

Action No: 05-05326

IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL DISTRICT OF CALGARY

BETWEEN:

FLYING E RANCHE LTD. and CLARENCE EWASIW

Plaintiffs

- and -

THE ATTORNEY GENERAL OF CANADA on behalf of
HER MAJESTY THE QUEEN IN RIGHT OF CANADA as represented by
THE MINISTER OF AGRICULTURE, JOHN DOE, JANE ROE,
FEED-RITE, INC., RIDLEY INC. and RIDLEY CORPORATION LIMITED

Defendants

This Action is commenced pursuant to the
Class Proceedings Act of Alberta,
S.A. 2003, c. C-16.5

STATEMENT OF CLAIM

Parties

1. The Plaintiff, Flying E Ranche Ltd. (hereinafter "Flying E") is a body corporate, duly incorporated under the laws of Alberta and is located in Porcupine Hills, in the Province of Alberta. At all material times Flying E Ranche Ltd. was engaged in the commercial production of cattle.
2. The Plaintiff, Clarence Ewasiw (hereinafter "Clarence") is an individual and resides in or near the County of Thorhild, in the Province of Alberta. At all material times Clarence was engaged in the commercial production of cattle.

3. The Plaintiffs, Flying E Ranche Ltd. and Clarence Ewasiw bring this claim on behalf of themselves and on behalf of all persons and bodies corporate engaged in the commercial production of cattle in Alberta.
4. The Defendant, the Attorney General of Canada on behalf of Her Majesty the Queen in Right of Canada as represented by the Minister of Agriculture (hereinafter "HMQ"), was at all material times under a public and statutory duty and assumed both policy and operational responsibilities for ensuring the safety of all animal feed in Canada, including regulating and controlling its contents, importation, conditions of manufacture, testing, advertising and conditions of use.
5. John Doe and Jane Roe (hereinafter "the Bureaucrats") were servants of HMQ at material times who were under a duty to ensure the safety of all animal feed in Canada, including regulating and controlling its contents, importation, conditions of manufacture, testing, advertising and conditions of use, and for whose wrongful acts HMQ is vicariously liable. The identities of the Bureaucrats are not currently known to the Plaintiffs, and HMQ has refused an ATIP request to provide their identities.
6. The Defendant Ridley Inc. (hereinafter "Ridley Canada") is a corporation incorporated pursuant to the laws of Manitoba, which manufactures and/or distributes animal feed products. The registered office of Ridley Canada is located at 17 Speers Road, Winnipeg, Manitoba. The operations office of Ridley Canada is currently located at 424 North Riverfront Drive, Mankato, Minnesota, U.S.A. Ridley Canada carries on business in Ontario.
7. The Defendant Ridley Corporation Limited (hereinafter "Ridley Australia") is a corporation incorporated pursuant to the laws of Australia and is Australia's largest stockfeed manufacturer and producer. The head office of Ridley Australia

is located at Level 10, 12 Castlereagh Street, Sydney, New South Wales, Australia. Ridley Australia carries on business in Ontario.

8. Ridley Australia owns 69% of its subsidiary, Ridley Canada. Shares of Ridley Canada are traded publicly on the Toronto Stock Exchange using the symbol RCL.
9. The Managing Director and CEO of Ridley Australia, Matthew Bickford-Smith, is a Director of Ridley Australia and a Director of Ridley Canada. The Chairman of Ridley Australia, John Keniry, is a Director of Ridley Australia, a Director of Ridley Canada, and is Chairman of Ridley Canada. At all material times Ridley Australia exerted operational control over Ridley Canada. At all material times Ridley Australia had one or more Directors in common with Ridley Canada.
10. In the Ridley Corporation Limited Annual Report 2004, Ridley Canada is described as 'the controlled entity'.
11. In 1994 Ridley Australia acquired the Defendant Feed-Rite, Inc. (hereinafter "Feed-Rite"), a large Canadian stockfeed company based in Winnipeg. Feed-Rite became a division of Ridley Canada. The head office of Feed-Rite is located at 17 Speers Road in Winnipeg. At all material times Ridley Australia exerted operational control over Feed-Rite through Ridley Australia's subsidiary, Ridley Canada. Feed-Rite, Inc. carries on business in Ontario.
12. The defendant corporations can only act through their employees, directors, officers and agents and are vicariously liable for their acts and omissions.

Factual Background

13. This action relates to bovine spongiform encephalopathy (hereinafter "BSE"), also popularly known as 'mad cow disease', a wasting disease of cattle.
14. BSE is one of a family of transmissible spongiform encephalopathies. The infectious agent that causes BSE is a naked protein consisting of approximately 250 amino acids. Such disease-causing proteins are called prions and include, for example, the etiologic agents responsible for scrapie in sheep and Creutzfeldt-Jakob disease in humans.
15. BSE is transmitted to cattle when healthy cattle eat the remains of infected cattle or other ruminants (cud chewers). The BSE prion is absorbed intact into the blood through the digestive tract. As little as one milligram or less of infected feed is necessary to trigger BSE in a cow. The only other known method of infection is parenteral, where the BSE prion is introduced directly into the bloodstream.
16. Transmissible spongiform encephalopathies have been known and described in Canada as far back as 1963, when farmed mink in Ontario contracted what is now known as mink spongiform encephalopathy (MSE) from being fed the carcasses of cattle.
17. BSE prions are found in far higher concentrations in the brain and spinal cord of infected cattle and other ruminants than in other tissues. This was common knowledge in the scientific community in Canada in 1988.
18. In 1988 it was common knowledge in the scientific community in Canada that BSE was transmitted by meat and bonemeal from infected ruminants being

incorporated into cattle feed. Healthy cattle fed the contaminated feed contracted the disease as a result.

19. In one of many contemporary articles by scientists on the risks of BSE, Drs. Jan Thorsen and Peter Little of the Ontario Veterinary College published a paper in the September 1989 edition of the Canadian Veterinary Journal, warning that "serious consideration should be given by Agriculture Canada to preventing incorporation of ruminant-derived rendered products into any animal foods."
20. In 1988 it was common knowledge in the scientific community in Canada that calves were particularly susceptible to infection from eating feed contaminated with the BSE prion.
21. This body of knowledge among the scientific community was largely a result of the uproar, publicity and research generated by the outbreak of 'mad cow disease' in Great Britain in the 1980s.
22. At the request of the British Government Mr. John Wilesmith, the Head of the CVL Epidemiology Department of Great Britain, concluded by the end of 1987 that the cause of the reported cases of BSE in Great Britain was the consumption of meat and bonemeal (hereinafter "MBM") from infected animal carcasses which had been incorporated into cattle feed.
23. The British government subsequently enacted the Ruminant Feed Ban, which came into effect in Great Britain on July 18, 1988, banning the feeding of ruminant MBM to other ruminants. This action on the part of the British government to contain the spread of BSE was given significant and widespread attention in the world press.

