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Toronto

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

(Court Seal)

MÉTIS NATIONAL COUNCIL SECRETARIAT INC.

Plaintiff

- and -

**CLÉMENT CHARTIER, DAVID CHARTRAND, MANITOBA METIS
FEDERATION INC. carrying on business as MANITOBA MÉTIS
FEDERATION, WENDA WATTEYNE, STORM RUSSELL, KRISTINA
MONETTE, MARC LECLAIR, LECLAIR INFOCOM INC., CELESTE
MCKAY, CELESTE MCKAY CONSULTING INC., JOHN WEINSTEIN,
PUBLIC POLICY NEXUS GROUP INC., KATHY HODGSON-SMITH,
INFINITY RESEARCH DEVELOPMENT AND DESIGN INC., WEI XIE
and SYSTEMWAY CONSULTING, INC.**

Defendants

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 an Ontario lawyer acting for you must prepare a Statement of Defence in Form 18A prescribed by the *Rules of Civil Procedure*, serve it on the Plaintiff's lawyer or, where the Plaintiff does not have a lawyer, serve it on the Plaintiff, and file it, with proof of service in this court office, WITHIN TWENTY DAYS after this Statement of Claim is served on you, if you are served in Ontario.

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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 forty days. If you are served outside Canada and the United States of America, the period is sixty days.

Instead of serving and filing a Statement of Defence, you may serve and file a Notice of Intent to Defend in Form 18B prescribed by the *Rules of Civil Procedure*. This will entitle you to ten more days within which to serve and file your Statement of Defence.

IF YOU FAIL TO DEFEND THIS PROCEEDING, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO DEFEND THIS PROCEEDING BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

TAKE NOTICE: THIS ACTION WILL AUTOMATICALLY BE DISMISSED if it has not been set down for trial or terminated by any means within five years after the action was commenced unless otherwise ordered by the court.

Date January 27, 2022

Issued by _____
Local Registrar

Address of court office: Superior Court of Justice
330 University Avenue
Toronto ON
M5G 1R8

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TO: **CLÉMENT CHARTIER**
Box 361
Buffalo Narrows SK
S0M 0J0

AND TO: **DAVID CHARTRAND**
300-150 Henry Avenue
Winnipeg MB
R3B 0J7

AND TO: **MANITOBA METIS FEDERATION INC. carrying on business as
MANITOBA MÉTIS FEDERATION**
300-150 Henry Avenue
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R3B 0J7

AND TO: **WENDA WATTEYNE**
60 Melrose Avenue
Ottawa, Ontario
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AND TO: **STORM RUSSELL**
Wakefield, Quebec

KRISTINA MONETTE
Ottawa, Ontario

MARC LECLAIR and LECLAIR INFOCOM INC.
Chelsea, Quebec

CELESTE MCKAY and CELESTE MCKAY CONSULTING INC.
Winnipeg, Manitoba

JOHN WEINSTEIN and PUBLIC POLICY NEXUS GROUP INC.
Vancouver, British Columbia

**KATHY HODGSON-SMITH and INFINITY RESEARCH DEVELOPMENT
AND DESIGN INC.**
Saskatoon, Saskatchewan

WEI XIE and SYSTEMWAY CONSULTING, INC.
Ottawa, Ontario

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CLAIM

1. The Plaintiff, Métis National Council Secretariat Inc. (“**MNC**”), seeks the following relief:

(a) restitution and such other equitable relief as the Court deems appropriate, including an accounting, disgorgement, and a tracing and election order arising from the breach of fiduciary duties and the other unlawful conduct of each of the defendants, Clément Chartier (“**Chartier**”), David Chartrand (“**Chartrand**”) and Wenda Watteyne (“**Watteyne**”), as referenced herein, including as a consequence of their acts and omissions in respect of each of the following:

(i) the purported assignment of the Métis Veterans Recognition Payment Contribution Agreement between MNC and Her Majesty in Right of Canada dated June 13, 2019 (the “**Métis Veterans Fund Contribution Agreement**”) from MNC to the defendant, Manitoba Metis Federation Inc. carrying on business as Manitoba Métis Federation (“**MMF**”), including the transfer to MMF and conversion of approximately \$9 million dollars in trust funds advanced by the Canadian government to MNC in the Province of Ontario pursuant to the Métis Veterans Fund Contribution Agreement (the “**Purported Veterans Fund Assignment and Conversion**”);

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- (ii) the purported amendment and extension of MNC's lease (the "**Amended Ottawa Lease**") of Unit 2, Level 1 – 340 MacLaren Street, Ottawa (the "**Ottawa Premises**") with 6106111 Manitoba Ltd. (the "**Manitoba Landlord**"), the landlord of the Ottawa Premises (the "**Purported Ottawa Lease Extension**"), including in relation to the negotiation of excessive rents payable by MNC to the Manitoba Landlord in connection therewith;
- (iii) the negotiation and execution of employment agreements and the termination provisions therein, including facilitating the payment by MNC of approximately \$800,000 of purported severance payments to each of Storm Russell ("**Russell**"), Krista Monette ("**Monette**"), Watteyne and/or Chartier upon their respective departures from MNC in 2021 (the "**Purported Severance Payments**");
- (iv) the negotiation and execution of service agreements and the termination provisions therein, including facilitating the payment by MNC of approximately \$1,150,000 of lump sum termination payments to each of the defendants, Leclair Infocom Inc. ("**Leclair Infocom**"), Celeste McKay Consulting Inc. ("**McKay Consulting**"), Public Policy Nexus Group Inc. ("**PPNG**"), Infinity Research Development and Design Inc. ("**Infinity**") and Systemway Consulting, Inc. ("**Systemway**"), and to their respective principals

