustee. Further, as the majority of his improper actions that might fall outside the two-year limitation period were known to the Board from time to time, I do not consider him guilty of a fraudulent breach of trust.

[110] Absent an exclusionary rule, I am satisfied that *The Limitations Act* applies generally to oppression claims under the *Act*. How and to what extent it will apply to the oppression claims asserted here is another question.

4. Principles concerning application of limitation period to oppression claims

[111] I have located no jurisprudence on the application of limitation periods to

oppression remedy claims made in respect of non-profit corporations or charitable non-profits. It therefore is necessary to rely to an extent on case law concerning for-profit corporations, which cannot possibly address all questions that arise here.

(a) *Remedial nature of oppression remedy*

[112] In *Maurice* the Ontario Court of Appeal provided useful guidance on the application of limitation periods to oppression remedy claims:

[52] A party that engages in a series of oppressive acts can always make the argument that it is all part of the same corporate malfeasance and that the limitation period begins to run with the discovery of the first oppressive act. In analyzing that conduct, courts must have regard to the remedial nature of the oppression remedy and the fact that any threatened or actual conduct that is oppressive, or unfairly prejudicial to, or unfairly disregards the interests of any complainant can constitute a discrete claim of oppression. The oppression remedy section of the *OBCA* is drafted in the broadest possible terms to respond to the broadest range of corporate malfeasance.

...

[54] The practical effect of the motion judge's reasoning is that where a party is alleged to have acted in an oppressive manner and no oppression remedy application is commenced as a consequence, he or she is free to take additional oppressive steps in furtherance of, or based upon, the initial oppressive conduct. That reasoning is contrary to the broad purposive interpretation that must be afforded this statutory cause of action: see *BCE Inc. v. 1976 Debentureholders*, [2008] 3 S.C.R. 560, [2008] S.C.J. No. 37, 2008 SCC 69, at para. 58; *Rea v. Wildeboer* (2015), 126 O.R. (3d) 178, [2015] O.J. No. 2651, 2015 ONCA 373, at para. 33; and *Unique Broadband Systems, Inc. (Re)* (2014), 121 O.R. (3d) 81, [2014] O.J. No. 3253, 2014 ONCA 538, at para. 107.

[Emphasis added]

[113] I adopt that reasoning. Courts should not artificially expand limitation periods, but nor should they constrain access to oppression remedies by applying limitation periods in an unduly restrictive manner, particularly where it would

effectively condone ongoing oppressive conduct. To avoid that, a broad purposive interpretation must be applied to oppression remedy claims.

(b) *The effect of the public interest on the limitation period*

[114] Normally it is the complainant's knowledge of the underlying facts that triggers the running of a limitation period.

[115] Unique to charitable corporations is that the oppression remedy may be sought in respect of acts or omissions that are oppressive to "the public generally". An applicant under s. 225 may seek to protect the public interest.

[116] Below I will discuss how that concept was applied in *Saskatchewan Housing Corp. v Gabriel Housing Corp.* (1998), 174 Sask R 200 (QB) [*Gabriel Housing*]. There was no limitations issue in that case, so for this discussion I am treading new ground. Nonetheless, as *Gabriel Housing* is the only decision in which the public interest aspect of s. 225 has been considered, some consideration of it is warranted here. In finding that Gabriel Housing Corporation [GHC] was a charitable corporation, G.A Smith J. (as she then was) observed as follows:

[66] It is my conclusion that satisfaction of ss. 2(9)(c) is sufficient to establish GHC [Gabriel Housing Corporation] as a "charitable corporation" within the meaning of s. 225. As the applicant points out, this interpretation also appears to accord with the purpose of the definition, for each of the factors set out in (a) through (d) is evidence that the conduct of the corporation affects the public interest and therefore supports the assumption of s. 225 that its affairs must be managed in a fashion that takes the interests of the public into account.

[Emphasis added]

[117] In my opinion, the protection of the public interest impacts in important ways on the application of *The Limitations Act*. It is impossible for the public generally, or for stakeholders such as Members, funders, regulators and licensing bodies, CRA,

the director of corporations or other stakeholders to have any knowledge of the underlying facts of this case.

[118] This is an appropriate circumstance to recognize an exception to the general rule that the complainant's knowledge of the underlying facts governs when the limitation period starts to run. I determine that such an exception exists. The exception applies to an application under s. 225 for an oppression remedy to protect the public interest in respect of a charitable corporation.

[119] Protection of the public interest cannot be barred by reason of a limitation period where such parties who represent the public interest have no knowledge. Indeed, as the publication ban has not yet been lifted, the limitation period cannot even now have started to run.

[120] This approach aligns with the principles outlined in *Maurice* that courts should not constrain access to oppression remedies by applying limitation periods in an unduly restrictive manner and that, as recognized in *BCE Inc. v 1976 Debentureholders*, 2008 SCC 69, [2008] 3 SCR 560 [*BCE*], and elsewhere, a broad purposive interpretation must be applied to oppression remedy claims.

[121] Those principles on which I rely were developed for use in oppression remedy claims under for-profit corporate legislation. The need to apply them here is accentuated by the Lighthouse being a charitable corporation. The *Act* specifically and uniquely directs that the public interest be considered and protected in respect of charitable corporations.

(c) *Adverse domination doctrine and similar tolling principles*

[122] In the United States, tolling principles have been developed to delay the start of limitation periods in limited circumstances. The subject is discussed at length

in an article cited by the Court of Appeal in *CPC Networks Corp. v McDougall Gauley LLP*, 2021 SKCA 127: Robert W. Thompson, Scott T. Jeffers & Codie L. Chisholm, “The Limits of Derivative Actions: The Application of Limitation Periods to Derivative Actions” (2012) 49 *Alta L Rev* 603. The authors explain that two types of tolling concepts have been developed to protect shareholders of corporations.

[123] The first tolling concept applies specifically to derivative actions and was developed in *Kahn v Seaboard Corp.*, 625 A (2d) 269 (Del Ch 1993). As the authors of the article explain at page 615, Delaware’s Court of Chancery found that:

... the relationship of trust and reliance between shareholder and management is such that the statute of limitations should not be applied “woodenly or automatically to alleged self-interested violations of trust.” The Court held that the statute of limitations may be tolled in instances that extend beyond fraudulent concealment and specifically noted that “the statute of limitations applies, but is tolled in derivative actions charging actionable self-dealing, until the shareholders knew or had reason to know of the facts constituting the alleged wrong.” ...

[124] The second tolling concept is known as the doctrine of adverse domination. It is an equitable doctrine that tolls statutes of limitations for claims by corporations against its officers, directors and advisors for so long as the corporation is controlled by those acting against its interests. It arose in response to the savings and loan crisis of the 1980s and 1990s. See page 616 of the article. The authors summarize the current state of US law concerning these tolling principles as follows (at page 621):

In summary, a majority of US courts recognize the adverse domination doctrine and use the knowledge of the corporation for calculating the limitation period for the corporation’s claim against its directors or officers for their wrongdoings. Further, a majority of these courts apply the majority test in that a corporation is said to discover all the elements of the cause of action when independent directors are in control of the board. When this occurs, the corporation is in a meaningful position to protect its interests. The courts are still divided as to whether the adverse domination doctrine should apply to

negligence claims or just fraud and self-dealing. If fraud or self-dealing is required, then there is no practical difference between the adverse domination doctrine and the fraudulent concealment doctrine.
...

[125] As discussed in the article, some view the adverse domination doctrine as being akin to the discoverability rule. For so long as wrongdoers remain in control of a corporation, the corporation cannot be treated as having notice of claims against the wrongdoers. See page 617.

[126] The US approach is potentially relevant because generally for oppression remedy claims (and derivative actions in Canada), the complainant's knowledge of the underlying facts governs the start of the limitation period. However, here the complainants seek to protect interests that are not merely their own, but also those of the public generally.

[127] I will conduct the oppression analysis below but suffice it to say that this is a case of self-dealing, one of the potential criteria noted by the article's authors.

[128] I have not created a detailed analytical framework for importing the adverse domination doctrine into Canada, but I consider it to apply here. The importance of applying a broad purposive approach to interpretation of legislation in the context of oppression claims again must not be forgotten. The Court must not condone and enable ongoing oppression by unduly strict application of limitation periods, particularly where a charitable corporation is involved.

(d) *Concealment*

[129] Another potential factor in the limitations analysis is concealment, which is addressed in s. 17 of *The Limitations Act*. A limitation period is suspended during any time in which the subject of a claim wilfully conceals from the claimant the fact

that injury, loss or damage has occurred, or that it was caused by an act or omission.

[130] Concealment is closely related to the tolling that I discussed in the preceding section. Those tolling concepts were developed specifically for corporate contexts to address the ability of directors to conceal their wrongdoing concerning a corporation from those who might object to it.

[131] In *Kramer Ltd. v Mooney*, 2015 SKQB 172 at para 40, McMurtry J. quoted an Ontario decision, *Johnson v Studley*, 2014 ONSC 1732, which noted that concealment is an equitable principle developed to prevent a limitation period from operating as an instrument of injustice. That said, one must come within the requirements of s. 17 of *The Limitations Act* for it to apply. Actual concealment must have occurred. Not every injustice can be prevented or remedied.

(e) *Degree of connection between acts or omissions*

[132] Recent jurisprudence from Ontario is useful for understanding how to deal with the relationships between older and more recent conduct.

[133] In *Maurice*, there were ongoing disputes among siblings who were shareholders in related companies. Among other relief, the complainant (Robert, who was the appellant at the Court of Appeal) sought oppression remedies. It was already settled law in Ontario that limitation periods would apply.

[134] There was a share sale in 2008, involving preferred shares held in a company known as Tasco in which all the siblings held an indirect interest. Robert knew in 2008 that the preferred shares were being sold for redemption at face value (\$1.20 per share). He also knew in 2008 that the respondent siblings refused to disclose information concerning the valuation of the sold shares and the potential impact on the value of Robert's shares in a related company, Kirby-Maurice.

[135] In the applications at first instance, Robert raised two arguments that are germane here. One was that the refusal of the respondent siblings to produce information from the 2008 share sale was oppressive. The second was that an application brought by the respondent siblings in 2013 to appoint a valuator to value the shares in Kirby-Maurice was oppressive. At first instance before Pattillo J., he lost on both points: *Maurice v Alles*, 2015 ONSC 1671. Robert then appealed that decision.

[136] At the Court of Appeal, in part Robert argued that continuing oppression would forestall the onset of a limitation period. The Court of Appeal rejected that argument, finding that the share sale was a singular event that occurred years earlier:

[48] ... the continuous refusal to produce documents does not operate to extend the limitation period any more than a refusal to pay an outstanding amount in a collection action extends the limitation period until payment is received. ...

[49] Courts must be careful not to convert singular oppressive acts into ongoing oppression claims in an effort to extend limitation periods. To do so would create a special rule for oppression remedy claims.

[137] That still left the 2013 application to appoint a valuator to be addressed. The Court stated that a “discrete potentially oppressive act occurred” when the respondent siblings applied to appoint a valuator. The Court determined that application to be a sufficiently separate act, stating:

[50] ... [T]he motion judge erred in law in concluding that the appellant's oppression claim was out of time. Another discrete potentially oppressive act occurred when the respondent siblings commenced their application on May 13, 2013 for an order appointing a valuator to determine the fair value of the appellant's shares in Kirby-Maurice.

...

[53] Where the motion judge erred was in failing to carefully scrutinize the respondents' conduct to determine whether there were

any discrete acts of oppression within the two-year period prior to the commencement of the cross-application. In my view, the sibling respondents committed a new act of alleged oppressive conduct when they brought their application and attempted to rely upon their previous alleged oppressive conduct as part of the share valuation.

[Emphasis added]

[138] *Maurice* was further discussed by the Ontario Court of Appeal in *Zhao*, where the Court described the alleged oppressive acts as follows:

[31] A failure to distribute profits is the alleged act that underpins the profits distribution claim. It is said to have occurred beginning in June 2010. A different act, an unauthorized transfer or sale of the business without at the time of sale accounting for the proceeds, is the alleged act that underpins the sale claim. That act is said to have occurred sometime before September 3, 2011. A still different act, the unauthorized dissolution of the Corporation, is the alleged act that underpins the corporate dis-solution claim. It occurred in October 2011.

[32] These are each singular discrete oppressive acts, because they are different acts occurring at different times and because none of them is dependent upon either of the others having happened for oppression to be said to have occurred. If the respondent had failed to distribute profits but neither transferred the business nor dissolved the Corporation, the appellant would, upon discovery, have had an oppression claim for failure to distribute profits. Similarly, if the respondent had only sold the business and kept sale proceeds, or if he had only dissolved the Corporation, the appellant would still have an oppression claim for these singular discrete acts, even if none of the others occurred. As *Maurice* points out, conduct may consist of singular discrete acts of oppression even where the later oppressive conduct was based on or in furtherance of the earlier oppressive conduct: at paras. 3 and 48-54.

[139] The Court held that the appellant was out of time on the first act, the failure to distribute profits, and the second act, the unauthorized sale or transfer of the business, because the appellant knew the underlying facts by September 3, 2011, more than two years before the action was commenced. The third act, which occurred later, was the dissolution of the corporation. The Court held that act to be oppressive and that

the claim concerning it was not statute-barred.

[140] The three acts dealt with in *Zhao* were extremely distinct from one another. Even though the Court noted at para. 32 that they were discrete oppressive acts because none was dependent on the others having happened, it does not follow that *Zhao* should blindly be applied.

[141] In my opinion, the rule is not that there be no relationship between older and subsequent acts for the oppression remedy to be available when the older acts were discoverable more than two years earlier.

[142] For confirmation, I return to *Maurice*. In 2013, the respondent siblings commenced an application for appointment of a valuator to determine the fair value of Robert's shares in Kirby-Maurice. That is the oppressive act that the Court of Appeal determined was sufficiently discrete. It was not unrelated to the prior oppressive conduct, but also was not a simple continuation of the prior conduct. As the Court found at para. 55, "The value of the Tasco preferred shares is central to the valuation of [Robert's] shares in Kirby-Maurice". Thus, the same subject matter – the value of Robert's shares in Kirby-Maurice – was at the heart of both complaints.

[143] Notwithstanding that overlap, the Court held that the 2013 application for appointment of a valuator was sufficiently discrete. The relationship of subject matter did not preclude the later act of seeking appointment of a valuator from being an actionable oppression.

[144] *Maurice* has been the subject of some judicial interpretation, though not much has been done by courts to build on the principles it set forth. *Zhao* has not been discussed in any subsequent decision. I consider *Maurice* to be more representative of the state of the law, though that may be a product of the factual matrixes in the two

cases.

(f) *Older acts and omissions*

[145] Certain of the acts and omissions that the applicants say are oppressive occurred many years ago, including the Early Loans. In *Safarik v Ocean Industries Ltd.* (1993), 10 BLR (2d) 246 (BCSC) [*Safarik*], reversed on other grounds (1994), 22 BLR (2d) 1 (BCCA), the Court discussed its ability to consider older conduct and for what purpose, concluding that evidence of such older conduct may serve the purpose of “providing a historical background better to understand” the more recent events. Harvey J. held that the applicable limitations legislation did not preclude such reliance. Similarly, I find that *The Limitations Act* does not preclude me from relying on the historical background of transactions between the Lighthouse and its directors to aid me to better understand the more recent transactions.

[146] Though there are limitations imposed on courts concerning reliance on similar fact evidence, that is far from an absolute prohibition. This question tends to arise more in criminal rather than civil cases, but also applies in the civil context: see *Bautz Estate v Advantage Credit Union*, 2011 SKQB 215 at paras 29 to 38, 376 Sask R 213. Scherman J. stated as follows:

[29] The law on the admissibility of similar fact evidence in civil cases often starts and ends with reference to and application of Sopinka, Lederman and Bryant, *The Law of Evidence in Canada*, 2d ed. (Toronto: Butterworths, 1999) at §11.183, pp. 594-95 where the authors state:

§11.183 The admissibility of similar fact evidence in civil cases was considered by Lord Denning in *Mood Music Publishing Co. v. De Wolfe Ltd.* [[1976] 1 All E.R. 763 (C.A.)]. The plaintiffs, in an action for infringement of copyright, sought to adduce evidence that in three other cases, the defendants had reproduced musical works which were subject to copyright. The defendants conceded that the works

now in question were very similar and that their work had been composed after the plaintiffs', but asserted that any similarity was coincidental. Lord Denning stated the test of admissibility of the similar fact evidence in civil cases as follows:

The criminal courts have been very careful not to admit [similar fact] evidence unless its probative value is so strong that it should be received in the interests of justice; and its admission will not operate unfairly to the accused. In civil cases the courts have followed a similar line but have not been so chary of admitting it. In civil cases the courts will admit evidence of similar facts if it is logically probative, that is, if it is logically relevant in determining the matter which is in issue; provided that it is not oppressive or unfair to the other side; and also that the other side has fair notice of it and is able to deal with it.

[30] Counsel for the plaintiff referred the Court to the Saskatchewan decisions in *C.M. v. Canada (Attorney General)*, 2004 SKQB 174, 248 Sask. R. 1 and *K.M. v. Canada*, 2004 SKQB 287, [2006] 2 W.W.R. 272, as examples of the application of this statement of the law. Counsel for the defendant argued that the test for admissibility was as outlined by the Supreme Court of Canada in *R. v. Handy*, 2002 SCC 56, at paras. 55 and 69 to 84, conceding only that there was a somewhat lower threshold applied in civil cases than in criminal cases.

[147] Scherman J. cited other factors relating to admissibility such as whether the evidence would unduly complicate the proceedings. Generally, that is a prospective consideration. It does not apply here. All of the evidence in these proceedings took the form of affidavits and the Inspector's reports, which contained the evidence of the earlier events. That evidence sheds light on what occurred with respect to the Walmer House and the handling of those transactions by Mr. Windels and the Board, and I find it admissible for the purposes discussed above. There is no prejudice, as all of the underlying facts are admitted by Mr. Windels.

5. Factual findings relevant to limitation period analysis

[148] Below I set out my findings concerning limitation periods. I have

reviewed the evidence in considerable detail. To enable a reader to better follow this decision, I have placed much of that detailed discussion in Appendix A to these reasons. Appendix A fully forms part of this decision as if it were situated in the main portion.

[149] Arising from the detailed review contained in Appendix A, I provide the following summary of my findings of fact relevant to limitation periods:

- a. No Board minutes or resolutions in writing exist concerning the purchase of the Walmer House or any related transactions in 2017.
- b. Other than the Walmer Purchase Agreement entered into between the Lighthouse and the individual vendors in March 2017, no written agreement exists concerning the House Transactions.
- c. The Walmer House was recorded in the Lighthouse's records as a capital asset worth \$60,000.
- d. It would be impossible to review the 2018 Audit Statements or the 2019 Audit Statements and learn anything about the Walmer House or the transactions involving it.
- e. The 2019 Audit Statements were not finalized until November 30, 2020.
- f. While in possession of the Walmer House, Mr. Windels paid no rent to the Lighthouse, and he neither provided an accounting nor allowed an opportunity for an accounting to be done as to what rent should have been paid.
- g. The Walmer House's value increased from \$60,000 in 2017 to

\$230,000 at the end of 2020. During that time, the entire risk concerning the property was borne by the Lighthouse.

- h. At the time of the transfer to Don and Bonnie Windels, the Board was not advised. No Board approval was obtained. The only other Board member who may have had knowledge was Jerome Hepfner, who remembers nothing. Not only did Don Windels not recuse from any decision-making, he signed the Walmer House Transfer.
- i. No accounting has ever been provided to the Lighthouse concerning the increase in value from \$60,000 to \$230,000 and what portion of it should accrue to the Windels by reason of the renovations they did.
- j. No documentation has ever been provided concerning the cost of renovations done on the Walmer House, nor evidence of payment of those costs.
- k. Irrespective of whether Mr. Windels might, following an accounting, be found to be entitled to the entire increase in value from \$60,000 to \$230,000, he received a substantial benefit from:
 - i. the Lighthouse paying the \$60,000 to enable the purchase of the Walmer Home when Mr. Windels says he could not have obtained a loan from a traditional lender to finance its purchase, and the opportunity to purchase the Walmer House might have been lost otherwise;
 - ii. the Lighthouse paying for the annual costs of utilities, insurance and property taxes so that Mr. Windels did not have to pay those costs until he could obtain that mortgage; and

- iii. being able to occupy the Walmer House rent free for over 3½ years while he worked on renovating it.
- l. Mr. Windels failed to disclose the foregoing to, or concealed it from, the Lighthouse's auditors (specifically, McKenzieCo), so that until April 20, 2021, the auditors had no knowledge that Mr. Windels claimed an interest in the Walmer House or that it should be disclosed in the 2019 Audit Statements as a related party transaction. As a result, the Lighthouse's Board and Members approved materially incorrect audited financial statements which were then filed. As a result, material misrepresentations were made to funders, CRA, other stakeholders and the public.
- m. When McKenzieCo first learned of them in 2021 they considered the House Transactions to be sufficiently material as to include substantial reference to them in the Draft 2020 Audit Statements. Similarly, the House Transactions must be considered to have been material for each of 2017, 2018 and 2019.

6. Findings concerning applicability limitation periods

[150] Following are my findings on the applicability of limitation periods. Note that this discussion is restricted to acts and omissions concerning the House Transactions and reporting of those transactions for reasons I will explain below.

[151] The first three findings below result in the Court having the ability to grant remedies in respect of any oppressive conduct arising from or related to the House Transactions.

- (a) *No limitation period has started to run because the Lighthouse is*

a charitable corporation and the public and stakeholders are unaware of the facts

[152] Because the Lighthouse is a charitable corporation, the applicants are able to seek protection of the interests of the public in general. The public (along with Members and other stakeholders) had no knowledge. Members now know of the allegations, as in September 2021 they were provided with the *First Fiat* at my direction.

[153] Other stakeholders still have no knowledge of the circumstances or allegations. Protection of the public interest requires that no limitation period (except the ultimate limitation period) starts to run until these matters are made public.

[154] Accordingly, the limitation period has not yet started to run.

(b) By application of the adverse domination doctrine, the limitation period did not start to run until some time in 2021

[155] The decision to acquire the Walmer House (or make a loan of \$60,000 to Mr. Windels, if that is one's preferred characterization) was made at the *in camera* 2017 Board meeting. As noted elsewhere, no record of that meeting was made, nor any resolutions. I view each Board member who participated in that decision (including Jerome Hepfner, who is an applicant) to have been acting against the interests of the Lighthouse.

[156] The doctrine of adverse domination, which operates in equity, tolls limitation periods for claims by corporations against its officers, directors and advisors for so long as the corporation is controlled by those acting against its interests. I have already found above that it is appropriately used in Canada. Canadian and U.S. limitations legislation and principles are similar.

[157] I find that the doctrine of adverse domination applies to these circumstances. Until these matters came sufficiently to light earlier in 2021 to where the Board was no longer dominated by those acting against the Lighthouse's interests by continuing to keep the House Transactions from receiving any scrutiny, the limitation period was tolled or suspended until some time in 2021. I need not determine the precise date.

(c) By operation of s. 17 of The Limitations Act, the limitation period did not start to run until some time in 2021

[158] Another way to view the actions of Mr. Windels and the other Board members in 2017 is through the lens of concealment, which is the subject of s. 17 of *The Limitations Act*.

[159] The failure by Mr. Windels to ensure that accurate financial statements were produced and filed is relevant here as well. He was self-dealing and the 2017 Board meeting was held in secret. No minutes or resolutions in writing exist. The auditors would know only what he told them. No audit committee existed until spring 2021, and the evidence establishes that, at least for McKenzieCo as auditors, their communication was principally with Mr. Windels. Their first audit of the Lighthouse in this time frame was 2019, so if something was not shown in the books or prior audit statements, or told to them in interviews, or communicated to them by Mr. Windels, they would have had difficulty discovering it. That is part of why the manner in which the 2017 acquisition of the Walmer House was booked is important.

[160] Don Windels wilfully concealed the facts from new Board members such as Twila Reddekopp and Ian Hamilton, McKenzieCo, Members and others. The public interest is relevant here as well.

[161] Accordingly, the limitation period was suspended until earlier in 2021 by operation of s. 17 of *The Limitations Act*. I need not determine the precise date.

(d) Whether the limitation period restarted when new directors joined the Board

[162] The issue here would be whether, separate and apart from the public interest, the adverse domination doctrine, and concealment, the simple fact that Twila Reddekopp and Ian Hamilton joined the Board in 2020 and learned of these matters in 2021 would have created fresh limitation periods for them. Related is that they opted to bring this application jointly with Jerome Hepfner, who did have knowledge.

[163] Had I not arrived at the findings that I explain above and below, I would have analyzed this question in detail. I am reluctant to make determinations on this question without a full analysis, as it could have implications that go far beyond this application. In light of my other findings I conclude that I need not determine this question.

(e) At a minimum, the Court may grant remedies in respect of conduct that occurred since November 3, 2019

[164] This deals with the two-year limitation period found in s. 5 of *The Limitations Act*, with no delay in the start of the period for discoverability. I find that the Court may grant remedies in respect of any oppressive acts or omissions that occurred since November 3, 2019.

[165] That leads to the discussion of the extent of connection existing between the acts that preceded November 3, 2019 and those that followed that date.

[166] Without doubt, Mr. Windels is the most influential person in the entire Lighthouse organization. As Executive Director, all employees report to him, directly

or indirectly. His “second in command”, Melissa Smith, is deeply loyal to him as shown in her affidavits.

[167] Mr. Windels has deep familiarity with the finances of the Lighthouse, being a CPA and having held the Executive Director role since 2007 or earlier. Though I have no evidence before me as to communications with auditors before 2021, I have little doubt that Mr. Windels was the point person for such communications, or at least significantly involved in them, before creation of the audit committee in April 2021. When McKenzieCo had general and detailed questions concerning the audit for the period ending December 31, 2020, they asked Don Windels. When Twila Reddekopp posed questions to Tom McKenzie on July 6, 2021, Tom McKenzie made sure to bring Don Windels into the loop by copying him.

[168] Before April 2021, the auditors (PricewaterhouseCoopers LLP [PWC] and McKenzieCo) did not know about the House Transactions because Don Windels did not ensure they were documented and did not disclose them to the auditors.

[169] In my opinion, the completion and filing of audited financial statements was an independent act. The failure to accurately depict the Walmer House and its status as a related party transaction in the 2019 Audit Statements was an act or omission that was sufficiently independent from the 2017 acquisition. Even if the 2017 acquisition pre-dates the limitation period, the finalization and filing of the 2019 Audit Statements is not merely a continuation of prior acts or omissions. Instead, it is discrete potentially oppressive conduct.

[170] Section 159(6) of the *Act* provides as follows:

159(6) A director or an officer of a corporation shall immediately notify the audit committee and the auditor of any error or misstatement of which he or she becomes aware in a financial statement that the

auditor or a former auditor has reported on.

[171] The obligation to report errors under s. 159(6) would then lead to other actions. Section 159(7) requires the auditor to determine whether the error or misstatement is material, and then inform each director accordingly. Once informed, the directors are required to prepare and issue revised financial statements or inform the corporation's members. If the latter approach is taken, the directors of a charitable corporation must inform the director of corporations in the same manner as they inform the members.

[172] Failure to comply with ss. 159(6) or (8) is an offence pursuant to s. 159(9):

159(9) Every director or officer of a corporation who knowingly fails to comply with subsection (6) or (8) is guilty of an offence and liable on summary conviction to a fine of not more than \$5,000, to imprisonment for a term of not more than six months or to both.

[173] Section 159(9) leaves no doubt as to the seriousness of a failure to report or address errors or misstatements in audited financial statements under the *Act*. For each year of financial statements, it was an offence to fail to comply with ss. 159(6) or (8) of the *Act*.

[174] The *Income Tax Act*, RSC 1985, c 1 (5th Supp) [*ITA*], also bears on this issue. *Many Mansions Spiritual Center, Inc. v Canada (National Revenue)*, 2019 FCA 189 [*Many Mansions*], leave to appeal to Supreme Court of Canada denied, 2020 CanLII 1832 (SCC), concerned the appeal of a decision by the Minister of National Revenue to confirm her proposal to revoke Many Mansions' registration as a charity. The Federal Court of Appeal upheld the decision.

[175] The Minister's grounds for revocation were numerous. They included

that Many Mansions had ceased to comply with the *ITA* by failing to devote all its resources to charitable activities. The grounds also included failure to keep adequate records and books of account. The Federal Court of Appeal denied the appeal on two grounds: inadequate recordkeeping and provision of private benefits.