24. On July 25th, 1988 the European Commission was officially informed of the ruminant feed ban, and the following day BSE was first discussed by the Standing Veterinary Committee in Brussels.
25. By July of 1989 the United States, Israel, Australia, Sweden and New Zealand had imposed a total ban on the importation of live cattle from Great Britain.
26. In addition, Japan, Morocco, Canada and South Africa had all introduced requirements by this time that all live cattle imported from the UK be from herds certified as free of BSE. In Canada, this requirement was introduced in 1987.
27. In July of 1989 the European Union banned the importation from Great Britain of live cattle born before 18 July 1988, or born to dams in which BSE was suspected or officially confirmed. On March 1st of 1990 this ban was upgraded to include all live cattle other than those less than 6 months of age.
28. In 1990, Canada banned the importation of live cattle from the U.K. and Ireland. The importation of ruminant MBM from the U.K., used in the manufacture of cattle feed in Canada, was not banned. In 1997 HMQ required permits for the importation of animal protein from Great Britain and elsewhere.
29. In 1988 Agriculture Canada published a public notice for a proposed amendment to the Regulations to the *Feeds Act* R.S., c. F-7, s.1 (hereinafter "Feeds Act").
30. This public notice, entitled "036-AGR - Feeds Regulations: Minor Amendments" was included in the "Federal Regulatory Plan 1988".

31. This public notice claimed that:
 - a) housekeeping changes to the Feeds Regulations will be conducted on a quarterly basis; and
 - b) the anticipated impact of the proposed changes was that "the Feeds Regulations will be current".
32. In 1990, HMQ and the Bureaucrats promulgated Feeds Regulation SOR/90-73 (hereinafter "SOR/90-73").
33. SOR/90-73 revoked the existing Schedule IV to the Feeds Regulations, which lists the permitted ingredients in animal feed, and replaced it in its entirety with a new Schedule IV consisting of some 65 pages as published in the Canada Gazette.
34. Among the provisions in the new Schedule IV were the following paragraphs:
 - a) 5.1.5 which specifically permitted the incorporation of non-rendered ruminant meat by-products, including brain and spinal cord, into cattle feed;
 - b) 5.1.6 which specifically permitted the incorporation of rendered ruminant meat by-products, including brain and spinal cord, into cattle feed;
 - c) 5.1.7 which specifically permitted the incorporation of rendered ruminant meat by-products, including brain and spinal cord, as well as rendered ruminant bonemeal into cattle feed;

- d) 5.1.8 which specifically permitted the incorporation of rendered ruminant tissues, including brain and spinal cord, into cattle feed; and
 - e) 5.1.9 which specifically permitted the incorporation of rendered ruminant tissues, including brain and spinal cord, as well as rendered ruminant bonemeal into cattle feed.
35. Paragraphs 5.1.6 to 5.1.9 inclusive were contained verbatim in the *Feeds Regulations, 1983* and numbered as paragraphs 5.1.5 to 5.1.8 respectively therein. The new paragraph 5.1.5 now permitted, for the first time, the incorporation of non-rendered ruminant meat by-products, including brain and spinal cord, into cattle feed.
36. Despite notice to the public provided in the Federal Regulatory Plan 1991 that once again "general housekeeping changes to the Feeds Regulations" would be made, no housekeeping changes to the Feeds Regulations were conducted on a quarterly basis. In fact, no housekeeping changes to the Feeds Regulations have ever been made.
37. HMQ claimed in 'The Agriculture Canada Annual Report 1988-1989' that "Agriculture Canada's activities in the livestock sector support the entire Canadian livestock industry. The department's programs protect feed users and Canadian animals from disease." and "Agriculture Canada's Feed Program controls livestock feeds manufactured, imported and sold in Canada to protect users and the public from health hazards and marketing fraud. The program conducts pre-sale evaluation and registration of novel feed ingredients and specialty feeds."
38. However, the Plaintiffs state and the fact is that HMQ and the Bureaucrats consulted no scientists concerning the possible effects on health and safety of

the feed ingredients listed in paragraphs 5.1.5 to 5.1.9 of Schedule IV to SOR/90-73 before it was promulgated.

39. HMQ and the Bureaucrats conducted no health and safety assessment whatsoever of the feed ingredients listed in paragraphs 5.1.5 to 5.1.9 of Schedule IV to SOR/90-73 before it was promulgated. HMQ has admitted in writing, in response to an ATIP request, that "there was no safety review of all the ingredients or specifically" those listed in paragraphs 5.1.5 to 5.1.9.
40. HMQ and the Bureaucrats failed to consider BSE in the conception, design or implementation of paragraphs 5.1.5 to 5.1.9 of Schedule IV to SOR/90-73 before it was promulgated, despite direct knowledge by HMQ and the Bureaucrats that BSE was transmitted by the ingestion of contaminated MBM by healthy cattle.
41. HMQ and the Bureaucrats did consult with one or more feeds manufacturers concerning the potential commercial effects of SOR/90-73 before it was promulgated.
42. There is no mention of Regulation SOR/90-73, either directly or by analogy, in The Agriculture Canada Annual Report for the years 1988-1989 or 1989-1990.
43. In 1990 HMQ established BSE as a reportable disease in Canada, meaning that all suspected cases were required to be reported to a federal veterinarian.
44. In 1990 HMQ placed all cattle imported from the United Kingdom and Ireland since 1982 in a 'monitoring program'. This was in concert with the decision to ban further cattle imports from these countries amid growing concerns about the spread of BSE through exported cattle.
45. In 1992 HMQ established a 'BSE surveillance system'.