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and alter egos, to purportedly terminate their respective service agreements (the “**Purported Termination Payments**”);

- (v) the negotiation and execution of a purported Consultant Agreement between MNC and Louis Riel Institute (“**LRI**”) made the 1st day of April 2021 (the “**Purported LRI Consultant Agreement**”) with excessive, commercially unreasonable and oppressively onerous payment obligations being payable by MNC in favour of LRI upon termination by MNC;
- (vi) the negotiation and execution of a purported Consultant Agreement between MNC and Gabriel Dumont Institute (“**GDI**”) made the 1st day of April 2021 (the “**Purported GDI Consultant Agreement**”) with excessive, commercially unreasonable and oppressively onerous payment obligations being payable by MNC in favour of GDI upon termination by MNC;
- (vii) the purported assignment (the “**Metis Database Assignment**”) by MNC and the purported purchase by MMF for nominal, inadequate or no consideration of the benefits of a Métis National Council Service Agreement dated April 1, 2020 (the “**Database Agreement**”) between MNC and the University of Alberta (“**U of A**”), including the purported transfer from MNC to MMF of the Métis National Council Historical Database (the “**Métis Database**”) developed and delivered

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in connection therewith (the **“Purported Métis Database Assignment and Conversion”**); and

(viii) the excessive or inappropriate spending of MNC funds for benefits and gifts to themselves, to non-arm’s length third parties, and to associates and colleagues of Chartier, Chartrand, MMF and Watteyne, including: (i) excessive or inappropriate remuneration and other amounts paid to Chartrand’s wife, Glorian Chartrand and/or “Ryley James”; and (ii) a gold watch that cost approximately \$4,000, which was approved by both Chartrand and Watteyne and then provided to Chartier as a “retirement gift” at a private “retirement dinner” in or about August of 2021 (the **“Non-Arm’s Length Payments and Excessive Gifts”**), none of which was disclosed to or approved by the governing members of MNC (other than MMF);

(b) \$15,000,000 in damages, or in such other amount as this Honourable Court deems just, as against Chartier, Chartrand, MMF and Watteyne, on a joint and several basis, arising from: (i) the breach of fiduciary duty by each of Chartier, Chartrand and Watteyne; (ii) MMF’s knowing assistance or knowing receipt of the benefits of those breaches; and (iii) the other causes of action referenced herein, in connection with each of the Purported Veterans Fund Assignment and Conversion, the Purported Ottawa Lease Extension, the Purported Severance Payments, the Purported Termination Payments, the Purported LRI Consultant Agreement, the Purported GDI

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Consultant Agreement, the Purported Métis Database Assignment and Conversion, and the Non-Arm's Length Payments and Excessive Gifts;

- (c) an order against each of Chartier, Chartrand, MMF and Watteyne, on a joint and several basis, for contribution and indemnity arising from: (i) the breach of fiduciary duty by each of Chartier, Chartrand and Watteyne: (ii) MMF's knowing assistance or knowing receipt of the benefits of those breaches; and (iii) the other causes of action referenced herein, in connection with each of the Purported Veterans Fund Assignment and Conversion, the Purported Ottawa Lease Extension, the Purported Severance Payments, the Purported Termination Payments, the Purported LRI Consultant Agreement, the Purported GDI Consultant Agreement, the Purported Métis Database Assignment and Conversion, and the Non-Arm's Length Payments and Excessive Gifts;
- (d) an interim and interlocutory injunction freezing the funds, investment accounts and other property held, directly or indirectly, by any of Chartier, Chartrand, MMF or Watteyne arising from or in any way connected to the Metis Veterans Fund Contribution Agreement or a breach of their fiduciary duties;
- (e) an interlocutory and permanent injunction requiring each of Chartier, Chartrand, MMF and Watteyne to account for, to disgorge and to transfer to MNC all of the funds, accounts and property received, directly, indirectly,

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by each of them and transferred to third parties in connection with each of the Purported Veterans Fund Assignment and Conversion, the Purported Ottawa Lease Extension, the Purported Severance Payments, the Purported Termination Payments, the Purported LRI Consultant Agreement, the Purported GDI Consultant Agreement, the Purported Métis Database Assignment and Conversion, and the Non-Arm's Length Payments and Excessive Gifts, including a disgorgement and tracing order in respect of all interests, assets, funds or other property so received by each of them;

- (f) a declaration that the purported assignment of all or part of the Métis Veterans Recognition Payment Contribution Agreement from MNC to MMF is void *ab initio* and unenforceable, and an order requiring MMF to provide a full accounting of all funds, accounts and other property transferred by MNC to MMF in connection therewith, along with a tracing order and a further order requiring MMF to disgorge any and all funds, accounts, property, including all benefits and payments received by MMF, its officers, directors or non-arm's length parties to MMF;
- (g) a declaration that the Métis Database Assignment is void *ab initio* and unenforceable, an order requiring Chartier, Chartrand and MMF to forthwith return all of the rights, interests, property and other benefits of the Métis National Council Service Agreement dated April 1, 2020, including the Métis Database, to MNC, and an order enjoining Chartier, Chartrand, MMF and

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all of MMF's other officers, directors, agents and employees from using the Métis Database in any way without the express consent of MNC;