[176] The recordkeeping requirement springs from, among other provisions, s. 168(1)(e) of the *ITA*, which provides that the Minister may give notice to a qualified donee of intention to revoke its charitable registration if the qualified donee “fails to comply with or contravenes any of sections 230 to 231.5”. Suffice to say that the Lighthouse needs to be a qualified donee to accept charitable donations and give donation receipts. Section 230(1) of the *ITA* provides as follows:

230(1) Every person carrying on business and every person who is required, by or pursuant to this Act, to pay or collect taxes or other amounts shall keep records and books of account (including an annual inventory kept in prescribed manner) at the person’s place of business or residence in Canada or at such other place as may be designated by the Minister, in such form and containing such information as will enable the taxes payable under this Act or the taxes or other amounts that should have been deducted, withheld or collected to be determined.

[177] The requirement is not merely to maintain records. It is to maintain complete and accurate records, sufficient to permit the Minister to determine whether there are any grounds for revocation of the organization’s charitable registration. See *ITA* s. 230(2)(a). As stated in *Many Mansions* at para 10 (forming part of the passage below), a charity’s obligation to maintain adequate books and records is “foundational”.

[178] In considering that ground, the Court stated as follows:

[8] In addressing the ground of inadequate recordkeeping, *Many Mansions* stresses that, during the audit period, it was in its infancy and run primarily by volunteers, that the deficiencies identified were minor, and that it has since retained professional services to maintain its books and records.

[9] [I]t was open to the Minister to conclude on the record that these deficiencies were serious. Among other things, documentation of expenditures was lacking. Many Mansions' books and records also showed inconsistencies in the amounts stated to be due to its pastor; substantiated through receipts only a minor portion of the amount listed as paid to him; failed to document the rent said to be payable for his and his son's use of offices; and failed to document a loan from the pastor's late wife. While the auditor acknowledged the "positive step" of Many Mansions' intention to maintain its books and records according to professional standards, he also indicated a concern with Many Mansions' capacity for and commitment to improvement: Appeal Book, 254. The auditor noted in this regard Many Mansions' historical non-compliance, the fact that its responses had been limited and lacking in detail, and its position that its books and records were in fact adequate.

[10] In *Humane Society* [2015 FCA 178, 2015 DTC 5091] (at para. 80), this Court held that a charitable organization's obligation to maintain adequate books and records is "foundational": significant privileges flow from registration, and the Minister "must be able to monitor the continuing entitlement of the charitable organization to those privileges.

[Emphasis added]

[179] Based on that, and on the failure to ensure that Many Mansions devoted all its resources to charitable activities carried on by the organization, the Court held a basis for revocation of its charitable status was established on the record, and denied the appeal. I will discuss the failure to devote all resources to charitable activities elsewhere.

[180] The obligation to ensure the accuracy of financial statements existed independently of whatever happened in the House Transactions. I find that the failure to ensure accurate disclosure concerning the Walmer House in the 2019 Audit Statements was an independent and potentially oppressive act by Don Windels. That occurred in November 2020 and is not barred by any limitation period.

[181] If I am mistaken concerning the characterization of the 2017 transaction,

such that a loan was made to Don Windels, that likely would further heighten the need for disclosure of that loan as a related party transaction in the audited financial statements, which further elevates the seriousness of the breach in failing to disclose that transaction in the 2019 Audit Statements.

[182] The purchase by Don Windels of the Walmer House in December 2020 is a discrete and potentially oppressive act. As I have found, no enforceable contract existed between Mr. Windels and the Lighthouse concerning the Walmer House. He had no enforceable agreement that in 2020 he could purchase it for the same \$60,000 that the Lighthouse paid in 2017. Rather, he orchestrated that transaction, with no disclosure at the time provided to any other Board member beyond Mr. Hepfner (who also signed the Walmer House Transfer). Mr. Windels failed to recuse fully from that, as he was obligated to do. And he failed to provide any accounting for the increase in value from \$60,000 in 2017 to \$230,000 in 2020. It may be that the entire increase in value is attributable to the renovations done by Mr. Windels, but that is not known because he offered no accounting nor even the opportunity to conduct one.

[183] Because the purchase by the Lighthouse in 2017 is distinct from the sale to Mr. Windels in 2020, with no enforceable agreement to connect them, the 2020 events are discrete and not merely a continuation from what happened in 2017.

[184] Thus, there are two discrete potentially oppressive acts falling within the two-year limitation period – the failure to ensure proper disclosure in the 2019 Audit Statements, and the failures to account, recuse and obtain Board approval in December 2020. The Court is empowered to grant remedies in respect of those acts if the test for oppressive conduct is satisfied.

[185] If the two-year limitation period is what applies, I am entitled to consider the earlier acts and omissions that form part of the House Transactions as background,

similar to what I discuss elsewhere concerning the Early Loans.

(f) Ultimate limitation period

[186] The ultimate limitation period of 15 years contained in s. 7(1) of *The Limitations Act* would certainly apply, but none of the events known to the Court happened more than 15 years ago. Thus, the ultimate limitation period is not engaged.

(g) Even though this is a charitable corporation, there are limits

[187] None of the foregoing is to suggest that there are no limits on the Court's ability to act simply because a charitable corporation is involved. I offer two examples:

- a. Jerome Hepfner might have sought an oppression remedy in respect of his personal interest as a Board member because he wished to ensure he avoids liability. The limitation period would have started to run in that situation because he had knowledge of the underlying facts. On the other hand, where he seeks to protect the public interest, the limitation period has not been triggered because the public interest parties have no such knowledge.
- b. As I will discuss below, a connection is needed between oppressive acts and the remedy to be granted under s. 225. That is why I elect to treat the Early Loans as background rather than oppressive acts for which I should grant a remedy now. I view the Early Loans (the most recent of which was advanced in 2013) as occurring long enough ago that I should exercise my discretion to refrain from granting a remedy solely and specifically in respect of that conduct, though I am entitled to, and will, take it into account as background information.

[188] In the result, I find that I am able to grant remedies to protect the public interest in respect of each of any oppressive acts or omissions that occurred from 2017 through the end of 2020 (and any that may have occurred in 2021).

7. Summary concerning limitation periods

[189] To summarize, I find as follows with respect to the applicability of limitation periods to the oppression remedy application:

- a. No limitation period has started to run because the Lighthouse is a charitable corporation and the public and stakeholders are unaware of the facts.
- b. By application of the adverse domination doctrine, the limitation period did not start to run until some time in 2021.
- c. By operation of s. 17 of *The Limitations Act*, the limitation period did not start to run until some time in 2021.
- d. If I am mistaken with respect to the foregoing, at a minimum, the Court may grant remedies in respect of conduct that occurred since November 3, 2019.

H. ANALYSIS OF SUBSTANTIVE ISSUES

[190] In this section, I will analyze the two main substantive issues: whether the acts complained of were oppressive and what remedies, if any, the Court should grant.

1. **Under s. 225 of the *Act*, did the actions in question rise to the level of what is broadly referenced as oppressive conduct under s. 225 of the *Act*? In other words, were the actions oppressive or unfairly prejudicial to the interests of Members, Board members or the public, or did the actions unfairly disregard such interests?**

(a) *Summary of findings*

[191] I find that certain impugned actions were oppressive or unfairly prejudicial to the interests of Members, Board members or the public, or unfairly disregarded such interests. I have provided a brief summary above, and will repeat that summary here for convenience:

- a. Don Windels committed multiple acts and omissions that represent oppressive conduct under s. 225 of the *Act*. Those include:
 - i. causing the Lighthouse to enter into the House Transactions or orchestrating the same, which wrongfully conferred personal benefits on Mr. Windels;
 - ii. failing to ensure that the House Transactions were transparently recorded in the Lighthouse's books and records; and
 - iii. failing to ensure that complete and accurate audited financial statements were prepared and filed.

All of the foregoing breached the reasonable expectations of the applicants, stakeholders of the Lighthouse and the public interest.

(b) *Law on oppression remedy*

[192] Section 225(1) of the *Act* provides for an oppression remedy in the

context of non-profit corporations. It states as follows:

Application to court re oppression

225(1) A complainant may apply to the court for an order pursuant to this section and the court may make an order to rectify the matters complained of where the court is satisfied that the result of any act or omission of the corporation or any of its affiliates, the manner in which any of the activities or affairs of the corporation or any of its affiliates are or have been carried on or conducted, or the manner in which the powers of the directors of the corporation or any of its affiliates are or have been exercised:

(a) is oppressive or unfairly prejudicial to any member, security holder, creditor, director or officer or, where the corporation is a charitable corporation, the public generally; or

(b) unfairly disregards the interests of any member, security holder, creditor, director or officer or, where the corporation is a charitable corporation, the public generally.

(2) In connection with an application pursuant to this section, the court may make any interim or final order it considers appropriate, including an order:

(a) restraining the conduct complained of;

(b) appointing a receiver or receiver-manager;

(c) amending the articles or bylaws or creating or amending a unanimous member agreement to regulate a corporation's affairs;

(d) directing an issue or exchange of securities;

(e) appointing directors in place of or in addition to all or any of the directors then in office;

(f) directing a corporation, subject to subsection (5), or any other person, to purchase securities of a security holder;

(g) directing a corporation, subject to subsection (5), or any other person:

(i) to pay to a member any part of the moneys paid by the member for a membership interest; and

(ii) to pay to a security holder any part of the moneys paid by the security holder for securities;

(h) varying or setting aside a transaction or contract to which a corporation is a party and compensating the corporation or any other party to the transaction or contract;

(i) requiring a corporation, within a time specified by the court, to produce to the court or an interested person financial statements in the form required by section 142 or an accounting in whatever form the court may determine;

(j) compensating an aggrieved person;

(k) directing rectification of the registers or other records of a corporation pursuant to section 227;

(l) liquidating and dissolving the corporation;

(m) directing an investigation pursuant to Division XVII to be made;

(n) directing a corporation as to the future investment, disposition and application of its property or property under its control;

(o) upholding, modifying or setting aside a decision made pursuant to section 119; or

(p) requiring the trial of any issue.

[193] Section 222 of the *Act* defines “complainant” to include members and directors of a corporation. It is undisputed that the applicants are both Members and directors of the Lighthouse, and directors of Blue Mountain. They have standing to bring this application.

[194] Other than the fact that a non-profit has members rather than shareholders, a key difference exists between the oppression remedy under the *Act* and what is available concerning for-profit corporations. Under the *Act*, where the non-profit is a “charitable corporation”, the Court may take into account the impact on not only a member, security holder, creditor, director or officer, but also the impact on “the public generally”. The public interest counts for something.

[195] Though it is commonly referred to as an “oppression remedy”, actual

oppression is not required to be established. There are three categories of conduct that can trigger a remedy. In each case it must be conduct that impacts a member, security holder, creditor, director, officer, or, in the case of a charitable corporation, the public generally. The three categories are:

- a. conduct that is oppressive to any such parties;
 - b. conduct that is unfairly prejudicial to any such parties; or
 - c. conduct that unfairly disregards the interests of any such parties.
- (i) *BCE Inc. v 1976 Debentureholders*

[196] The leading case on the oppression remedy is *BCE*. In *BCE*, the Supreme Court attempted to reconcile two lines of authority. One approach emphasized a strict reading of the three categories set out above. That approach had limitations because the three categories overlap and lack conclusive definition, thus failing to provide principles to guide where judicial intervention should occur. The second approach focused on “broader principles underlying and uniting the various aspects of oppression”: para. 54.

[197] The Supreme Court held that the best approach is to combine the two approaches:

[56] ... One should look first to the principles underlying the oppression remedy, and in particular the concept of reasonable expectations. If a breach of a reasonable expectation is established, one must go on to consider whether the conduct complained of amounts to “oppression”, “unfair prejudice” or “unfair disregard” as set out in s. 241(2) of the *CBCA* [*Canada Business Corporations Act*, RSC 1985, c C-44].

[198] Then the Court, in unanimous reasons, stated as follows (I will omit

several of the citations):

[58] First, oppression is an equitable remedy. It seeks to ensure fairness — what is “just and equitable”. It gives a court broad, equitable jurisdiction to enforce not just what is legal but what is fair ... It follows that courts considering claims for oppression should look at business realities, not merely narrow legalities: *Scottish Co-operative Wholesale Society* [[1959] AC 324 (HL)], at p. 343.

[59] Second, like many equitable remedies, oppression is fact-specific. What is just and equitable is judged by the reasonable expectations of the stakeholders in the context and in regard to the relationships at play. Conduct that may be oppressive in one situation may not be in another.

[60] Against this background, we turn to the first prong of the inquiry, the principles underlying the remedy of oppression. In *Ebrahimi v. Westbourne Galleries Ltd.*, [1973] A.C. 360 (H.L.), at p. 379, Lord Wilberforce, interpreting s. 222 of the U.K. Companies Act, 1948, described the remedy of oppression in the following seminal terms:

The words [“just and equitable”] are a recognition of the fact that a limited company is more than a mere legal entity, with a personality in law of its own: that there is room in company law for recognition of the fact that behind it, or amongst it, there are individuals, with rights, expectations and obligations inter se which are not necessarily submerged in the company structure.

[61] Lord Wilberforce spoke of the equitable remedy in terms of the “rights, expectations and obligations” of individuals. “Rights” and “obligations” connote interests enforceable at law without recourse to special remedies, for example, through a contractual suit or a derivative action under s. 239 of the *CBCA*. It is left for the oppression remedy to deal with the “expectations” of affected stakeholders. The reasonable expectations of these stakeholders is the cornerstone of the oppression remedy.

[62] As denoted by “reasonable”, the concept of reasonable expectations is objective and contextual. The actual expectation of a particular stakeholder is not conclusive. In the context of whether it would be “just and equitable” to grant a remedy, the question is whether the expectation is reasonable having regard to the facts of the specific case, the relationships at issue, and the entire context, including the fact that there may be conflicting claims and expectations.

...

[64] Determining whether a particular expectation is reasonable is complicated by the fact that the interests and expectations of different stakeholders may conflict. The oppression remedy recognizes that a corporation is an entity that encompasses and affects various individuals and groups, some of whose interests may conflict with others. Directors or other corporate actors may make corporate decisions or seek to resolve conflicts in a way that abusively or unfairly maximizes a particular group's interest at the expense of other stakeholders. ... Fair treatment — the central theme running through the oppression jurisprudence — is most fundamentally what stakeholders are entitled to “reasonably expect”.

[65] Section 241(2) speaks of the “act or omission” of the corporation or any of its affiliates, the conduct of “business or affairs” of the corporation and the “powers of the directors of the corporation or any of its affiliates”. Often, the conduct complained of is the conduct of the corporation or of its directors, who are responsible for the governance of the corporation. ...

[66] The fact that the conduct of the directors is often at the centre of oppression actions might seem to suggest that directors are under a direct duty to individual stakeholders who may be affected by a corporate decision. Directors, acting in the best interests of the corporation, may be obliged to consider the impact of their decisions on corporate stakeholders, such as the debentureholders in these appeals. This is what we mean when we speak of a director being required to act in the best interests of the corporation viewed as a good corporate citizen. However, the directors owe a fiduciary duty to the corporation, and only to the corporation. People sometimes speak in terms of directors owing a duty to both the corporation and to stakeholders. Usually this is harmless, since the reasonable expectations of the stakeholder in a particular outcome often coincide with what is in the best interests of the corporation. However, cases (such as these appeals) may arise where these interests do not coincide. In such cases, it is important to be clear that the directors owe their duty to the corporation, not to stakeholders, and that the reasonable expectation of stakeholders is simply that the directors act in the best interests of the corporation.

[67] Having discussed the concept of reasonable expectations that underlies the oppression remedy, we arrive at the second prong of the s. 241 oppression remedy. Even if reasonable, not every unmet expectation gives rise to claim under s. 241. The section requires that the conduct complained of amount to “oppression”, “unfair prejudice” or “unfair disregard” of relevant interests. “Oppression” carries the

sense of conduct that is coercive and abusive, and suggests bad faith. “Unfair prejudice” may admit of a less culpable state of mind, that nevertheless has unfair consequences. Finally, “unfair disregard” of interests extends the remedy to ignoring an interest as being of no importance, contrary to the stakeholders’ reasonable expectations: see Koehnen, at pp. 81-88. The phrases describe, in adjectival terms, ways in which corporate actors may fail to meet the reasonable expectations of stakeholders.

[68] In summary, the foregoing discussion suggests conducting two related inquiries in a claim for oppression: (1) Does the evidence support the reasonable expectation asserted by the claimant? and (2) Does the evidence establish that the reasonable expectation was violated by conduct falling within the terms “oppression”, “unfair prejudice” or “unfair disregard” of a relevant interest?

[199] That analysis leads to the two questions set forth in para. 68 of the passage:

- a. What are the reasonable expectations of stakeholders asserted by the applicants, as supported by the evidence?
- b. Does the evidence establish that the reasonable expectations were violated by conduct that was oppressive to, unfairly prejudiced, or unfairly disregarded, a relevant interest, which includes the interests of the public generally?

Before attempting to answer those questions, I will discuss certain aspects of the oppression remedy test in greater detail.

(ii) Burden of proof

[200] The burden on an applicant is to prove its position on a strong prima facie case basis of oppression, unfair prejudice or unfair disregard of a stakeholder’s reasonable expectations. See *Moosomin First Nation v 101061721 Saskatchewan Inc.*, 2010 SKCA 110 at para 26, [2011] 2 WWR 193 and *Gordon v White*, 2020 SKCA 129

at para 29 [*Gordon*].

(iii) Failure to provide financial information

[201] Failure to provide financial information can constitute breach of reasonable expectations of a corporation's shareholders. See *Gordon* at para 31, citing *Lee v To* (1997), 1997 CanLII 11160 (Sask QB), 153 Sask R 58 (QB), affirmed *Lee v To* (1998), 1998 CanLII 12343 (Sask CA), 168 Sask R 66 (CA).

[202] Shareholders are entitled to participate in the approval of financial statements. *Gordon* at para 32, quoted the following passage from *Ayers v Summach*, 2011 SKQB 360, 383 Sask R 170 [*Ayers*]:

[132] That then leaves for consideration the two remaining grounds in the originating motion found in paras. 3(c) and (d). These provisions relate to the failure to provide proper and adequate financial information to the shareholders by way of proper financial statements as required by the Saskatchewan *Business Corporations Act*, and the failure to provide proper and adequate financial information as determined by resolution of the shareholders. ... In contemplating these specific matters, I am mindful of the fact that the Saskatchewan *Business Corporations Act* places a positive duty upon directors of a corporation to properly call meetings either at the instigation of the directors, or under special circumstances at the initiative of a shareholder or shareholders undertaken in accordance with the Act, and a similar legislative duty requires directors to in accordance with time lines produce meaningful financial statements and financial information for consideration by shareholders of the corporation ...

[Emphasis added; emphasis in *Gordon* removed]

[203] In both *Gordon* and *Ayers*, the provision of financial information and proper financial statements was treated as a reasonable expectation, and the failure to provide financial information and proper financial statements was found to be oppressive. Those, of course, come from the private corporate context. As stated recently by Crooks J. in *Cooper v Cooper*, 2021 SKQB 140 at para 35: "It is well

established in Saskatchewan that a failure to provide financial information can constitute a breach of reasonable expectations of shareholders of the corporation.”

[204] It is not just “any” financial statements and financial information that satisfies the obligation; as set out in *Ayers*, the obligation and reasonable expectation is that “proper and adequate financial information” and “proper” or “meaningful” financial statements will be provided. I interpret that to include a requirement to provide financial statements that do not knowingly contain material misstatements or fail to address material related party transactions where reasonable expectations would require such transactions to be disclosed.

[205] In evaluating the applicability of limitation periods, I discussed the statutory requirements for providing accurate and complete financial information. See paras. 167 to 181 of this decision. That discussion applies equally here and I rely on it in respect of what will constitute oppressive conduct.

(iv) Causation and compensable injury

[206] Tyrone McKenzie and Elenore Gerbrandt argue that in order to make out a claim for oppression, an applicant must not only show wrongful conduct falling within the concepts of oppression, unfair prejudice or unfair disregard of interests, but also that there was causation and compensable injury: *BCE* at para 90 and *Kroczyński v Regina Soccer Association Inc.*, 2016 SKQB 133 at paras 40, 43 and 44 [*Kroczyński*]. They focus substantially on causation and compensable injury, arguing that:

... there is no evidence of the general impact [*sic*] being impacted by the misconduct alleged by the Lighthouse Directors.

[207] They further argue that there is not even an allegation before the Court that the Lighthouse’s mandate to provide housing to the impoverished was impacted by

misconduct, or that the administration of the Lighthouse's housing and shelter programs has been impacted by conduct giving rise to a remedy under s. 225. I will address the details of that point below in my evaluation of whether reasonable expectations were met. At this stage, I find it necessary to place causation and compensable injury into an appropriate context.

[208] In *BCE*, the Supreme Court stated:

[90] In most cases, proof of a reasonable expectation will be tied up with one or more of the concepts of oppression, unfair prejudice, or unfair disregard of interests set out in s. 241, and the two prongs will in fact merge. Nevertheless, it is worth stating that as in any action in equity, wrongful conduct, causation and compensable injury must be established in a claim for oppression.

[Emphasis added]

[209] The need to establish causation and compensable injury is not unique to the oppression remedy. It applies to any claim in equity. Equitable remedies are granted by courts every day. The causation and compensable injury requirements often do not represent considerable hurdles. Many oppression remedy cases do not rise to questions of whether management and/or board members should be removed. In many oppression remedy cases, causation and compensable injury are never explicitly discussed. I will offer *Gordon* as an example, but there are countless others.

[210] In *Gordon* at para 30, the Court of Appeal discussed the oppressive categories of conduct that had been identified by the chambers judge, which the Court of Appeal summarized as relating to the failure to provide proper disclosure of financial information, the failure to allow participation in corporate decision-making and the refusal to follow shareholder direction when it was given. The Court concluded:

[30] ... The appellants did not seriously contend this the type of conduct was not capable of grounding an oppression remedy, nor

could they have reasonably done so.

[211] The word “causation” does not appear in the entire decision in *Gordon*. Nor do the words “injury” or “damage”. Mr. McKenzie and Ms. Gerbrandt seem to expect that to grant an oppression remedy, the Court must engage in a full discussion of causation and damages as if a claim was being made in tort.

[212] Most oppression remedy decisions do not focus on causation and compensable injury. Those elements are frequently inherent in the conduct and are simply obvious. Where a claimant has a reasonable expectation that she will be provided with financial information and it is not provided, the failure to provide is the causation and the lack of receipt of the information is the compensable injury. There exists no requirement that a claimant also establish a monetary loss or similar claim for compensation that was caused by the oppressing party. While the reliance on *BCE* and *Kroczyński* is not technically incorrect, Tyrone McKenzie and Elenore Gerbrandt dramatically overstate the importance of those factors. I will elaborate.

[213] The argument’s absurdity is illustrated by the statutory requirements for proper reporting and provision of financial information. Section 159 of the *Act* makes the failure to comply with ss. 159(6) or (8) an offence. A charity’s obligation to maintain adequate books and records is “foundational”. Where a charitable corporation is involved, any act or omission that could put the corporation’s charitable status at real risk will likely meet the requirements of the tests under s. 225. If an applicant establishes that such acts or omissions occurred, in most cases nothing further need be proven.

[214] Failure to devote all of its resources to charitable activities is a ground for revocation of charitable status. Section 149.1 of the *ITA* defines a “charitable organization”. The requirements include the following, all of which must be satisfied

to qualify as a “charitable organization” – the requirements in its subsections are conjunctive:

149.1 (1) ...

charitable organization, at any particular time, means an organization, whether or not incorporated,

(a) constituted and operated exclusively for charitable purposes,

(a.1) all the resource of which are devoted to charitable activities carried on by the organization itself,

(b) no part of the income of which is payable to, or is otherwise available for, the personal benefit of any ... member ... thereof,

...

[215] That definition makes clear that an organization can cease to qualify as a charitable organization if it fails to continue to meet those requirements. A registered charity must devote all its resources to charitable activities carried on by the organization and is precluded from making any part of its income available for the personal benefit of a member.

[216] Provision of personal benefits was the primary focus of the Federal Court of Appeal in *Humane Society of Canada for the Protection of Animals and the Environment v Canada (National Revenue)*, 2015 FCA 178, 474 NR 79 [*Humane Society*]. CRA had issued a notice of intention to revoke the Humane Society’s charitable status. It did so primarily because of personal benefits conferred on Michael O’Sullivan, a director, officer and member of the Humane Society (its financial records also had issues). The Court reviewed the same *ITA* provisions that I discuss above, along with some prior jurisprudence, and concluded as follows:

[72] In my view, a failure by the Appellant to devote all of its

resources to its charitable activities would constitute a failure to meet the requirements of paragraph (a) of the definition of charitable organization. Such a failure is conceptually the same as the failure of the taxpayer to meet the definition of charitable foundation that was at issue in *Prescient Foundation*. Accordingly, I conclude that a failure on the part of the Appellant to continually meet the requirements of paragraph (a) of the definition of charitable organization is a failure of the type stipulated in paragraph 168(1)(b) and constitutes a sufficient basis upon which the Minister could revoke the Appellant's status as a charitable organization.

[217] Further, having turned to a discussion of recordkeeping (but specifically with regard to records concerning the intermingling of Mr. O'Sullivan's personal expenditures), the Court stated:

[77] Similarly, the intermingling of Mr. O'Sullivan's personal expenses with the Appellant's expenses in the accounting records indicates an inability on the Appellant's part to demonstrate that no part of its income was provided to Mr. O'Sullivan as a personal benefit. These failures made it impossible for the Minister to verify that the Appellant was in ongoing compliance with its registration requirements, as stipulated in the definition of charitable organization in subsection 149.1(1).

[78] The Appellant's submissions give the impression of a general view that everything Mr. O'Sullivan did was on behalf of the Appellant, whether eating with others, eating alone, or purchasing items at the LCBO and other establishments ..

[79] These submissions have not persuaded me that the Appellant's records and books of account met the requirements of paragraph 230(2)(a).

[80] Given the significant privileges that flow from registration under the Act as a charitable organization, the Minister must be able to monitor the continuing entitlement of the charitable organization to those privileges. In that regard, I agree with the Minister that the obligation of a charitable organization to maintain adequate books and records is foundational.

[Emphasis added]

[218] It seems trite, but I will express it in any event. Conduct by a director or

officer that risks the charitable status of a charitable corporation is likely to satisfy s. 225, and the causation and compensatory damages elements discussed in *BCE* and *Kroczyński* are inherently satisfied. By causing the Lighthouse to engage in the House Transactions, Don Windels has caused the Lighthouse's charitable status to become at risk. The creation of the risk represents the causation. The existence of the risk is the damage suffered.

[219] I observe again that the word "compensatory" does not mean that a monetary damages claim is required. Rather, in the context of the oppression remedy it means "capable of being remedied".

[220] Again, I note that Don Windels is a CPA. To maintain that certification, he will have been required to continue to keep his knowledge current through continuing education. There can be no question that Mr. Windels is fully aware of the foregoing requirements concerning audited financial statements.

[221] Further, in oral submissions, Mr. Windels argued that Kowach cannot be responsible to flow any surplus revenues to Blue Mountain because Blue Mountain lacks charitable status and such a transaction could put Kowach's charitable status at risk. Thus, he is well-versed in the risks associated with a charitable corporation using funds for purposes other than its charitable objects.

(v) Bad faith

[222] To establish that conduct was unfairly prejudicial or unfairly disregarded the interests of a stakeholder, bad faith need not be shown. For oppression itself, a finding of bad faith is required. See *Brant Investments v KeepRite Inc.* (1991), 3 OR (3d) 289 (Ont CA) at 305-306 and more recently *Goertz v The Owners Condominium Plan No. 98SA12401*, 2018 SKCA 41 at para 138, [2018] 12WWR 195.

(vi) Fiduciary breach need not be shown

[223] It is unnecessary for an applicant to demonstrate a fiduciary breach: *Gabriel Housing* at para 70 and *Deluce Holdings Inc. v Air Canada* (1992), 12 OR (3d) 131 (Ont Ct J) [*Deluce*]. In *Deluce*, the Court concluded that no fiduciary duty existed between Air Canada and its minority shareholder, Deluce Holdings Inc., but nonetheless found that Air Canada's conduct was oppressive and granted a remedy.

(vii) The public interest

[224] The leading case on oppression of the public interest is *Gabriel Housing*. Saskatchewan Housing Corporation [SHC] brought an application for an oppression remedy under the *Act* with respect to GHC. GHC was closely connected to the Métis Nation of Saskatchewan. The relief sought by SHC included appointment of a receiver over GHC, and an order prohibiting the individual respondents (the former general manager of GHC and members of its board of directors), from holding any office with GHC.

[225] There were two primary complaints. The first related to some small transactions (totalling less than \$1,000) that may have benefited companies owned by directors but which the Court determined were simply isolated errors capable of correction. The second allegation was that some directors gave preferential allocation of housing to themselves and family members, while others remained in need on the waiting list. Decisions were also made for reasons relating to internal Métis politics. As well, there were additional issues about violation of rules respecting conflicts of interest, nepotism and general misadministration.