46. In December 1993 a purebred cow in Alberta, imported from Great Britain in 1987, was diagnosed with BSE. HMQ instituted a trace on all cattle imported from Great Britain.
47. According to HMQ, 191 cattle were imported from the U.K. and Ireland into Canada between 1982 and 1990. At least 80 of these animals were potentially rendered after they were slaughtered (68) or died (12), and then entered the cattle feed system, despite HMQ purporting to have these animals in a 'monitoring program' since 1990.
48. At least 10 of these animals that potentially entered the cattle feed system were from herds in Great Britain that contained animals diagnosed as having BSE. This information was known to HMQ in 1990.
49. In contrast, Australia banned imports of live cattle from England and Ireland in 1988. A tracing program confirmed that Australia had imported 131 cattle from the U.K. and Ireland between 1980 and 1988. Imported cattle still alive were placed under quarantine surveillance and were not allowed to enter the animal or human food chain.
50. HMQ and the Bureaucrats failed to institute a ruminant feed ban in Canada prior to August 1997, despite the fact that from 1993 onward they had actual knowledge that cattle from Great Britain were present in Canada, MBM from downer and dead cattle from Great Britain was being and had been incorporated into cattle feed, and that ingestion of less than one milligram of infected MBM could cause BSE in a healthy cow.
51. The World Health Organization (hereinafter "WHO") sponsored a meeting of international experts who reviewed the public health issues related to BSE in Geneva on April 2-3, 1996. On April 3, 1996 a list of recommendations were

released by the WHO, including the recommendation that "all countries should ban the use of ruminant tissues in ruminant feed."

52. A working group was subsequently formed in Australia that included members of the Stockfeed Manufacturers Association of Australia as well as representatives from the State and Territory governments. In May 1996 the animal feed industry in Australia placed a voluntary ban on the incorporation of ruminant MBM into ruminant feed. Ridley Australia took part in the working group discussions and agreed to participate in the voluntary MBM feed ban.
53. One of the foci of these discussions was the possible effect on the cattle industry of Australia, the world's largest exporter of cattle and beef, should BSE be found in the Australian cattle herd. The potential economic effects on Australian cattle producers of international bans on the importation of Australian beef and cattle were specifically discussed.
54. On March 29, 1996 in the United States a joint statement was issued by the National Cattleman's Beef Association, American Sheep Industry Association, National Milk Producers Association, American Veterinary Medical Association, American Association of Bovine Practitioners and the Association of American Veterinary Colleges announcing that they would immediately establish an aggressive, voluntary program to ensure that ruminant MBM was not used in ruminant feed products.
55. The US Department of Agriculture and the US Public Health Service announced their support for these voluntary measures. The US Food and Drug Administration announced that it would expedite regulations prohibiting the incorporation of ruminant MBM into ruminant feeds.

56. In August of 1997 HMQ enacted the *Health of Animals Regulations*, SOR/97-362, that prohibited the feeding of protein derived from mammals to ruminants, with the exception of porcine- or equine-derived protein. A three months grace period was allowed so that suppliers could clear existing stocks. This ban on the feeding of ruminant remains to ruminants in Canada became effective as of October, 1997.
57. Ridley Canada continued to incorporate ruminant MBM into their feed products manufactured in both Canada and the United States up to August of 1997.
58. On January 31, 2003, a cow in northern Alberta was identified at slaughter as a downer (hereinafter "the infected cow"). It had been sent to a provincially inspected abattoir, where the animal was condemned due to a post-mortem finding of pneumonia. The head was removed and sent to the Alberta provincial laboratory for BSE testing.
59. On May 16, 2003 the province made a preliminary diagnosis of BSE. This diagnosis was confirmed by the Canadian Food Inspection Agency's National Centre for Foreign Animal Disease on May 18th and by the international reference laboratory in Great Britain on May 20th.
60. In its "Summary of the Report of the Investigation of Bovine Spongiform Encephalopathy (BSE) in Alberta, Canada", dated July 2, 2003, the Canadian Food Inspection Agency (hereinafter "CFIA"), a federal agency created in 1997, found that "the most likely source of BSE for the infected cow would have been the consumption of feed containing meat and bonemeal (MBM) of ruminant origin contaminated with the BSE prion before the US and Canada implemented a feed ban in August 1997."

61. The CFIA went on to say that it was able to confirm that the manufacturer of the feed product in question had ceased the incorporation of ruminant MBM into their feed products in August 1997, following the delisting of ruminant MBM from the permitted ingredients in animal feed.
62. The infected cow was born in March of 1997. It had been fed a calf starter ration containing ruminant MBM infected with the BSE prion. HMQ conducted a trace of the possible source of BSE in the infected cow and determined that the most likely source of the BSE prion was a product known as 18% SR Calf Starter w/DCX manufactured at the Feed-Rite mill in St. Paul, Alberta in the spring of 1997.
63. The United States and Mexican borders were closed to Canadian beef and live cattle on May 21, 2003. Japan quickly followed suit. The market for live cattle in Canada collapsed immediately, losing some 70% of its value.
64. "On 20 May 2003, Canada was struck with BSE. The discovery of one case of BSE in one cow, in one herd, in one province set off a series of events that devastated cattlemen and other livestock producers across Canada. The industrialized world immediately closed its borders to Canadian cattle and beef, and a fully integrated North American market for beef products and live animals became de-integrated. Cattle prices spiralled downward, cattle herds grew beyond affordable levels, flourishing cow-calf operations were made unprofitable, and packers and processors were burdened with costly new processing regulations."

**Canadian Livestock and Beef Pricing in the Aftermath of the BSE Crisis
Report of the Standing Committee on Agriculture and Agri-Food, April 2004**

65. The total value of exports of Canadian cattle and beef in 2002 was approximately \$4 billion (\$1.9 billion in live cattle and \$2.1 billion in beef). Exports accounted for over 60% of the total Canadian beef and live cattle production in 2002.
66. The U.S. market re-opened to Canadian beef from cattle under 30 months of age in late August, 2003, followed shortly thereafter by the Mexican market. The dollar volume of sales of Canadian beef to these two countries has rebounded and is at near pre-BSE levels.
67. However, the export level for beef in 2004 was still 13% below the 2002 levels. The ban on the importation of live cattle remains in place.
68. It was stated by Kenrick Jordan, Senior Economist of the BMO Financial Group, in an Industry Update newsletter dated November 29, 2004 that "between May 2003 and November 2004, farm cash receipts for cattle plunged by close to \$5 billion from what they would have been had BSE not been discovered."

Negligence of HMQ

69. The Plaintiffs state and the fact is that HMQ and the Bureaucrats were grossly negligent in the design and promulgation of SOR/90-73.
70. The design, drafting and promulgation of SOR/90-73 were negligent bureaucratic operational decisions triggered by the discretionary policy decision of HMQ and the Bureaucrats to regulate pursuant to section 5 of the Feeds Act.
71. Once the policy decision to regulate was taken, HMQ and the Bureaucrats were under a duty to use all reasonable care in the actual operational decisions involved in the promulgation of SOR/90-73 including, but not limited to, design,

drafting, publishing notice and consultation, as well as assessing and ensuring safety and efficacy. HMQ and the Bureaucrats failed to do so.