- (h) \$1,000,000 in aggravated, exemplary and punitive damages as against Chartier, Chartrand, MMF and Watteyne on a joint a several basis, or in such other amount as this Court deems just;
- (i) as against each of the remaining defendants, namely, Russell, Monette, Marc LeClair ("**Marc**"), LeClair Infocom, Celeste McKay ("**Celeste**"), McKay Consulting, John Weinstein ("**Weinstein**"), PPNG, Kathy Hodgson-Smith ("**Smith**"), Infinity, Wei Xie ("**Xie**") and Systemway (collectively, the "**Remaining Defendants**"), restitution and such other equitable relief as the Court deems appropriate, including disgorgement, and a tracing and election order in connection with their: (i) knowing receipt of funds arising from a breach of trust by Chartier, Chartrand and/or Watteyne; (ii) knowing assistance in that breach of trust; and (iii) unjust enrichment, in receiving all or a portion of the Purported Severance Payments and the Purported Termination Payments, as applicable;
- (j) an interim and interlocutory injunction freezing the Purported Severance Payments and the Purported Temination Payments, and the assets or other property acquired with those payments;
- (k) an Order in damages or requiring each of the Remaining Defendants to repay to MNC such portions of the Purported Severance Payments and the

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Purported Termination Payments, as applicable, in such amounts as the Court finds to be appropriate;

- (l) pre-judgment and post-judgment interest in accordance with the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended;
- (m) costs of this proceeding on a full or substantial indemnity basis, including all taxes thereon; and
- (n) such further and other relief as to this Court seems just.

Overview of the Claims

2. By way of overview, MNC's claims arise from a scheme (the "**Scheme**") perpetrated by each of Chartier, Chartrand, MMF and Watteyne in the Province of Ontario to intentionally cause severe financial harm and other injury to MNC, and to correspondingly benefit, among others, themselves, upon their departures from MNC in the summer of 2021, as detailed below.

3. For many years, each of Chartier, Chartrand and Watteyne were in *de facto* control of MNC's affairs. During a COVID pandemic that arose in early 2020 and remained throughout 2021, Chartier, Chartrand and Watteyne were able to exploit that control and thereby conduct MNC's affairs in breach of their statutory and common law duties, and in contravention of MNC's bylaws, customs, policies and practices, which were designed to provide checks and balances and to safeguard MNC's rights, interests and stakeholders.

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4. Further and in 2020 and 2021, there was turmoil, acrimony and disharmony at MNC, which led to a governance dispute (the “**MNC Governance Dispute**”) and governance litigation (the “**MNC Governance Litigation**”).

5. As a consequence of events and rulings in the MNC Governance Dispute and the MNC Governance Litigation, each of Chartier, Chartrand, MMF and Watteyne decided to withdraw from MNC. Before fully withdrawing, Chartier, Chartrand, MMF and Watteyne unlawfully conspired to injure MNC for their own benefit, recognizing that MMF would now purportedly be in competition with MNC in terms of having paramount status and authority to represent and speak on behalf of Canada’s Métis Nation.

6. In order to try and cripple MNC and denude MNC of its status, finances and authority on behalf of Canada’s Métis Nation, and in breach of MNC’s bylaws, customs, policies and practices, and in breach of their respective fiduciary, statutory and other legal duties, Chartier, Chartrand and Watteyne conspired, directed, encouraged, assisted, designed or facilitated, in whole or in part, each of: (i) the Purported Veterans Fund Assignment and Conversion; (ii) the Purported Ottawa Lease Extension; (iii) the Purported Severance Payments; (iv) the Purported Termination Payments; (v) the Purported LRI Consultant Agreement; (vi) the Purported GDI Consultant Agreement; (vii) the Purported Métis Database Assignment and Conversion; and (viii) the Non-Arm’s Length Payments and Excessive Gifts.

7. The Scheme was perpetrated by each of Chartier, Chartrand, MMF and Watteyne in order to benefit themselves and MMF at the expense and to the prejudice of MNC, and

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to benefit the Remaining Defendants, while being subject to fiduciary duties in favour of MNC, acting under a conflict of interest and while acting in bad faith. Since their departures from MNC, each of Chartier and Watteyne have obtained executive positions at MMF, and they work collaboratively with Chartrand, as MMF's President.

8. The Remaining Defendants had actual or constructive knowledge that they were in receipt of certain monetary benefits arising from the Scheme and from the breach of fiduciary duties by each of Chartier, Chartrand and Watteyne. The benefits so received by the Remaining Defendants include all or part of the Purported Severance Payments and the Purported Termination Payments, as applicable.

9. The Remaining Defendants have also been unjustly enriched by the Purported Severance Payments and the Purported Termination Payments, as applicable, to the corresponding loss of MNC without juristic reason.

10. At all material times, each of the Remaining Defendants was actually or constructively aware of the Scheme, or they were wilfully blind thereto.

11. Further, the Remaining Defendants knowingly assisted in the Scheme and the breach of the fiduciary duties by Chartier, Chartrand and Watteyne, or they were wilfully blind to their assistance in that regard.

12. MNC, therefore, brings this claim to seek appropriate compensatory, injunctive, declaratory and equitable relief arising from this unlawful conduct, as described in greater detail below.

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The Primary Parties

MNC

13. The plaintiff, MNC, is a corporation which was incorporated under Part II of the *Canada Corporations Act*, R.S.C. 1970, c. C-32. MNC was later continued under the *Canada Not-for-Profit Corporations Act*, S.C. 2009, c. 23 effective October 20, 2014.

14. MNC's mandate is and has always been to act as a national Métis-distinct representative body for the Métis Nation in Canada. MNC's head office is located in the City of Ottawa, in the Province of Ontario.

15. MNC is structured such that its governing members work collaboratively to instruct MNC, as a national body, to represent their collective interests both nationally and internationally on behalf of the Métis Nation throughout Canada.

16. The Articles of Incorporation of MNC authorize the establishment of one (1) class of members, which are known as "governing members" or "member associations".