[226] The first question that Smith J. addressed was whether SHC qualified as a complainant under s. 225 of the *Act*:

[61] While I am unable to conclude, on the information filed, that SHC is a “security holder” within the meaning of the Act, I have no hesitation in exercising my discretion to hold that SHC is a proper person to make an application under s. 225, for the other reasons advanced by the applicant. Closely related is the issue, discussed below, that the grounds for relief relate to the interests of the public because substantial expenditure of public funding is at issue, and because of the substantial public interest in the proper and fair administration of the subsidized housing program for the benefit of persons in need. SHC is the vehicle used to provide this public funding and it is given the responsibility under the various agreements and under GHC’s incorporating documents to monitor GHC’s delivery of this program. It is my conclusion that SHC’s application speaks for these interests of the public and that there is no other person available and able to speak for them.

[Emphasis added]

[227] At para. 63, Smith J. determined that she would disregard the potential interests of SHC as a creditor of GHC and instead “confine my consideration to the interests of the public generally, which, in any case, includes the interest of SHC, a crown corporation providing public funding to GHC for delivery of a public housing program for persons in need, and guarantor of GHC’s liabilities”.

[228] Smith J. analyzed the definition of “charitable corporation” in s. 2(9) of the *Act* at para. 64 and concluded that GHC was a charitable corporation. Section 2(9) remains unamended since then. At para. 66, she determined that the subsections to s. 2(9) were disjunctive, in part because “each of the factors set out in (a) through (d) is evidence that the conduct of the corporation affects the public interest and therefore supports the assumption of s. 225 that its affairs must be managed in a fashion that takes the interests of the public into account.” [Emphasis added]

[229] The respondents in *Gabriel Housing* argued that in assessing the merits of the application, Smith J. should keep in mind that no evidence of significant fiscal mismanagement had been put forward or that respondents acted for personal financial gain. While she accepted that point, she observed that “the operation and scope must

be read broadly and liberally”. She quoted 347883 *Alberta Ltd. v Producers Pipelines Inc.*, [1991] 4 WWR 577 (Sask CA), as holding (in respect of *The Business Corporations Act*): “[T]he legislation is remedial and is to be given a broad interpretation.” See *Gabriel Housing* at para 68. That approach in *Gabriel Housing* was cited with approval more recently by the Court of Appeal in *Canadian Federation of Students v Mowat*, 2007 SKCA 90 at para 27, 304 Sask R 236.

[230] What will be reasonable expectations is also informed by a broader view of the obligations and constraints imposed on directors of charitable corporations. Donald J. Bourgeois, *The Law of Charitable and Not-for-Profit Organizations*, 5th ed (Toronto: Lexis Nexis Canada Inc., 2016) [*Bourgeois*], speaks to this. At page 142, the author states:

In practical terms, a prudent director or officer of a not-for-profit organization ... should provably avoid an interest in any material contract of the corporation. An exception exists for non-charitable situations if the director declares an interest in the contract at the board meeting where the contract is considered or arises and refrains from voting or participating in the discussion or attempting to influence the vote and the legislation permits. ...

If the corporation is a charitable corporation, the director should avoid any interest in any contract with the corporation because directors are held, at least nominally, to a higher standard of conduct that is akin to a “trustee”. ...

[Emphasis added]

[231] *Bourgeois* has been cited in numerous court decisions. Examples include *Malik v Sabha*, 2020 ONSC 5535, and *Bruderheim Community Church v Board of Elders*, 2018 ABQB 90, [2018] 5 WWR 332. As the Lighthouse’s Members and Board members (present and future) contemplate how to navigate the aftermath of these proceedings, I commend to them Chapter 3 (Governance and Stewardship) of *Bourgeois*.

(c) *What reasonable expectations have been established?*

[232] The Lighthouse's status as a charitable corporation informs what reasonable expectations exist. Certain reasonable expectations are obvious in light of statutory requirements already discussed. In my opinion, they need not be formally established by evidence. In particular, I refer to the following:

- a. The directors and officers of a charitable corporation will ensure that it maintains complete and accurate records, sufficient to permit the Minister to determine whether there are any grounds for revocation of the organization's charitable registration. That has two components. One is that the records will be complete and accurate, and there is an inherent requirement that complete and accurate records would not provide grounds for revocation.
- b. Building on the above expectation, the directors and officers of a charitable corporation will ensure that it conducts its business in a manner consistent with its charitable objects. Put another way, they must ensure that the organization devotes all of its resources to its charitable activities.
- c. As a corollary, they must ensure that no personal benefits are conferred on members of the organization.
- d. The directors and officers will not engage in self-dealing without proper recusal, protection from conflicts of interest, and full and proper disclosure, including that the directors and officers at all times will comply with s. 107 of the *Act*.
- e. The directors and officers will exercise their powers and discharge

their duties honestly and in good faith with a view to the best interests of the corporation, at all times complying with s. 109 of the *Act*.

- f. The directors and officers will ensure that financial reporting for the corporation be complete and accurate. This is required for compliance with the *Income Tax Act* and compliance with ss. 159 and 280(1) of the *Act*.

[233] Mr. Windels attests in the Third Windels Affidavit that “I have not in the past and ... I am not currently using my position as Executive Director to benefit myself to the detriment of the Lighthouse or its subsidiary organizations or related parties”. It is a reasonable expectation that no director or officer do such things.

[234] A companion application that I heard was from a consortium of media organizations [Media Consortium] to lift the publication ban. The respondents in this matter opposed lifting of the publication ban. As set out in the brief on behalf of Don Windels filed in opposition to lifting the publication ban:

- 6. There has been evidence presented by Melissa Smith, Tyrone McKenzie, Donald Windels and others stating grave concerns about the disastrous effects that publication of the Inspector's Reports will have on the ability of the Lighthouse to maintain its fundraising operations.

[235] The evidence shows that the Lighthouse has an annual budget of around \$6 million. About half of its revenues are derived from rental and service income (some or much of which would be paid by governments). About 40 percent is from operating grants. The remaining 10 percent comes from donations, debt forgiveness and capital grants.

[236] With so much of its revenue dependent on funders, government agencies

and donors, goodwill and trust are precious commodities for the Lighthouse.

[237] Mr. Windels argues that the Inspector's reports are incomplete, inconclusive and inaccurate, and that would be the source of the harm. I do not accept that proposition. Any harm would arise from the conduct of Mr. Windels and other Board members.

[238] Again, I consider it obvious, but the evidence establishes that it is a reasonable expectation that a director or officer will not engage in wrongful activities that, if they were to become public, would substantially tarnish the reputation of the charitable corporation in the eyes of the general public, potential donors, funders, licensors, and regulators.

[239] Those are the reasonable expectations that I consider to be engaged here. I view them as inarguable, as they are largely founded in concepts enshrined in the *Act*, the *ITA*, and those generally applicable to directors and officers in corporate law.

(d) Have the reasonable expectations been breached so as to establish that remedies need to be granted?

[240] I find that each of the reasonable expectations that I described above has been breached by Mr. Windels, with assistance and approval by other members of former Boards.

[241] The House Transactions, from start to finish, breached the reasonable expectations that I have identified. Whether characterized as a loan or a purchase by the Lighthouse, the intent was to aid Mr. Windels in personal matters. Resources of the Lighthouse were used for that purpose. The Lighthouse was without the \$60,000 for nearly four years, while it carried the entire risk associated with the Walmer House.

[242] Another breach of the reasonable expectations is found in the repeated failure to ensure that the details and true nature of the House Transactions were properly recorded in the internal financial records of the Lighthouse and its annual audited financial statements.

[243] Mr. Windels failed to at all times exercise his powers and discharge his duties honestly and in good faith with a view to the best interests of the corporation, as required by s. 109 of the *Act*. The self-dealing transactions are incompatible with that requirement. Mr. Windels is a CPA. Each of those expectations would be well known to him.

[244] One framing of the reasonable expectations was put forward by Mr. Windels himself: that he not use his position as Executive Director to benefit himself to the detriment of the Lighthouse or its subsidiary organizations or related parties. The “detriment” part of that (which seems likely to equate to the compensable damages requirement discussed above) need not be proven to exist independently, but it has been in any event. The Lighthouse expended \$60,000 of its own money for a transaction that was solely to benefit for Mr. Windels. For nearly four years the Lighthouse did not have those funds available for programming or capital acquisitions, and it also bore all the carrying costs concerning the Walmer House. That constitutes a detriment. The absence of those funds must have impacted on programming or capital budgets.

[245] A further detriment is that Mr. Windels either caused or knowingly permitted the Lighthouse to breach the “foundational” requirement of providing complete and accurate financial reporting as required by the *ITA* (and under the *Act*), which created a risk of revocation of charitable status.

[246] It is impossible to reconcile the respondents’ claims that the Court should

not lift the publication ban with the notion that the Lighthouse has suffered no detriment. I agree with what the respondents say as to the potential effects of lifting the publication ban. I expect that there will be public outrage concerning these events. I accept that the Lighthouse's fundraising (from private donors and perhaps also public funders) is likely to be impaired. When a donor or funder donates or provides operating or capital grants to a charity, they expect that the funds will all be used properly. They also expect that directors and officers will not have attempted to conceal improper transactions in the organization's financial reporting.

[247] When donors and funders (and perhaps regulators) learn that the charity has failed to consistently use funds properly and that financial reporting was not accurate or complete, that logically might and probably will impact on what they are willing to do in the future, depending on what measures are put into place to address the improper conduct. That constitutes detriment.

[248] Tyrone McKenzie and Elenore Gerbrandt argue that there is not even an allegation before the Court that the Lighthouse's mandate to provide housing to the impoverished was impacted by misconduct, or that the administration of the Lighthouse's housing and shelter programs has been impacted by conduct giving rise to a remedy under s. 225. That argument fails to withstand even superficial scrutiny. I have determined above that the Lighthouse has been harmed in numerous ways arising from Mr. Windels' conduct. Whether those actions and injuries, which are not yet known to the public or the Lighthouse's stakeholders, have yet flowed through to have a concrete impact on delivery of services or administration of programs is not relevant (though, as noted above, there must have been some impact). Mr. Windels has put such services and programs at risk by his conduct. That is enough.

[249] I also rely on the evidence and findings that I recite above and in

Appendix A.

[250] Does it “save” Mr. Windels that in 2017 the Board approved the Lighthouse entering into the House Transactions? It does not. Board approval cannot detract or protect from the requirements in the *ITA* and the *Act*.

[251] I also note that even Member approval is not determinative pursuant to s. 226 of the *Act*, though in this case there is no evidence of knowledge of these matters by Members before things became heated earlier this year.

[252] I found above that the standard of proof is that of a strong *prima facie* case. That standard is met here. Without doubt, the reasonable expectations I have found to exist have been clearly breached by Mr. Windels. Accordingly, it is appropriate for me to exercise my discretion to grant remedies pursuant to s. 225 of the *Act*.

2. What remedies should the Court grant?

(a) Remedies sought by the applicants

[253] The remedies sought by the applicants are as follows:

- a. Permanent removal of Mr. Windels from the boards of the Lighthouse and Blue Mountain or, alternatively, removal pending further investigation by the Inspector.
- b. Restraining all directors from approving or accepting any loans to directors of the corporation or non-arm's length parties of those directors.
- c. Amending the Lighthouse's bylaws to strike out s. 18. The

applicants' objective is to remove the requirement that the Executive Director also be a director. A further objective is to remove the onerous process of terminating the Executive Director.

- d. That I direct a trial as to the issue as to what compensation should be paid by Don Windels to the Lighthouse and Blue Mountain for losses sustained by them, and for disgorgement of profits resulting from his breaches of his duties. At oral argument I advised counsel that I considered this request to be premature, and adjourned it *sine die*.

[254] In addition, the applicants ask for an order directing further investigations by the Inspector. I will not address that request in this decision as I require further submissions from counsel in light of my findings and determinations herein.

(b) *Principles governing the fashioning of remedies*

[255] The Court has “broad, historic jurisdiction to supervise the activities to ensure that they accord with its charitable purpose and to intervene if the charity is not administered in accordance with its purpose or if charitable funds are misapplied”: *OSPCA v Toronto Humane Society*, 2010 ONSC 608 at para 39, 100 OR (3d) 340. See also the surrounding discussion and citations of other decisions at paras. 36-40. As well, see *Bourgeois* at 140.

[256] Though Ontario has enacted legislation providing courts with jurisdiction to supervise charitable organizations, it was preceded by, and does not supplant, the broad historic jurisdiction held by superior courts. This Court has such inherent jurisdiction.

[257] The oppression remedy is remedial, to be given a broad and purposive interpretation. That is clear from jurisprudence and from s. 225 itself.

[258] In fashioning a remedy, the Court should act with restraint. *Bourgeois* observes at pages 264 and 266 that a court will generally use the least interventionist approach available, to the extent necessary to “right the ship”. I agree with the principle, but the context matters a lot. There is no particular model to be followed. Once it intervenes, my view is that the Court should intervene to an appropriate level to enable the ship to be righted.

[259] As degrees of possible intervention go, I view liquidation as the deepest of interventions – noting that it is a remedy specifically provided for in s. 225. The potential remedies enumerated in s. 225 include the following:

- a. restraining any conduct complained of;
- b. appointing a receiver;
- c. amending the articles or bylaws;
- d. appointing directors in place of or in addition to existing directors, which clearly includes the power to remove directors;
- e. setting aside a transaction to which the corporation is a party and compensating the corporation or any other party;
- f. liquidating and dissolving the corporation; and
- g. requiring the trial of any issue.

[260] The fact that a remedy might not be enumerated in s. 225 certainly does not mean that I do not have power to order it. When s. 225 states that the Court “may make any interim or final order it considers appropriate”, that is not merely a catch-all. Rather, it represents a statement of intent by the legislature that s. 225 grants broad

discretion to the Court.

[261] Liquidation is akin to the “death penalty”. It represents the deepest intervention a court might take. It ends the corporation’s existence.

[262] Appointment of a receiver, which was ordered by Smith J. in *Gabriel Housing*, would likely be the next most severe intervention.

[263] Appointment of a receiver necessarily entails ongoing supervision by the Court. Accordingly, my jurisdiction includes ongoing supervision as necessary to help “right the ship”.

[264] After liquidation and receivership, I consider the following remedies to be the most interventionist steps a court might take under the enumerated powers set out in s. 225 (not in particular order): appointing and removing directors, amendment of articles and bylaws, setting aside transactions and directing the corporation as to dealings with its property.

[265] To the extent possible, and when practicable, it is preferable that the directors, members and employees take over steering the ship. That may be possible up front, or it may be gradual. I do not consider myself bound to make a single order now, and then to completely “let go” if that is not what would be in the Lighthouse’s interests.

[266] In this situation, at least some continuing supervision by the Court seems advisable. The Lighthouse’s problems are not limited to Mr. Windels’ self-dealing and the failures to provide appropriate financial reporting. Conflicts among Board members have been acute. Certain Members are clearly suspicious of and probably hostile to the applicants. Senior management employees appear to share such suspicions and hostility. It appears that many view Mr. Windels as having been the beating heart of the Lighthouse for years, and what they perceive as attacks on him have raised their

hackles.

[267] There is little to be gained by making orders that fall short of what the Lighthouse needs to turn the corner, right the ship, or whatever metaphor one prefers.

[268] In *Singh v Sandhu*, 2013 ONSC 3230, 16 BLR (5th) 194 [*Singh*], a dispute existed in a large religious charitable organization that had fewer than 100 members but a congregation of some 10,000. Brown J. was faced with applications to direct the holding of a members' meeting, and for declarations concerning oppressive conduct. Severe financial integrity issues existed in the organization. Brown J. held at para. 122 that there was no point in directing a members' meeting "given the Centre's present state of corporate governance chaos. No productive purpose would be served." He set four threshold conditions to be achieved before he would set a date for a court-ordered general members' meeting:

- a. Regularization of accounting practices;
- b. Preparation of an audit report;
- c. Attendance by board members of a one-day training session, all in one place at the same time, with no exceptions. Brown J. directed that if that interfered with a director's travel plans, he would have to change the travel plans.
- d. That the board of directors was to develop an amendment to the bylaws to detail the process for considering applications for new membership.

[269] Pending the satisfaction of those conditions, Brown J. restrained the board from admitting new members and from approving any transaction out of the

ordinary course of business, or even from proposing a fundamental change in the corporate governance structure.

[270] Brown J. also ordered the appointment of a monitor to supervise the business and financial affairs in the interim.

[271] How and when a court should intervene with a non-profit corporation is discussed at length in *Bourgeois* at pages 241 to 285. That discussion covers many contexts, most of which do not involve applications for oppression remedies concerning highly public charitable corporations. As one example, many cases involve the validity of elections, which is not in issue here.

[272] In most other cases, intervention has been less extensive, but in most do not involve breaches of “foundational” duties as has occurred with the Lighthouse. They often relate to membership or election issues rather than the issues existing primarily with the Board and senior management, such that it is possible for a court to make an order and then let go.

[273] Many non-profit corporations exist to benefit their members. Clubs and sporting associations are good examples. Intervention into the business of such organizations should generally be more restrained than where breaches have occurred in charitable corporations that operate very much in the public eye.

[274] Logically, the remedy ordered should be connected to the oppressive conduct complained of, though that remains a matter of discretion. In holding that the chambers judge in *Gordon* did not err in granting the relief she did, the Court of Appeal stated:

[36] In this case, the relief granted by the Chambers judge was directly related to the oppression she found to exist – the disclosure of

financial information, an accounting by the appellants for payments made by the corporations under their direction and also directing the retaining of MNP LLP. The Chambers judge also directed a change in the signing authority over bank accounts of the corporations. In the context of the oppression she found to have occurred, this cannot be said to have been an error in principle, in disregard of any material matter of fact or a failure to act judicially.

[275] Thus, at minimum, the relief that a judge grants is more defensible if it is relevant to the oppressive conduct.

[276] In *H&H Holdings Ltd. v Ng*, 2021 SKQB 215, Bardai J. was faced with two opposing camps. They had already agreed that a new manager for the companies involved was needed, but that change had not been implemented. Bardai J. asked the following:

[68] The question therefore becomes what is the appropriate remedy? What is the remedy that gives effect to the reasonable expectations of the parties, is in the best interests of the Operating Companies and strikes an appropriate balance with respect to the reasonable expectations of these two camps? How do we make sure both receive fair treatment and have an equal voice on the Operating Companies?

[277] Bardai J. went on to note that the Court was faced with a similar problem in *Ayers*, where Allbright J., faced with two opposing “camps”, provided the following analysis:

[135] That then leads to a consideration of the question as to what, if any, remedy ought to be granted to the complainants. In considering the possibilities under s. 234(3) of the legislation, I am not persuaded that a receiver or receiver manager should be appointed, nor am I persuaded that an investigation under Division XVII ought to be made. Further, I am of the view that it is not necessary to direct a trial of any issue for the resolution of outstanding matters. That then leaves me to examine a narrower remedy. I am satisfied, again from the conflicted material before me, that there are indeed “two camps” of shareholders, and that there are significant and ongoing differences between them. At this stage there are three directors, and the complainants seek to remove two of them, those being Scott Summach and Timothy

Tkachuk. The complainants take no objection to the continued service of Kent Summach as a board member.

[136] I am of the view that the strong differences which have developed between Larry Ayers and the respondents Scott Summach and Timothy Tkachuk are such as to make any potential working relationship as directors between them not feasible, and I am not persuaded that Mr. Ayers should be appointed by the court as a director.

[137] In considering the matter of Jack Adams, were the EEII lawsuit not in place, I would consider Mr. Adams to be an appropriate candidate to reappoint to the board of directors in order to attempt to balance in some fashion the reasonable expectations of the "two camps". However, he is clearly in a conflict of interest position as he would in essence if a director, be undertaking action as a member of the board of directors specifically relating to a claim brought by him as a plaintiff against the very company of which he would be serving as a director. That would be inappropriate. Therefore, Jack Adams is not an appropriate person to appoint to the board.

[138] James Adams did not appear and participate in the current application, and in my view, while an additional director should be appointed to the board, I am not persuaded that it should be James Adams.

[139] There is, however, a shareholder from the "Jack Adam's camp" who would in my view be an appropriate director to appoint to the company. That is the complainant/applicant Ivan Gidluck. Mr. Gidluck, while complaining of the actions of the respondents, has done so in a temperate fashion and has articulated through his affidavit his basis for complaining about that application. Again in advancing that, he has been tempered in his language and has been precise.

[140] In personally considering the circumstances of Mr. Gidluck, as noted, he is a shareholder, he has been involved in business in Saskatchewan for over 30 years, and of that, he has been involved in the financial services industry for 29 years. He has a bachelor of commerce degree from the University of Saskatchewan, has been a member of the Financial Advisor's Association of Canada and its predecessor since 1984. Further, he is a certified financial planner, a chartered life underwriter and a chartered financial consultant. His shareholdings amount to 20,000 common shares of CPCN which he owns jointly with his wife. Mr. Gidluck in my view is a highly respected member of the Saskatoon business community and clearly has the skills, ability and knowledge to serve in a meaningful way as a director of the board of directors of CPCN.

[141] Accordingly, in the event that Mr. Gidluck is prepared to serve as a director of the company, I make an order pursuant to s. 234(2)(e) of the Saskatchewan *Business Corporations Act* appointing Ivan Gidluck as a director in addition to the directors Scott Summach, Timothy Tkachuk and Kent Summach. Mr. Gidluck is to therefore become the fourth director of the corporation and is to be specifically involved in all meetings and discussions of the board of directors henceforth. As Mr. Gidluck is being appointed by this legislative empowering provision, I further direct that he is not to be removed as a director from the board of directors by any vote of shareholders or other directors of the corporation. He may only be removed as a director by further order of the court.

[278] Thus, it is appropriate for the Court to take a detailed approach to determining what it should do with respect to directorships and other leadership roles, in appropriate circumstances.

(c) *Conduct of the applicants*

[279] Before I turn to outlining the Court's objectives, I should address comments made by the respondents concerning the conduct of the applicants.

[280] It appears to be the view of Tyrone McKenzie and Ms. Gerbrandt that the applicants are the real problems here.

[281] As discussed elsewhere and particularly in the *First Fiat*, on May 18, 2021, Ms. Reddekopp and Mr. Hepfner suspended Mr. Windels and sought to assume the role of temporary co-Executive Directors. They did that without Board approval. I was fairly blunt about that conduct in the *First Fiat*. That said, no application has been brought at any time concerning the status of the applicants.

[282] Tyrone McKenzie and Ms. Gerbrandt now call what occurred on May 18, 2021, a "coup" and "coup d'etat". They say, in a supplementary brief filed on November 23, 2021, that Ms. Reddekopp and Mr. Hepfner were "dishonest with the management team and the Court with respect to their reasons" for suspending

Mr. Windels. They list them as being among the “offending parties”. They assert that “Mr. Windels is the most conspicuous offender, but Messrs. Hepfner, Trudel, and Salman, have to some extent participated and to a large extent facilitated a corporate culture where it is acceptable to use the resources of the corporation for private purposes, even if the use in most cases has been transitory and without cost to the corporation.”

[283] The primary stance of Mr. McKenzie and Ms. Gerbrandt has been (a) control must be returned to the Members as soon as possible, and (b) that Mr. Hepfner, Mr. Salman, Ms. Reddekopp and Mr. Hamilton all must go, at least by allowing the Members to vote them out. They argue that if any of them have Board terms that have not expired, I should order each of them up for re-election. When I asked Mr. Thomson directly in oral argument whether that necessarily entailed that Mr. Windels should go, he paused, and then agreed without much conviction that Mr. Windels also should go.

[284] Mr. McKenzie and Ms. Gerbrandt argue that in light of her conduct, Ms. Reddekopp should expect to be “fired” because of how she handled the suspension of Mr. Windels and her failure to be fully forthright with the Court about that in the First Reddekopp Affidavit.

[285] With all due respect to Mr. McKenzie and Ms. Gerbrandt, they fail to show an understanding of the gravity of Mr. Windels’ conduct, and the obstacles that faced the applicants. They seem to consider the conduct of Ms. Reddekopp and Mr. Hepfner to be as egregious as that of Mr. Windels. It is not close. It is Mr. Windels who repeatedly conferred benefits on himself. He is the one who will have caused the severe tarnishing of the Lighthouse’s reputation. If the Lighthouse’s charitable status is at risk, that responsibility rests on Mr. Windels. He has had *de facto* control of the organization since 2007. The other Board members who agreed to approve those

transactions did so wrongly, and they bear responsibility, but none of that equates to the central role of Mr. Windels.

[286] It appears that Mr. McKenzie and Ms. Gerbrandt are primarily concerned about the prospect that I would appoint Ms. Reddekopp and Mr. Hepfner as interim co-Executive Directors. I will not order that. But it is also important to put the actions of the applicants, misguided as they may have been, into appropriate context.

[287] Mr. Thomson, counsel for Mr. McKenzie and Ms. Gerbrandt, appears to hold the view that if Ms. Reddekopp swears to something, I should not accept it unless she provides full supporting documentation. Mr. Thomson says “there is no supporting documentation attached to Ms. Reddekopp’s [*sic*] July 16 affidavit”. I accept Ms. Reddekopp’s evidence as to her efforts, and those of others, to obtain financial information.

[288] Coming into 2021, Mr. Hepfner already knew about Mr. Windels’ conduct. He had known for years. He was part of the Board that approved the Early Loans and the Mech Loan. Nonetheless, Mr. Hepfner came to realize by some time in 2021 that what had occurred (including his own role in it) was wrong and not in the Lighthouse’s interests, and that action needed to be taken.

[289] In 2021, Mr. Hamilton and Ms. Reddekopp had just started to become aware about issues such as the Early Loans, the Mech Loan, the House Transactions, and the ingrained culture of commingling interests. The audit and finance committee had been formed only in late April 2021. At about the same time (perhaps the same meeting) the Board engaged in a contentious discussion, the subject being concerns about the work of Mr. Windels. The applicants and Adeel Salman were those who were expressing concerns. Mr. Windels was defending himself with the support of Mr. Trudel (who has his own history of commingling of interests) and Ms. McCallum.

[290] I view the applicants' actions in May 2021 and afterward as being motivated by a new understanding that the Lighthouse was in deep trouble, and that they would encounter significant resistance in trying to effect change. It would have been preferable for them to have ensured that they had Board approval before acting, though at that time it would have been difficult to obtain more than a bare majority of the Board to support any actions. They were desperate to make something happen. They had no personal financial interests at stake. Rather, they were trying to act in the best interests of the Lighthouse, even if they did not do so following proper procedures.

[291] The aggressiveness of the applicants' actions in May 2021 surely contributed to the escalation of hostilities between the factions. Nonetheless, I consider their role in that to be forgivable.

[292] Having made errors in May 2021 that engendered resistance and aggressive counter-attacks, the applicants faced being voted off the Board by the Members at the meeting scheduled for July 19, 2021.

[293] Mr. Thomson argues that the application under s. 214 of the *Act* "was commenced for the sole purpose of evading responsibility for the May 18 coup". I accept that the timing of the application without notice was connected to the real risk that they were about to be voted off the Board. However, the making of that application was legitimate and well-intentioned.

[294] What Mr. Thomson and his clients argue for is essentially a re-litigation of the application for appointment of an Inspector under s. 214 of the *Act*, which I granted. That application and the concerns held by the applicants were well-founded as I determined in the *First Fiat* and in this decision.

[295] Regarding what should occur with Mr. Hepfner and particularly

Ms. Reddekopp, I find the following analysis by Allbright J. in *Ayers* particularly helpful:

[142] In considering an appropriate remedy, for all of the foregoing reasons, I am not persuaded that either Scott Summach or Timothy Tkachuk has conducted himself in a way which is detrimental to the overall well being and best interests of the corporation. As directors, their primary responsibility is to the corporation and to ensuring that the best interests of the corporation are promoted. Indeed, they have an ancillary obligation in the nature of a fiduciary duty not to undertake conduct which may ultimately be determined to be oppressive to other stakeholders, but in the absence of such conduct, their focus must be the legitimate well being and best interests of the corporation. That too is the obligation upon the other two directors, Kent Summach and now Ivan Gidluck. In considering the affidavits filed by the respondents, I am satisfied they are currently acting in a fashion which is in the best interests of the corporation. I do not find their actions upon which I have commented, to be so egregious as to warrant their removal as directors. It is my expectation that the board of directors will meet on an ongoing basis, the mandated requirement, as to meetings and financial statements and disclosure.

[Emphasis added]

[296] Similar to Allbright J.'s view in *Ayers*, I do not find the actions of Ian Hamilton or Twila Reddekopp to have been sufficiently egregious (nor even close) to warrant their removal as directors. Subsequent to the filing of the initial without prejudice application in these proceedings, I have seen no indication that they are not acting in the best interests of the Lighthouse. Indeed, they are the directors who have shown the greatest commitment to acting in the Lighthouse's best interests.

