

① (initials)

File No. CI-19-01- 20059

**THE QUEEN'S BENCH
Winnipeg Centre**

BETWEEN:

PAUL YEOMAN ,

plaintiff,

- and -

BONIFY HOLDINGS CORPORATION, GEORGE ROBINSON, RAVENQUEST BIOMED INC.

defendants.

STATEMENT OF CLAIM

May 22 2019 10:45
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QUEEN'S BENCH
MAR 22 2019
LAW COURTS
WINNIPEG

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APP
D.S.

**THE QUEEN'S BENCH
Winnipeg Centre**

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PAUL YEOMAN ,

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- and -

BONIFY HOLDINGS CORPORATION, GEORGE ROBINSON, RAVENQUEST BIOMED INC.

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STATEMENT OF CLAIM

TO THE DEFENDANTS:

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

IF YOU WISH TO DEFEND THIS PROCEEDING, you or a Manitoba lawyer acting for you must prepare a statement of defence in Form I8A prescribed by the Queen's Bench Rules, serve it on the plaintiff's lawyer or, where the plaintiff does not have a lawyer, serve it on the plaintiff, and file it in this court office, WITHIN 20 DAYS after this statement of claim is served on you, if you are served in Manitoba.

If you are served in another province or territory of Canada or in the United States of America, the period for serving and filing your statement of defence is 40 days. If you are served outside Canada and the United States of America, the period is 60 days.

IF YOU FAIL TO DEFEND THIS PROCEEDING, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU.

IF YOU PAY THE PLAINTIFF'S CLAIM, and \$750 for costs, within the time for serving and filing your statement of defence, you may move to have this proceeding dismissed

by the court. If you believe the amount claimed for costs is excessive, you may pay the plaintiff's claim and \$750. for costs and have the costs assessed by the court.

March 22, 2019

Issued: *D. Champagne*
Deputy Registrar.
100C-408 York Avenue
Winnipeg, MB R3C 0V8

TO: Bonify Holdings Corporation / George Robinson / RavenQuest BioMed Inc.
c/o Hill Sokalski Walsh
Suite 2670, 360 Main St.
Wpg, MB R3C 3Z3

Attention: Dave Hill

CLAIM

1. The plaintiff claims:
 - (a) an interim, interlocutory and permanent injunction restraining Robinson, RavenQuest, and Bonify (as hereinafter defined) from further publishing or causing to be published the defamatory statements hereinafter identified or any similar statements defamatory or injurious to the plaintiff;
 - (b) general damages;
 - (c) special damages;
 - (d) aggravated damages;
 - (e) punitive or exemplary damages;
 - (f) interest;
 - (g) costs on a solicitor and client basis; and
 - (h) such further and other relief as this Honourable Court may deem just.
2. The plaintiff is a former employee of the defendant, Bonify, and currently resides in the City of Vancouver, in the Province of British Columbia.
3. The defendant, Bonify Holdings Corporation ("Bonify"), is a corporation duly incorporated pursuant to the laws of the Province of Manitoba with its head office located in Winnipeg, Manitoba.

4. The defendant, George Robinson ("Robinson"), is the president and controlling mind of the consulting firm, Ravenquest BioMed Inc. and has been engaged by Bonify to provide services, the extent of which services are not fully known to the plaintiff.

5. The defendant, RavenQuest BioMed Inc. ("RavenQuest") is a corporation duly incorporated pursuant to the laws of the Province of British Columbia with its head office located in Vancouver, British Columbia.

6. On or about September 17, 2018, the plaintiff commenced employment with Bonify as the Chief Marketing Officer. The plaintiff and Bonify entered into an agreement, (the "Employment Contract"), in which the express and/or implied terms of the Employment Contract were, *inter alia*, as follows:

- (a) the Employment Contract would be for an indefinite term;
- (b) the plaintiff would be entitled to an annual salary, vacation pay, benefits, and reimbursement of employment-related expenses;
- (c) the plaintiff would be granted 5,000 restricted share units and 1,500 performance share units under Bonify's Performance and Restricted Share Unit Plan ("Shares");
- (d) upon termination of the plaintiff's employment, Bonify would pay the plaintiff pay in lieu of notice equal to nine (9) months' salary;
- (e) Bonify would be candid, reasonable, honest and forthright with the plaintiff and in particular had an obligation of good faith and fair dealing in the manner of dismissal;

- (f) Bonify would not act in a calculated manner or a manner likely to cause the plaintiff mental or emotional distress;
- (g) it was within the reasonable contemplation and expectation of the parties that terminating the employment of the plaintiff unfairly, in bad faith or as a result of breaching the express and/or implied terms and/or duty set out in paragraphs 6(d) and (e) above, would or could cause the plaintiff mental or emotional harm or distress; and
- (h) if Bonify breached any of these obligations, or otherwise did not act in good faith with respect to the plaintiff, his employment and/or its termination, Bonify would compensate him for all damages suffered, including, *inter alia*, mental distress and lost or damaged career and employment opportunities suffered by the plaintiff.