17. MNC has consolidated by-laws (the "**By-Laws**"), which set out, *inter alia*, the organizational structure of MNC, the composition of its constituent associations, matters pertaining to MNC meetings and other matters.

18. As of August of 2021, there were five (5) provincial Métis governments, which were defined to be the "governing members" of the MNC, namely: (i) the Métis Nation of Alberta ("**MNA**"); (ii) MMF; (iii) the Métis Nation – Saskatchewan ("**MN-S**"); (iv) Metis Nation Ontario ("**MNO**"); and (v) Métis Nation British Columbia ("**MNBC**").

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19. Pursuant to the By-Laws, MNA, MMF and MN-S are collectively defined to be the “founding members” of MNC; as “founding members”, they have additional voting rights to the voting rights of MNBC and MNO, who are each “non-founding members” of MNC.

20. The By-Laws also set out the prescribed procedure for the approval and execution of contracts by and on behalf of MNC. For example, paragraph 21 of the By-Laws states:

“Contracts, documents, or any instruments in writing requiring the signature of the Corporation [MNC], shall be signed by any two Governors of Founding Members and all contracts, documents and instruments in writing so signed shall be binding on upon the Corporation without any further authorization of formality. The Governors shall have the power from time to time by resolution to appoint a person or persons on behalf of the Corporation to sign specific contracts, documents and instruments in writing

21. There are three (3) prescribed levels of organizational structure at MNC, namely: (i) the MNC General Assembly; (ii) the MNC Board of Governors; and (iii) the Office of the MNC President.

22. In terms of their respective mandates, MNC is responsible for formulating national policies, and the MNC Board of Governors is responsible for managing the affairs and business of MNC, as well as carrying out the tasks prescribed by the MNC General Assembly.

23. The MNC Board of Governors is comprised of the Presidents of each of MNBC, MNA, MN-S, MMF and MNO, or their delegates, as well as the President of MNC.

24. Pursuant to the By-Laws, the President of MNC is also the Chief Executive Officer of the MNC Board of Governors.

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25. The President of MNC has a number of prescribed duties pursuant to the By-Laws, including chairing meetings of the MNC Board of Governors, calling meetings for the MNC Board of Governors (who in turn is responsible for calling elections by the MNC General Assembly), and managing the day to day affairs of MNC.

26. In addition to the prescribed structure referenced in the By-Laws, as aforesaid, MNC also has internal customs, policies and practices, and MNC has historically operated a “Métis National Council”, which includes a Cabinet structure (with the appointment of a Vice President and “Ministers” to various portfolios within MNC).

Clément Chartier

27. The defendant, Chartier, is an individual of Métis descent and who resides in the Province of Saskatchewan. At material times described below and up until his departure from MNC on or about September 29, 2021, Chartier was the President, the Chief Executive Officer and a director of MNC.

28. On or about April 28, 2017, Chartier was re-elected as President of MNC for a three (3) year term. Prior to that, Chartier had been the President of MNC on a number of occasions, including between 1983 and 1985, and between 2003 and 2014.

29. As President of MNC and in accordance with the By-Laws, Chartier was obligated to call an MNC Board of Governors Meeting within a prescribed time in order that the Board of Governors of MNC could then call a MNC General Assembly meeting for an MNC Presidential election before the expiry of Chartier’s three (3) year term as MNC’s President in April of 2020.

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30. Shortly after his withdrawal from MNC in September of 2021, and as promised by Chartrand and MMF in consideration for Chartier's conspiratorial assistance with the Scheme to injure MNC, as detailed herein, Chartier became a senior executive of MMF, namely, MMF's "Ambassador for International and Inter-nation Relationships" in or about November of 2021.

David Chartrand

31. The defendant, Chartrand, is an individual of Métis descent and who resides in the Province of Manitoba.

32. Since 1997 and throughout 2021, Chartrand consistently held the position as the President of MMF.

33. Over many years prior to the summer of 2021, Chartrand concurrently held various positions in the MNC Cabinet, including as MNC's Vice President, as MNC's Minister of Finance and as MNC's Minister of Social Development.

Manitoba Metis Federation Inc.

34. The defendant, MMF, is a corporation incorporated pursuant to the laws of the Province of Manitoba with its head office being located in the City of Winnipeg, in the Province of Manitoba. MMF carries on its business under the name "Manitoba Metis Federation".

35. MMF represents the Metis citizens located in the Province of Manitoba, and MMF was both a "founding member" and a "governing member of MNC prior to MMF's withdrawal from MNC in September of 2021, as detailed below.

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Wenda Watteyne

36. The defendant, Watteyne, is an individual who resides in the City of Ottawa, in the Province of Ontario.

37. By Employment Agreement with MNC executed in December of 2019, Watteyne was employed by MNC as its “Executive Director”. The Employment Agreement is governed by the laws of the Province of Ontario.

38. MNC pleads that each of Chartier, Chartrand and Watteyne owed common law, statutory and a fiduciary duty to MNC as a consequence of their senior positions at MNC, and as a consequence of the trust, responsibilities and power that each of Chartier, Chartrand and Watteyne in managing MNC’s business and affairs.

The Remaining Defendants – Beneficiaries of the Scheme

39. The defendant, Russell, is an individual residing in the City of Wakefield, in the Province of Quebec. Russell was employed by MNC on or about July 3, 2018 as a Senior Policy Advisor reporting to Watteyne at an initial annual salary of \$120,000.

40. The defendant, Monette, is an individual residing in the City of Ottawa, in the Province of Ontario. Monette was employed by MNC on a full time basis effective October 1, 2018 as a Logistics Coordinator reporting to Watteyne at an initial annual salary of \$60,000.