72. In the alternative, if the promulgation of SOR/90-73 was a policy decision, then it was not taken in the *bona fide* exercise of discretion. The *bona fide* exercise of discretion required that HMQ and the Bureaucrats take proper account of factors relevant to their statutory mandate in the crafting and promulgation of SOR/90-73. These factors include, but are not limited to, the safety, quality and efficacy of the feed ingredients listed in Schedule IV of SOR/90-73. HMQ and the Bureaucrats failed to take proper account of any of these factors into consideration in the crafting and promulgation of SOR/90-73 in general, and with regard to paragraphs 5.1.1 to 5.1.9 inclusive of Schedule IV in the specific, and thus failed to exercise their discretion in accordance with proper principles.
73. HMQ has admitted that HMQ and the Bureaucrats conducted no safety review whatsoever of the ingredients listed in Schedule IV to Regulation SOR/90-73 in general, and paragraphs 5.1.1 to 5.1.9 inclusive of Schedule IV in the specific, in the creation or promulgation of this Regulation. No issues of safety in general, and BSE in the specific, were considered.
74. Further, HMQ and the Bureaucrats appear to have been less than candid in informing the public in the pre-publication of SOR/90-73 by claiming that the proposed changes in the Regulations were merely "housekeeping", and that changes to the Regulations would be made on a quarterly basis. Neither of these claims has proven to be accurate. In 1991 HMQ and the Bureaucrats repeated the claim that housekeeping changes would be made to the Feeds Regulations on a regular basis. "Quarterly changes" necessarily connotes continuous active monitoring and improvement. No such process was initiated or applied.

75. Issues of safety required that continuous monitoring of feed ingredients take place. Minister Harkness envisaged that continuous monitoring of feed ingredients would take place when he introduced the Feeds Act in Parliament.
76. The Plaintiffs state that HMQ and the Bureaucrats failed to act in a reasonable manner in the *bona fide* exercise of discretion and were negligent in failing to have in place a continuous active monitoring and improvement mechanism for feed ingredients, as they indicated would be in place in the Federal Regulatory Plan 1988 and 1991.
77. There is no privative clause in the Feeds Act limiting HMQ's liability, or otherwise restricting the Plaintiffs and the Class Members' right to recovery in this action.
78. Despite banning the importation of live cattle from Great Britain in 1990, HMQ and the Bureaucrats failed to ban the importation of ruminant MBM from Great Britain until 1997.
79. The Plaintiffs state that HMQ and the Bureaucrats were grossly negligent in allowing the importation of ruminant MBM for use in cattle feed from Great Britain and other countries after BSE had been found in these countries.
80. The Plaintiffs state that HMQ and the Bureaucrats were grossly negligent in allowing the importation of cattle feed from the United States containing ruminant MBM following the Ruminant Feed Ban in Great Britain in 1988.
81. HMQ adopted the British practice of establishing BSE as a reportable disease (1990) and instituting a 'surveillance system' (1992) but did not enact a ruminant feed ban in a timely manner, the cornerstone of BSE control in Great Britain.

82. Somehow, despite instituting a surveillance and monitoring program in 1990 on the 191 cattle imported from the U.K. and Ireland between 1982 and 1990, HMQ and the Bureaucrats allowed 80 of these animals, at least 10 of which came from herds known to have BSE and at least 2 of which were birth cohorts of animals diagnosed with BSE, to be rendered and enter the animal food chain between 1990 and 1994. HMQ and the Bureaucrats have never proffered an explanation as to how this was allowed to happen.
83. The Plaintiffs state that once the policy decision was made in 1990 to monitor these 191 cattle, HMQ and the Bureaucrats had a duty to use all reasonable care to ensure that the monitoring system was effective and that none of these cattle were allowed to enter the animal food chain. HMQ and the Bureaucrats failed to do so.
84. The Plaintiffs state that HMQ and the Bureaucrats were grossly negligent in allowing these 80 animals to be rendered and enter the animal food chain in Canada. HMQ believes and has stated that one or more of these animals are the most likely original source of BSE in Canada.
85. The Plaintiffs state that HMQ and the Bureaucrats were negligent in not imposing a ruminant feed ban in or before 1996, despite the actual knowledge of HMQ and the Bureaucrats that cattle imported from Great Britain had been rendered and had entered the Canadian cattle food chain, and that at least one of the cattle imported from Great Britain had been diagnosed with BSE.

Duty of Care

86. The Plaintiffs state and the fact is that at all material times HMQ and the Bureaucrats were under a duty of care to ensure the safety and quality of ingredients incorporated into animal feeds.

87. As the Honourable Douglas Harkness, then Minister of Agriculture, said when introducing the second reading of the Feeds Act in the House of Commons in 1960:

The basic provisions of the legislation are to require livestock feeds to be registered, to be labelled to show their ingredients **and to meet certain standards of quality and safety.**

(emphasis added)

88. Minister Harkness went on to say:

The last major revision of the Feeding Stuffs Act was in 1937. Since then there have been numerous advances in animal nutrition, in feed manufacturing and distribution and in methods of feed testing which necessitate amending the legislation to keep it in conformity with present practices.

Many of the detailed provisions which now require changing are contained in the act itself. **It was felt desirable, in order to permit more ready adjustment of the legislation to changing technical conditions, to revise the act so as to permit many of the detailed requirements with respect to registration, standards, packaging, labelling and analysis to be established by regulation.**

(emphasis added)

89. In 1988, 1989 and 1990 HMQ stated that:

The purpose of the Feeds Regulations is to **monitor and control all livestock feed used in Canada to ensure that it is safe, wholesome and properly labelled so that consumers and livestock producers are protected against potential health hazards from residues and contaminants in livestock products** and fraud in marketing.

(emphasis added)

90. The Plaintiffs state that HMQ and the Bureaucrats were under a duty to conduct an assessment of the quality and safety of the proposed feeds ingredients listed in Schedule IV in general, and with reference to BSE in the specific, before the promulgation of SOR/90-73. This was not done.

91. It was in the reasonable contemplation of HMQ and the Bureaucrats that a failure on their part to take reasonable care in the proscription of permissible ingredients in cattle feed could lead to detrimental effects on the health of cattle, and to the livelihood and well-being of cattle producers thereby.