7. On or about December 3, 2018, the plaintiff was questioned by Bonify regarding the acquisition of certain products by Bonify. On or about December 10, 2018, the plaintiff was advised, by way of a telephone call with the Board, and through a subsequent letter from the Board of Directors of Bonify received by the plaintiff on or about December 18, 2018, that, *inter alia*:

- (a) there were allegations (the "Allegations") concerning:
 - (1) the acquisition by Bonify of dried cannabis product from an unauthorized source or sources;
 - (2) a financial transaction with an entity which was not actually transacted to Bonify; and

(3) certain rooted clippings (Clones) were sourced from unauthorized sources.

- (b) he was placed on paid administrative leave pending the outcome of an investigation by Robinson and RavenQuest into the allegations (the "Investigation");
- (c) the Investigation would be fair and thorough and conducted by an independent third party (Robinson and his team);
- (d) he would be provided with full details of the Investigation, including any and all allegations, facts and matters pertaining to him which might arise during the course of the Investigation;
- (e) he would be given a full opportunity to respond to and/or address any allegations, facts or matters against him;
- (f) he was prohibited from speaking to others, including employees, stakeholders, and the media, about the Investigation, with failure to comply resulting in termination of employment;
- (g) the Allegations and the Investigation would be treated in as confidential a manner as possible; and
- (h) he was expected to fully cooperate in the Investigation.

8. At all material times the plaintiff was fully prepared to fully cooperate with the Investigation and, based on the representations made by Bonify, fully expected to have an opportunity to participate in the Investigation.

9. On or about December 27, 2018, the plaintiff became aware of a news conference in which Robinson, on behalf of RavenQuest and/or Bonify, publicly announced that the plaintiff's employment had been terminated due to alleged misconduct by the plaintiff both in relation to the Allegations and other questionable and/or improper conduct. At the time of announcement, the plaintiff had not been advised of any of the details relating to the Investigation or its purported findings and conclusions, had not been questioned by the investigator (Robinson or RavenQuest), had not been given an opportunity to respond to either the original Allegations pertaining to the plaintiff, or any further allegedly questionable or improper conduct, and had not been advised that his employment had been terminated, allegedly for cause.

10. On or about December 28, 2018, after the announcement referred to above, the plaintiff received a termination letter from Bonify setting out various vague and generic allegations of misconduct on the part of the plaintiff and other employees, purportedly justifying the termination of his employment for cause.

11. At the time he was terminated, the plaintiff was 41 years of age and earning \$252,000 year. In addition to salary, the plaintiff was entitled to the Shares, vacation pay and benefits as per the Employment Contract.

12. At or around the time that the plaintiff's employment was terminated, Bonify publicly announced that RavenQuest and Robinson had been engaged by Bonify to provide management and oversight services for Bonify. In particular, Bonify appointed Robinson as its interim President and CEO in order to, *inter alia*, take corrective action on behalf of Bonify in the wake of the Allegations. As a result, the plaintiff says that Robinson and RavenQuest were not independent third party investigators in as much as they had a financial interest in removing the plaintiff from his position with Bonify.

13. The plaintiff says that at all times during his employment with Bonify, he conducted himself in a lawful manner, pursued the best interests of Bonify and that he did not participate, or in the alternative, knowingly participate, in any misconduct, impropriety and/or illegality. The plaintiff therefore says that there are and were no grounds to justify his dismissal for cause.