41. The defendant, Marc LeClair (“**Marc**”), is an individual who resides in the City of Chelsea, in the Province of Quebec. Marc is the sole shareholder, officer, director, alter ego and guiding mind of the defendant, LeClair Infocom.

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42. Marc and LeClair Infocom were retained by MNC to act as a Senior Advisor to the MNC Executive, including to Chartier, Chartrand and Watteyne, pursuant to a Consultant Agreement with MNC dated April 1, 2019. That Consultant Agreement is governed by the laws of the Province of Ontario.

43. The defendant, Celeste McKay ("**Celeste**"), is an individual who resides in the City of Winnipeg, in the Province of Manitoba. Celeste is the sole shareholder, officer, director, alter ego and guiding mind of the defendant, McKay Consulting Inc.

44. Celeste and McKay Consulting were retained by MNC to provide technical support to the MNC Executive, including to Chartier, Chartrand and Watteyne, pursuant to a Consultant Agreement with MNC dated April 1, 2019. That Consultant Agreement is governed by the laws of the Province of Ontario.

45. The defendant, John Weinstein ("**Weinstein**"), is an individual who resides in the City of Vancouver, in the Province of British Columbia. Weinstein is the sole shareholder, officer, director, alter ego and guiding mind of the defendant, PPNG.

46. Weinstein and PPNG were retained by MNC as a Senior Advisor to the MNC Executive, including to Chartier, Chartrand and Watteyne, pursuant to a Consultant Agreement with MNC dated April 1, 2019. That Consultant Agreement is governed by the laws of the Province of Ontario.

47. The defendant, Kathy Hodgson-Smith ("**Smith**"), is an individual who resides in the City of Saskatoon, in the Province of Saskatchewan. Smith is the sole shareholder, officer, director, alter ego and guiding mind of the defendant, Infinity.

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48. Smith and Infinity were retained by MNC to provide various consulting services, including general policy support, to the MNC Executive, including to Chartier, Chartrand and Watteyne, pursuant to a Consultant Agreement with MNC dated April 1, 2021. That Consultant Agreement is governed by the laws of the Province of Ontario.

49. The defendant, Wei Xie (“**Xie**”), is an individual who resides in the City of Ottawa, in the Province of Ontario. Xie is the sole shareholder, officer, director, alter ego and guiding mind of the defendant, Systemway.

50. Xie and Systemway were retained by MNC as a Senior Advisor to the MNC Executive, including to Chartier, Chartrand and Watteyne, pursuant to a Consultant Agreement with MNC dated April 1, 2019. That Consultant Agreement is governed by the laws of the Province of Ontario.

The MNC Governance Dispute and Governance Litigation

51. Since at least 2017, there has arisen among the “governing members” of MNC a dispute concerning the identification and recognition of citizens of the Métis Nation within and in accordance with the “National Definition” adopted by the MNC General Assembly in May of 2014, which continues to be MNC policy (the “**Citizenship Dispute**”).

52. This led to a further dispute (beginning no later than July, 2019) regarding the standing of the MNO within the MNC, and the legitimacy of governance actions taken by Chartier in relation to this issue, including Chartier’s purported suspension of the MNO as a member of the MNC, Chartier’s failure or refusal to convene a General Assembly to

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elect his successor, and Chartier's failure or refusal to convene a Board of Governor's Meeting (the "**Governance Dispute**").

53. Throughout 2020 and 2021, Chartier, Chartrand and MMF formed an alliance and resolved to remain steadfast in their common desire and effort to suspend MNO from MNC.

54. The Governance Dispute was the subject of three (3) court applications that were commenced and proceeded together in the Ontario Superior Court of Justice (the "**MNC Governance Litigation**") in the Spring and Summer of 2021.

55. During the course of the MNC Governance Litigation, Chartrand and MMF issued ultimatums to MNC about their withdrawal from MNC's affairs if matters pertaining to MNO's standing were not resolved in accordance with their wishes.

56. In the Summer of 2021, Court Orders (the "**MNC Court Orders**") were made in the MNC Governance Litigation:

- (a) determining that Chartier's purported suspension of the MNO as a member of the MNC was not lawful;
- (b) directing a special sitting the MNC General Assembly as soon as practicable or as counsel may agree; and
- (c) deferring the status of MNO to vote at the MNC General Assembly until after the MNC General Assembly meeting.

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57. Pursuant to a Consent Order negotiated by the parties and signed by the Court on September 22, 2021, the MNC General Assembly meeting proceeded on September 29 and 30, 2021, at which time a new MNC President was elected.

Chartrand and MMF Withdraw From MNC

58. Both before and after the release of the MNC Court Orders, Chartier, Chartrand, MMF and Watteyne conducted secret meetings in, among other places, Ontario, and they agreed to implement concrete steps of the Scheme, including to formally resign from MNC before the end of September, 2021, and to create financial and other harm to MNC before their respective departures, as detailed below.

59. On or about September 29, 2021, Chartrand and MMF publicly announced that MMF was withdrawing from the MNC due to the Citizenship Dispute.

60. In so withdrawing from MNC, Chartrand and MMF publicly announced that MMF's mandate going forward was to "protect (its) citizens regardless of where they live" and for MMF to "stand tall as the only true Métis Government with a modern day treaty that is about to be signed, and a land claim that is about to be settled".

Chartier and Watteyne Also Withdraw – Implementation of a Scorched Earth Policy

61. Shortly before the MNC General Assembly election at the end of September 2021, Chartier resigned or retired from MNC. In advance so doing, Chartier agreed to work with Chartrand in advancing MMF's interests to the detriment of MNC, as detailed below, in exchange for Chartier receiving a senior role at MMF in the fall of 2021.