92. Further, in the specific, it was reasonably foreseeable in 1990 that permitting the feeding of ruminant remains to cattle in Canada could and would result in the transmission of BSE to healthy Canadian cattle.

93. Given the history of international bans and restrictions on the importation of cattle and beef products from Great Britain in the late 1980s, including the total ban on the importation of live cattle imposed by the United States, it was reasonably foreseeable by HMQ and the Bureaucrats that the discovery of a cow infected with BSE in Canada could and would result in international bans and restrictions on the importation of Canadian beef and cattle.

94. Clearly, there is sufficient proximity between HMQ and the Bureaucrats and cattle producers to impose a duty of care on HMQ and the Bureaucrats in this action. This is especially true given the power imbalance and necessary trust between cattle producers and HMQ.
95. Additionally, the Plaintiffs state that HMQ had a duty inherent in the general *parens patriae* public duty to provide for the peace, order and good government of Canada, to not allow ruminant MBM to be incorporated into cattle feed when HMQ and the Bureaucrats knew or ought to have known that the use of such MBM in cattle feed was dangerous and hazardous to the health of cattle and to the well-being of Canadian cattle producers thereby.
96. In the Minister's message to the Federal Regulatory Plan 1988, the Honourable Barbara McDougall, Minister responsible for Regulatory Affairs, wrote:

The purpose of regulation is to make our society work better, not to make things worse, and it is in everybody's interest to make sure that we do it as well as possible.

97. Paragraph 5 of the Guiding Principles, published annually as part of the Federal Regulatory Plan states:

Regulation entails social and economic costs and the government will evaluate these costs to ensure that benefits clearly exceed costs before proceeding with new regulatory proposals.

98. Paragraph 7 of The Citizen's Code of Regulatory Fairness, published annually as part of the Federal Regulatory Guide, states:

The government will ensure that officials responsible for developing, implementing or enforcing regulations are held accountable for their advice and actions.

99. Further, in an address to the House of Commons on February 13, 1987, Minister McDougall stated:

There are a number of elements I would like to point out about regulatory reform. First, this has now commanded ministerial attention, and the attention of a cabinet committee, so it has very strong control because **there is a very strong political will to ensure the regulatory environment improves. We have published, as well, a Citizen's Code of Fairness which, I think, is very important.** My predecessor, the Minister of Justice was responsible for introducing that publication.

(emphasis added)

Standard of Care

100. The Parliament of Canada by enacting the Feeds Act conferred upon HMQ and the Bureaucrats the power to make Regulations, but left the nature and scale on which this discretion was exercised to be determined by HMQ and the Bureaucrats.
101. The crafting and promulgation of SOR/90-73 were operational decisions stemming from the discretionary policy decision to regulate. HMQ and the Bureaucrats were required to use all reasonable care in ensuring that the feed ingredients listed in Schedule IV were safe. HMQ and the Bureaucrats failed to do so, and thereby breached the requisite standard of care.

102. In the alternative, the crafting and promulgation of SOR/90-73 were policy decisions by HMQ and the Bureaucrats that required the *bona fide* exercise of discretion. By not addressing safety considerations in general, and with respect to BSE in the specific, HMQ and the Bureaucrats irresponsibly failed to take proper account of factors relevant to their statutory mandate, and thereby breached the requisite standard of care.
103. HMQ has admitted in writing that the “housekeeping changes to the Feeds Regulations” that were to be conducted “on a quarterly basis” have, in fact, never been done.
104. The initial decision to implement continuous active monitoring and improvement to the Feeds Regulations was operational in nature. HMQ and the Bureaucrats were required to use all reasonable care in ensuring that an ongoing, active and effective monitoring system was in place, particularly as HMQ and the Bureaucrats had held out to the public that such a system would be in place. HMQ and the Bureaucrats failed to do so, and thereby breached the requisite standard of care.
105. In the alternative, the initial decision to publish HMQ’s intent to implement continuous active monitoring and improvement to the Feeds Regulations, and the subsequent decision to not implement active monitoring and improvement to the Feeds Regulations were policy decisions requiring the *bona fide* exercise of discretion. HMQ and the Bureaucrats were required to take proper account of factors relevant to their statutory mandate in deciding to not ensure that an ongoing, active and effective monitoring system was in place, particularly as HMQ had held out to the public that such a system would be in place.
106. By failing to address safety considerations in general, and with respect to BSE in the specific, in the assessment of the need for ongoing monitoring of the Feeds

Regulations HMQ and the Bureaucrats failed to take proper account of factors relevant to their statutory mandate, and thereby breached the requisite standard of care.

107. The decision by HMQ in 1990 to put in place a system to 'monitor' the 191 cattle imported from the UK and Ireland between 1982 and 1990 was a policy decision. Once the decision to monitor was made, HMQ was under a duty to ensure that the system of monitoring these 191 cattle was reasonable and was executed properly.
108. A 'monitoring' system that allows 80 of 191 cattle, potentially infected with BSE, to be rendered and enter the animal food chain in Canada in the space of three and one-half years is *prima facie* unreasonable, improperly executed, and a breach of the requisite standard of care.
109. The Plaintiffs state that HMQ and the Bureaucrats were grossly negligent in allowing these 80 cattle to be rendered and enter the animal food chain between 1990 and 1993.
110. By failing to ban the importation of ruminant MBM from Great Britain and other countries where BSE was known to be endemic in a timely fashion, HMQ and the Bureaucrats failed to take proper account of factors relevant to their statutory mandate, and thereby breached the requisite standard of care.
111. By failing to institute a ruminant feed ban in Canada in or before 1996, although they had actual knowledge that cattle from Great Britain were present in Canada, MBM from downer and dead cattle from Great Britain was being and had been incorporated into cattle feed, and that ingestion of less than one milligram of infected MBM could cause BSE in a healthy cow, HMQ and the Bureaucrats breached the requisite standard of care.