[297] Just as I held in the *First Fiat*, the "clean hands" doctrine does not apply here. Having found as I have concerning the conduct of Mr. Windels and that it is necessary to protect the public interest, the conduct of the applicants is of diminished relevance. Further, to apply the "clean hands" doctrine there must be a direct connection between the subject of the application and the conduct of the applicants. See *BMO Nesbitt Burns Inc. v Wellington West Capital Inc.* (2005), 77 OR (3d) 161 (Ont CA) at

paras 27 to 29.

[298] Mr. Hepfner is a tougher case. He is one of the wrongdoers who enabled Mr. Windels' conduct. He approved the Mech Loan and the Early Loans. There is good reason to find that he should not remain on the Board.

[299] On the other hand, the organization will need continuity, and Mr. Hepfner played what I view as a valuable role as an applicant in these proceedings. He has been in the courtroom for all or most of the applications heard in this matter, continuing to be present in the face of substantial criticism concerning the roles he has played. It is evident that he is contrite, and I view him as currently acting in the best interests of the Lighthouse.

(d) *Objectives*

[300] In this sort of case, the Court should have clarity as to the objectives to be achieved before fashioning remedies. In my view, Brown J. demonstrated such clarity in *Singh*, as did Smith J. in *Gabriel Housing*.

[301] One objective is to fashion remedies that can help to mitigate the negative impact on the Lighthouse after these matters become public. I remind of the importance of the Lighthouse's work, and the vulnerability of those that it serves.

[302] One school of thought could be to intrude as little as possible in the governance of the Lighthouse. That might entail doing as little as amending the bylaws to make it possible for the Board to terminate Mr. Windels in short order.

[303] Such an approach would leave Mr. Windels on the Board. I do not see how the confidence of the public and the Lighthouse's stakeholders in the administration of justice would not be shaken if I leave Mr. Windels in either role that

he now inhabits.

[304] I seriously doubt that it is in the Lighthouse's best interests that I take only a minimally intrusive approach. There has been severe and escalating conflict within the organization, both among Board members and between certain Board members (the applicants) and senior staff and Members loyal to Don Windels. A minimalist approach would not assist the Lighthouse in getting through this period of conflict.

[305] The Court's mandate includes the protection of the public interest, which I view as encompassing the protection of the Lighthouse's ability to carry out its mission.

[306] As such it is not my view that the Court should not simply make an order and then fully "let go". Some ongoing supervision is appropriate.

[307] But this is not for the Court to "do". The Court can attempt to facilitate, create a framework and do some following up, but the Lighthouse is unlikely to flourish while under Court control. Its Board, management, employees and Members are the ones who need to carry out the heavy lifting to rebuild trust and create a sustainable future. The foundations have been shaken, but my hope is that they will be shown to be strong and resilient.

[308] In developing these objectives, I am mindful of older transactions such as the Early Loans and the Mech Loan. I do not intend to grant remedies specific to those transactions, but they speak to the pervasive and overarching culture of commingling personal interests with those of the Lighthouse that was highlighted by the Inspector.

[309] Not every aspect of the remedy must be directly connected to the conduct. The Court may draw back to consider the root causes of the issues. No evidence was

led that went specifically to root causes but from the volumes of evidence the Court received, some things are discernable. One such root cause is the combined Board Member/Executive Director role that has an outsized influence in the organization. In any non-profit corporation, the role of an Executive Director (or general manager, etc.) alone tends to be very influential as to the direction of the organization. Generally there is nothing wrong with that. But here it has become essentially the norm that the Executive Director intermingles his personal financial affairs with those of the organization. The outsized role that Mr. Windels has played, facilitated by the dual positions of Board member and Executive Director, must be considered a significant factor. As such, one remedy that the Court should consider is amending the bylaws to eliminate that dual role which, in any event, does not represent good corporate governance. That would reduce the outsized role and provide protection for the future. In my opinion, it is surely not to the Lighthouse's benefit to continue with that model of the dual role.

[310] Another root cause is the duration of Board terms that some have been permitted to serve. One advantage of a certain amount of board turnover is the influx of fresh energy and ideas. That need not be at the cost of continuity.

[311] Another root cause is a lack of understanding of the obligations of directors, and their roles and responsibilities. That is glaringly apparent here.

[312] On the evidence, the objectives I view as critical are as set out below.

[313] Don Windels must be removed from his offices with the Lighthouse and Blue Mountain. That is necessary for the organization to begin to rebuild trust with the public and stakeholders. This may be offensive or distressing to some. I do not doubt that over the years the majority of his efforts have been to advance the Lighthouse's mission of providing assistance and housing to the vulnerable. Nonetheless, for the

Lighthouse to recover from the major blows it will suffer in the eyes of the public and key stakeholders, I consider it necessary for him to be removed from his existing roles and barred from holding those roles for at least two years. I provide one caveat. An interim caretaker may be needed. Transition of Mr. Windels' knowledge will be needed. I plan to consult further with the parties concerning those matters. The orders I make here may need to allow for some flexibility to cover an interim period.

[314] Amendments to the bylaws are needed. Specifically, the following needs to be done:

- a. Eliminate the dual role where the Executive Director is also a Board member. That dual role has been a contributing factor to the issues that have resulted in this application.
- b. Remove the unusual impediments that exist concerning removal of the Executive Director. The Board needs to be able to terminate or otherwise deal with its Executive Director where appropriate, without having to go through a quasi-prosecutorial process.
- c. A maximum term limit for Board members needs to be established. That has been a cause of the problems experienced by the Lighthouse. Limited grandfathering would be appropriate.

[315] The auditors need to restate prior audited financial statements to accurately reflect the House Transactions. As well, the notes to the Draft 2020 Audit Statements concerning related party transactions must be revised to accord with the findings I have made.

[316] Continuity at the Board, to the extent that it can be maintained, is important. Accordingly, the Board memberships of Twila Reddekopp and Ian Hamilton

should be protected for a period, subject to them always being able to resign. They committed errors in judgment in getting to this point, but they have served the Lighthouse far better than some Members or employees may understand, and I expect they have paid heavy personal prices to do so. The commitment and wisdom shown by them over the past number of months will benefit the organization in the future. Further, a clean sweep of the Board is inadvisable and those two can offer some continuity.

[317] Jerome Hepfner, while far more culpable than any current Board member who has not received personal benefits, also can offer continuity. I am prepared to protect his Board position for one year.

[318] Concerns about each of the remaining Board members have been raised by one faction or the other. The concern about Lisa McCallum is that she may have simply become disengaged as she has not been heard from in these proceedings. Each of Mr. Salman, Mr. Trudel and Ms. McCallum will remain on the Board until the next meeting of Members where they elect directors, and will be eligible for re-election.

[319] Members should be permitted to hold a meeting, with proper notice having been given, elect new Board members, and approve the financial statements (though the notes concerning related party transactions need to be amended). That meeting should ideally occur in December 2021, but no later than January 2022. In the meantime, the removal of only Mr. Windels from the Board will leave the Board with one more than the required minimum number of directors. As such, I need not make any Board appointments now.

[320] After the new Board is elected, the new Board members, and potentially senior management, must go through corporate governance training.

[321] I was never provided with a code of conduct applicable to Board

members. Perhaps one exists. If so, it should be brought to my attention. Failing the existence of a satisfactory code of conduct, I would direct the Board to develop one within a specified time.

[322] Some plan needs to be established for management continuity until a new Executive Director is hired. Though appointment of a receiver or receiver-manager is within my powers, I prefer not to go that far. I note that Brown J. appointed a monitor in *Singh*, which could be an option. Even there, I prefer not to require the Lighthouse to incur those costs.

[323] I have separately asked the parties to reconvene on December 13, 2021, at which time I will ask them for submissions as to what, if any, orders the Court should make concerning management continuity.

[324] No new commingling of interests between Board members (and their families) and the Lighthouse can be permitted to occur. It remains to be determined whether additional steps need to be taken to address the commingling that exists now.

(e) Orders arising from oppression remedy application

[325] In light of the foregoing objectives, I make the following orders. As I will remain seized of this matter, and will receive further submissions on December 13, 2021, this is not necessarily the full extent of orders I will make.

- a. Effective immediately Don Windels is removed from the Board of Directors of each of the Lighthouse and Blue Mountain.
- b. Effective immediately, Don Windels is removed as Executive Director of each of the Lighthouse and Blue Mountain.
- c. Subject to future orders that I may make, including as a result of

submissions I receive on December 13, 2021, Don Windels is barred from holding any office with either of the Lighthouse or Blue Mountain, or any present or future affiliate thereof, prior to December 1, 2023. For clarity, I do not consider Kowach to be an affiliate.

- d. The status of Don Windels, Bonnie Windels, Tiffany Klassen as active or charter members of the Lighthouse, as applicable, is revoked immediately. They shall not be eligible to enjoy voting privileges as members prior to December 1, 2023. For so long as the class of associate members provided for in section 4(c) of the bylaws does not carry with it voting rights, they may hold memberships as associate members.
- e. The bylaws of the Lighthouse are amended as follows. The amendments I make shall not be capable of amendment without further order of this Court for two years from the date of this order.
 - i. Section 16(b) is struck in its entirety;
 - ii. The first sentence of section 17 is struck in its entirety.
 - iii. Section 18 is amended as follows:
 1. The language of subsection (1) is removed in its entirety, to be replaced by the language contained in subsection (4).
 2. The existing subsections (2), (3) and (4) are removed in their entirety.

3. A new subsection (2) shall be inserted which states as follows:
“No director shall serve in that capacity for more than 10 consecutive years or for more than 10 out of any 12 years. For transition purposes, existing directors as at December 1, 2021 who would be subject to removal as a result of this term limit may serve for up to 24 additional months, such that they may not continue as directors beyond December 1, 2023. After reaching this term limit, an individual shall not be eligible to be elected to the Board for two years.”
4. A new subsection (3) shall be inserted which states as follows:
“No employee of the Charity shall be eligible for election as a director.”
- f. Other than by voluntary resignation or order of this Court, Twila Reddekopp and Ian Hamilton shall not be removable from the Board prior to December 1, 2023. Their current terms as directors shall be deemed to expire at the first annual general meeting following such date.
- g. Absent further order of this Court, effective December 20, 2021 at 12:01 a.m., the orders restraining the Members from meeting shall end and be of no further force and effect. The Members shall be free to meet and conduct normal business, provided that they do not contravene or attempt to counteract the orders made herein. This order will not preclude notices of a meeting of Members from being served earlier than December 20, 2021.
- h. The Lighthouse shall cause its auditors to restate prior audited

financial statements to accurately reflect the House Transactions and Mr. Windels' interest in the Walmer House in a transparent manner, consistent with the findings I have made. As well, the notes to the Draft 2020 Audit Statements concerning related party transactions shall be revised to accord with the findings I have made.

- i. The Board shall immediately initiate a search for a new Executive Director. I will leave it to the Board to determine the search's scope and duration.
- j. Within 90 days of the first Members' meeting of which they elect directors, all the current members of the Board shall attend, at the same time and in the same room (in compliance with COVID-19 gathering and other restrictions that are in effect) a one-day training session on fundamentals of corporate governance, with a focus on non-profit corporations, conducted by a corporate governance organization, which may be locally based. No exceptions to attendance shall be permitted, provided that if any Board member is under quarantine requirements he or she shall attend by video. The organization's two or three or more most senior (by authority) members of management shall also be required to attend.
- k. Within six months, the Board shall submit a report to the Court, attached to or contained within a sworn affidavit, as to the compliance with my orders and the steps taken to improve the organization's governance. Following receipt of that report I will determine whether it is necessary to reconvene these proceedings.
- l. This decision shall be served, and in accordance with para. 332

below, posted on the Lighthouse's website.

[326] I remain seized of this matter. On December 13, 2021, I will receive submissions as to further orders that the Court should make. Although Mr. Windels will have no standing following issuance of this decision, he has substantial knowledge of the organization and its affairs, relationships and operations, and I wish to hear from him and his counsel on that date.

[327] With respect to the Executive Director search, this is not an order or directive, but I recommend that the search committee not be populated until new Board members are elected (as opposed to the current Board doing so). That will give the Members a meaningful voice in how the search is conducted. I also recommend that the search committee include at least three community-minded individuals not currently or then on the Lighthouse Board who represent Lighthouse stakeholders, Members and/or constituencies.

I. CONCLUSION

[328] In at least some of his actions, going back many years, Don Windels lost sight of what really matters – that the Lighthouse be able to sustainably serve “the needs of the distressed, vulnerable, mentally-ill, those suffering from substance abuse, the homeless and destitute people in our communities on a 24 hour a day/7 days a week, year in and year out basis”. [Emphasis added] Those are Mr. Windels' own words.

[329] Mr. Windels damaged that mission and the Lighthouse's ability to carry it out by repeatedly commingling his personal interest with those of the Lighthouse, by failing to ensure that all transactions were recorded properly in the Lighthouse's financial records, and by failing to ensure that the Lighthouse's audit reports were complete and accurate. Those are breaches of the reasonable expectations of the

applicants, the Lighthouse's stakeholders and of the public that cannot go without remedy.

[330] The orders I make are not to punish Mr. Windels. He loses his job and that will be severe for him. But punishment is not my objective. My orders are intended to ensure accountability and to be remedial – to make the Lighthouse as whole as possible and to help “right the ship”. The consequences to Mr. Windels would likely be more severe if I were to engage in punishment. He may be subject to more consequences if the Court orders further investigations or a trial (the request of the applicants that I said was premature and adjourned), but then the objectives would still be remedial *vis-à-vis* the Lighthouse, not to punish Mr. Windels.

[331] This decision shall be served by Ms. Grant on each Member of the Lighthouse in similar fashion to prior fiats in these proceedings. Further, the Lighthouse operates a website: <https://www.lighthousesaskatoon.org/>. As noted in *Singh*, transparency is a hallmark of good corporate governance. Similar to what was ordered in *Singh*, by no later than 5:00 p.m. on December 9, 2021, being the day that the publication ban is lifted, I direct the Lighthouse to post a copy of these reasons and the *First Fiat* prominently on the home page of the Lighthouse's website, such posting to remain in place until at least 30 days after the Members have met to elect new directors. That will ensure the ability of Members, employees and stakeholders to be aware of the events that have occurred, the orders I have made, and the steps that need to be taken in the future. I hope that Members and Board members will pay heed to the views expressed in the community and among stakeholders as to the critical importance of maintaining integrity and good corporate governance.

[332] Much of the evidence received by the Court has never been mentioned in any of my decisions in these proceedings. That is not to suggest that such evidence and

those complaints and disputes are unimportant. I have, over the past several months, reviewed all the evidence in detail. Nonetheless, I have attempted to decide only the issues I needed to decide, and to focus on the evidence most relevant to those issues. I also have tried to minimize attention on the factions. The factions need to learn to work together for the good of the Lighthouse. The Members need to fulfil appropriate roles. The directors, using their collective wisdom, consciences and commitment to the Lighthouse's mission, need to fulfill their roles. If they cannot themselves find a way to do that, I fear for the Lighthouse's future.

[333] On December 13, 2021, I ask that counsel be prepared to provide submissions concerning the following:

- a. costs, including the costs of services provided by the Inspector;
- b. in light of this judgment, whether I have overlooked any relief that should be ordered now;
- c. in light of this judgment, what further investigations, if any, should be ordered; and
- d. potential interim arrangements concerning the Executive Director functions until a permanent replacement is hired, and whether any orders are needed or desirable concerning that.


D.G. GERECKE J.

APPENDIX A

(Detailed Evidence and Findings Concerning Transactions)

[1] In this Appendix I discuss in detail the evidence, and certain findings, pertaining to the House Transactions. Although the discussion is focused on what conduct may lead to remedies if the two year limitation period is applied, this Appendix is applicable to my entire decision dated December 6, 2021 [Main Portion], of which it forms a part.

[2] Any terms defined in the Main Portion bear the same meaning in this Appendix. Any terms defined in this Appendix bear the same meaning in the Main Portion.

1. Loans from 2008 to 2013

[3] I do not intend to rely directly on acts or omissions from before 2017 as being oppressive acts for which remedies should be granted. Nonetheless, I view *Safarik* as explaining correctly that earlier events may be relied upon to provide historical background to assist a court to better understand more recent events. Irrespective of whether I am able to act on them, they are relevant to understanding Mr. Windels' subsequent conduct.

[4] In short, from 2008 to 2013, Mr. Windels, his wife Bonnie Windels and 511 Ltd. asked for and received the Early Loans from the Lighthouse, totalling approximately \$287,000. Mr. Windels admits the Early Loans. Below I will discuss them in detail.

[5] In the Third Windels Affidavit, he is quite specific. He says he has records (though has not provided them) demonstrating that in respect of the Early Loans he repaid \$317,758.95. He is specific that the repayments occurred between August 5,

2008 and October 28, 2013. He says there are accurate accounting records that demonstrate repayment of all the Early Loans. He says the Lighthouse Board “was aware of these loans and loan payments”.

[6] The Inspector became aware of the Early Loans because Mr. Windels told the Inspector about them. There were four loans in 2008, two in 2009, three in 2010, and one in each of 2012 and 2013. Most of the Early Loans were advanced to 511 Ltd.

[7] Though Mr. Windels says the Early Loans were approved by the Board, the Board members of the day included Mr. Windels, his daughter Tiffany Klassen and her then-husband Cory Klassen. Each of those three signed the Board resolution that approved the 2008 loans, though not until after those loans (which exceeded the amount authorized in the resolution by \$20,000) had already been repaid. The Windels family represented three of the five signatories. Mr. Hepfner signed it, as did Mr. Trudel. While it was stated in the resolution to be a short-term loan, the first advance was made on August 5, 2008. Repayment was made on February 28, 2009. The Inspector calculates that interest was underpaid by several hundred dollars.

[8] Another of the Early Loans, for \$25,000, was approved by a Board resolution dated October 8, 2010. Mr. Windels told the Inspector that it was advanced that same day. It shows six Board signatures, three of which were Mr. Windels, Ms. Klassen and Mr. Klassen. The resolution contemplates payment of interest at the Canada Revenue Agency rate for shareholder loans. The Inspector reports that it does not appear that any interest was paid.

[9] No Board resolutions or loan agreements were located by or made available to the Inspector for any other of the Early Loans.

[10] The last of the Early Loans was for \$31,000 in 2013. The Inspector

reviewed the draft 2013 audited financial statements for the Lighthouse. The \$31,000 loan was not disclosed as a related party transaction that occurred during the year.

[11] From 2008 to 2013, Mr. Windels, his family and their corporation utilized the Lighthouse as a line of credit with a bank, except with fewer but larger loan advances amounting to about \$287,000 over five years. Mr. Windels has provided absolutely no evidence as to why the Early Loans were considered appropriate nor why they were asked for or advanced. Nor, to highlight one example, has he attempted to explain how or to what extent Lighthouse activities may have been impaired in 2008-2009 when for several months it was without the \$130,000 that was outstanding for that period until repayment on February 29, 2009.

2. \$60,000 “loan”/house purchase for Mr. Windels’ daughter in 2017

[12] The House Transactions, which involved purchase of the Walmer House for Mr. Windels’ daughter, Tiffany Klassen, began in 2017.

[13] Mr. Windels explains the circumstances as follows in the Third Windels Affidavit:

5. The loan that allowed me to purchase the 716 Walmer Road property was made in response to a request by me to the Board in 2017 to assist in purchasing that house for my daughter who had left an unfortunate relationship. I wanted to assist her and provide her with a place to live in Saskatoon. I became aware of the opportunity to purchase the property. The home needed extensive renovations and at the time I lacked the ability to obtain full financing for the purchase and renovations.

6. I was informed by Board member and lawyer Dan Tangjerd that the Board would agree to loan the \$60,000 purchase price provided the Lighthouse obtained title as security for the loan. I had paid a \$2,000 deposit on the property. When the \$60,000 loan was made and title was placed into the name of the Lighthouse, I was repaid the \$2,000 deposit.

7. After we renovated the property I was able to obtain mortgage financing and repay the loan and all other expenses incurred by the Lighthouse with respect to the property, plus interest on those sums at the rate agreed by the Board. Jerome Hefner acted on behalf of the Board and signed the transfer authorization which was registered when the loan and interest was repaid in full.

[14] As I have discussed elsewhere, Mr. Windels maintains that the House Transactions are properly characterized as a loan rather than (a) a purchase of the Walmer House by the Lighthouse, followed by (b) a tenancy granted to Mr. Windels, followed by (c) transfer of title to Mr. Windels. Though he fully admits that legal form in his evidence set out above, he denies that the legal form represents its true nature. As I discuss elsewhere, I do not accept his characterization of the transaction. It was not a loan.

[15] Following are other pertinent facts about the beginning of the transaction:

a. The evidence of Don Windels and Pierre Trudel is consistent that the Board approved the request by Mr. Windels to assist him with the Walmer House. Mr. Windels and Mr. Trudel say that occurred during the *in camera* 2017 Board meeting. There is no evidence to the contrary, so I accept it as uncontroverted fact. No written record of any kind of that meeting was put into evidence or provided to the Inspector, including no minutes and no resolutions in writing. To the Court's knowledge, it was a secret meeting, not disclosed at the time to anyone outside of the meeting.

b. In the First Windels Affidavit, he stated at para. 40:

40. ... I was moved that the Board was willing to assist me in providing a home for a family member like this. The funds advanced by the Board were used for the purchase. The Board preferred that title to the residence be held by

the Lighthouse, so that the property could be recorded as an asset of the Lighthouse. I was willing to have [the] Lighthouse hold title as I trusted the Board. At no point was this transaction concealed by the Board, as insinuated by Ms. Reddekopp in her Affidavit, as it was approved by the Board in 2017. To the best of my knowledge Mr. Hepfner participated in that meeting, but Ms. Reddekopp did not attach the Minutes of that meeting to her affidavit. I was the one that brought the situation to the attention of the auditor when the amounts were repaid by me.

Mr. Windels was generous to himself in that description. Ms. Reddekopp did not attach minutes of that meeting because none are known to exist. No resolutions are known to exist. No evidence has been provided to the Court that Mr. Windels excused himself from the *in camera* meeting, or that he recused himself in any way from the decision.

- c. There is no evidence that the Board ever passed a formal motion or voted concerning the Walmer House.

In the First Windels Affidavit, in an apparent effort to persuade the Court that transparency exists, he attaches what he describes as “meeting minutes” for Board meetings from January, March, April, May and June 2019. There is not a single motion recorded in any of those “minutes”. They do not follow the form of normal corporate minutes but rather are comprised of agendas and reports, including internal financial statements and a budget for the period ending December 31, 2019 (contained in the package for the March 12, 2019 meeting). No resolutions approving that budget form part of those “minutes”. It does not appear that the Board was in the habit of conducting business by formal resolutions, nor that minutes (in a

form that would normally be used to record the proceedings of a board of directors) were prepared and maintained.

- d. In addition to interviewing multiple individuals concerning the House Transactions, the Inspector requested Board minutes and/or resolutions authorizing the arrangement, reviewed the purchase agreements and documents registered at Land Titles, and reviewed the Lighthouse's accounting records and available financial statements to determine how things were recorded. None of the following were made available to the Inspector:
 - i. audited financial statements for the year ending December 31, 2017, the year when the House Transactions started;
 - ii. minutes or resolutions that dealt in any way with the House Transactions; or
 - iii. documentation on the cost of renovations performed on the Walmer House, nor any evidence of payment of these costs.

There are two possible explanations – that those documents were deliberately withheld, or that they do not exist. Neither explanation is satisfactory.

- e. The purchase transaction was between the individual vendors and the Lighthouse. The Walmer Purchase Agreement is the only written agreement put into evidence. The Court has it only because the Inspector included it as an appendix to the First Report. There is no reason for the Court to believe that any other agreement in writing exists concerning the House Transactions. Don Windels signed the

Purchase Agreement on behalf of the Lighthouse. As the only evidence of Board discussion preceded it being framed as a purchase by the Lighthouse, there is no reason to conclude that any Board member other than Mr. Windels ever saw the Walmer Purchase Agreement. It is a two-page agreement that contains few of the provisions one would ordinarily find in an agreement used in an arm's length residential purchase transaction.

- f. Title to the Walmer House was transferred to the Lighthouse on April 25, 2017. The value shown on the title was \$60,000. At the time the assessed value placed on the Walmer House by the City of Saskatoon was \$201,100.
- g. The First Report stated as follows at para. 5.2:
 - 5.2 Board minutes evidencing this discussion, documentation regarding Mr. Windels' repayment plan and a Board resolution approving this arrangement were not available; however, from our interviews we understand that Mr. Hepfner and Mr. Trudel recall discussing this transaction during a Board meeting. Mr. Tangierd reported he was aware of the transaction and was not concerned by it but could not recall the details.
- h. The First Report records four cheques having been made by the Lighthouse. Two were certified cheques to the vendors, one was to Don Windels to reimburse him for the \$2,000 deposit and the last was to the City of Saskatoon, presumably for property taxes. The latter two cheques were signed by Mr. Windels and Mr. Hepfner. The four cheques totalled \$60,000.
- i. The Walmer House was recorded in the Lighthouse's accounting

records as a capital asset. A loan to Mr. Windels was not recorded. The December 31, 2017 audited financial statements “are not available” according to the Inspector. See First Report, para. 5.5.

- j. As the First Report observes, because the Walmer House was recorded in the Lighthouse’s records as a capital asset, if a loan to Mr. Windels had also been recorded, that would have overstated the Lighthouse’s assets by \$60,000.

3. Status of the Walmer House until late 2020

[16] For the next nearly four years after purchase of the Walmer House (to the end of 2020), the Lighthouse paid for utilities, property tax and insurance. No rental income was paid to the Lighthouse. No one lived there, as Mr. Windels was performing extensive renovations. Mr. Windels maintained personal and exclusive use of the Walmer House during that time. Mr. Windels says he paid personally for the renovations. However, he provided no documentation to the Inspector concerning the renovations.

[17] Except for Don Windels saying (echoed by the Inspector, though his information came from Mr. Windels) that renovations were done and paid for by him, the Court has received no evidence as to what renovations were done, who did the work, what materials were purchased, and who paid. Perhaps the best evidence is the income statement for May 2019 discussed below, which shows the Lighthouse having paid for renovations to other houses but not the Walmer House. I have no basis to find that the Lighthouse paid anything towards the Walmer House renovations.

[18] Evidence as to the Walmer House’s condition when it was purchased by the Lighthouse in 2017 is scant. The Court has been told little more than it was in poor

condition.

4. Treatment of House Transactions in financial statements from 2017-2019

[19] Neither the Inspector nor the Court were provided with audited financial statements for the Lighthouse as at December 31, 2017, so it is impossible to determine the treatment there.

[20] The 2018 Audit Statements were prepared by PWC. They were put into evidence by the current auditor, Tom McKenzie of McKenzieCo in the Auditor Affidavit. McKenzieCo became the Lighthouse's auditors for the 2019 audit.

[21] The 2018 Audit Statements show three notes for related party transactions, one for the Kowach, one for 511 Ltd. (though recording no transactions in 2018) and a third reflecting that members of "the immediate family of the organization's management lease rental houses to the organization". That reference, though vague, is to the Windels family. Nothing involving the Walmer House was recorded as a related party transaction. It would be impossible to review the 2018 Audit Statements and learn anything about the Walmer House or transactions involving it.

[22] I noted that "minutes" for several months in 2019 were attached to the First Windels Affidavit. Certain of those contain the only internal financial statements for the Lighthouse that were put into evidence. The April 2019 balance sheet discloses the Walmer House, at a value of \$60,000. For certain houses owned by the Lighthouse, that balance sheet shows renovation costs, but not for the Walmer House. There is not a balance sheet for May 2019, but there are relatively detailed income statements. The May 2019 income statement shows property taxes paid on the Walmer House. It shows repair and maintenance expenditures on certain houses, but not the Walmer House. There is nothing else of relevance to be gleaned from the internal financial statements.

[23] The 2019 Audit Statements were prepared by McKenzieCo. They are attached to the Auditor Affidavit. The 2019 Audit Statements contain three entries in the notes for related party transactions, but none relate to the Walmer House. It would be impossible to review the 2019 Audit Statements and learn anything about the Walmer House or transactions involving it.

[24] Because of the onset of COVID-19, the Lighthouse's AGM was delayed in 2020. The 2020 AGM was not held until November 30, 2020. The minutes for that meeting, which are in evidence at Exhibit L of the First Windels Affidavit, disclose that the 2019 Audit Statements were presented by McKenzieCo, and were accepted by the Members in a formal motion.

5. Disclosure to auditors of House Transactions

[25] The First Report states at para. 5.14:

5.14 The draft audited financial statements for the year ended December 31, 2020 are the first available that specifically disclose this arrangement as a related party transaction. From discussion with the auditor, we understand this transaction had not been historically disclosed by the Board as a related party transaction.

[Emphasis added]

[26] There is no evidence that anything was ever disclosed to the Lighthouse's auditors concerning the true nature of the House Transactions before April 20, 2021. The only logical inference is that in prior years the House Transactions were not disclosed. Had they been disclosed the auditors (both PWC for 2018 and McKenzieCo for 2019) likely would have required disclosure of the House Transactions as related party transactions in the audited financial statements in similar fashion to the Draft 2020 Audit Statements.