Breach of Contract / Wrongful Dismissal

14. Bonify, acting in bad faith and in breach of the express and/or implied terms of the Employment Contract and the undertakings/representations made to the plaintiff in the telephone call of December 10, 2018 and subsequent letter, purported to terminate the plaintiff with cause and without providing the plaintiff with notice of the termination as set out in the Employment Contract. Bonify breached the implied and/or express terms of the Employment Contract, and its undertakings/representations to the plaintiff in the telephone call of December 10, 2018 and subsequent letter by:

- (a) making false allegations of cause in terminating the plaintiff's employment in an attempt to circumvent Bonify's contractual and/or common law obligations;
- (b) failing to provide the plaintiff with reasons for the purported cause termination and the results of the Investigation;
- (c) failing to provide the plaintiff with the opportunity to respond to any Allegations pertaining to the plaintiff, or to be interviewed as part of the Investigation process, despite the assurances from Bonify that the plaintiff would have that opportunity;
- (d) failing to provide the plaintiff with notice or pay in lieu of notice in accordance with the Employment Contract or, alternatively, at common law;

- (e) failing to keep the Investigation and Allegations confidential with the result that the plaintiff learned the gist of the purported Investigation and his allegedly improper conduct purportedly justifying his termination with cause through the media;
- (f) failing to provide the plaintiff with benefit continuation during the period of notice;
- (g) breaching the terms of the Employment Contract provided for in paragraphs 6(d), and (e) hereof; and
- (h) failing to prevent and address the provision of information from sources within Bonify to the media during the Investigation.

15. As a result of Bonify's conduct and breach of the Employment Contract, the plaintiff has suffered and continues to suffer damages in respect of loss of income, loss of benefits, and mental distress.

16. The plaintiff says that in light of his service and the reliance he placed on his employment, the timing and manner in which he was dismissed lacked good faith and fair dealing and was unduly insensitive. The plaintiff says that such conduct on the part of Bonify caused damage to his sense of self-worth and self-esteem and caused mental distress. Including the breaches referred to in paragraph 14 hereof, particulars of this conduct include:

- (a) treating the plaintiff in an arbitrary, highhanded, and callous manner; and
- (b) defaming the plaintiff as more particularly set out herein.

17. The conduct set out in paragraphs 14 and 16 hereof amounts to flagrant and outrageous conduct and Bonify undertook such conduct with the actual and/or constructive

intent to produce harm to the plaintiff's psychological, emotional, and mental well-being such that he is entitled to compensation for the damages incurred as a result thereof.

18. The plaintiff says that the overall conduct of Bonify in the manner of termination and in refusing to comply with its legal obligations following the plaintiff's termination amounts to a separate actionable wrong, thereby entitling the plaintiff to punitive and aggravated damages.

19. As a further result of his wrongful dismissal, the plaintiff has incurred various out-of-pocket expenses in his attempts to mitigate his damages by obtaining alternate employment, the full particulars of which will be proven at trial.

Negligent Investigation

20. The plaintiff further states that Bonify owed the plaintiff a duty of care to conduct a thorough and comprehensive Investigation and to allow the plaintiff a full opportunity to respond to the Allegations made against the plaintiff.

21. In breach of the duty of care owed to the plaintiff, Bonify conducted the Investigation negligently, the particulars of which include:

- (a) Bonify failed to interview relevant witnesses and/or to ensure that Robinson and RavenQuest interviewed relevant witnesses, including the plaintiff;
- (b) Bonify failed to obtain relevant information from the plaintiff and/or third parties and/or failed to ensure that Robinson and RavenQuest would do so;
- (c) Bonify failed to advise the plaintiff of any and/or all of the Allegations and/or facts uncovered in the Investigation made against him and did not provide the plaintiff with a reasonable, or any, opportunity to respond;

- (d) Bonify prejudged the issue, without all necessary and relevant information and/or failed to ensure that Robinson and RavenQuest did not prejudge the issue;
- (e) Bonify engaged a biased investigator, Robinson and Ravenquest, to conduct the Investigation in circumstances in which Bonify was aware that Robinson and RavenQuest had a vested financial interest in the outcome of the investigation; and
- (f) Bonify reached a conclusion not supported by the evidence, which outcome was reached for an ulterior purpose of making the plaintiff a "scapegoat" for Bonify's alleged failings.

22. As a result of the negligent Investigation, the plaintiff has suffered loss and damage as more particularly setout herein. The plaintiff says that the overall conduct of Bonify in the manner of the Investigation amounts to a separate actionable wrong, thereby entitling the plaintiff to punitive and/or aggravated damages.