112. The Plaintiffs state that HMQ and the Bureaucrats did not act in accordance with reasonable standards of regulatory rule-making and reasonable standards of administration and enforcement at the relevant times.
113. In the alternative the Plaintiffs state that if HMQ and the Bureaucrats did act according to such standards at the relevant times, which is not admitted but is specifically denied, then:
- a) the standards themselves were negligent;
 - b) the standards were fraught with obvious risk;
 - c) the standards were such that anyone would be capable of finding them to be negligent or inadequate without the necessity of adjudging matters requiring expertise;
 - d) the standards failed to include obvious and reasonable precautions necessary to ensure that the ingredients permitted in animal feed did not cause harm; or
 - e) the standards which were in effect were negligently, inadequately or inconsistently enforced and/or applied by HMQ.
114. Further particulars of the wrongful acts and omissions of HMQ and the Bureaucrats cannot be provided by the Plaintiffs until complete records have been produced by HMQ and the Plaintiffs have had these records reviewed by appropriate experts competent to opine as to the nature and extent of HMQ and the Bureaucrats' regulatory oversights and other wrongs in the circumstances of this action, and the standards breached thereby.

Causation

115. HMQ has acknowledged that "the most likely source of BSE for the infected cow would have been the consumption of feed containing meat and bonemeal (MBM) of ruminant origin contaminated with the BSE prion before the US and Canada implemented a feed ban in August 1997."
116. HMQ has determined that the most likely source of BSE for the infected cow was Feed-Rite 18% SR Calf Starter w/DCX produced at the Feed-Rite mill in St. Paul, Alberta that contained ruminant MBM contaminated with the BSE prion.
117. HMQ has determined that Ridley complied with HMQ's ban on the incorporation of ruminant MBM into cattle feed in August of 1997.
118. But for HMQ and the Bureaucrats' negligence in permitting the incorporation of ruminant MBM into cattle feed in SOR/90-73, Ridley would not have incorporated ruminant MBM into their Feed-Rite 18% SR Calf Starter w/DCX product, and the infected cow would not have contracted BSE.
119. But for HMQ and the Bureaucrats' negligence in failing to implement a ruminant feed ban on or before 1996, Ridley would not have incorporated ruminant MBM into their Feed-Rite 18% SR Calf Starter w/DCX product, and the infected cow would not have contracted BSE.
120. The international bans on the importation of Canadian beef and cattle, for example those of the US and Mexico that commenced on May 21st, 2003, were enacted as a direct result of the confirmation of BSE in the infected cow on May 20th, 2003.

121. It was reasonably foreseeable by HMQ and the Bureaucrats that carelessness on their part in ensuring the safety of permissible ingredients in cattle feed could have a detrimental effect on the health of Canadian cattle.
122. It was reasonably foreseeable by HMQ and the Bureaucrats that carelessness on their part in monitoring the 191 cattle imported from the U.K. and Ireland between 1982 and 1990 could result in some of these cattle being rendered and entering the animal food chain.
123. It was reasonably foreseeable by HMQ and the Bureaucrats that some of these 191 cattle might be infected by BSE and if they entered the animal food chain in Canada that BSE could be transmitted to healthy Canadian cattle thereby.
124. HMQ has admitted that the most likely original source of BSE in Canada was one or more of the 80 imported cattle that were rendered and entered the animal food chain. The cow that was infected with BSE and rendered in 1996, whose MBM was included in Feed-Rite 18% Calf Starter w/ DCX, most likely contracted BSE from eating feed contaminated with MBM from one of these 80 cattle.
125. It was reasonably foreseeable by HMQ and the Bureaucrats that failure to ban the incorporation of ruminant MBM into cattle feed on or before 1996, including ruminant MBM imported from Great Britain, could and would result in the transmission of BSE to healthy cattle in Canada at the material times.
126. It was reasonably foreseeable by HMQ and the Bureaucrats that the failure to have in place an ongoing, active and effective monitoring system to ensure the continuous safety of the ingredients listed in Schedule IV of the Regulations to the Feeds Act at the material times could and would result in the incorporation of ruminant MBM from infected cattle into cattle feed, and the transmission thereby of BSE to healthy cattle in Canada at the material times.

127. It was reasonably foreseeable by HMQ and the Bureaucrats that the discovery of a cow infected with BSE in Canada could and would lead to international bans on the importation of Canadian beef and cattle.
128. From 1988 until the commencement of this action, HMQ and the Bureaucrats knew or ought to have known the following:
- a) BSE infected ruminant MBM was being brought into Canada and incorporated into cattle feed for domestic use;
 - b) the incorporation of any and all ruminant MBM into cattle feed posed a high risk for the spread of BSE into healthy cattle;
 - c) the finding of BSE in a Canadian cow could and would result in international sanctions and restrictions on the importation of Canadian cattle and/or beef; and
 - d) international restrictions on the importation of Canadian cattle and/or beef could and would result in economic loss, loss of enjoyment of life, and mental distress to the Plaintiffs and the Class Members.
129. The Plaintiffs state that the wrongs and breaches of legal obligations committed by HMQ and the Bureaucrats have caused or materially contributed to the injuries and damages suffered by the Plaintiffs and Class Members.

Negligence of Ridley

130. The Plaintiffs state and the fact is that Feed-Rite, Inc., Ridley Inc., and Ridley Corporation Limited (hereinafter collectively "Ridley") were grossly negligent in the manufacture and sale of Feed-Rite 18% SR Calf Starter w/DCX.
131. Ridley Australia actively participated in the discussions between representatives of state and territorial governments and livestock and feed industry representatives concerning the need for the voluntary banning of the feeding of ruminant MBM to ruminants in Australia. These discussions were commenced after the announcement by the Australian government of its intention to ban the incorporation of ruminant MBM in cattle feed in April of 1996 as a result of the WHO meetings in Geneva and subsequent recommendations released April 3, 1996.
132. The result of these discussions was that all Australian cattle feed manufacturers, including Ridley Australia, voluntarily ceased to incorporate ruminant MBM into their cattle feed products as of May 1996.
133. These discussions centred on the potentially catastrophic effects on the export market for Australian cattle should BSE be found in the Australian cattle herd. At the time of these discussions or sooner Ridley became fully aware of the equally potentially catastrophic effects on the export market for Canadian cattle, and the Canadian cattle industry thereby, should BSE be found in the Canadian cattle herd.
134. As Ridley Australia directly controlled Ridley Canada and Feed-Rite, and had Directors in common with Ridley Canada, Ridley was aware from at least May

1996 of the potential hazards and dangers of incorporating ruminant MBM into feed intended for cattle in North America.