[27] In the complete absence of evidence of earlier disclosure, and the evidence at para. 5.14 of the First Report, I find that the first such disclosure occurred on April 20, 2021.

[28] The earliest communication with the Lighthouse's auditors that is in evidence occurred between April 14 and April 20, 2021. Exhibit A to the Second Windels Affidavit sets out an email exchange between Mr. Windels and Steven Freistadt of McKenzieCo. As part of gathering information to prepare the Lighthouse's audit, on April 19, 2021, Mr. Freistadt posed numerous questions to Mr. Windels. The questions themselves were largely broad and innocuous. More specific questions sought documentation to support specific transactions and balances.

[29] The question of interest that Mr. Freistadt asked was: "Were there any unusual transactions or journal entries made during the year? If so, please provide the relevant details." Mr. Windels' response, provided on April 20, 2021 was as follows:

We were given a house from another charity that lost its status. It can [sic] with outstanding property taxes and repairs that needed to be done before it was occupiable. Transferred the property 716 Walmer Rd to a related party. We will need to discuss all the details.

[Emphasis added]

[30] Even then, Mr. Windels did not say "transferred 716 Walmer Rd to a related party, being me"; only that it had been transferred to a related party.

[31] What Tom McKenzie says in the Auditor Affidavit itself sheds little light on how McKenzieCo came to be aware of the House Transactions. More can be gleaned from Exhibit E, which is comprised of over 160 pages of email threads. The earliest email is dated May 5, 2021. All of the Exhibit E emails post-date delivery of the 2020 Draft Audit Statements to the Lighthouse by McKenzieCo.

[32] On July 6, 2021, Twila Reddekopp emailed Tom McKenzie. Jerome Hepfner and Ian Hamilton were copied. Among other inquiries, Ms. Reddekopp asked Mr. McKenzie for the following, on behalf of the audit committee:

Any documentation regarding the \$60,000 loan to Don Windels – the repayment schedule, agreement on LH paying taxes, utilities, etc for the 3 yrs that it was on the books, and copies of any documentation from board initially signing off on this arrangement and any subsequent documentation regarding the additional payments that were made. Original agreement was for \$60,000 only – when was the adjustment made for the additional monies? I know Don stated there was no paper trail as the decision was made “in camera” but there has to be a board resolution for loan and repayment of the monies

[33] Tom McKenzie forwarded that inquiry to Steven Freistadt (copying Don Windels). Mr. McKenzie stated: “I am not sure we have this information – let me respond to them, but let me know what we have.” Mr. Freistadt responded to Mr. McKenzie on July 6, 2021, as follows:

...

The amount was repaid (deposited) and hit the bank Dec.31/20. There was no documentation supplied for the original agreement. Don said the motion was made in camera. This year he discussed the details of the loan repayment over the phone. I am not sure if there was any board motion for the repayment of the loan this year, but it was not in any of the resolutions provided to us. I am not sure if there was ever any agreement around the payment and repayment of taxes, utilities, and insurance or if there was an interest rate discussed.

Don may have had a worksheet to calculate the amounts repaid but the attached excel file is what was coded to the workbook in Quickbooks. The amounts repaid for taxes, insurance, and utilities seemed reasonable and the interest rate on the loan works out to around 2.5% excluding the payment of any expenses.

Tom McKenzie forwarded that response (along with responses to other inquiries in the same thread) to Ms. Reddekopp on July 13, 2021.

[34] That exchange is illuminating. Though not in evidence, Mr. Windels clearly communicated further information to Mr. Freistadt between April 20, 2021 and July 6, 2021. The exchange also confirms that McKenzieCo received essentially no documentation concerning the House Transactions. They received no resolutions. They received no agreements as to the nature of the deal between Don Windels and the Lighthouse concerning the Walmer House.

[35] By July 6, 2021, McKenzieCo had already prepared the 2020 Draft Audit Statements, and had signed them. Having received the 2020 Draft Audit Statements, Mr. Windels and others were pressing for the Lighthouse to proceed with its AGM at which the 2020 Draft Audit Statements would have been approved and election of Board members would have occurred.

6. Transfer of the Walmer House to Windels family

[36] As with most of the dealings involving the Walmer House, scant evidence concerning the transfer of it to the Windels family was filed in these proceedings. The only evidence before the Court is as follows:

- a. In late 2020 Don Windels determined that it was time for him to take ownership of the Walmer House. In the Third Windels Affidavit, he states:
 7. After we renovated the property I was able to obtain mortgage financing and repay the loan and all other expenses incurred by the Lighthouse with respect to the property, plus interest on those sums at the rate agreed by the Board. Jerome Hepfner acted on behalf of the Board and signed the transfer authorization which was registered when the loan and interest was repaid in full.

The First Report provides the only documentation concerning the

transfer of the Walmer House to the Windels family. The transferees were Donald Henry Windels and Bonnie Grace Windels, i.e., Mr. Windels and his wife Bonnie Windels. The Walmer House Transfer is Appendix F to the First Report. It was signed by Jerome Hepfner as President and Don Windels as Executive Director and the Lighthouse's corporate seal was applied. The packet submitting the Transfer to the Land Registry registered on December 30, 2020. The resulting title in the names of Mr. Windels and Bonnie Windels as joint tenants shows a value of \$230,000. For any reader not familiar with real estate practice, that means that (likely in December 2020), a person swore an affidavit that valued the Walmer House at \$230,000. That affidavit will be on record at the Land Titles Registry. On January 12, 2021, a mortgage in the amount of \$176,250 was registered against the title in favour of Computershare Trust Company of Canada.

- b. Mr. Hepfner has provided only one affidavit, sworn November 3, 2021 [Hepfner Affidavit]. With respect to the Walmer House, the Hepfner Affidavit states:

13. With respect to the 2017 loan from LH to Mr. Windels, I do recall that the Board was explicitly advised that the loan was for the purpose of assisting Mr. Windels' daughter during her divorce, which I understand had turned quite ugly. It was always my understanding that Mr. Windels' daughter was to live in the home herself and to have clear ownership of the title once the loan was repaid. Due to some personal circumstances at the time, I do not have a clear recollection of events in December 2020 and I do not recall signing the transfer authorization which is included at Appendix F to the Inspector's Report, but I accept that it appears to bear my signature. I do not believe I was aware at the time of the value of

the property.

[37] Nothing more is in evidence concerning the Transfer and the circumstances surrounding it.

[38] Thus, the value of the Walmer House increased from \$60,000 in March 2017 to the \$230,000 by the end of 2020. Despite that increase in value, aside from property taxes, utilities and interest, Don and Bonnie Windels paid \$60,000 to acquire the Walmer House from the Lighthouse.

[39] While in possession of the Walmer House, Mr. Windels paid no rent to the Lighthouse, and he neither provided an accounting to the Lighthouse nor allowed an opportunity for an accounting to be done as to what rent should have been paid. As the Inspector observes in the First Report, occupancy of the Walmer House for four years “may also create a taxable benefit that, to [the Inspector’s] knowledge, was not accounted for”.

[40] The evidence contains nothing to suggest that anyone outside of the Windels family and Don Hepfner knew of the transfer in 2020. Mr. Hepfner has no memory of it, but admits that his signature is on the Transfer. Had Ms. Reddekopp or Mr. Hamilton known, I am satisfied that they would have started asking much more pointed questions several months earlier. Had McKenzieCo known, Mr. Windels’ email of April 20, 2021 would have been drafted differently. The same is true of earlier audited statements, and the exchange of emails between Tom McKenzie and Mr. Freistadt on July 6, 2021.

[41] Mr. Windels provided no accounting to the Lighthouse as to what renovations he did, and how they impacted the value of the Walmer House. There was no Board approval of the transfer to Mr. Windels, in which a \$230,000 asset shown on

the Lighthouse books as being owned by the Lighthouse, was transferred to Mr. Windels for \$60,000. Ms. Reddekopp certainly did not know, or she would have raised questions at the time. Mr. Trudel swore an affidavit and mentions nothing about it. Mr. Windels mentions nothing of having advised or obtained approval of the Board in any of his three affidavits.

[42] I find that, outside of Mr. Windels and Mr. Hepfner, the Board had no knowledge of the transfer to Don and Bonnie Windels for \$230,000 in December 2020. That transfer was not approved by the Board. Mr. Windels not only did not recuse himself, he orchestrated the transfer. At no point have the Windels accounted to the Lighthouse for the increase in value from \$60,000 to \$230,000, nor for rent that potentially should have been paid from 2017 to 2020.

7. Treatment of House Transactions in Draft 2020 Audit Statements

[43] The Auditor Affidavit also exhibits the 2020 Draft Audit Statements. The 2020 Draft Audit Statements are signed by McKenzieCo but have not been signed by any directors, because the Board has not yet approved them. In the 2020 Draft Audit Statements, the House Transactions are mentioned for the first time. The note discussing the House Transactions states as follows:

13. RELATED PARTY TRANSACTIONS

The related party transactions and balances described below are measured at carrying amounts.

Individuals

Members of the immediate family of the Organization's management lease rental houses to the Organization. Lease payments made to these individuals and recorded as expenditures in the statement of operations during the year ended December 31, 2020 were \$30,300 (2019 - \$30,300).

In April 2017 a director was granted a \$60,000 loan from the Organization. The loan was secured by title of a building being

signed over to the Organization. While the building was titled to the Organization, the Organization paid utility, insurance, and property taxes of the building. In December of 2020 the director repaid the loan to the Organization including utility expenses, insurance, property taxes, and interest which had not previously been account [sic] for. The amounts repaid are as follows:

Loan principal	\$ 60,000
Utilities	6,725
Property taxes	6,522
Interest	5,751
Insurance	<u>2,673</u>
Total repaid	<u>\$ 81,671</u>

In 2017 the \$60,000 loan was accounted for as a building addition. In 2020 the repayment was accounted for as a disposition of that building equal to cost. The interest has been accounted for as interest income and the utility, insurance, and property tax repayments have been accounted for as a reduction of those expenses.

[44] I observe in the Main Portion that in that note McKenzieCo is trying to have it both ways. They attempt to reflect Mr. Windels' characterization of it as a loan while also reflecting the formal nature of it as a purchase transaction, followed later by a sale to Mr. Windels.

[45] That McKenzieCo considered the House Transactions to be material cannot be questioned. If the auditors did not consider them material, no reason would exist to discuss them in a note. Similarly, the House Transactions must be considered to have been material for 2017, 2018 and 2019.

[46] Further, in light of the provisions of the *ITA* that prohibit conferring a benefit on a member of a charitable organization, one would expect that for an organization of this size, almost any such benefit would need to be noted transparently by auditors if it came to their attention.

8. Documentation of arrangements between Windels family and Lighthouse concerning Walmer House

[47] In his Second Windels Affidavit, Mr. Windels references the questions posed by Twila Reddekopp in her July 6, 2021 email discussed above and states: "... this is information which is not requested of me. This is all information that I was in a position to provide to the applicants, had it been requested of me."

[48] Though Mr. Windels states that there is much information that he could have provided if it had simply been requested, he still has not provided to the Inspector or the Court a satisfactory level of information or documentation concerning the House Transactions. He has provided almost nothing.

[49] I find that no contemporaneous documents or written agreements exist concerning arrangements between Don Windels or his family members and the Lighthouse concerning the Walmer House. Mr. Windels filed three affidavits in these proceedings. The Third Windels Affidavit was filed specifically in response to this application. He has never put a single agreement or document into evidence that speaks to arrangements between him and the Lighthouse concerning the Walmer House.

[50] The applicants rely on *Murray v Saskatoon (City)* [1952], 2 DLR 499, (Sask CA) [*Murray*], for the proposition that where a party has evidence from which material facts could be elucidated and fails to call that evidence, the Court may draw an adverse inference from such failure. The adverse inference would be that the evidence, had it been produced, would have been contrary to the party's case or at least not helpful to it.

[51] I agree with the applicants concerning the applicability of *Murray*. If documentation existed that was helpful to Mr. Windels, it would by now have been put

into evidence by him, discovered in the Lighthouse's records during the Inspector's work, or known to other Board members or employees. Mr. Windels has had every opportunity to put documents or better explanations into evidence. Failing that, I can only conclude that no documentation or agreements in writing exist or that they do not support his positions.

[52] Mr. Windels also has not put into evidence the terms of any oral agreement on which he relied, other than his characterization of the transaction as a loan which I do not accept. If it were a loan, the legal form would be an agreement for sale, which would have been unenforceable by him pursuant to the *Statute of Frauds*.

THE LIGHTHOUSE SUPPORTED LIVING INC.

BYLAWS

WHEREAS the The Lighthouse Supported Living Inc. (Charity) formed on the 1st day of August, 1989; and

WHEREAS the Charity was incorporated under the Non-profit Corporations Act on the 15th day of June, 1992 as Voyageur Club of Saskatoon Inc. and changed to The Lighthouse Supported Living Inc. as of February 16, 2007; and

WHEREAS the Charity is empowered under the Act to make bylaws;

THEREFORE, the Charity makes bylaws as follows:

TITLE

Title

1. These bylaws may be cited as the Bylaws of The Lighthouse Supported Living Inc.

INTERPRETATION

Definitions

2. In these bylaws:
 - (a) "Charity" means The Lighthouse Supported Living Inc.;
 - (b) "ex officio" means by virtue of his office and does not limit the rights, duties and capacity of any person who is, ex officio, a director, member of a committee or the holder of any other office.
 - (c) "Appointed counselor" means a person who by mutual consent is designated by the president to serve in providing practical counsel to the president and executive director.
 - (d) Any word or expression used but not defined has, unless the context otherwise requires, the same meaning as in the Act.

This is Exhibit F referred to in the Affidavit of
Twila Reddetopp
sworn before me this 7 day of
February, 2023
[Signature]
A Commissioner for Oaths for Saskatchewan
My Commission expires _____
OR Being a Solicitor

GOALS

Aims and Purposes

3. The goals of the Charity are:
 - (a) To promote public awareness of abilities of people who are mentally or physically challenged or whose lifestyle has been limited due to a disability.
 - (b) To support education and employment opportunities for people who are mentally or physically challenged or whose lifestyle has been limited due to a disability.
 - (c) To assist people who are mentally or physically challenged or whose lifestyle has been limited due to a disability to achieve more independent living.
 - (d) Fundraising, counseling and administrative activities to achieve these purposes.

MEMBERSHIP

4. The membership of the Charity shall consist of:
 - (a) charter members; and
 - (b) active members; and
 - (c) associate members.

5.
 - (a) A charter member is entitled to all privileges of membership including the right to vote at meetings of members.
 - (b) An active member is entitled to all privileges of membership including the right to vote at meetings of members except the right to be elected as a director.
 - (c) An associate member is entitled to all privileges of active membership except the right to vote at meetings of members.

6.
 - (a) Any person is eligible for admission to membership as a charter member if they qualify as an active member in good standing and has been approved by the then present charter membership.
 - (b) Any person is eligible for admission to membership as an active member if they are:
 - (i) a person who supports the goals of the charity;
 - (ii) who makes application for membership;
 - (iii) whose application has been approved at a meeting of the members at the time of the application;
 - (iv) whose membership has not been revoked by the members of the charity.
 - (c) Any person is eligible for admission to membership as an associate member if they are interested in the advancement of the goals and the other purposes of the Charity.

7. Membership fees payable to the Charity shall be prescribed by the directors.
8. Any person who is eligible and approved for admission to membership may, upon payment of the prescribed fee, be admitted to membership by resolution of the directors in the class to which he is eligible.
9. Upon termination of membership for cause or otherwise, a member is not entitled to any refund of membership fees paid.

MEETING OF MEMBERS

10.
 - (a) An annual meeting of members shall be held each year at a time and place to be fixed by the previous annual meeting or by the directors.
 - (b) The president may call a special general meeting of members at any time but shall do so upon the written request of at least 5% of the members.
11.
 - (a) All business transacted at an annual meeting, except consideration of the financial statements, auditor's report, election of directors and reappointment of the incumbent auditor, and all business transacted at any other meeting of members, is deemed to be special business.
 - (b) No special business may be transacted at a meeting of members unless the notice of meeting states the nature of the business in sufficient detail to permit members to form a reasoned judgment thereon.
 - (c) Any member may submit to the Charity notice of any matter that it proposes to raise and discuss at the meeting and notice of the proposal shall be given with the notice of the next meeting of members.
12.
 - (a) Notice of the time and place of a meeting of members shall be sent to the voting members, not less than 15 days or more than 50 days before the meeting and to the auditor.
 - (b) A member may waive notice of a meeting by his attendance at a meeting or, if not in attendance, by so stating by letter, telephone or otherwise.

13.

- (a) At every meeting of members, each voting member is entitled to one vote on each question.
- (b) Voting at a meeting of members shall be by show of hands except where a ballot is demanded by a member either before or after a vote by show of hands.

Quorum

14. More than 50% of the voting membership personally present at the opening of a meeting shall constitute a quorum.

Rules of order

15. The conduct of meetings shall be governed by the latest revised edition of Roberts Rules of Order.

DIRECTORS

Number of Directors

16. The directors of the Charity shall consist of a minimum the first three of the following:
- (a) a president;
 - (b) an executive director;
 - (c) a treasurer;
 - (d) a secretary;
 - (e) a first vice president;
 - (f) a second vice president;
 - (g) the immediate past president; and
 - (h) 5 other members.

Term of Office

17. The Executive Director shall hold office for an indefinite period unless otherwise stipulated by the membership at the time of election. The president and treasurer shall hold office for 3 years terms. Each of the other directors, other than the immediate past president who holds office ex officio, shall be elected at each annual meeting to hold office until the end of the annual meeting following his election.

18.

- (a) The Charity may, by ordinary resolution, at a meeting of members called for the purposes, remove any director or directors from office.
- (b) Grounds for such action shall be:
 - (i) Immoral, unethical or unscriptural conduct:
 - (ii) Incompetence in office
- (c) if a charge is brought against the executive director it must be in writing, detailed as to facts and evidences and signed by the person(s) bringing the charge. The charge must be brought to the executive director in person and in the presence of at least one other director.
 - (i) If the charges are denied by the executive director then every effort will be made to bring the situation to a peaceful resolution. If the charges persist, witnesses are brought to a meeting of the Board. The entire motivation of every party should at all times be to let truth and peace prevail. If a peaceful resolution cannot be obtained, the appointed counselor will be asked to preside as judge at a meeting of the Board.
 - (ii) If the executive director is guilty by admission then the appointed counselor is contacted by the executive director himself or the Board and asked to preside over the restoration and/or replacement of the executive director. The appointed counselor's judgments and recommendations for action will be binding upon executive director and therefore the Board.
- (d) The directors, or members in general meeting, may fill any vacancy among the directors by appointing a director to hold office for the remainder of the term of the director whom he is replacing.

Qualification for Director

19. A director must be a member to qualify or hold office as a director. They shall be nominated by the president and shall be approved by the board and ratified by the membership.

Notice of Directors Meeting

20.

- (a) Every director shall be given by letter, telephone otherwise at least five days notice of every meeting of directors.
- (b) The directors may at any meeting decide to hold regular meetings by adopting a resolution stating the day, hour and place of the regular meetings and no further notice of those meetings shall be required.
- (c) A director may waive notice of a meeting by his attendance at a meeting or, if not in attendance, by so stating by letter, telephone or otherwise.

Quorum

21. A majority of directors constitutes a quorum at a meeting of directors.

COMMITTEES

Standing

22.

- (a) There shall be the following standing committees to be called:
 - (i) social committee;
 - (ii) membership committee;
 - (iii) finance committee; and
 - (iv) public relations and publicity committee.
- (b) The duties of the standing committees shall be assigned to them by the directors.

Special Committees

23. The directors may provide for special committees and may assign duties to them.

Appointment of Committee Chairman

24.

- (a) The committee chairman shall be appointed from among the directors by the president but every appointment shall be subject to confirmation by the directors.
- (b) The members of each committee shall be appointed from among the directors or members by its chairman.
- (c) The number of members on a committee shall be determined by the chairman of the committee but all appointments shall be subject to confirmation by the directors.
- (d) Committee members may meet, adjourn and otherwise regulate their meetings as they may determine.

OFFICERS AND THEIR DUTIES

Duties of Directors and officers

25.

- (a) The directors shall manage the activities and affairs of the Charity.
- (b) Every director and officer of the Charity shall act honestly and in good faith with a view to the best interests of the Charity and shall exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Duties of president

26.

- (a) The president shall be the chief officer of the Charity and it shall be his duty to be vigilant and active in promoting the objects of the Charity.
- (b) The president shall preside at meetings of the Charity and of the directors.
- (c) The position of appointed counselor is regulated by the president and provides a means of accountability and protection for the Charity. For this reason the appointed counselor will provide judicious counsel to the board in the event of a vacancy in the position of president (by means of a charge, accident or death, or pre-determination). The membership has no recourse to the appointed counselor except through the president.

Duties of vice president

27.

- (a) The first vice president shall assist the president in the performance of his duties and shall act in "the absence or inability of the president".
- (b) The second vice president shall assist the president and first vice president in the performance of their duties and shall act in the absence or inability of the president and first vice president.

FINANCIAL AFFAIRS

Fiscal Year

28. The fiscal year of the Charity shall end on the 31st day of December of each year.

Records

29. The directors shall cause to be kept proper records and accounts of all transactions of the Charity.

Budgets

30. Each year, on or before the commencement of the new fiscal year, a budget setting forth details of the estimated revenues and expenditures of the Charity for the ensuing fiscal year shall be prepared and submitted to the directors.

Financial disclosure

31.

- (a) The directors shall place before the members at every annual meeting:
 - (i) financial statements for the year ended not more than 4 months before the annual meeting;
 - (ii) the report of the auditor; and
 - (iii) any further information respecting the financial affairs of the Charity.
- (b) The directors shall approve the financial statements and shall evidence their approval by the signature of one or more directors.
- (c) No financial statement shall be released: or circulated unless it has been approved by the directors and is accompanied by the report of the auditor.
- (d) The Charity shall send to each member financial statements and the report of the auditor or may, in lieu thereof, publish a notice stating the documents are available at the office of the Charity and that any member may, upon request, obtain a copy free of charge by prepaid mail to his address or by calling at the office during usual business hours.
- (e) The Charity shall, at the annual meeting, make available a copy of its financial statements and report of the auditor to each member and to the Director, Corporations Branch.

Funds etc. to be in the name of the Charity

32.

- (a) All funds of the Charity shall be deposited in one or more accounts in the name of the Charity at a chartered bank, trust company or credit union, designated by the directors.
- (b) All cheques, promissory notes, bills of exchange or other negotiable instruments shall be executed in the name of the Charity and signed in accordance with resolutions passed by the directors for that purpose.

Remuneration of directors

33. Remuneration may be paid to the directors other than compensation for travel and sustenance while on Charity business at rates approved by the members in general meeting.

LIQUIDATION AND DISSOLUTION

Distribution of remaining property

- 34.
- (a) The remaining property of the Charity shall, in the course of liquidation and dissolution, be distributed in accordance with the articles of the Charity.
 - (b) The articles provide that the remaining property of the Charity shall, in the course of liquidation and dissolution, be transferred to other charitable corporations at the discretion of the directors.

AMENDMENT TO BYLAWS

- 35.
- (a) The directors may, by resolution, amend, repeal or make any bylaws that regulate the activities and affairs of the Charity.
 - (b) The directors shall submit any bylaws, or any amendment or repeal thereof to the next meeting of members and the members may, by ordinary resolution, confirm, reject, or amend the bylaws, amendment or repeal.
 - (c) Any bylaws, or an amendment or repeal thereof is effective from the day of the resolution of directors until confirmed, confirmed as amended, or rejected by the members.
 - (d) If any bylaws, or any amendment or repeal thereof is rejected by the members or is not submitted to the next meeting of members, the bylaws, amendment or repeal thereof ceases to be effective and no subsequent bylaw, amendment or repeal having substantially the same purpose or effect shall be effective until confirmed or confirmed as amended by the members.
 - (e) Except in the case of first bylaws made by the directors, every bylaw, amendment or repeal thereof shall state an effective date which shall not be more than 30 days from the day on which the bylaw, amendment or repeal is made,
 - (f) Every bylaw and every amendment or repeal thereof shall be distributed to the membership before its effective date.

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Signatory Page to Follow.



Wealth Management
Dominion Securities

THE LIGHTHOUSE SUPPORTED
LIVING INC

Investment Account
761-21025

JTAB339795 ED

06246



THE LIGHTHOUSE SUPPORTED
LIVING INC
304 2ND AVE S
SASKATOON SK S7K 1L1

Advisory Team

Investment advisor(s):
Joshua Opheim
306-956-7806

Team member(s):
Jonny Bell 306-956-7850

This is Exhibit 6 referred to in the Affidavit of
Twila Peddehoff
sworn before me this 7 day of
February, 2023

A Commissioner for Oaths for Saskatchewan
My Commission expires _____
OR Being a Solicitor



RBC Dominion Securities Inc.

Annual investment performance report

For the period from January 1, 2022 to December 31, 2022

This report shows how your account has performed using a money-weighted rate of return net of charges and taxes where applicable. It can help you assess your progress toward meeting your investment goals.

Your Canadian dollar account

Change in account value

This table is a summary of the activity in your account. It shows how the value of your account has changed based on the type of activity.