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62. More specifically and in contemplation of MMF's withdrawal from MNC just before the MNC General Assembly elections at the end of September 2021, Chartrand, with the knowledge, assistance or acquiescence of Chartier, Watteyne and others, embarked upon a scorched earth policy to intentionally cause financial harm and other injury to MNC, recognizing that MNC and MMF would now be competing to be the legitimate or recognized authority and voice of the Métis Nation going forward.

63. In advance of the withdrawal of each of Chartier, Chartrand, MMF and Watteyne from MNC at the end of September of 2021, or at other times while in control of MNC's affairs, each of Chartier, Chartrand, Watteyne and others conspired to negotiate, implement, authorize and direct a number of steps designed to injure and which in fact caused damages to MNC, including in respect of each of: (i) the Purported Veterans Fund Assignment and Conversion; (ii) the Purported Ottawa Lease Extension; (iii) the Purported Severance Payments; (iv) the Purported Termination Payments; (v) the Purported LRI Consultant Agreement; (vi) the Purported GDI Consultant Agreement; (vii) the Purported Métis Database Assignment; and (viii) the Non-Arm's Length Payments and Excessive Gifts, all of which are as particularized below.

The Purported Veterans Fund Assignment and Conversion

64. In or about June of 2019, MNC and Her Majesty the Queen in Right of Canada, represented by the Minister of Veterans Affairs (the "**Minister**"), executed the Métis Veterans Fund Contribution Agreement. The Metis Veterans Fund Contribution Agreement is governed by the laws of the Province of Ontario.

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65. The purpose of the Métis Veterans Fund Contribution Agreement is set out in section 3 thereof, namely, to set out the terms and conditions pursuant to which the Minister would be making a contribution to MNC towards the “Métis Veterans Recognition Payment Program” (the “**Program**”).

66. The objectives of the Program are expressly set out in the Metis Veterans Fund Contribution Agreement to: (i) recognize, through \$20,000 individual recognition payments, Second World War Métis Veteran’s pre-war and post-war experiences that may have negatively impacted their demobilization success; and (ii) support commemorative initiatives that promote awareness and appreciation of Métis Veterans sacrifices and contributions to the Métis people as well as to the general Canadian public.

67. The Métis Veterans Fund Contribution Agreement prescribed the eligibility qualifications and the application process for receipt of individual recognition payments as well as for commemorative initiatives, and it set out specific targets and schedules for the release of up to \$30,000,000 in contributions to the Program from the Minister.

68. The Métis Veterans Fund Contribution Agreement also created specific contractual obligations on MNC as well as restrictions on the assignment thereof. In particular but without limitation:

- (a) pursuant to section 4.2, MNC was obligated to use the Minister’s contributions solely to carry out the Program in a diligent and professional manner in accordance with the terms and conditions of the agreement;

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- (b) pursuant to section 8.1, MNC was obligated to keep proper books and records of all expenditures and revenues relating to the Program;
- (c) pursuant to section 10.1, MNC was obligated to grant the Minister reasonable access to the Program site, the business premises of MNC, and to all Program-related books and records;
- (d) pursuant to section 12.1, MNC was obligated to provide prescribed reporting, including a work plan, yearly activity reports and any additional declarations or reports on expenditures or Program activities deemed necessary or advisable by the Minister;
- (e) pursuant to section 13.1(1)(c), an “Event of Default” was deemed to occur if MNC was in breach of the performance of or the compliance with any provision of the Métis Veterans Fund Contribution Agreement, which could in turn trigger termination rights in favour of the Minister; and
- (f) pursuant to section 23.1, MNC was prohibited from assigning the Métis Veterans Fund Contribution Agreement “or any part thereof without the prior consent of the Minister”.

69. In breach of their fiduciary duties to MNC, each of Chartier, Chartrand and Watteyne embarked on the implementation of their scorched earth policy by purporting to assign a portion of the Métis Veterans Fund Contribution Agreement to MMF by way of a Service Delivery Agreement between MNC and MMF dated September 24, 2020, and by

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way of a Service Delivery Amending Agreement dated as of February 2021 (collectively, the “**MMF Service Delivery Agreements**”).

70. Each of the MMF Service Delivery Agreements was executed by Chartrand on behalf of MNC with the knowledge of Chartier and Watteyne and without the approval or consent of the Minister, and despite the express prohibition against the assignment of any portion of the Métis Veterans Fund Contribution Agreement, as aforesaid.

71. Pursuant to the provisions of the MMF Service Delivery Agreements, Chartier, Chartrand, MMF and Watteyne arranged for, among other things:

- (a) the transfer from MNC to MMF of approximately \$9,000,000 that had been contributed by the Minister to the Program;
- (b) the establishment of an investment account at Richardson GMP in the name of MMF, which is solely under the control and direction of MMF or its investment advisors; and
- (c) the authority of MMF to charge a 15% fee based on the annual operating budget of the Program, as administered by MMF.

72. The execution of the MMF Service Delivery Agreements, including the arrangements to transfer funds and other benefits from MNC to MMF, to establish an investment account in the name of and in the control of MMF, and to charge fees, was done in the absence of any *bona fide* business purpose of MNC, were concealed from the MNC Board of Governors, were undertaken in breach of MNC’s By-Laws, customs,

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policies and practices, violated the *Canada Not-for-profit Corporations Act*, and represented a breach of the common law and fiduciary duties of each of Chartier, Chartrand and Watteyne to MNC.