135. Despite being aware of the hazardous nature of ruminant MBM when incorporated into cattle feed, Ridley continued to incorporate ruminant MBM into feed intended for cattle and calves in the North American market until prohibited by legislation in August of 1997.
136. In the specific, Ridley manufactured the product known as 18% SR Calf Starter w/DCX at the Ridley mill in St. Paul, Alberta in the spring of 1997. This product contained the BSE prion that was transmitted to the infected cow on or about May, 1997.
137. The decision to incorporate ruminant MBM on or about the spring of 1997 into Feed-Rite 18% SR Calf Starter w/DCX was made in the face of the direct knowledge of the risks involved to Canadian cattle producers for the simple reason that ruminant MBM was then less expensive than soybeans as a source of protein in cattle feed.

Duty of Care

138. The Plaintiffs state and the fact is that at all material times Ridley owed a duty of care to the Plaintiffs and the Class Members to use all due care in ensuring that their animal feed products were safe.
139. The Plaintiffs state and the fact is that Ridley was aware from at least May of 1996 that the incorporation of ruminant MBM into cattle feed was potentially hazardous to the health of the cattle eating the feed, and was particularly unsafe when incorporated into feed intended for calves.

140. Given the magnitude of the possible consequences to purchasers of Ridley cattle feed products should their cattle develop BSE, Ridley owed an enhanced duty to ensure that its products intended to be fed to cattle were safe and did not contain the BSE prion.
141. The Plaintiffs state that, given the magnitude of the potentially catastrophic effects on all Canadian cattle producers known by Ridley, in the circumstances of this action Ridley owed a duty of care to all commercial farmers of cattle in Canada to make best efforts to ensure that their products intended to be fed to cattle were not contaminated with MBM containing the BSE prion. Ridley failed to do so.

Standard of Care

142. By participating in the voluntary MBM ban in Australia, Ridley Australia acknowledged that the standard of care as of at least May 1996 for feed manufacturers required that ruminant MBM not be incorporated into feed intended for ruminants.
143. In spite of their direct knowledge of the risks involved, Ridley carelessly, wilfully and recklessly continued to incorporate ruminant MBM into cattle feed in North America for 15 months following the commencement of the voluntary ban in Australia.
144. By willfully, knowingly and recklessly continuing to incorporate ruminant MBM into cattle feed in North America despite direct knowledge of the potentially catastrophic consequences for Canadian cattle producers, with full knowledge of the voluntary ban in the United States that had commence in March of 1996, and after agreeing to participate in a voluntary ban in Australia, Ridley breached the standard of care owed to the Plaintiffs and the Class members.

145. Ridley had a duty to provide their customers with safe products. They failed to do so. Ridley produced a calf starter ration at their mill in St. Paul, Alberta in the spring of 1997 that contained ruminant MBM contaminated with the BSE prion many, many months after Ridley was aware of the risks involved in the incorporation of MBM into cattle feed. This failure by Ridley to ensure that their products were safe led directly to the discovery of BSE in the infected cow, which had contracted BSE as a result of being fed this contaminated feed.
146. The Plaintiffs state that the failure of Ridley to cease incorporating ruminant MBM into their feed products intended for consumption by cattle in North America in a timely fashion following the ruminant MBM ban in Australia in May of 1996 constitutes gross and willful negligence on the part of Ridley.

Causation

147. HMQ has publicly stated that "the most likely source of BSE for the infected cow would have been the consumption of feed containing meat and bonemeal (MBM) of ruminant origin contaminated with the BSE prion before the US and Canada implemented a feed ban in August 1997." (see paragraph 56)
148. HMQ has determined that the most likely source of BSE for the infected cow was Feed-Rite 18% SR Calf Starter w/DCX produced at the Feed-Rite mill in St. Paul, Alberta that contained ruminant MBM contaminated with the BSE prion.
149. The Plaintiffs state that the wrongs and breaches of legal obligations committed by Ridley have caused or materially contributed to the injuries and damages suffered by the Plaintiffs and Class Members.

Breach of Duty to Warn of Ridley

150. Ridley had direct knowledge of the potentially catastrophic economic consequences to Canadian cattlemen should BSE be discovered in Canada. Much of the focus of the discussions in Australia in April and May of 1996, where representatives from Ridley were present, was on the potentially catastrophic economic consequences to Australian cattlemen should BSE be found in Australia. Further, the content of these discussions was made specifically available to Ridley Australia as the largest stockfeed manufacturer in Australia.
151. Despite Ridley's knowledge of the potentially catastrophic consequences of the incorporation of ruminant MBM into cattle feed, Ridley failed to warn the purchasers of its products in North America of the risks involved in the use of Ridley's cattle feed products which incorporated ruminant MBM in general, and with respect to Feed-Rite 18% SR Calf Starter w/DCX in the specific.
152. The Plaintiffs state that this failure to warn the purchasers of the dangers associated with the consumption of Feed-Rite 18% SR Calf Starter w/DCX constitutes gross negligence and a breach of the duty to warn on the part of Ridley.
153. The Plaintiffs state that, in the circumstances of this action, Ridley's duty to warn purchasers of the potential danger of using their products containing ruminant MBM that were intended to be fed to cattle extended to the Plaintiffs and all Class Members. That is to say the Plaintiffs state that Ridley's duty to provide clear warning labels, for example, on their products containing ruminant MBM was owed not only to the purchasers of those products, but also to the Plaintiffs and all of the Class members in the circumstances of this action.

154. The Plaintiffs state that had the owner of the infected cow known in 1997 of the dangers associated with the feeding of Feed-Rite 18% SR Calf Starter w/DCX to the infected cow, he would not have done so.
155. The Plaintiffs state that the knowing and reckless incorporation of ruminant MBM into feed products intended for consumption by cattle in Canada when Ridley was fully aware of the dangers posed to Canadian cattle producers thereby, as well as the reckless and negligent breach of the duty to warn by Ridley, constitutes reckless and egregious conduct that warrants an award of punitive damages.

Damages

156. In dollar value, for 2002 as a whole, total cattle and beef exports reached approximately \$4 billion, the equivalent of \$11 million in sales each day. From June 2003 to May 2004 following the border closure, the total value of cattle and beef exports was estimated at \$1.4 billion, down 65% from the 2002 benchmark.
157. Prices for all cattle (slaughter animals, feeders, dairy and calves) plummeted well below economically viable levels for many cattle producers.
158. Prices for slaughter cattle were hit hard. For example, the July 2003 price for slaughter cattle in Alberta was about 35% of the price before the borders closed. It has struggled upwards since then and in March 2004 amounted to 76% of prices seen in the spring of 2003.
159. Feeder cattle prices were also adversely affected. In Alberta, prices for feeder cattle fell about 40% and were still down more than 15% in April 2004.