Inducing Breach of Contract

23. The plaintiff further says that Robinson, on his own behalf or on behalf of RavenQuest, intentionally and unlawfully induced a breach of contract between the plaintiff and Bonify, the particulars of which are as follows:

- (a) Robinson and/or RavenQuest had knowledge of the Employment Agreement between the plaintiff and Bonify;
- (b) Robinson and/or RavenQuest acted intentionally and unlawfully to cause and encourage Bonify to terminate the Employment, without justification;

- (c) Robinson and/or RavenQuest acted in self-interest, to procure a benefit for himself and/or RavenQuest, to the corresponding deprivation to the plaintiff;
- (d) Robinson and/or RavenQuest breached his obligation of good faith and fair dealing, to conduct the Investigation in a fair and impartial manner; and
- (e) which actions caused damage to the plaintiff.

24. At all material times, Robinson was acting as the directing mind of RavenQuest and within the scope of his authority. As such, RavenQuest is directly liable for the torts committed by Robinson.

25. In the alternative, at all material times, Robinson was an employee, agent or servant of RavenQuest and was acting in the course of and within the scope of his employment and the plaintiff says RavenQuest is liable for the actions of Robinson, and the plaintiff pleads and relies on the doctrine of vicarious liability.

Defamation

26. The plaintiff says that on or about December 28, 2018, Robinson, on his own behalf and/or on behalf of RavenQuest and/or Bonify, intentionally and maliciously published untrue and defamatory statements concerning the plaintiff and/or the plaintiff and certain other present or former employees of Bonify to the Canadian Broadcasting Corporation. The plaintiff says that the untrue statements were made for the improper purpose of causing embarrassment and humiliation to the plaintiff. The untrue and defamatory statements (the "Statements") consisted of the following:

- (a) that the plaintiff acted improperly and was motivated to circumvent the regulations concerning the procurement of cannabis;

- (b) that the plaintiff engaged in bullying, including threatening staff or pressuring staff to "look the other way" in the face of a breach of the regulations referred to above;
- (c) that the plaintiff forced staff members to act unethically; and
- (d) that Bonify was justified in terminating the plaintiff's employment for just cause.

27. Specifically, Robinson, on his own behalf and/or on behalf of RavenQuest made the following untrue and defamatory statements:

- (a) "I don't know what [the terminated Bonify executives'] motivation and driver is, but what they did was not at all remotely close to following the regulations";
- (b) that the terminated Bonify executives had bullied and threatened staff members;
- (c) that front-line staff members tried to speak out but were pressured to look the other way, resulting in "forced decisions" by said staff members; and
- (d) that Bonify was justified for terminating the three executives, who were terminated with cause.

28. The Statements were directed at the plaintiff and were published on the world wide web and thus, available to the public generally. The making of the Statements was authorized by Bonify. Robinson, RavenQuest and Bonify knew that the Statements would be reported by various media outlets and that the plaintiff would be known as a person to whom the Statements applied, including, but not limited to, as a result of the identification of the plaintiff as an executive of Bonify on the plaintiff Bonify's public website at the time the Statements were made.

29. In their natural and ordinary meaning the Statements were meant and were understood to mean that:

(a) The plaintiff lacks integrity;

(b) The plaintiff forced others to act unethically; and

(c) the plaintiff acted in breach of the terms of his employment with Bonify.

30. The Statements tend to lower the plaintiff in the estimation of the members of society, being right thinking members of society generally, and reflect negatively on the character and reputation of the plaintiff. The foregoing untrue and defamatory Statements tend to bring the plaintiff into odium and contempt; disparage and reflect negatively on the plaintiff, and generally, constitute defamatory words of and concerning the plaintiff.

31. Further, the plaintiff says that the Statements were pre-meditated and were made in an effort to cast blame on the plaintiff for the shortcomings of Bonify, generally. Further, the plaintiff says that Robinson was motivated by self-interest and the interests of RavenQuest, acting in a concerted effort to secure a consulting agreement with Bonify and/or Robinson's appointment as interim President and CEO of Bonify, once the plaintiff was removed from his position.

32. By reason of the said publication of the Statements, the plaintiff has been severely injured in terms of his character and reputation, both personally and professionally. The plaintiff has and will continue to suffer significant loss and damage and irreparable harm.

33. The Plaintiff pleads and relies on the provisions of *The Defamation Act*, R.S.M. 1987 c. D20.

34. The plaintiff, therefore, claims as against the defendants as more particularly set out in paragraph 1 hereof.

March 22 2019

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