BRITISH COLUMBIA VEGETABLE MARKETING COMMISSION

IN THE MATTER OF THE NATURAL PRODUCTS MARKETING (BC) ACT AND A REVIEW OF A PROBATIONARY AGENCY DESIGNATION AND CERTAIN AGENCY APPLICATIONS

October 18, 2024

In its Interim Decision dated October 11, 2024, the panel directed MPL to provide an unredacted copy of page 8 of its Book of Documents for circulation to stakeholders.

By letter dated October 16, 2024 (a copy of which is attached <u>without the enclosure</u> referenced therein), MPL provided an unredacted copy of page 8 of its Book of Documents to the panel "for compliance purposes only." MPL goes on to essentially indicate that it is providing information regarding the ownership interests in MPL under protest, and it asserts, among other things, that "ownership interests in private corporate entities are generally a confidential matter, and agencies' ownership interests are not a matter of public disclosure in the ordinary course." MPL also asserts that disclosure of this information will prejudice MPL, and it "encourages the Commission to reconsider its direction to both MPL BC and Red Sun on this specific issue, and withhold MPL BC's requested disclosure from public access."

In its September 24, 2024 Interim Decision, the panel articulated the basis for requiring the disclosure of ownership information as follows:

If a licensing body does not look behind the corporate veil, it may act contrary to its statutory mandate and commit a reviewable error: Wight v. Canadian Egg Marketing Agency, [1978] 2 F.C. 260; (1977), 19 N.R. 529 (Federal Court of Appeal); Syntex Pharmaceuticals International Ltd. v. Medichem Inc. 1990 CarswellNat 636, [1990] 2 F.C. 499 (Federal Court of Appeal); and Villetard's Eggs Ltd. v. Canada, 1995 CarswellNat 669, [1995] 2 FC 581, 181 N.R. 374 (Federal Court of Appeal).

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... the withholding of this information could impair the ability of industry stakeholders to provide a full response to the application. The Commission's ability to make an informed decision on the application depends, at least in part, on its ability to receive meaningful feedback from industry stakeholders.

Notwithstanding this direction, Red Sun has refused to disclose ownership information, and MPL has essentially provided this information to the Commission under protest.

In the circumstances, the Commission has decided that it will <u>not</u> circulate the unredacted copy of page 8 MPL's Book of Documents to stakeholders, given that it has essentially been provided to the panel under protest. However, the following issues will form part of the panel's consideration of Red Sun's application and MPL's probationary licence review:

- (a.) The procedural fairness implications, if any, arising from Red Sun's failure or refusal to comply with the Commission's directions concerning redactions, and whether that has impacted the ability of other industry stakeholders to consider and comment on Red Sun's application;
- (b.) The procedural fairness implications, if any, arising from MPL's decision to provide ownership information to the Commission under protest, and whether that has impacted the ability of other industry stakeholders to consider and comment on MPL's probationary licence;
- (c.) The extent to which, if any, Red Sun's failure or refusal to comply with the Commission's directions concerning redactions bears on its suitability as a prospective Agency; and
- (d.) The extent to which, if any, MPL's decision to provide ownership information to the panel under protest bears on its suitability as an Agency (probationary or otherwise).

Derek Sturko, Chair



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October 16, 2024

File No. 582211-1

VIA EMAIL

BC Vegetable Marketing Commission 207 – 15252 32nd Ave Surrey, BC B3Z 0R7

Attn: Andre Solymosi, General Manager

Dear Mr. Solymosi,

Re: MPL British Columbia Distributors Inc. - October 11, 2024 Direction regarding Redactions

We write in response to the BC Vegetable Marketing Commission (the "Commission") October 11, 2024 interim decision, where it directed MPL BC to "provide an unredacted copy of page 8 of its Book of Documents for circulation to stakeholders." As directed, an unredacted copy of page 8 is enclosed.

Please note that MPL BC recognized the Commission's direction and, as directed, provides the unredacted copy of page 8 of its Book of Documents for compliance purposes only. However, MPL BC wishes to highlight and request the following:

- ownership interests in private corporate entities are generally a confidential matter, and agencies' ownership interests are not a matter of public disclosure in the ordinary course (for instance, the ownership structure of Village Farms and GGFI are not available to the industry);
- 2. the Commission first acknowledged and recognized the importance of protecting information relating to the ownership interests of a private company when a) it accepted the redacted version of MPL BC's agency application for circulation to industry stakeholders during its initial agency application proceedings; and b) it applied to the BC Farm Industry Review Board ("BCFIRB") for a confidentiality order on March 16, 2023, protecting that information from disclosure in the BCFIRB proceedings for the approval of MPL BC's agency designation;¹
- 3. the BCFIRB acknowledged and recognized, in an April 6, 2023 decision, that ownership interests are an important commercial interest and the redaction of that information is necessary to protect sensitive,

¹ The Commission's March 16, 2023 written submissions on this issue are available online here: https://www2.gov.bc.ca/assets/gov/british-columbians-our-governments/organizational-structure/boards-commissions-tribunals/bc-farm-industry-review-board/regulated-marketing/supervisory-reviews/2022-mpl-mastronardi-agency-application/2023 mar 16 hrabinsky non-disclosure order request.pdf

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confidential, and proprietary information from disclosure, and ordered that MPL BC's ownership interests be redacted from the public record;² and

4. the Commission acknowledged and recognized *again* the importance of protecting information relating the ownership interests of a private company when it issued a decision on September 17, 2024 accepting MPL BC's proposed redactions (especially in light of BCFIRB's prior decision on the issue) (see paragraph 2 on page 4 of the decision).

There is an internal inconsistency in the Commission's September 17, 2024 decision: it first accepts MPL BC's redaction of its ownership interests as necessary to protect confidential information (and given the prior BCFIRB decision on the issue), but it then directs Red Sun to publicly disclose that same information. The Commission is correcting this inconsistency in its October 11 decision, as a result of a prompt from Red Sun. It does so to MPL BC's prejudice, and without seeking input from MPL BC. MPL BC submits the inconsistency should not have been corrected to MPL BC's prejudice, given the earlier BCFIRB decision on this very issue, and without its input. MPL BC does not oppose Red Sun's desire to redact information revealing its ownership interests and suggests that this information be redacted for both parties.

Additionally, as Red Sun may be further seeking to protect this information (either at an appeal before the BCFIRB and/or a judicial review), MPL BC encourages the Commission to reconsider its direction to both MPL BC and Red Sun on this specific issue, and withhold MPL BC's requested disclosure from public access, so as to avoid unfair outcomes and inconsistent decisions. The Commission emphasized the need for consistency, and for the reasons set forth above such disclosure is inconsistent across agencies at large.

We look forward to hearing from you.

Yours truly,

Dentons Canada LLP

Morgan L. Camley Partner and Practice Group Leader Litigation & Dispute Resolution (Vancouver) MC/mp

Enclosure

² See page 6 of the BCFIRB April 6, 2023 decision, available online here: <a href="https://www2.gov.bc.ca/assets/gov/british-columbians-our-governments/organizational-structure/boards-commissions-tribunals/bc-farm-industry-review-board/regulated-marketing/supervisory-reviews/2022-mpl-mastronardi-agency-application/2023 apr 6 vmc mpl non-disclosure order application decision.pdf