160. Prices for dairy cattle suffered the greatest decline. For example, post-BSE prices for dairy cows in Alberta fell 63% from the average price in the first five months of 2003.
161. These collapses in prices were mirrored across the country.
162. Canadian cattle producers' cash receipts for cattle and calves during the third and fourth quarters of 2003 were cut in half, tumbling to \$2 billion from the \$3.9 billion recorded for the same period in 2002.
163. According to BMO Financial Group, between May 2003 and November 2004 Canadian cattle producers' cash receipts plunged by close to \$5 billion from what they would have been had BSE not been discovered in Canada.
164. The Plaintiffs and the Class Members have suffered, and continue to suffer, severe and debilitating loss of income due to the collapse of the market in Canada for beef and live cattle caused by the inability to market internationally both live cattle and beef products.
165. The Plaintiffs and the Class Members have suffered, and continue to suffer, severe and debilitating loss of income caused by the inability to market internationally both live cattle and beef products.
166. The Plaintiffs and the Class members have suffered, and continue to suffer, loss of business opportunities.
167. The Plaintiffs and the Class Members have suffered, and continue to suffer, loss of enjoyment of life.

168. The Plaintiffs and the Class Members have suffered, and continue to suffer, emotional upset and mental distress.
169. The Plaintiffs and the Class Members have suffered real and substantial loss of income, including past, present and future loss of income, because of their economic situation arising out of the aforesaid wrongs of HMQ. Full particulars of these special damages will be provided following the trial of the Common Issues in this action. Should this action not be certified as a Class Action, full particulars of the Plaintiffs' special damages will be provided before the trial of this action.
170. The Plaintiffs and the Class Members have incurred and will continue to incur, both before and after trial, special damages for expenses relating to their efforts to replace all or part of the income they have lost arising out of the aforesaid wrongs of HMQ. Full particulars of these special damages will be provided following the trial of the Common Issues in this action. Should this action not be certified as a Class Action, full particulars of Plaintiffs' special damages will be provided before the trial of this action.
171. The Plaintiffs and the Class Members have received financial support from various governmental programs. Full particulars of this financial support will be provided following the trial of the Common Issues in this action. Should this action not be certified as a Class Action, full particulars of this financial support will be provided before the trial of this action.
172. The Plaintiffs' and Class Members' claims for special damages in this action represent the difference between the increased financial support provided by the Provincial and Federal governments to the Plaintiffs and the Class Members, and the actual damages suffered by the Plaintiffs and the Class Members. No double recovery is intended or sought in this action.

173. The Plaintiffs and Class Members propose that the trial of this action be held at the Court House in Calgary, Alberta, which in the Plaintiffs' estimate should exceed 25 days.

WHEREFORE the Plaintiffs claim as follows:

For themselves and as representatives of a class of commercial producers of cattle resident in Alberta who have suffered damages as a result of the international bans on the importation of Canadian beef and cattle following the May 20, 2003 confirmation of the diagnosis of bovine spongiform encephalopathy (BSE) in a cow from Alberta:

- a) general damages for each of \$100,000;
- b) special damages for each including damages for real and substantial past, present and future loss of income. Full particulars of the special damages for each member of the class will be provided after the common issues trial of this action. Should this action not be certified as a class action, full particulars of the special damages for the Plaintiffs will be provided before the trial of this action;
- c) aggravated damages for each of \$100,000;
- d) punitive damages from the corporate defendants in an amount to be determined by this Honourable Court;
- e) interest pursuant to the *Judgment Interest Act*, S.A. 2000, c.J-0.5;
- f) costs of this action; and

g) such further and other relief as this Honourable Court may deem just.

DATED at the City of Calgary, in the Province of Alberta, this 8th day of April, 2005
AND DELIVERED by Docken & Company, Barristers & Solicitors, Solicitors for the
Plaintiffs, whose address for service is in care of the said solicitor at Suite 900, 800 – 6th
Avenue S.W., Calgary, Alberta, T2P 3G3.

ISSUED out of the Office of the Clerk of the Court of Queen's Bench of Alberta,
Judicial District of Calgary, this 8th day of April, 2005.

V.A. BRANDT



CLERK OF THE COURT

NOTICE

ACTION NO.: 0501-05326

To the Defendant(s):

THE ATTORNEY GENERAL OF CANADA on behalf of HER MAJESTY THE QUEEN IN RIGHT OF CANADA as represented by THE MINISTER OF AGRICULTURE, JOHN DOE, JANE ROE, FEED-RITE, INC., RIDLEY INC. and RIDLEY CORPORATION LIMITED

IN THE COURT OF QUEEN'S BENCH OF ALBERTA JUDICIAL DISTRICT OF CALGARY

BETWEEN:

FLYING E RANCHE LTD. and CLARENCE EWASIW

Plaintiffs

- and -

THE ATTORNEY GENERAL OF CANADA on behalf of HER MAJESTY THE QUEEN IN RIGHT OF CANADA as represented by THE MINISTER OF AGRICULTURE, JOHN DOE, JANE ROE, FEED-RITE, INC., RIDLEY INC. and RIDLEY CORPORATION LIMITED

Defendants

You have been sued. You are the Defendant(s). You have only 15 days to file and serve a Statement of Defence or Demand of Notice. You or your lawyer must file your Statement of Defence or Demand of Notice in the office of the Clerk of the Court of Queen's Bench in Calgary, Alberta, You or your lawyer must also leave a copy of your Statement of Defence or Demand of Notice at the address for service for the Plaintiff(s) named in this Statement of Claim.

This Action is commenced pursuant to the Class Proceedings Act of Alberta, S.A. 2003, c. C-16.5 STATEMENT OF CLAIM

WARNING: If you do not do both things within 15 days, you may automatically lose the lawsuit. The Plaintiff(s) may get a Court judgment against you if you do not file, or do not give a copy to the Plaintiff(s), or do either thing late.

This Statement of Claim is issued by

Clint G. Docken, Q.C. and Noble E. Shanks Docken & Company Barristers & Solicitors

Solicitor for the Plaintiffs who reside at

Calgary, Alberta

and whose address for service is in care of said solicitor at

900, 800 - 6th Avenue S.W.

Calgary, Alberta

T2P 3G3

Tel: (403) 269-3612

Fax: (403) 269-8246

and is addressed to the Defendants, whose residence, as far as known to the Plaintiffs, is

Calgary, Alberta

Solicitor's File No.: 7102