	Past 1 year	Since Jan 1, 2016
Beginning market value	1,631.20	52,147.59
Deposits and transfers-in	3,989.55	38,171.98
Withdrawals and transfers-out	-5,468.47	-91,299.44
Net investment return	-152.28	979.87
Ending market value at December 31, 2022 (CAD)	0.00	0.00

Branch manager: Doug Matheson (306) 956-5201
Free: 1-800-785-4722

Branch address: East Tower 1000-409 3rd Avenue South Saskatoon Sk S7K 5R5 Toll

Page 1 of 2

CIPF
MEMBER

JTAB339795-06246-0002-0001-00

Find Report
All Transactions

Type	Date	Num	Name	Account	Class	Cr	Dr	Debit	Credit	Balance
General Journal	2023-01-24	1823	RBC Dominion Securities	1110 RBC Dominion Securities Savings	FUNDRAISING / ADVERTISING Administration	5208	1110 RBC Dominion Securities Savings	1,517.96	1,517.96	
Deposit	2023-01-24			1110 RBC Dominion Securities Savings	FUNDRAISING / ADVERTISING Administration	5208	1110 RBC Dominion Securities Savings	427.80		427.80
Transfer	2023-01-24			1110 RBC Dominion Securities Savings	FUNDRAISING / ADVERTISING Administration	5208	1110 RBC Dominion Securities Savings	433.41		433.41
Deposit	2019-09-26		RBC Dominion Securities	1110 RBC Dominion Securities Savings	FUNDRAISING / ADVERTISING Administration	5208	1110 RBC Dominion Securities Savings	7.31		7.31
Deposit	2019-09-26			1110 RBC Dominion Securities Savings	FUNDRAISING / ADVERTISING Administration	5208	1110 RBC Dominion Securities Savings	53.74		53.74
Deposit	2018-03-31			1110 RBC Dominion Securities Savings	FUNDRAISING / ADVERTISING Administration	5208	1110 RBC Dominion Securities Savings	48.54		48.54
Deposit	2018-04-30			1110 RBC Dominion Securities Savings	FUNDRAISING / ADVERTISING Administration	5208	1110 RBC Dominion Securities Savings	46.31		46.31
Deposit	2018-04-30			1110 RBC Dominion Securities Savings	FUNDRAISING / ADVERTISING Administration	5208	1110 RBC Dominion Securities Savings	51.97		51.97
Deposit	2018-02-28			1110 RBC Dominion Securities Savings	FUNDRAISING / ADVERTISING Administration	5208	1110 RBC Dominion Securities Savings	44.83		44.83
Deposit	2018-01-31			1110 RBC Dominion Securities Savings	FUNDRAISING / ADVERTISING Administration	5208	1110 RBC Dominion Securities Savings	44.88		44.88
Deposit	2017-12-31			1110 RBC Dominion Securities Savings	FUNDRAISING / ADVERTISING Administration	5208	1110 RBC Dominion Securities Savings	48.45		48.45
Deposit	2017-11-30			1110 RBC Dominion Securities Savings	FUNDRAISING / ADVERTISING Administration	5208	1110 RBC Dominion Securities Savings	48.44		48.44
Deposit	2017-08-31			1110 RBC Dominion Securities Savings	FUNDRAISING / ADVERTISING Administration	5208	1110 RBC Dominion Securities Savings	42.35		42.35
Deposit	2017-08-31			1110 RBC Dominion Securities Savings	FUNDRAISING / ADVERTISING Administration	5208	1110 RBC Dominion Securities Savings	58.67		58.67
Deposit	2017-08-31			1110 RBC Dominion Securities Savings	FUNDRAISING / ADVERTISING Administration	5208	1110 RBC Dominion Securities Savings	54.86		54.86
Deposit	2017-07-31			1110 RBC Dominion Securities Savings	FUNDRAISING / ADVERTISING Administration	5208	1110 RBC Dominion Securities Savings	33.00		33.00
Deposit	2017-07-31			1110 RBC Dominion Securities Savings	FUNDRAISING / ADVERTISING Administration	5208	1110 RBC Dominion Securities Savings	35.64		35.64
Deposit	2017-06-30			1110 RBC Dominion Securities Savings	FUNDRAISING / ADVERTISING Administration	5208	1110 RBC Dominion Securities Savings	37.40		37.40
Deposit	2017-05-31			1110 RBC Dominion Securities Savings	FUNDRAISING / ADVERTISING Administration	5208	1110 RBC Dominion Securities Savings	33.58		33.58
Deposit	2017-04-30			1110 RBC Dominion Securities Savings	FUNDRAISING / ADVERTISING Administration	5208	1110 RBC Dominion Securities Savings	20.17		20.17
Deposit	2017-02-28			1110 RBC Dominion Securities Savings	FUNDRAISING / ADVERTISING Administration	5208	1110 RBC Dominion Securities Savings	31.20		31.20
Deposit	2017-02-28			1110 RBC Dominion Securities Savings	FUNDRAISING / ADVERTISING Administration	5208	1110 RBC Dominion Securities Savings	35.41		35.41
Deposit	2017-01-31			1110 RBC Dominion Securities Savings	FUNDRAISING / ADVERTISING Administration	5208	1110 RBC Dominion Securities Savings	32.77		32.77
Deposit	2016-12-31			1110 RBC Dominion Securities Savings	FUNDRAISING / ADVERTISING Administration	5208	1110 RBC Dominion Securities Savings	31.88		31.88
Deposit	2016-11-30			1110 RBC Dominion Securities Savings	FUNDRAISING / ADVERTISING Administration	5208	1110 RBC Dominion Securities Savings	34.28		34.28
Deposit	2016-09-30			1110 RBC Dominion Securities Savings	FUNDRAISING / ADVERTISING Administration	5208	1110 RBC Dominion Securities Savings	32.11		32.11
Deposit	2016-08-31			1110 RBC Dominion Securities Savings	FUNDRAISING / ADVERTISING Administration	5208	1110 RBC Dominion Securities Savings	31.20		31.20
Deposit	2016-08-31			1110 RBC Dominion Securities Savings	FUNDRAISING / ADVERTISING Administration	5208	1110 RBC Dominion Securities Savings	32.28		32.28
Deposit	2016-08-31			1110 RBC Dominion Securities Savings	FUNDRAISING / ADVERTISING Administration	5208	1110 RBC Dominion Securities Savings	33.08		33.08
Deposit	2016-08-31			1110 RBC Dominion Securities Savings	FUNDRAISING / ADVERTISING Administration	5208	1110 RBC Dominion Securities Savings	28.51		28.51
Deposit	2016-08-31			1110 RBC Dominion Securities Savings	FUNDRAISING / ADVERTISING Administration	5208	1110 RBC Dominion Securities Savings	28.44		28.44
Deposit	2016-08-31			1110 RBC Dominion Securities Savings	FUNDRAISING / ADVERTISING Administration	5208	1110 RBC Dominion Securities Savings	30.86		30.86
Deposit	2016-02-28			1110 RBC Dominion Securities Savings	FUNDRAISING / ADVERTISING Administration	5208	1110 RBC Dominion Securities Savings	57,037.97		57,037.97
Deposit	2016-01-31			1110 RBC Dominion Securities Savings	FUNDRAISING / ADVERTISING Administration	5208	1110 RBC Dominion Securities Savings	32,807.61		32,807.61
Deposit	2015-12-31			1110 RBC Dominion Securities Savings	FUNDRAISING / ADVERTISING Administration	5208	1110 RBC Dominion Securities Savings	4,143.74		4,143.74
Deposit	2015-10-31			1110 RBC Dominion Securities Savings	FUNDRAISING / ADVERTISING Administration	5208	1110 RBC Dominion Securities Savings	2,441.48		2,441.48
Transfer	2015-10-31			1110 RBC Dominion Securities Savings	FUNDRAISING / ADVERTISING Administration	5208	1110 RBC Dominion Securities Savings	2,277.29		2,277.29
Transfer	2015-10-31			1110 RBC Dominion Securities Savings	FUNDRAISING / ADVERTISING Administration	5208	1110 RBC Dominion Securities Savings	73.87		73.87
Total								65,883.78	65,883.78	73.87

This is Exhibit H referred to in the Affidavit of Stwila Reddekopp sworn before me this 7 day of February, 2023
 A Commissioner for Oaths for Saskatchewan
 My Commission expires _____
 OR Being a Solicitor

January 26, 2023

Jerome Hefner, President
The Lighthouse Supported Living Inc.
304 – 2nd Avenue South
SASKATOON SK S7K 1L1

This is Exhibit I referred to in the Affidavit of
Twila Reddekopp
sworn before me this 7 day of
February, 20 23
A Commissioner for Oaths for Saskatchewan
~~My Commission expires~~
OR Being a Solicitor

Dear Jerome Hefner:

Thank you for your email dated January 19, 2023, where you indicated the Lighthouse Inc is unable to provide the required financial reporting at this time. Subsequently, you indicated the Lighthouse Inc will provide financial reporting in approximately three months (April 2023).

Based on section 5.5 of the Agreement for Services funded through Income Assistance Programs, the ministry would like to exercise its ability to withhold payment of \$101,570 until the outstanding financial reporting is provided to the satisfaction of the ministry. The outstanding financial reporting includes:

- For year 2019-20, audited financial statements with detailed schedule of revenues and expenses for the Anchor program, auditor’s management letter, annual report, and AGM minutes
- For year 2020-21, audited financial statements with detailed schedule of revenues and expenses for the Anchor program, auditor’s management letter, annual report, and AGM minutes
- For year 2021-22, audited financial statements with detailed schedule of revenues and expenses for the Anchor program, auditor’s management letter, annual report, and AGM minutes
- For year 2022-23, financial reports for Quarters 1 and 2, audited financial statements with detailed schedule of revenues and expenses for the Anchor program, auditor’s management letter, annual report, and AGM minutes

Jerome Hepfner
Page 2
January 26, 2023

The Ministry will continue to work closely with your team to ensure we provide clarity and support regarding the requirements within the contract. Please let me know if you require any additional information.

Sincerely,

A handwritten signature in black ink, appearing to be 'CR' or similar initials, written in a cursive style.

Chad Ryan
A/Executive Director

cc: Krystal Medwid, A/Executive Director
Julene Restall, A/Executive Director
Oksana Starchenko, Director
Kyra Stefanick, Supervisor
Victoria Young, Consultant

Tax Records Full

Roll: 535,210,700
Address: 2121 Wiggins Avenue S
Owner: The Lighthouse Supported Living Inc
City: SASKATOON
Subdivision:
Suite Number:
Meas. Type:
Total Lot Size: 6,779
Tax Provided On: 2022-11-09
Local Impv:

Zoning Desc:
Prop Use:
Taxes: \$3,303.38
Laneway:
Tax Code: 370-360

Zoning: R2
Legal Desc:
Built: 1957
Assessment: \$271,840
Fair Value: \$339,800

Roll: 545,005,850
Address: 2540 Melrose Avenue
Owner: The Lighthouse Supported Living Inc
City: SASKATOON
Subdivision:
Suite Number:
Meas. Type:
Total Lot Size: 5,842
Tax Provided On: 2022-11-09
Local Impv:

Zoning Desc:
Prop Use:
Taxes: \$4,354.27
Laneway:
Tax Code: 430-480

Zoning: R2
Legal Desc:
Built: 1986
Assessment: \$358,320
Fair Value: \$447,900

Roll: 504,804,850
Address: 215 Ave N S
Owner: The Lighthouse Supported Living Inc
City: SASKATOON
Subdivision:
Suite Number:
Meas. Type:
Total Lot Size: 8,243
Tax Provided On: 2022-11-09
Local Impv:

Zoning Desc:
Prop Use:
Taxes: \$1,606.96
Laneway:
Tax Code: 140-165?

Zoning: R2
Legal Desc:
Built: 1926
Assessment: \$132,240
Fair Value: \$165,300

Roll: 555,206,890
Address: 2944 Cumberland Avenue S
Owner: The Lighthouse Supported Living Inc
City: SASKATOON
Subdivision:
Suite Number:
Meas. Type:
Total Lot Size: 6,047
Tax Provided On: 2022-11-09
Local Impv:

Zoning Desc:
Prop Use:
Taxes: \$4,697.44
Laneway:
Tax Code: 400-480

Zoning: R2
Legal Desc:
Built: 1967
Assessment: \$386,560
Fair Value: \$483,200

Roll: 504,632,420
Address: 320 Winnipeg Avenue S
Owner: The Lighthouse Supported Living Inc
City: SASKATOON
Subdivision:
Suite Number:
Meas. Type:
Total Lot Size: 6,250
Tax Provided On: 2022-11-09
Local Impv:

Zoning Desc:
Prop Use:
Taxes: \$2,487.73
Laneway:
Tax Code: 250-270

Zoning: R2
Legal Desc:
Built: 1961
Assessment: \$204,720
Fair Value: \$255,900

This is Exhibit J referred to in the Affidavit of
Twila Raddekopp
 sworn before me this 7 day of
February, 2023

A Commissioner for Oaths for Saskatchewan
 My Commission expires _____
 OR Being a Solicitor

Roll:	504,802,350			
Address:	119 Ave O S			
Owner:	The Lighthouse Supported Living Inc			
City:	SASKATOON			
Subdivision:		Zoning Desc:		Zoning: R2
Suite Number:		Prop Use:		Legal Desc:
Meas. Type:		Taxes: \$4,298.85		Built: 1985
Total Lot Size: 8,244		Laneway:		Assessment: \$353,760
Tax Provided On: 2022-11-09		Tax Code:	410-450?	Fair Value: \$442,200
Local Impv:				

Roll:	505,024,570			
Address:	304 2nd Avenue S			
Owner:	The Lighthouse Supported Living Inc			
City:	SASKATOON			
Subdivision:		Zoning Desc:		Zoning: B6
Suite Number:		Prop Use:		Legal Desc:
Meas. Type:		Taxes: \$75,824.13		Built: 1971
Total Lot Size: 26,189		Laneway:		Assessment: \$6,229,040
Tax Provided On: 2022-11-09		Tax Code:		Fair Value: \$7,786,300
Local Impv:				

This information is believed to be reliable but should not be relied upon without verification.



General Property Overview

This is Exhibit K referred to in the Affidavit of
Twila Reddekopp
 sworn before me this 7 day of
February, 2023

 A Commissioner for Oaths for Saskatchewan
 My Commission expires _____
 OR Being a Solicitor

NBATT-303016550



2021 Roll Year

\$405,500



Overview

Civic Address
1322 103 ST

Legal Land Description
Lot 3 Block 24 Plan B1020CNV Sup

Title Acres
NA

Municipality
NBATT - CITY OF NORTH BATTLEFORD

Roll Status
2022 - Maintenance

Last Published
Tue Jun 07 2022

Report Year
2022

Method of Valuation
C.A.M.A. - Cost

Reviewed Date
January 11, 2022

Land

Urban

0.138 Acres

Commercial Buildings

M&S Sec. 11 - Apartments, Clubs, Hotels

TRA Area of Main Building
1,452 SQ FT

Other Commercial Buildings
No

Year Built of Main Building
2014

Values

Improvement

Assessed Value
\$337,100

Tax Class
Comm & Industrial Other

Taxable Value
\$286,535

Percentage of Value
85%

Exempt Value
\$0

Tax Status
Taxable

Non-Agricultural

Assessed Value
\$68,400

Tax Class
Comm & Industrial Other

Taxable Value
\$58,140

Percentage of Value
85%

Exempt Value
\$0

Tax Status
Taxable

 **Totals**

\$405,500
Assessed Values

\$344,675
Taxable Values

\$0
Exempt Values

Need more information?
Purchase additional reports below



Property Report

Lists property attributes used to determine the property's value.

Uses common English terms.





General Property Overview

12345678901234567890

NBATT-303309650

\$450,500

2022 Roll Year

2021 Roll Year

Overview

Civic Address
1671 104 ST

Legal Land Description
Lot 13 Block 86 Plan C4240 Sup

Title Acres
NA

Municipality
NBATT - CITY OF NORTH BATTLEFORD

Roll Status
2022 - Maintenance

Last Published
Tue Jun 07 2022

Report Year
2022

Method of Valuation
C.A.M.A. - Cost

Reviewed Date
May 18, 2011

Land

Urban

0.138 Acres

Residential Buildings

Mixed Story Height

Total Living Area
2,946 SQ FT

Other Residential Buildings
No

Garage
No

Finished Basement
80% - Full Finished

Deck
No

Unfinished Allowance
None

Values

Improvement

Assessed Value
\$426,000

Tax Class
Residential

Taxable Value
\$340,800

Percentage of Value
80%

Exempt Value
\$0

Tax Status
Taxable

Non-Agricultural

Assessed Value
\$24,500

Tax Class
Residential

Taxable Value
\$19,600

Percentage of Value
80%

Exempt Value
\$0

Tax Status
Taxable



Totals

\$450,500
Assessed Values

\$360,400
Taxable Values

\$0
Exempt Values

Need more information?
Purchase additional reports below



Property Report

Lists property attributes used to determine the property's value.

Useful to answer English queries.




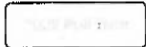


General Property Overview



NBATT-303008800

\$298,400  



2021 Roll Year

Overview

Civic Address
962 102 ST

Legal Land Description
Lot 3-5 Block 12 Plan B1929CNV Sup 00

Title Acres
NA

Municipality
NBATT - CITY OF NORTH BATTLEFORD

Roll Status
2022 - Maintenance

Last Published
Tue Jun 07 2022

Report Year
2022

Method of Valuation
C.A.M.A. - Cost

Reviewed Date
January 15, 2020

Land

Urban

0,344 Acres

Commercial Buildings

M&S Sec. 11 - Apartments, Clubs, Hotels

TRA Area of Main Building
6,834 SQ FT

Other Commercial Buildings
Yes

Year Built of Main Building
2019

Values

Improvement

Assessed Value
\$142,200

Tax Class
Comm & Industrial Other

Non-Agricultural

Taxable Value
\$0

Percentage of Value
85%

Exempt Value
\$120,870

Tax Status
Exempt

Assessed Value
\$156,200

Tax Class
Comm & Industrial Other

Taxable Value
\$132,770

Percentage of Value
85%

Exempt Value
\$0

Tax Status
Taxable



Totals

\$298,400
Assessed Values

\$132,770
Taxable Values

\$120,870
Exempt Values

Need more information?
Purchase additional reports below



Property Report

List property attributes used to determine the property's value

Uses common English terms



The Lighthouse Supported Living Inc.
A/P Aging Summary
As of 8 January 2023

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
A & A Backflow Technologies	0.00	0.00	444.00	0.00	0.00	444.00
Access Communication Co-Operative LTD	0.00	0.00	0.00	809.08	0.00	809.08
Aero Delivery	0.00	192.84	152.15	0.00	0.00	345.09
ALSCO	102.20	504.66	287.67	0.00	0.00	904.53
AMRE Supply	446.17	94.34	0.00	0.00	0.00	540.51
Anyon Technologies	11,442.58	11,442.58	17,915.27	0.00	0.00	40,800.43
Bee-J's Office Plus	0.00	0.00	0.00	0.00	-11.47	-11.47
Bolt Media	0.00	0.00	945.00	0.00	882.79	1,827.79
BGE Indoor Air Quality Solutions	0.00	0.00	0.00	714.76	0.00	714.76
Blommed Recovery & Disposal Ltd.	0.00	1,279.38	0.00	0.00	1,070.57	2,349.95
Blitz Appliance Service and Sales Ltd.	889.00	2,266.57	3,061.02	0.00	0.00	6,215.59
Canada Post	0.00	0.00	3.00	0.00	2.06	2.06
City of North Battleford Utilities	0.00	0.00	773.86	0.00	-1,228.34	-454.48
City of Saskatoon (2540 Melrose Avenue)	0.00	539.79	340.25	0.00	0.00	880.04
City of Saskatoon (320 Winnipeg Ave main)	0.00	0.00	431.87	472.90	0.00	904.77
City of Saskatoon 2942 Cumberland Ave S	0.00	135.74	0.00	0.00	0.00	135.74
City of Saskatoon 2944 Cumberland Ave S	0.00	265.59	0.00	0.00	0.00	265.59
City of Saskatoon 913 Ave I South	10.20	435.83	0.00	0.00	0.00	446.03
City of Saskatoon 913A Ave I South	1.07	62.86	680.18	0.00	0.00	1,128.21
City of Saskatoon 913B Ave I South	1.54	72.43	71.49	0.00	0.00	135.42
City of Saskatoon 913C Ave I South	1.96	73.32	102.34	0.00	0.00	176.31
City of Saskatoon 913D Ave I South	0.86	44.77	130.88	0.00	0.00	206.16
City of Saskatoon 917 Ave I South	8.60	44.77	57.66	0.00	0.00	103.29
City of Saskatoon 917B Ave I South	1.25	71.37	573.47	0.00	0.00	1,237.14
City of Saskatoon 917C Ave I South	1.45	72.78	83.36	0.00	0.00	155.98
City of Saskatoon 917D Ave I South	2.60	142.45	96.84	0.00	0.00	171.07
City of Saskatoon 921 Ave I South	11.30	142.45	173.23	0.00	0.00	318.28
City of Saskatoon 921A Ave I South	1.43	77.93	921.82	0.00	0.00	1,598.28
City of Saskatoon 921B Ave I South	1.15	119.04	95.60	0.00	0.00	174.96
City of Saskatoon 921C Ave I South	2.65	158.40	77.16	0.00	0.00	197.36
City of Saskatoon 921D Ave I South	1.04	25.82	176.42	0.00	0.00	337.47
CP Distributors	949.87	1,738.09	69.37	0.00	0.00	96.23
D-Line	244.20	0.00	1,604.70	0.00	-271.74	4,020.92
Evolve Counselling & Wellness	0.00	0.00	463.15	0.00	0.00	707.35
Export Locksmiths Ltd	0.00	145.00	0.00	1,102.78	0.00	1,102.78
Gordon Food Services-722533835	0.00	0.00	0.00	325.00	0.00	615.00
Great Canadian Oil Change	11,645.10	0.00	0.00	119.88	0.00	11,988.98
Green For Life	0.00	118.73	44.36	0.00	0.00	11,645.10
Hawthorn Plumbing Services	120.75	0.00	0.00	0.00	0.00	183.09
Loraas Environmental	0.00	233.10	0.00	0.00	0.00	120.75
Mayfair Glass Ltd.	0.00	103.37	0.00	0.00	0.00	233.10
MNIP	0.00	0.00	0.00	0.00	0.00	103.37
NoxGen Mechanical Inc.	0.00	0.00	0.00	0.00	1,666.49	1,666.49
Obs	1,118.39	579.98	505.05	17,499.99	30,117.46	47,617.45
Pinnacle Distribution	0.00	0.00	0.00	499.50	0.00	2,969.32
Pinnacle Protection Services	0.00	2,771.63	24,120.37	15,465.32	0.00	42,357.32
	0.00	0.00	66,936.40	0.00	65,371.58	132,307.98

This is Exhibit L referred to in the Affidavit of Tawila Reddekopp sworn before me this 7 day of February, 2023
 A Commissioner for Oaths for Saskatchewan
 My Commission expires _____
 OR Being a Solicitor _____

The Lighthouse Supported Living Inc.
A/P Aging Summary
As of 8 January 2023

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
Regina Elevator Co. Ltd	0.00	0.00	344.10	344.10	1,060.05	1,748.25
Robertson Stromberg	0.00	0.00	2,877.12	0.00	6,893.80	9,870.92
Saputo	0.00	950.69	0.00	0.00	0.00	950.69
Saskatchewan Housing Corporation	0.00	0.00	0.00	0.00	96,002.45	96,002.45
Saskatoon Fire Protection	0.00	0.00	0.00	0.00	94,559.20	94,559.20
Saskatoon Wash World Inc.	0.00	0.00	19.82	1,257.70	0.00	1,312.98
SaskEnergy (NB 1322 103 St)	0.00	279.97	61.80	18.84	0.00	100.46
SaskEnergy (NB 1671 104th St)	0.00	415.30	0.00	0.00	0.00	279.97
SaskPower (NB #101 1322 103 St)	0.00	86.32	96.56	0.00	0.00	415.30
SaskPower (NB #102 1322 103rd St)	0.00	87.97	98.61	-25.82	0.00	157.05
SaskPower (NB #103 1322 103rd St)	0.00	109.58	125.49	-104.35	0.00	177.79
SaskPower (NB #104 1322 103 St)	0.00	137.49	157.25	-8.79	0.00	130.72
SaskPower (NB #202 1322 103rd St)	0.00	92.49	104.14	-28.17	0.00	266.57
SaskPower (NB #203 1322 103rd St)	0.00	82.34	91.22	-32.88	0.00	163.75
SaskPower (NB #204 1322 103rd St)	0.00	98.09	111.20	-55.97	0.00	276.66
SaskPower (NB 1322 103 St House)	0.00	167.79	189.63	91.71	0.00	153.32
SaskPower (NB 1671 104th St)	0.00	265.48	138.55	144.93	0.00	449.13
Shaughnessy Appliance Service Ltd.	0.00	0.00	0.00	0.00	568.62	545.96
Shaw Business	1,137.25	559.02	1,976.36	0.00	-59.86	3,612.77
Silverstar Glass	0.00	0.00	0.00	0.00	0.00	0.00
Success Office Systems	0.00	0.00	558.95	0.00	0.00	558.95
Troy Life & Fire Safety Ltd.	1,598.62	412.92	4,802.94	1,274.80	0.00	1,737.96
ULS Maintenance & Landscaping Inc	0.00	1,019.66	3.00	0.00	0.00	6,894.48
Vipond	0.00	0.00	0.00	1,363.95	0.00	1,019.66
Western Financial Group	0.00	0.00	0.00	0.00	84,981.33	1,363.95
TOTAL	29,740.24	30,130.31	133,650.64	42,118.26	381,704.99	617,344.44

Blue Mountain Adventure
A/P Aging Summary
As of January 10, 2023

	<u>Current</u>	<u>1 - 30</u>	<u>31 - 60</u>	<u>61 - 90</u>	<u>91 and over</u>
A1 Tire & Wheel Co. L					91.02
Adobe Inc.			36.61		14.42
Affordable Towing Inc.					378.00
Angela Beatty-Salman					0.00
Aquifer Group of Companies					33.60
Battlefords & District Chambert of Commerce					272.87
Complete Distribution Services					460.56
Culligan Water					47.22
Discover Saskatoon					257.25
Discovery Co-op					2,897.73
DNA Holdings					181.25
Grey Cat- Oilfield Service LTD. & Septic Service					399.00
Lakeland Veterinary Services				267.62	911.02
Linde Canada Inc					1,221.12
McKenzie & Company					2,336.86
MNP LLP					65,059.92
Modern Janitorial Services (1978) Ltd.					1,110.62
N.B. Home Hardware					22.77
Parkland Farm Equipment 2004 Ltd.					23,704.21
Poulin's Pest Control					231.83
R.M. of North Battleford No. 437					10,666.55
Regional News-Optimist					103.95
River City Plumbing & Heating Ltd.					1,296.21
RM of North Battleford					10,000.00
Saskatchewan Health Authority					29.00
Service Canada - Summer student					13,354.00
Shaw				122.84	
Starlink			155.40		286.38
ThinkLife Empowerment Company					100.00
TM Septic Ltd.					341.25
Western Financial Group					-21.20
Xplornet					771.42
CRA GST				14,241.72	0.00
Minister of Finance PST				33,793.67	
TOTAL	\$ 0.00	\$ 0.00	\$ 192.01	\$ 14,632.18	\$ 136,558.83

Kubota Loan for tractor monthly payments 436.23
Balance on loan per info we have is 10,033.14

This summary is based on information available as of
January 10, 2023.

This is Exhibit M referred to in the Affidavit of
Twila Reddekopp
sworn before me this 7 day of
February, 2023

A Commissioner for Oaths for Saskatchewan
My Commission expires _____
OR Being a Solicitor

Total

91.02
51.03
378.00
0.00
33.60
272.87
460.56
47.22
257.25
2,897.73
181.25
399.00
1,178.64
1,221.12
2,336.86
65,059.92
1,110.62
22.77
23,704.21
231.83
10,666.55
103.95
1,296.21
10,000.00
29.00
13,354.00
122.84
441.78
100.00
341.25
-21.20
771.42
14,241.72

\$ 151,383.02

COURT FILE NUMBER: K.B. No. 8 of 2023
COURT OF KING'S BENCH FOR SASKATCHEWAN
JUDICIAL CENTRE: SASKATOON

This is Exhibit N referred to in the Affidavit of
Twila Reddekopp
sworn before me this 7 day of
February, 20 23

A Commissioner for Oaths for Saskatchewan
My Commission expires _____
OR Being a Solicitor

PLAINTIFF: ANGELA BEATTY

DEFENDANT: BLUE MOUNTAIN ADVENTURE PARK INC.

NOTICE TO DEFENDANT

1. The Plaintiff may enter Judgment in accordance with this statement of Claim or the Judgment that may be granted pursuant to *The Queen's Bench Rules* unless, in accordance with paragraph 2, you:
 - (a) Serve a Statement of Defence on the Plaintiff; and
 - (b) File a copy of it in the office of the local registrar of the Court for the judicial centre named above.
2. The Statement of Defence must be served and filed within the following period of days after you are served with the Statement of Claim (excluding the day of service):
 - (a) 20 days if you were served in Saskatchewan;
 - (b) 30 days if you were served elsewhere in Canada or in the United States of America;
 - (c) 40 days if you were served outside Canada and the United States of America
3. In many cases a defendant may have the trial of the action held at a judicial centre other than the one at which the Statement of Claim is issued. Every defendant should consult a lawyer as to his or her rights.
4. This Statement of claim is to be served within 6 months from the date on which it is issued.
5. This Statement of Claim is issued at the above-named judicial centre on the 4th day of January, 2023

ERIN MARCHEWKA
DEPUTY LOCAL REGISTRAR
Erin Local Registrar

STATEMENT OF CLAIM


1. The Plaintiff, Angela Beatty, is a resident of Saskatoon, Saskatchewan, who resides at 618 Delaronde Crescent, Saskatoon, SK S7J 3Z7.
2. The Defendant, Blue Mountain Adventure Park Inc., is a non-profit corporation incorporated pursuant to the laws of Saskatchewan, with its head office located at 304 2nd Avenue South, Saskatoon, SK, Canada S7K 1L1.
3. The Defendant is engaged in operating parks, cabins, and recreational centers in Saskatchewan.
4. The Plaintiff's claim arises out of the Defendant's non-payment of overtime and statutory holiday pay, wages and automobile allowance to the Plaintiff.
5. On or about June 15, 2020, the Defendant offered a full-time job to the Plaintiff as a business development park manager.
6. On or about June 15, 2020, the Plaintiff accepted the Defendant's offer, and she started rendering services to the Defendant as a business development park manager.
7. At all material times to this lawsuit, the Plaintiff remains to be employed with the Defendant as a business development park manager.
8. The Plaintiff's compensation package under the employment contract includes wages in the amount of \$35,000.00 per annum (which is equivalent to \$18.23 per hour), bonus, incentives, automobile allowance, 12 nights per year rent free cabin, healthcare, and dental care benefits.
9. The employment contract that the Plaintiff and the Defendant signed requires the Plaintiff to work for the Defendant for 40 hours per week.

10. At all material times to this lawsuit, the Plaintiff worked more than 40 hours per week from January 5, 2021, to January 3, 2023. The Plaintiff worked in the morning, during the day, evening and at night, mostly seven days a week from Monday to Sunday.
11. The Plaintiff had worked for the Defendant for a total of 1,344.25 overtime hours in the period from January 5, 2021, to January 3, 2023, but the Defendant has not paid any wages to the Plaintiff for the said overtime hours.
12. Section 2-18 of *The Saskatchewan Employment Act* entitles the Plaintiff to get overtime payment from the Defendant at the rate of 1.5 times of her regular wages for any hours that she worked over 40 hours per week.
13. The total amount of the Plaintiff's unpaid wages for the 1,344.25 overtime hours that she had worked for the Defendant in the period between January 5, 2021, and January 3, 2023, is \$36,765.24, which is calculated pursuant to section 2-18 of *The Saskatchewan Employment Act* based on her regular hourly wages of \$18.23.
14. The Plaintiff claims against the Defendant unpaid wages in the amount of \$36,765.24 for the 1,344.25 overtime hours that she had worked for the Defendant from January 5, 2021, to January 3, 2023.
15. The Defendant agreed to pay to the Plaintiff statutory holiday pay for hours worked on statutory holidays according to the provisions of the *Saskatchewan Employment Act* pursuant to the employment contract the parties signed.
16. The Plaintiff worked for Defendant for a total of 166 hours on a total of 20 statutory holidays in the period between January 5, 2021, and January 3, 2023, but the Defendant has not paid any wages to the Plaintiff for the said statutory hours that she had worked.