73. MNC pleads that the funds and other benefits transferred to MMF pursuant to the MMF Service Delivery Agreements or connected with the Métis Veterans Fund Contribution Agreement are impressed with a constructive or resulting trust, and MMF knowingly assisted with the breach of fiduciary duties by each of Chartier, Chartrand and Watteyne, as aforesaid.

74. MNC further pleads that MMF is in knowing receipt of and has unlawfully converted funds and other benefits impressed with a trust as a consequence of the breach of fiduciary duties by each of Chartier, Chartrand and Watteyne in respect of the Métis Veterans Fund Contribution Agreement, as aforesaid.

75. Accordingly, MNC pleads that, with reference to the Métis Veterans Fund Contribution Agreement, MNC is entitled to the declaratory, compensatory, injunctive, equitable and other relief claimed in paragraph 1 of the Statement of Claim as against each of Chartier, Chartrand, MMF and Watteyne.

The Purported Ottawa Lease Extension

76. As known to each of Chartier, Chartrand and Watteyne, MNC had been leasing the Ottawa Premises from the Manitoba Landlord pursuant to a ten (10) year lease (the “**Initial Ottawa Lease**”) dated August 17, 2011.

77. Pursuant to the terms of the Initial Ottawa Lease:

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- (a) the term of the Initial Ottawa Lease expired October 31, 2021;
- (b) the basic rent payable for the last five (5) years of the term was \$18,700 per month; and
- (c) MNC had an option to renew (the “**Option to Renew**”) the Initial Ottawa Lease for two (2) consecutive five (5) year terms each, in which case the basic rent payable during each renewal term would be the greater of the basic annual rental for the last year of the term or the then-current prevailing market rent for comparable premises.

78. MNC did not exercise the Option to Renew. Instead, and shortly before his departure from MNC, Chartier (on behalf of MNC) executed an Amended Lease made the 6th day of April 2021 (the “**Amended Ottawa Lease**”) between MNC and the Manitoba Landlord, with the encouragement or assistance of Chartrand. The Amended Ottawa Lease is governed by the laws of the Province of Ontario.

79. At the time of the execution of the Amended Ottawa Lease, Chartier, Chartrand and Watteyne knew that the shareholders of the Manitoba Landlord were associated with MMF, including Louis Riel Capital Corporation and Métis Economic Development Organization Ltd.

80. Further, various directors and senior representatives of the Manitoba Landlord, including Anita Campbell, John (Jack) Gordon Park, and Phyllis Leah LaPlante, were also MMF officers or held senior committee positions at MMF.

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81. Consequently, each of Chartier, Chartrand and Watteyne knew or ought to have known that MMF and the Manitoba Landlord were not at arm's length, and that Chartier, Chartrand and Watteyne were therefore statutorily required to disclose a potential conflict of interest in order to obtain appropriate approval by the governing members of MNC before the execution of the Amended Ottawa Lease.

82. Further to the breach of their statutory duties in respect of the Amended Ottawa Lease, Chartier, Chartrand and Watteyne failed to comply with or were in reckless disregard for MNC's By-Laws, customs, policies and practices, and they thereby breached their fiduciary duties to MNC.

83. Pursuant to the Amended Ottawa Lease, Chartier purported to bind MNC to an additional seven (7) year term of renting the Ottawa Premises from November 1, 2021 to October 31, 2028 at a basic rent of \$19,448 per month (the "**Amended Basic Rent**").

84. MNC pleads that the Amended Basic Rent for the Ottawa Premises is much higher than the fair market rent for the Ottawa Premises, especially considering the impact of the COVID pandemic on rental rates in Ottawa in 2021.

85. MNC also pleads that each of Chartier, Chartrand and Watteyne knowingly participated in a breach of their respective fiduciary duties to MNC, acted while under a conflict of interest, and preferred the interest of MMF and the Manitoba Landlord to the detriment of MNC, in violation of the statutory, common law and By-Law obligations, and as part of the Scheme to injure MNC and benefit MMF upon their departures from MNC in 2021.

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The Purported Severance Payments

86. Just before their respective departures from MNC in September of 2021, Chartier, Chartrand and Watteyne collaborated, orchestrated and arranged with certain employees of MNC, namely, Russell and Monette, to provide each of them, and to provide each of Chartier and Watteyne, with excessive, inappropriate or unnecessary severance payments, to the detriment of MNC.

87. More specifically, Chartier, Chartrand and Watteyne designed and approved excessive, inappropriate or unnecessary termination provisions and severances to the detriment of MNC and for the benefit of each of Russell, Monette, Watteyne and Chartier (collectively, the “**Departing MNC Individuals**”), and they arranged for MNC to pay excessive, inappropriate or unnecessary severance payments to each of them, as follows:

Russell	\$120,000 (equivalent to 11 months salary)
Monette	\$60,000 (equivalent to 10 months salary)
Watteyne	\$374,000 (equivalent to 24 months salary)
Chartier	\$244,710 (equivalent to 18 months salary)

88. MNC pleads that the Purported Severance Payments were excessive, inappropriate or unnecessary in that, *inter alia*:

- (a) Without having any legal authority or bona fide business rationale for so doing, Wettyene provided “Letters of Assurance” dated May 28, 2021 to each of Russell and Monette, as encouraged or approved by each of Chartier and Chartrand, indicating to each of Russell and Monette on behalf

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of MNC that the “Minister of Finance (Chartrand) has the authority to bind the MNC Secretariat (and was) providing a minimum of 12 months notice in the event that a decision (was) made by the Executive or Board of Directors of the Metis National Council to relieve (them) of (their) employment position”;