17. The Plaintiff is entitled to a statutory pay in the amount of \$4,540.10 for 166 statutory holiday hours that she worked for the Defendant during the said duration, which is calculated based on 1.5 times her regular hourly wages of \$18.23 pursuant to section 2-32 of *The Saskatchewan Employment Act*.
18. The Plaintiff claims against the Defendant unpaid statutory payment in the amount of \$4,540.10 for the 166 statutory holiday hours that she had worked for the Defendant from January 5, 2021, to January 3, 2023.
19. The Plaintiff had been on call and/or at the disposal of the Defendant for a total of 8,937.75 hours on a total of 593 days and she undertook various work activities when she was called upon in the period between January 5, 2021, and January 3, 2023.
20. The Defendant has not paid any wages to the Plaintiff for the said hours in which she was on call and/or at the disposal of the Defendant.
21. The Plaintiff claims against the Defendant payment of wages in the amount of \$244,417.46 for the 8,937.75 hours that she had been on call and/or at the disposal of the Defendant in the period between January 5, 2021, and January 3, 2023, which is calculated based on 1.5 times her regular hourly wages of \$18.23 pursuant to section 2-18 of *The Saskatchewan Employment Act*.
22. In the employment contract that the Plaintiff and the Defendant signed, the Defendant agreed to provide the Plaintiff with a company vehicle to undertake her job at the workplace, as a vehicle is required to undertake her job.
23. At all material times to this lawsuit, the Defendant has not provided the Plaintiff with any vehicle to undertake her duties at the workplace in the period from January 5, 2021, to January 3, 2023.

24. The Plaintiff was forced to use her own vehicle to perform her duties at the Defendant's workplace for a total of 30, 581 kilometers in the period between January 5, 2021, and January 3, 2023.
25. The Plaintiff claims against the Defendant compensation in the amount of \$18, 348.60 for the total of 30, 581 kilometers that she used her own vehicle to undertake her job, which is calculated based on \$0.60 cents per a kilometer, on the grounds of breach of the employment contract and or the common law principle of unjust enrichment.
26. The Plaintiff states that the Defendant is legally liable to pay her the aforementioned overtime pay, statutory pay, wages for the hours that she was at the disposal of the Defendant and compensation for use of her own vehicle to perform her job at workplace pursuant to the employment contract that she signed with the Defendant, *The Saskatchewan Employment Act*, the common law principle of unjust enrichment and or the common law in general.
27. THE PLAINTIFF, THEREFORE, CLAIMS the following relief against the Defendant:
- a) Overtime wages payment in the amount of \$36,765.24;
 - b) Statutory holiday payment in the amount of \$4, 540.10;
 - c) Payment of wages for the hours that the Plaintiff was at the disposal of the Defendant in the amount of \$244, 447.46;
 - d) Compensation for use of her vehicle to perform her job at the workplace in the amount of \$18, 348.60;
 - e) Interest on the principal sum at a rate of 24% per annum, calculated from January 5, 2021, or in the alternative, interest pursuant to *The Pre-judgment Interest Act*;
 - f) The costs of this action; and,
 - g) Such further costs as this Honourable Court may deem just.

Dated at Saskatoon Saskatchewan, the 4th day of January, 2023.


Angela Beatty, The Plaintiff.

This document is prepared by:

Angela Beatty

618 Delaronde Crescent

Saskatoon, SK S7J 3Z7

Telephone: (306) 241 0161

E-mail: abeattysalmaa@gmail.com

Project Name	Project Address	Subsidy Expire Date	Sponsor Name	Community	Affordable Units
Welcome Home III	2944 Cumberland Avenue S	01-Nov-26	The Lighthouse Supported Living Inc.	Saskatoon	10
The Complex (previously Pocket Units)	1322 103rd Street	01-Oct-23	The Lighthouse Supported Living Inc.	North Battleford	8
Lighthouse Tower	227 20th Street E	01-Dec-39	The Lighthouse Supported Living Inc.	Saskatoon	58
The Dubé Lighthouse & Stabilization Shelter	304 2nd Avenue S	07/01/2022**	The Lighthouse Supported Living Inc.	Saskatoon	59
Welcome Home Phase I	119 Avenue O South	01-Jan-25	The Lighthouse Supported Living Inc.	Saskatoon	7
Hope Restored	2540 Melrose Avenue		The Lighthouse Supported Living Inc.	Saskatoon	8
Welcome Home Phase II	2121 Wiggins Avenue S; 320 Wrinipeg Avenue S	01-Jan-28	The Lighthouse Supported Living Inc.	Saskatoon	10
Totals					160

**Awaiting final APDR for arranging for discharge by SHC Mortgage & Loans.

This is Exhibit 0 referred to in the Affidavit of Twila Reddekopp sworn before me this 7 day of February, 2023

 A Commissioner for Oaths for Saskatchewan
 My Commission expires _____
 OR Being a Solicitor

September 13, 2022

Twila Reddekopp and Jerome Hepfener
The Lighthouse Supported Living Inc.
304 2nd Avenue South
SASKATOON SK S7K 1L1

This is Exhibit P referred to in the Affidavit

Twila Reddekopp
sworn before me this 7 day of
February, 2023

A Commissioner for Oaths for Saskatchewan
My Commission expires _____
OR Being a Solicitor

Dear Twila Reddekopp and Jerome Hepfener:

After a review of your Home First Rental Development Project in Saskatoon (SHC#TPR00008201), the Saskatchewan Housing Corporation (SHC) would like to acknowledge that all conditions within your Project Development and Operating Agreement dated December 14, 2014, have been met.

Two obligations in the Agreement survive the Agreement:

- Article 6.3 of the agreement requires all operation or administration documents to remain in your possession for seven fiscal years. The documents should remain in Saskatoon for that time.
- Article 13.2 speaks to the retention of confidential information. SHC does not have requirements for retention. We recommend keeping this tenant information for two years.

I would like to thank you for your dedication over the past years to providing safe and affordable housing and wish you all the best in any future endeavors.

Should you have any questions related to the maturity of this agreement, please contact me at 306-933-8463 or by email ross.grandel2@gov.sk.ca.

Sincerely,



Ross Grandel
Portfolio Management Consultant, Housing Services

September 7, 2022

The Lighthouse Supported Living Inc.
304 2nd Avenue South
SASKATOON SK S7K 1L1

This is Exhibit Q referred to in the Affidavit of
Twila Redekopp
sworn before me this 7 day of
February, 2023

[Signature]
A Commissioner for Oaths for Saskatchewan
My Commission expires _____
OR Being a Solicitor

Dear Sir/Madame:

Re: Third Party Rental Program
Property: 304 2nd Avenue South, Saskatoon, SK
Lot 41B, Block 153, Plan 99SA35105, Ext. 0, Surface Parcel 120949094
SHC Reference: TPR00008201

This is to acknowledge your mortgage has matured. It is our policy to register discharges directly with ISC, therefore, enclosed is confirmation that the security has been discharged from the property title.

Saskatchewan Housing Corporation (SHC) has forwarded our "Release of Interest in Fire Insurance" directly to your insurance broker Cherry Insurance in order to remove SHC as loss payee from Wynward Insurance Group policy 0170848CL01.

Also enclosed is the "Final Statement of Mortgage Account" for your records.

Should you have any questions, please contact Linda Varsanyi at (306) 787-7406 or at 1-800-667-7567 or Sheri Lynn at (306) 787-1758 or at 1-800-667-7567.

Sincerely,



Sherry Boehlen
Manager, Mortgage and Loans Administration
Housing Finance

enclosures

cc: Ross Grandel, Portfolio Management Consultant, SHC



**Information
Services
Corporation**

Land Registry
1301 - 1st Avenue
Regina, SK S4R 8H2

Toll Free: 1-866-275-4721
Fax: (306) 798-1399
Email: ask@isc.ca
Website: www.isc.ca

September 02, 2022

SASKATCHEWAN HOUSING CORPORATION
LEGAL SERVICES
1920 BROAD ST.
REGINA SK S4P3V6
Canada

Packet Number: 185268077
Client Number: 100319633
Interest Reference #: LIGHTHOUSE

Re: Interest Discharge Notice

This notice is to advise you that there has been a full discharge of the interest register listed below:

Interest Register Number: 120594573

Interest Type: Mortgage

Registration Date: January 15, 2015 1:15 pm

Date of Discharge: September 2, 2022 4:19 pm

Interest Number	Holder(s)
169862990	SASKATCHEWAN HOUSING CORPORATION
Land Description: Lot 41B Blk/Par 153 Plan No. 99SA35105 Extension 0 As described on Certificate of Title 01SA03621.	
CITY OF SASKATOON	

Owned or Held by:

The Lighthouse Supported Living Inc.

For further questions, please contact the ISC Customer Support Team, toll-free at 1-866-275-4721 or by email at ask@isc.ca

Registrar

**Saskatchewan Housing Corporation
Third Party Rental
FINAL STATEMENT OF MORTGAGE ACCOUNT
Period Ending March 31, 2023**

The Lighthouse Supported Living Inc.
304 2nd Avenue South
SASKATOON SK S7K 1L1

Ref. No.: TPR00008201

Renewal Date: 07/01/2022
Maturity Date: 07/01/2022

Attention:

Project: The Dube Lighthouse - 59 units
Project Address: 304 2nd Avenue South

Mortgage Summary:

Total Forgivable Funds Advanced:	\$1500000.00
Substantial Completion Date:	05/01/2017
Interest Adjustment Date:	07/01/2018
Monthly Subsidy:	\$499999.56
Forgiveable Period:	5 years

Loan Forgiveness at March 31, 2022 **\$1500000.00**

Principal Balance at March 31, 2022 **\$0.00**

Forgiveness is calculated, for this statement, on a straight line/per month basis.

Errors or Omissions Excepted

Loan Accounts

Open an Account ▲

ACCOUNT	AVAILABLE	BALANCE	ACTIONS
Member: 1221738			
<u>Commercial Mortgage - 304 2nd Ave South - 1</u>		\$861,001.46	
<u>Commercial Mortgage - 215 Ave N South - 2</u>		\$59,702.38	
<u>Commercial Mortgage - 227 20th St E - 3</u>		\$901,194.77	
<u>Commercial Mortgage - 119 Avenue O South - 4</u>		\$64,612.49	
<u>Commercial Mortgage - 320 Winnipeg Ave S - 5</u>		\$72,247.09	
<u>Commercial Mortgage - 2121 Wiggins Ave S - 6</u>		\$82,633.60	
<u>Commercial Mortgage - 2540 Melrose Ave - 7</u>		\$133,404.26	
<u>Commercial Mortgage - 2942-2944 Cumberland Ave - 8</u>		\$219,449.04	
Loan Total		\$2,394,245.09	

As of Jan 8/23
Total owing

This is Exhibit R referred to in _____ Part of _____
Twila Reddekopp
 sworn before me this 7 day _____
February, 2023
[Signature]
 A Commissioner for Oaths for Sas _____
 My Commission expires _____
 OR Being a Solicitor _____

Rural Municipality of North Battleford No. 437
 Box 187, North Battleford, SK S9A 2Y1 Business - (306)445-3604

TAX CERTIFICATE

Keithgudmundson@gmail.com

Tax Certificate #: 2022-0120

File Reference:

Roll Number	Property Description	Current	Arrears	Interest	Total Owing
00001026 000	SE 31 45 14 W3 - +blue Mountain	7,981.99	0.00	0.00	7,981.99

Assessment Details:

Property Class	Type	Assessed Value	%	Taxable	V A	Exempt	V T A S	Total
N Non-Arable	Land	91,700	45	41,265		0		41,265
CC Other Commercial and Ind	Land	27,200	85	23,120		0		23,120
CC Other Commercial and Ind	Impr	511,000	85	434,350		0		434,350
Totals:		629,900		498,735		0		498,735

There is not an outstanding appeal regarding the property before the Board of Revision or the Saskatchewan Municipal Board.

No Local Improvements apply to this parcel.

There is not an intention to undertake a local improvement that will affect the land.

Taxes in the amount of \$7,981.99 have been levied for the current year.

Dated at Rural Municipality of North Battleford this 24th day of October, 2022 A.D.

per *N. Collins*
 NICOLE COLLINS, Administrator
 E. & O. E.

SEAL



This is Exhibit 5 referred to in the Affidavit of
Twila Reddekopp
 sworn before me this 7 day of
February, 2023
[Signature]
 A Commissioner for Oaths for Saskatchewan
 My Commission expires _____
 OR Being a Solicitor

Rural Municipality of North Battleford No. 437
Box 187, North Battleford, SK S9A 2Y1 Business - (306)445-3604

TAX CERTIFICATE

Keithgudmundson@gmail.com

Tax Certificate #: 2022-0118

File Reference:

Roll Number	Property Description	Current	Arrears	Interest	Total Owning
00001031 000	SW 32 45 14 W3	303.37	0.00	0.00	303.37

Assessment Details:

Property Class	Type	Assessed Value	%	Taxable	V A	Exempt	V T A S	Total
N Non-Arable	Land	103,400	45	46,530		0		46,530

There is not an outstanding appeal regarding the property before the Board of Revision or the Saskatchewan Municipal Board.

No Local Improvements apply to this parcel.

There is not an intention to undertake a local improvement that will affect the land.

Taxes in the amount of \$303.37 have been levied for the current year.

Dated at Rural Municipality of North Battleford this 24th day of October, 2022 A.D.

pc *Nicole Collins*
 NICOLE COLLINS, Administrator
 E. & O. E.

SEAL



Rural Municipality of North Battleford No. 437
Box 187, North Battleford, SK S9A 2Y1 Business - (306)445-3604

TAX CERTIFICATE

Keithgudmundson@gmail.com

Tax Certificate #: 2022-0119

File Reference:

Roll Number	Property Description	Current	Arrears	Interest	Total Owning
00001024 000	NE 31 45 14 W3	270.22	0.00	0.00	270.22

Assessment Details:

Property Class	Type	Assessed Value	%	Taxable	V A	Exempt	V T A S	Total
N Non-Arable	Land	92,100	45	41,445		0		41,445

There is not an outstanding appeal regarding the property before the Board of Revision or the Saskatchewan Municipal Board.

No Local Improvements apply to this parcel.

There is not an intention to undertake a local improvement that will affect the land.

Taxes in the amount of \$270.22 have been levied for the current year.

Dated at Rural Municipality of North Battleford this 24th day of October, 2022 A.D.

per Nicole Collins

 NICOLE COLLINS, Administrator
 E. & O. E.

SEAL



Rural Municipality of North Battleford No. 437
Box 187, North Battleford, SK S9A 2Y1 Business - (306)445-3604

TAX CERTIFICATE

Keithgudmundson@gmail.com

Tax Certificate #: 2022-0117

File Reference:

Roll Number	Property Description	Current	Arrears	Interest	Total Owing
00001030 000	SE 32 45 14 W3	280.19	0.00	0.00	280.19

Assessment Details:

Property Class	Type	Assessed Value	%	Taxable	V A	Exempt	V T A S	Total
N Non-Arable	Land	95,500	45	42,975		0		42,975

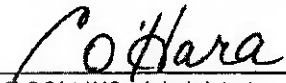
There is not an outstanding appeal regarding the property before the Board of Revision or the Saskatchewan Municipal Board.

No Local Improvements apply to this parcel.

There is not an intention to undertake a local improvement that will affect the land.

Taxes in the amount of \$280.19 have been levied for the current year.

Dated at Rural Municipality of North Battleford this 24th day of October, 2022 A.D.

pu 

 NICOLE COLLINS, Administrator
 E. & O. E.

SEAL



Rural Municipality of North Battleford No. 437
Box 187, North Battleford, SK S9A 2Y1 Business - (306)445-3604

TAX CERTIFICATE

Keith Gudmundson
 Via email: keithgudmundson@gmail.com

Tax Certificate #: 2022-0092
 File Reference:

Roll Number	Property Description	Current	Arrears	Interest	Total Owing
00001027 000	SW 31 45 14 W3	0.00	0.00	0.00	0.00

Assessment Details:

Property Class	Type	Assessed Value	%	Taxable V A	Exempt V A S	Total
N Non-Arable	Land	96,400	45	43,380	0	43,380

There is not an outstanding appeal regarding the property before the Board of Revision or the Saskatchewan Municipal Board.

No Local Improvements apply to this parcel.

There is not an intention to undertake a local improvement that will affect the land.

Taxes for the current year have not been levied.

Taxes in the amount of \$280.24 were levied for last year.

Dated at Rural Municipality of North Battleford this 13th day of June, 2022 A.D.



NICOLE COLLINS, Administrator
 E. & O. E.



per

Rural Municipality of North Battleford No. 437
Box 187, North Battleford, SK S9A 2Y1 Business - (306)445-3604

TAX CERTIFICATE

Keith Gudmundson
 Via email: keithgudmundson@gmail.com

Tax Certificate #: 2022-0091
 File Reference:

Roll Number	Property Description	Current	Arrears	Interest	Total Owing
00001025 000	NW 31 45 14 W3	0.00	0.00	0.00	0.00

Assessment Details:

Property Class	Type	Assessed Value	%	Taxable	V A	Exempt	V T A S	Total
N Non-Arabie	Land	92,100	45	41,445		0		41,445

There is not an outstanding appeal regarding the property before the Board of Revision or the Saskatchewan Municipal Board.

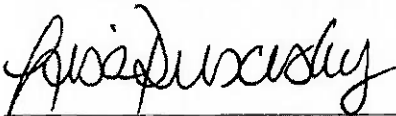
No Local Improvements apply to this parcel.

There is not an intention to undertake a local improvement that will affect the land.

Taxes for the current year have not been levied.

Taxes in the amount of \$267.74 were levied for last year.

Dated at Rural Municipality of North Battleford this 13th day of June, 2022 A.D.



NICOLE COLLINS, Administrator
 E. & O. E.

Per



Rural Municipality of North Battleford No. 437
Box 187, North Battleford, SK S9A 2Y1 Business - (306)445-3604

TAX CERTIFICATE

Keith Gudmundson
 Via email: keithgudmundson@gmail.com

Tax Certificate #: 2022-0090
 File Reference:

Roll Number	Property Description	Current	Arrears	Interest	Total Owing
00001194 000	NE 36 45 15 W3	0.00	0.00	0.00	0.00

Assessment Details:

Property Class	Type	Assessed Value	%	Taxable	V A	Exempt	V T A S	Total
N Non-Arable	Land	113,800	45	51,210		0		51,210

There is not an outstanding appeal regarding the property before the Board of Revision or the Saskatchewan Municipal Board.

No Local Improvements apply to this parcel.

There is not an intention to undertake a local improvement that will affect the land.

Taxes for the current year have not been levied.

Taxes in the amount of \$330.82 were levied for last year.

Dated at Rural Municipality of North Battleford this 13th day of June, 2022 A.D.

Nicole Collins

NICOLE COLLINS, Administrator
 E. & O. E.



Rural Municipality of North Battleford No. 437
Box 187, North Battleford, SK S9A 2Y1 Business - (306)445-3604

TAX CERTIFICATE

Keith Gudmundson
 keithgudmundson@gmail.com

Tax Certificate #: 2022-0098
 File Reference:

Roll Number	Property Description	Current	Arrears	Interest	Total Owing
00001029 000	NW 32 45 14 W3	0.00	0.00	0.00	0.00

Assessment Details:

Property Class	Type	Assessed Value	%	Taxable	V A	Exempt	V A	T S	Total
A Other Agricultural	Land	104,800	55	57,640		0			57,640

There is not an outstanding appeal regarding the property before the Board of Revision or the Saskatchewan Municipal Board.

No Local Improvements apply to this parcel.

There is not an intention to undertake a local improvement that will affect the land.

Taxes for the current year have not been levied.

Taxes in the amount of \$372.35 were levied for last year.

Dated at Rural Municipality of North Battleford this 6th day of July, 2022 A.D.

per Nicole Collins

 NICOLE COLLINS, Administrator
 E. & O. E.

SEAL



Rural Municipality of North Battleford No. 437
Box 187, North Battleford, SK S9A 2Y1 Business - (306)445-3604

TAX CERTIFICATE

Keith Gudmundson
 keithgudmundson@gmail.com

Tax Certificate #: 2022-0097
 File Reference:

Roll Number	Property Description	Current	Arrears	Interest	Total Owing
00001028 000	NE 32 45 14 W3	0.00	0.00	0.00	0.00

Assessment Details:

Property Class	Type	Assessed Value	%	V Taxable A	V Exempt A	T S	Total
A Other Agricultural	Land	158,400	55	87,120	0		87,120

There is not an outstanding appeal regarding the property before the Board of Revision or the Saskatchewan Municipal Board.

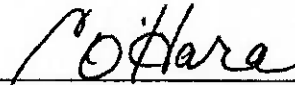
No Local Improvements apply to this parcel.

There is not an intention to undertake a local improvement that will affect the land.

Taxes for the current year have not been levied.

Taxes in the amount of \$562.79 were levied for last year.

Dated at Rural Municipality of North Battleford this 6th day of July, 2022 A.D.

PCU


 NICOLE COLLINS, Administrator
 E. & O. E.

SEAL





AL O F
TWEEN:

SELLER'S MLS® BROKERAGE CONTRACT - #310

Developed & Provided by your Saskatchewan REALTORS® Association
This form to be used with Data Entry Form 300/350/375/400/450/500 or 700.

The LightHouse Supported Living Inc.

(Name of Owner(s): herein called Seller)

(Phone) Do Not Publish

(Name of Owner(s): herein called Seller)

(Phone) Do Not Publish

304 2nd Ave South

(Address)

Saskatoon

SK
(Postal Code)

treddekopp@sunrisepublish.com
(Email)

Realty Executives Saskatoon

(Full Name of Seller's Brokerage: herein called Seller's Brokerage)

2 Louise Street

(Address)

Saskatoon

SK

S7J3L8

(Postal Code)

(306) 373-7520

(Phone)

TERM OF CONTRACT

A. The Seller hereby lists exclusively with the Seller's Brokerage the property described in Paragraph 2. This Contract comes into full force and effect on mm 06 dd 14 yyyy 2022 until 11:59 p.m. on mm 07 dd 14 yyyy 2022 unless renewed in writing.

Does Does not agree to allow OTHER members of the Association using information contained on the MLS® System to contact the Seller in the event this Seller's Brokerage contract EXPIRES WITHOUT THE PROPERTY HAVING SOLD, to discuss listing or otherwise marketing the property.

There are are not exclusions or exceptions to the Seller's Brokerage's duties and obligation exceptions are outlined in the attached Schedule "_____".

The Seller's Brokerage is hereby authorized to obtain any and all information concerning the property authority.

PROPERTY

Civic Address: 31 45 14 NE 36 45 15 3rd NW & SW of

Unit/Suite No.

Building No.

Street Name

Street Type

Street

Legal Description and/or Business Name:
Blue Mountain

This is Exhibit I referred to in the Affidavit of

Twila Reddekopp

sworn before me this 7 day of

February, 2023

RMS OF SALE

Asking Price 495,000 -

B. Possession Date: TBA.

Terms: _____

LISTING SERVICE AND BUYER BROKERAGE. The Seller directs the Seller's Brokerage:

To list the property with the MLS® System of the Real Estate Association of which the Brokerage is a member who are acting as Buyer's Brokerages. The Seller's Brokerage may publish the Seller's Property Condition Report. To allow a sales representative authorized by the Seller's Brokerage to make the agency disclosures required by the REALTOR® Association of Canada (RAC) under the REALTOR® Code of Ethics. COLLECTION USE AND DISCLOSURE OF PROPERTY AND PERSONAL INFORMATION

The Seller consents to the collection, use and disclosure of property and personal information by the Seller's Brokerage by any co-operating brokerages, for the purpose of listing and marketing the property:

- (i) listing and advertising the property using any medium including the Internet;
- (ii) permission for listing agent to display auxiliary photos;
- (iii) disclosing property information to prospective buyers, brokers, salespersons and others who may be contacted in connection with the listing; and
- (iv) the capture and use of the listing price, sale price, information found in the listing agreement, including and other property-related information. This includes but is not limited to photographs, images, audio recordings, virtual tours, drawings, floor plans, architectural designs, artistic renderings, surveys and property description; and
- (v) such other use of the seller's personal information as is consistent with listing and marketing of the property.

COLLECTION USE AND DISCLOSURE OF PROPERTY AND PERSONAL INFORMATION BY THE ASSOCIATION FOR THE OPERATION OF THE MULTIPLE LISTING SERVICE® SYSTEM

The Seller consents to the placement and posting of property information by the Brokerage into the database(s) of the MLS® System of the Association, the Canadian Real Estate Association's REALTOR.ca site, or any third-party database, including databases supporting third party advertising of real estate. The seller further acknowledges that the Association may:

- i) distribute the information to any persons authorized to use such service which may include other brokers, government departments, appraisers, municipal organizations and others;
- ii) market the property, at its option, in any medium, including electronic media and the internet;
- iii) compile, retain and publish any statistics including historical MLS® System data which may be used by licensed association members to conduct comparative market analyses; and
- v) make such other use of the information as the board deems appropriate in connection with the listing, marketing and selling of real estate.

THE SELLER FURTHER ACKNOWLEDGES THAT THE OWNER OF THE DATABASE(S) MAY, DURING THE TERM OF THE LISTING AS WELL AS AFTER THE SALE OF THE PROPERTY USE, RETAIN, REPRODUCE AND DISCLOSE, THROUGH PUBLICATION OR PLACEMENT AND POSTING ON THE INTERNET, AND PROPERTY INFORMATION, INCLUDING SALE PRICE AND ANY STATISTICS OR THE RESULTS OF ANY ANALYSIS DERIVED THEREFROM, FOR ANY PURPOSE ASSOCIATED WITH THE LISTING, MARKETING, SALE OR PURCHASE OF REAL ESTATE OR THE ANALYSIS OF REAL ESTATE TRANSACTIONS.

CENSING OF LISTING CONTENT

The seller grants to the Brokerage a non-exclusive, irrevocable, royalty-free license to use, publish, display, reproduce and sub-license all photographs, images, videos, virtual tours, drawings, text, descriptions and any other copyrightable elements related to the property, submitted by the Seller to the Brokerage or the Brokerage's Salesperson (the "Seller Listing Content").

The Seller acknowledges and agrees that as between the Seller and the Brokerage, any copyrightable elements relating to the property obtained or produced by the Brokerage or the Brokerage's Salesperson (the "Brokerage Listing Content") is owned exclusively by the Brokerage and the Seller has no interest, right or title to any Brokerage Listing Content.

COMMISSION REMUNERATION. The Seller agrees:

pay to the Seller's Brokerage a gross commission of 6% on 1st \$100000, 4% on 2nd \$100000, 2% on Balance

_____ the sale price of the property or one half of the deposit forfeited pursuant to a Contract of Purchase and Sale of the property,

whichever is less, plus applicable taxes in respect of the commission (commission + tax = remuneration) if:

Twila Reddekopp
Seller(s) Initials

- (i) during the term of this Contract the Seller and a Buyer enter a legally enforceable Contract of Purchase and Sale;
- (ii) within 180 days of expiration of this Contract, the Seller and a Buyer enter into a legally enforceable Contract of Purchase and Sale, in respect of which the efforts of the Seller's Brokerage during the term of this Contract were an effective cause; or
- (iii) a prospective Buyer offers in writing during the term of the Contract, to purchase the property on the terms and conditions described in Section 3 above, even if the Seller does not accept the offer;

except that 6A(iii) above shall not apply if the Seller must pay commission on the sale to another Brokerage arising from a Brokerage Contract entered into by the Seller and that other Brokerage after the expiration of this Contract, even if the efforts of the Seller's Brokerage under this Contract were an effective cause of the sale.

B The remuneration earned by the Seller's Brokerage shall be payable upon completion of the sale or when paragraph 6A(iii) above applies, seven days after demand by the Brokerage.

7 ASSIGNMENT OF REMUNERATION

- A The Seller hereby irrevocably assigns to the Seller's Brokerage from the proceeds of sale of the property, the amount of remuneration due to the Seller's Brokerage and authorizes the Seller's Brokerage to retain from the deposit monies the amount of the Seller's Brokerage's remuneration.
- B The Seller further hereby irrevocably and unconditionally directs and authorizes their solicitor, or any other solicitor acting on their behalf in this sale, to pay the aforesaid commission and taxes less any deposit, from the proceeds of the sale when releasable. This shall be and constitute full and sufficient authority for so doing and appoints the Seller's Brokerage as the Seller's irrevocable agent to demand and receive payment thereof.
- C I now encumber all of my interest in the Land, Buildings and Attached Goods for the benefit of the Brokerage to secure payment to the Brokerage of all money which may be owed by me to the Brokerage under this Agreement. I agree that the Brokerage is entitled to encumber the Land in accordance with the Land Titles Act, R.S.S. (Saskatchewan).

8 THE SELLER'S BROKERAGE AGREES WITH THE SELLER AS FOLLOWS:

- A To act only as the Brokerage for the Seller except where Limited Dual Agency exists.
- B To provide information about the property to Buyer's Brokerages.
- C Subject to 10E below, to exercise duties of loyalty, obedience, competence, confidentiality, accountability and disclosure to the Seller.
- D To accept remuneration from the Buyer only with the knowledge and consent of the Seller.
- E To assist in obtaining a Buyer for the property the Seller's Brokerage will offer to a Buyer's Brokerage a portion of the Seller's Brokerage's remuneration in the amount of **3% on 1st \$100,000, 2% on 2nd \$100,000, 1% on Balance**

9 THE SELLER _____ **the sale price.**

- A Does agree to give the Seller's Brokerage authority to advertise the property and authority to permit or not permit other brokerages to advertise the property and to set the conditions, if any, thereof.
- B Does Does not agree to allow the Seller's Brokerage to place "For Sale" sign upon the property.
- C Does Does not agree to allow the Seller's Brokerage to place "Sold" sign upon the property.
- D Agrees to allow a Buyer's Brokerage or a Seller's Brokerage to show the property to a prospective Buyer.
- E Agrees to refer to the Seller's Brokerage all enquiries for the purchase of the property, and to deliver to the Seller's Brokerage all offers and Contracts of Purchase and Sale with respect to the property which may be received during the term of this Exclusive Contract or arising by reason of the efforts of the Seller's Brokerage.

10 THE SELLER ACKNOWLEDGES AND AGREES THAT:

- A It is not a breach of the Seller's Brokerage's duty of confidentiality if the publication of the information relating to the property by the MLS® System results in the information becoming known to members of the public, including a prospective Buyer(s) and Buyer's Brokerage.
- B It is not a breach of duty to the Seller for the Seller's Brokerage to list, show or sell property of competing Sellers.
- C This property is not listed with any other Brokerage.
- D Another Brokerage representing only a Buyer does not owe fiduciary duties to the Seller.
- E A Seller who is a non-resident of Canada, must comply with *The Income Tax Act* of Canada upon completion of the sale.
- F The REALTOR® shall disclose to the buyer all material defects about the physical condition of the property known to the REALTOR®.
- G Seller's Brokerage will not be held liable in any manner whatsoever for any acts or omissions of other brokerages with respect to advertising.

11 LIMITED DUAL AGENCY

- A The Seller agrees that the Seller's Brokerage may also act as agent for the Buyer of a property in which the Buyer is interested, in which case:
 - (i) The Seller's Brokerage shall disclose to the Seller his/her agency relationship with the Buyer prior to the Seller's Brokerage presenting a Contract of Purchase and Sale from that Buyer to the Seller, but shall not have to disclose such relationship before that time;
 - (ii) The duties of the Seller's Brokerage to the Seller and the Buyer will be modified by the limitations of Limited Dual Agency described in the Saskatchewan REALTOR'S Association document entitled "Agency Disclosure" which the Seller acknowledges he/she has read and agreed to.

12 MISCELLANEOUS PROVISIONS

- "Sale" includes an exchange and "sale price" includes the value of property exchanged.
- "Period" or "date of expiration" of this Contract includes the period or date of expiration of any written extension.
- Interpretation of this Contract and all matters concerning its enforcement by the parties shall be governed by the laws of the Province of Saskatchewan.
- The parties acknowledge that this Contract fully sets out the terms of the agreement between them.
- This Contract shall be binding upon and benefit not only the parties but their respective heirs, executors, administrators, successors or assigns.
- This Contract shall automatically end if the Seller's Brokerage ceases to be a member of an Association.

13 ENTIRE AGREEMENT - THIS SELLER'S BROKERAGE CONTRACT MEANS AND INCLUDES THIS AGREEMENT AND THE DATA INPUT FORM (WHEN SIGNED BY THE SELLER) AND SELLER'S PROPERTY CONDITION DISCLOSURE STATEMENT (WHEN ATTACHED AND SIGNED BY THE SELLER) AND ANY SCHEDULE "___" (WHEN ATTACHED AND SIGNED BY THE SELLER).

14 SIGNING THIS CONTRACT THE SELLER ACKNOWLEDGES HAVING RECEIVED AND READ THE DOCUMENT PUBLISHED BY THE SASKATCHEWAN REALTORS® ASSOCIATION ENTITLED, "AGENCY DISCLOSURE". The Seller acknowledges having read and understood this Contract, that it accurately describes the agreement with the Seller's Brokerage, and that a copy of it has been received by the Seller as of the date.

SIGNED at 11:30 AM, on mm 06 dd 13 yyyy 2022.

SIGNED IN THE PRESENCE OF:

ness _____

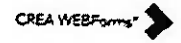
 Seller Tyila Reddekopp

 Seller Cheryl Hoff

SELLER'S BROKERAGE
 Per: _____
 Sales Representative Keith Gudmundson

 Witness

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LIMITED DUAL AGENCY ACKNOWLEDGEMENT FORM - #204
PURCHASE AND SALE TRANSACTIONS
(ACKNOWLEDGEMENT TO BROKERAGE ACTING FOR BOTH BUYER AND SELLER)
Developed by your Saskatchewan REALTORS® Association

TO: Realty Executives Saskatoon
Keith Gudmundson
3032 Louise St Saskatoon SK S7J3L8
(BROKERAGE)

RE: Blue Mountain
North Battleford SK
(PROPERTY)

FROM: Justin Nett
Kirsten Nett
(BUYER)

AND: Light House Supported Living Inc
(SELLER)

The Buyer and Seller acknowledge and agree that:

- 1. The Brokerage represents the Seller regarding the sale of the Property and has agreed to try to find a Buyer for the Property.
2. The Buyer has requested that the Brokerage assist the Buyer in finding suitable real estate for purchase by the Buyer.
3. The Buyer's interest in the Property results in the Brokerage acting as Agent for both the Buyer and Seller regarding the possible purchase and sale of the Property.
4. The Dual Agency referred to in Paragraph 3 above will result from:
a) [X] the same salesperson acting for both the Buyer and Seller;
b) [] different salespersons operating out of the same branch office of the Brokerage acting for both the Buyer and Seller;
c) [] different salespersons operating out of different branch offices of the Brokerage acting for both the Buyer and Seller.
5. The Buyer and Seller have both read and understood the Saskatchewan REALTORS® Association document entitled, "Agency Disclosure".
6. The Brokerage may only act as the Agent for both the Buyer and Seller with the acknowledgement of both of them.
7. The Buyer and Seller want the Brokerage to represent both of them to facilitate the purchase and sale of the Property.
8. The Buyer and the Seller have carefully considered both the implications of the Brokerage acting for them in a limited capacity and the alternatives available to them.
9. The Brokerage may disclose to the Buyer and Seller at any time all "comparable" property information available through the Multiple Listing Service® System or otherwise included properties for sale, sold or expired.

NOW THEREFORE, in view of the foregoing the Buyer and the Seller hereby acknowledge that the Brokerage is acting as the agent for both the Buyer and the Seller in the circumstances described in Paragraph 4 above regarding the purchase and sale of the Property and agree that the Brokerage's duties to each of them will be modified by the limitations set out in the document which are repeated below:

- X a) the Brokerage will not disclose that the Buyer will pay a price or agree to terms other than those contained in the offer or that the Seller will accept a price or terms other than those contained in the Exclusive Seller's Brokerage Contract.
X b) the Brokerage will not disclose the motivation of the Buyer to buy or the Seller to sell unless authorized by the appropriate party;
X c) the Brokerage shall disclose to the Buyer all material defects about the physical condition of the Property known to the Brokerage;
X d) the Brokerage will not represent the interest of either the Buyer or the Seller to the advantage of one over the other;
X e) the Brokerage will not disclose personal or financial information of either the Buyer or the Seller unless authorized by the appropriate party.

Signed by the Buyer at _____, mm 12 12 dd 08 08 yyyy 2022

WITNESS

Justin Nett 12/08/22 6:25 PM BUYER
Kirsten Nett 12/08/22 8:18 PM BUYER

WITNESS

Signed by the Seller at _____, mm 12 dd 09 yyyy 2022

WITNESS

Light House Supported Living Inc SELLER
SELLER

WITNESS

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This is Exhibit U referred to in the Affidavit of



CONTRACT OF PURCHASE AND SALE

Developed & Provided by your Saskatchewan REALTORS®

This contract is to be used only for properties of commercial nature, including farm

sworn before me this 7 day of February, 2023

Twila Reddekopp
A Commissioner for Oaths for Saskatchewan
My Commission expires
OR Being a Solicitor

Realty Executives Saskatoon 3032 Louise Street Keith Gudmundson
(Full Name of Buyer's Brokerage) (Address) (Salesperson)

I/WE Justin Nett Senlac SOL 2Y0 381 6961
(Names of Buyers: herein called Buyer) (Address) (Postal Code) (Phone)

Kirsten Nett
(Names of Buyers: herein called Buyer) (Address) (Postal Code) (Phone)

HEREBY OFFER TO PURCHASE from
Light House Supported Living Inc 304 2nd Ave South Saskatoon S7K 1L1
(Names of Sellers: herein called Seller) (Address) (Postal Code) (Phone)

through Realty Executives Saskatoon 3032 Louise St Keith Gudmundson (306) 373-7520
(Full Name of Seller's Brokerage) (Address) (Salesperson) (Phone)

the following described property: NE, NW, SE, SW of 31 45 14 W3, WE, NW, SE, SW of 32 45 14 W3, NE 36 45 15 W3
(Legal land description or description of business)

having the following Address: Blue Mountain City or R.M. North Battleford

1. Subject to the reservations and exceptions appearing in the existing Certificate of Title and free and clear of all encumbrances except such encumbrances as are hereafter expressly agreed to be assumed by the Buyer, for the SUM (Sale Price) of: Nine hundred and fifty thousand dollars

Sale Price to be paid as follows:

- (a) \$ 950,000.00 Deposit to be made to the Buyer's Brokerage unless otherwise indicated
- (b) Deposit instructions \$ 75,000.00 Deposit to be in place when conditions are removed or before
- (c) \$ 775,000.00 Financing (if applicable) See item 2 (a)
- (d) \$ 175,000.00 (approx) balance of cash, to be paid subject to the adjustments herein provided, to the Seller's Solicitor or Brokerage of the Seller, or to the Buyer's Solicitor as the case may be, 5 days before the Possession Date.
- (e) Buyer acknowledges that taxes, tax credits, payments and mortgage interest rate may be subject to revision.

2. This contract is made conditional upon the following:
(a) Financing to be arranged on terms and rate satisfactory to the Buyer on or before mm 01 dd 04 yyyy 2023
(b) See Schedule A

- 3. Additional terms are are not set out in the following schedule(s): Schedule A to this contract.
- 4. The Sale Price shall include land, buildings, fixtures and attached goods, to be free and clear of all encumbrances other than those being assumed by the Buyer, shall be and remain as is at the date of acceptance of this contract until Possession Date, and includes the following chattels and unattached goods: (if none, state "NONE"). None
- 5. Mineral title(s) for mineral commodities are are not owned by the Seller and are are not included in the Sale Price.
- 6. The Buyer agrees to pay to the Seller interest at the Bank of Canada Overnight Rate Target at the Possession Date plus 4% per annum, on any portion of the Sale Price, less mortgages or other encumbrances assumed, not received by the Seller, his/her solicitor or his/her Brokerage as at the Possession Date, the interest to be calculated from the Possession Date, until monies are received by the Seller or his/her solicitor. The Seller shall have a lien and charge against the property for the unpaid portion of the Sale Price (with interest as aforementioned).
- 7. **THE SELLER SHALL PAY ALL COSTS OF DISCHARGING ANY EXISTING MORTGAGE OR OTHER ENCUMBRANCES AGAINST THE PROPERTY, NOT ASSUMED BY THE BUYER.**
- 8. This transaction of purchase and sale shall be closed on or before twelve noon mm 03 dd 30 yyyy 2023, (herein referred to as the "Possession Date") on which date the Buyer shall have POSSESSION, vacant or subject to the following tenancy, namely: (if none, state "NONE") Vacant on possession Any grazing leases to be canceled at the end of the 2022

JN KK

Buyer(s) Initials

- 9. **ADJUSTMENTS** re: taxes, rents, insurance, utilities, expenses and other income and outgoing, to be made as at Possession Date, or as follows:
Possession date
- 10. The **Buyer** represents and warrants to the **Seller** that it is is not a registrant, registration # _____ for the purpose of GST under the *Excise Tax Act* (Canada). The **Buyer** shall be liable for and shall indemnify and hold the **Seller** harmless from any liability relating to the GST which may be payable in respect to this transaction. The **Buyer** agrees to self-assess, remit the GST directly to the Receiver General and comply in a timely manner with all filing and payment obligations referred to in Section 228(4) of the *Excise Tax Act* (Canada).
- 11. The **Seller** shall maintain fire insurance coverage on the property until the Possession Date and, if on such date remains an unpaid **Seller**, may continue to insure the property. The **Buyer** shall insure the property on and after possession.
- 12.1 If this offer is not accepted, the entire deposit and any other monies paid, without interest, shall be returned to the **Buyer**.
- 12.2 If this offer is accepted and the conditions in paragraph 2 above have not been satisfied or waived in writing by the date set forth in paragraph 2 above, the entire deposit and any other monies paid by the **Buyer** shall be forthwith returned to the **Buyer**.
- 12.3 If this offer is accepted and all conditions have been removed in writing by the date set forth in paragraph 2 above and the **Buyer** fails to execute any required conveyance or formal documents when prepared, or fails to pay any required cash payment or comply with any of the terms in this contract, this contract shall be void at the **Seller's** option. Where the defaulting party is the **Buyer**, the deposit and any other monies shall be forthwith delivered to the **Seller's** brokerage as forfeiture to the seller.
- 12.4 The **Buyer** and **Seller** agree that the provisions of this section are an agreement to disburse the trust funds pursuant to Section 16(a) of The Real Estate Regulations.
- 12.5 The disbursement of the deposit and other monies as agreed to above is not a prohibition from the **Buyer** or the **Seller** seeking a civil remedy for a breach of this contract.
- 13. The **Seller** and **Buyer** agree to prepare and execute promptly any documents required to complete this transaction. The **Seller** shall pay for the preparation of the Transfer of Title and the **Buyer** shall pay for the registration of the Transfer of Title under *The Land Titles Act*. The costs related to any mortgage or other financing of the Sale Price, other than an Agreement for Sale, shall be paid by the **Buyer**. Costs of any Agreement for Sale shall be borne equally by the **Buyer** and **Seller**.
- 14. This offer is open to acceptance by the **Seller** up to 10:00 p.m., mm 12 dd 08 yyyy 2022.
- 15. **IT IS UNDERSTOOD AND AGREED** that there are no other representations, warranties, guarantees, promises or agreements other than those contained in this contract and I hereby agree to purchase the above described property as it stands at the price and terms and subject to the conditions above set forth. **TIME SHALL BE OF THE ESSENCE OF THIS OFFER/CONTRACT.**
- 16. Upon acceptance of this offer within the time prescribed in paragraph 14, this contract shall constitute a binding contract of purchase and sale and be binding upon the parties hereto, their respective heirs, executors, administrators, successors and assigns.
- 17. By signing this offer the **Buyer** acknowledges having received and read the document published by the Saskatchewan REALTORS® Association entitled, "Agency Disclosure." The **Buyer** acknowledges having read and understood this document, that it accurately describes the agreement with the Buyer's Brokerage, and that a copy of it has been received by the **Buyer** this 08 dd 08 yyyy 2022.

SIGNED by the Buyer at _____, mm 12 dd 08 yyyy 2022

SIGNED, SEALED AND DELIVERED in the presence of _____

Witness _____
Witness _____

IN WITNESS WHEREOF I have hereunto set my hand

Subscribed: Justin Nett 12/08/22 6:25 PM
 Buyer: Kirsten Nett Justin Nett 12/08/22 8:18 PM
 Buyer: Kirsten Nett Kirsten Nett

ACCEPTANCE AND DIRECTION TO PAY COMMISSION AND TAXES

I/WE HEREBY ACCEPT the above Offer together with all conditions contained therein and covenant to carry out the sale on the terms and conditions above mentioned. I do further acknowledge my obligation to pay commissions and all applicable federal and provincial taxes to the Seller's Brokerage pursuant to the listing agreement with respect to the property. I/WE FURTHER HEREBY IRREVOCABLY AND UNCONDITIONALLY DIRECT AND AUTHORIZE MY/OUR SOLICITOR, as indicated by me/us below, or any other Solicitor acting on my/our behalf in this sale, to pay the aforesaid taxes and commission, less the deposit hereby accepted, from the proceeds of the sale when releasable and this shall be and constitute my/our full and sufficient authority for so doing.

I/WE HEREBY CERTIFY that I/we are residents of Canada as defined under the provisions of Section 116 of *The Income Tax Act* and that I/we will provide satisfactory evidence of such residency.

SIGNED by the Seller at _____, mm _____ dd _____ yyyy _____

SIGNED, SEALED AND DELIVERED in the presence of _____

Witness _____
Witness _____

Buyer's Solicitor _____

IN WITNESS WHEREOF I have hereunto set my hand

Seller: Light House Supported Living Inc
 Seller: _____

Seller's Solicitor _____

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MLS® Number _____
Document# EXC 0

SCHEDULE " A " - #101

Developed by your Saskatchewan REALTORS® Association

This is SCHEDULE " A " annexed to and forming part of the Contract of Purchase and Sale
dated mm 12 dd 08 yyyy 2022 between Justin & Kirsten Nett
as Buyer,
and Light House Supported Living Inc
as Seller.

This offer is subject to the buyer approving of the following on or before the 4th of January 2023.
Buyer will not assume any leases

Included:
All appliances
All equipment and or items pertaining to the running and or operation of the property in the provided list.

Witness

Witness

Witness

Witness

Authentic
Justin Nett 12/08/22 6:25 PM ●

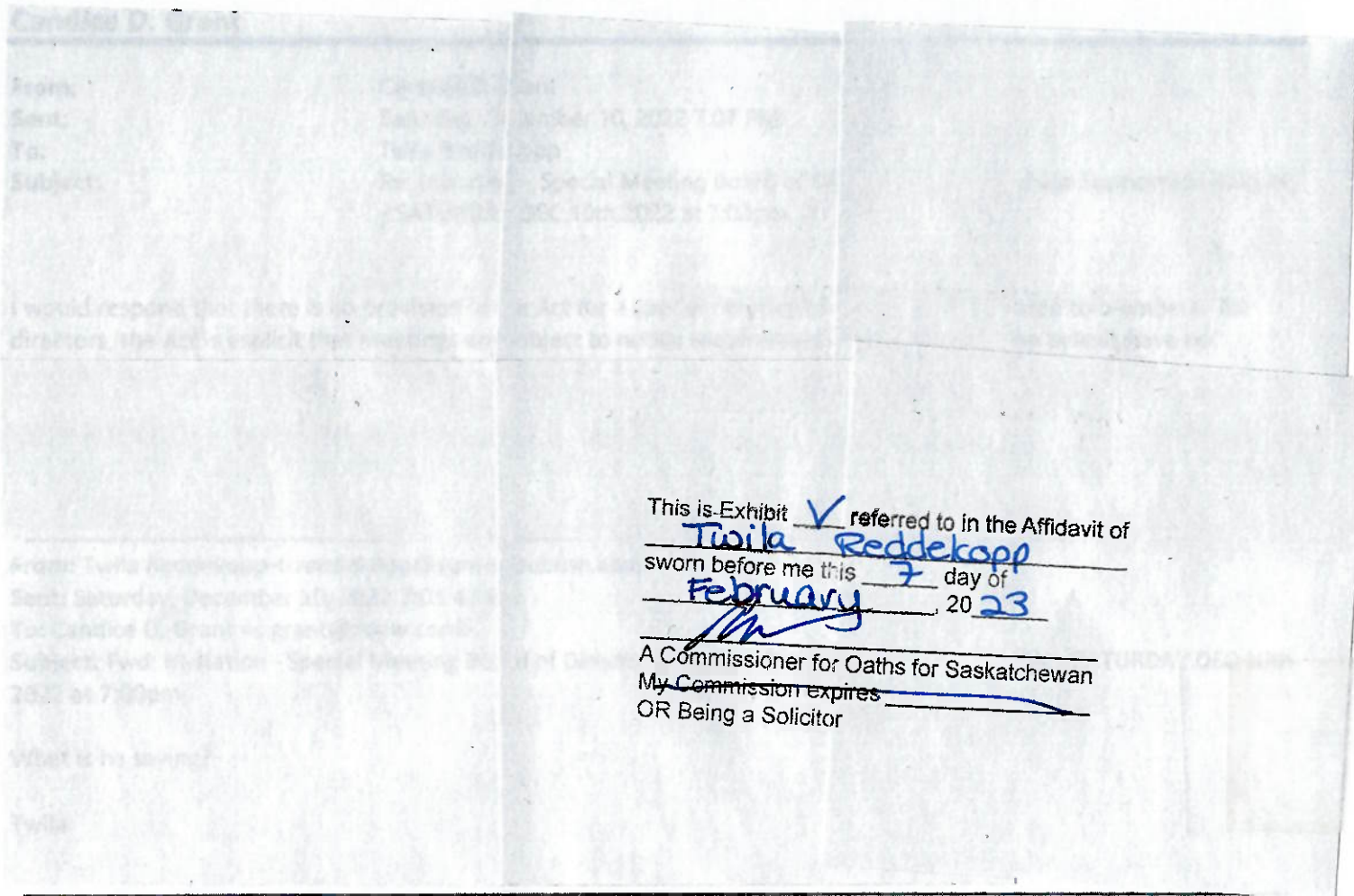
Buyer's/Tenant's Signature
Authentic
Kirsten Nett 12/08/22 8:18 PM ●

Buyer's/Tenant's Signature

Seller's/Landlord's Signature

Seller's/Landlord's Signature

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This is Exhibit referred to in the Affidavit of
Twila Reddekopp
sworn before me this 7 day of
February, 2023
[Signature]
A Commissioner for Oaths for Saskatchewan
~~My Commission expires~~
OR Being a Solicitor

From: Adeel Salman <adeel@nomadstrategies.ca>
Sent: Saturday, December 10, 2022 7:00 PM
To: Jerome Hepfner <jhepfner@outlook.com>; Twila Reddekopp <tredekopp@sunrisepublish.com>
Cc: lisa mccallum <l.mccallum@yahoo.ca>; Don Windels <don.lighthouse@gmail.com>
Subject: RE: Invitation - Special Meeting Board of Directors The Lighthouse Supported Living Inc - SATURDAY DEC 10th 2022 at 7:00pm

Hello Jerome

Not in the case of a special meeting.

Please state the actual clause where it states that majority of the directors cannot call a special meeting.

Thanks



Adeel Salman
Vice President Strategy & Growth | Nomad Strategies
Tel: 1 844 466 6623 ext. 007
Direct: +1 306-850-5033
Email: adeel@nomadstrategies.ca
Saskatoon, Canada

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From: Jerome Hepfner <jhepfner@outlook.com>
Sent: December 10, 2022 6:54 PM
To: Adeel Salman <adeel@nomadstrategies.ca>; Twila Reddekopp <tredekopp@sunrisepublish.com>
Cc: lisa mccallum <l.mccallum@yahoo.ca>; Don Windels <don.lighthouse@gmail.com>
Subject: RE: Invitation - Special Meeting Board of Directors The Lighthouse Supported Living Inc - SATURDAY DEC 10th 2022 at 7:00pm

Hi Adeel.

In the Act, 123(b) is a meeting of the members (not directors), which is still prohibited by court order. The operative section is 101 of the Act, which requires notice under the bylaws. Our Bylaws require a minimum of 5 days notice.

The convening of the meeting remains noncompliant.

Jerome
President
Lighthouse Supported Living Inc.

From: Adeel Salman <adeel@nomadstrategies.ca>
Sent: December 10, 2022 6:44 PM
To: Twila Reddekopp <tredekopp@sunrisepublish.com>; Jerome Hepfner <jhepfner@outlook.com>
Cc: lisa mccallum <l.mccallum@yahoo.ca>; Don Windels <don.lighthouse@gmail.com>
Subject: RE: Invitation - Special Meeting Board of Directors The Lighthouse Supported Living Inc - SATURDAY DEC 10th 2022 at 7:00pm

Twila

This meeting was called as per the by laws and the Act.
So, instead of blocking governance due process and diligence I would suggest to please refer to the bylaws and the Act and revisit the governing clauses.

Adeel Salman
Director
The Lighthouse Supported Living Inc

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From: Twila Reddekopp <treddekopp@sunrisepublish.com>
Sent: December 10, 2022 6:04 PM
To: Jerome Hepfner <jhepfner@outlook.com>; Adeel Salman <adeel@nomadstrategies.ca>
Cc: lisa mccallum <l.mccallum@yahoo.ca>; Don Windels <don.lighthouse@gmail.com>
Subject: Re: Invitation - Special Meeting Board of Directors The Lighthouse Supported Living Inc - SATURDAY DEC 10th 2022 at 7:00pm

Please note my objection as this is not a duly called board meeting. Please refer to our bylaws and the Act.

Twila Reddekopp
Lighthouse Supported Living Inc.

Twila

From: Jerome Hepfner <jhepfner@outlook.com>
Sent: Saturday, December 10, 2022 6:01:13 PM
To: Adeel Salman <adeel@nomadstrategies.ca>; Twila Reddekopp <treddekopp@sunrisepublish.com>
Cc: lisa mccallum <l.mccallum@yahoo.ca>; Don Windels <don.lighthouse@gmail.com>
Subject: RE: Invitation - Special Meeting Board of Directors The Lighthouse Supported Living Inc - SATURDAY DEC 10th 2022 at 7:00pm

I object to this meeting as it is not called in accordance to the requirements in our bylaws and the Act.

Jerome
President
Lighthouse Supported Living Inc.

From: Adeel Salman <adeel@nomadstrategies.ca>
Sent: December 10, 2022 5:39 PM
To: Twila Reddekopp <treddekopp@sunrisepublish.com>; Jerome Hepfner <jhepfner@outlook.com>
Cc: lisa mccallum <l.mccallum@yahoo.ca>; Don Windels <don.lighthouse@gmail.com>
Subject: Invitation - Special Meeting Board of Directors The Lighthouse Supported Living Inc - SATURDAY DEC 10th 2022 at 7:00pm
Importance: High

This email is a notice and invitation to a Special Meeting of the Board of Directors for the Lighthouse Supported Living Inc. to be held at **Saturday Dec 10 2022 at 7:00 pm**

Please confirm your attendance.

Meeting Link

Topic: The Lighthouse Supported Living - Board of Directors Special Meeting

Time: Dec 10, 2022 07:00 PM Saskatchewan

Join Zoom Meeting

<https://us05web.zoom.us/j/89059576341>

Meeting ID: 890 5957 6341

Passcode: light2022

Thank you

Board of Directors

The Lighthouse Supported Living Inc

Adeel Salman

Don Windels

Lisa McCallum

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From: Adeel Salman

Sent: December 10, 2022 5:03 PM

To: Twila Reddekopp <tredekopp@sunrisepublish.com>; Jerome Hepfner <jhepfner@outlook.com>

Cc: lisa mccallum <l.mccallum@yahoo.ca>; Don Windels <don.lighthouse@gmail.com>

Subject: Invitation - Special Meeting Board of Directors The Lighthouse Supported Living Inc

Importance: High

This email is a notice and invitation to a Special Meeting of the Board of Directors for the Lighthouse Supported Living Inc. to be held Sunday Dec 12 at 7:00 pm

Please confirm your attendance.

Topic: The Lighthouse Supported Living - Board of Directors Special Meeting

Time: Dec 10, 2022 07:00 PM Saskatchewan

Join Zoom Meeting

<https://us05web.zoom.us/j/89059576341>

Meeting ID: 890 5957 6341

Passcode: light2022

Thank you

Board of Directors

The Lighthouse Supported Living Inc

Adeel Salman

Don Windels

Lisa McCallum

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Some things to keep in mind that a new owner will likely have to deal with

1. Arranging financing for the improvements to bring it back to a functioning business is very difficult as there are no actual books on the business to prove past revenues.
2. Zip lines are not currently functioning
3. Tub hill is not functioning
4. Bombardier cross country ski groomer is not working
5. Waste water lines have issues
6. Likely the sewer system needs to be upgraded completely and that is why some of the cabins go into a holding tank.
7. The septic upgrade for a venture like this is likely well over \$100,000.00
8. Currently there is no draw to bring people in and not likely any way to create a positive cash flow to justify running the business until some of the items are repaired.
9. Due to the fact that pretty much everything there was added likely more than 20 years ago every time the new owner goes for a permit to do repairs or upgrades they will make them bring it up to current code. This can be very expensive as the codes have changed so much in recent years.