- (b) By email from MNC’s Director of Finance, Claire Laliberte, CPA, CA, to Watteyne dated July 30, 2021, Watteyne was expressly advised, among other things, that “in terms of end of employment for President Chartier, who is finishing his term as President (no dismissal, no forced retirement, etc.), the standard payroll terms listed below would apply. Finance cannot suggest any deviations from these standards, especially given the political climate and scrutiny that will follow Severance: this is not applicable since his term is ending, there is no dismissal of the employee or forced retirement. I have never seen any payments to longstanding employees, only retirement parties and gifts”;
- (c) each of the Departing MNC Individuals, including Watteyne, intended to resign or retire from MNC in or about September of 2021, such that MNC did not have a legal obligation to pay them any of the aforesaid severance payments or the severance payments in the amounts set out above;

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- (d) instead of being provided with severance payments, each of the Departing MNC Individuals could have been given working notice by MNC if MNC intended to ultimately terminate their services;
- (e) each of the Departing MNC Individuals had a duty to take reasonable steps to mitigate the loss of their arrangements with and positions at MNC; and
- (f) the amount of severance payments actually paid by MNC to the Departing MNC Individuals was well in excess of their respective statutory and common law entitlements and should have been structured to take into account their intention to resign and their duty to mitigate, as aforesaid.

89. MNC pleads that Chartier, Chartrand and Watteyne were friends or colleagues, and they were also friends and colleagues of each of Russell and Monette. Chartier, Chartrand and Watteyne preferred the interests of each of the Departing MNC Individuals to the interest of MNC and even coached the Departing MNC Individuals on how to claim and receive entitlement to excessive, inappropriate or unnecessary severance payments for themselves, with the intent of creating financial windfalls for the Departing MNC Individuals to the detriment of MNC.

90. MNC pleads that Chartier, Chartrand and Watteyne breached their fiduciary duties to MNC in orchestrating the negotiation and payment of the excessive, inappropriate or unnecessary Purported Severance Payments to each of the Departing MNC Individuals, which breaches caused MNC to suffer financial loss.

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91. Further, each of Chartier, Chartrand and Watteyne breached the By-Laws and their statutory and common law duties in respect of the Purported Severance Payments, especially considering the conflict of interest in arranging for the substantial severance payment made to Watteyne (who was prepared to voluntarily resign from MNC in September of 2021 and who was therefore not entitled to any severance payment), and in arranging for the severance payment to Chartier (who intended to “retire” from MNC in September of 2021 upon the election of a new MNC President and who was therefore likewise not entitled to any severance payment).

92. In so orchestrating the Purported Severance Payments, Chartier, Chartrand, MMF and Watteyne intended to advance their scorched earth policy so as to benefit not only the Departing MNC Individuals, but also to benefit MMF, and to correspondingly injure MNC upon their departures from MNC in September of 2021.

93. MNC pleads that each of Chartier and Watteyne have been unjustly enriched by the severance payments made by MNC to them, as aforesaid, and MNC seeks an order that Chartier and Watteyne disgorge all or part of those excessive, inappropriate or unnecessary severance payments.

94. MNC further pleads that MNC suffered damages by paying the excessive, inappropriate or unnecessary Purported Severance Payments, and MNC seeks damages against each of Chartier, Chartrand, MMF and Watteyne as a consequence of their breach of duties, as aforesaid, which caused MNC to suffer those damages.

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95. As set out above, MNC pleads that Russell and Monette knew or were wilfully blind to the breaches of fiduciary duty by each of Chartier, Chartrand and Watteyne, and they assisted with those breaches. In so doing, each of Russell and Monette knowingly received the benefits thereof, being excessive compensation from MNC, or were wilfully blind in that respect.

96. MNC pleads that the excessive, inappropriate or unnecessary Purported Severance Payments are impressed with a constructive trust in favour of MNC.

The Lump Sum Payments

97. Just before their respective departures from MNC in September of 2021, or at other times while in control of the business and affairs of MNC, Chartier, Chartrand and Watteyne collaborated and arranged with certain consultants to MNC, namely, Marc, LeClaire Infocom, Celeste, McKay Consulting, Weinstein, PPNG, Smith, Infinity, Xie and Systemway (collectively, the “**Withdrawing Contractors**”) to provide each of them with excessive, inappropriate or unnecessary lump sum termination payments to the detriment of MNC.

98. More specifically and in 2021, Chartier, Chartrand and Watteyne negotiated or re-negotiated commercially unreasonable and oppressively onerous termination provisions in MNC’s written contracts with each of the Withdrawing Contractors in order to injure MNC and to correspondingly benefit the Withdrawing Contractors; in so doing, Chartier, Chartrand and Watteyne also conspired to arrange for MNC to pay excessive, inappropriate or unnecessary termination payments to each of them, as follows:

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Marc and LeClaire Infocom	\$350,000 (equivalent to 24 months payments for services)
Celeste and McKay Consulting	\$91,765.17 (equivalent to 6 months payments for services, plus administrative fees and taxes)
Weinstein and PPNG	\$350,000 (equivalent to 24 months payments for services)
Smith and Infinity	\$81,360 (equivalent to 6 months payments for services, plus taxes)
Xie and Systemway	\$276,000 (equivalent to 24 months payment for services)

99. MNC pleads that the Lump Sum Payments were excessive, inappropriate or unnecessary in that, *inter alia*:

- (a) the purported termination and penalty provisions in favour of the Withdrawing Contractors were not negotiated for valuable consideration or in accordance with commercial reasonableness, industry standards or in good faith. In fact, each of Chartier, Chartrand and Wetteyne agreed, shortly before their respective departures from MNC, to provide the Withdrawing Contractors with windfall termination provisions that substituted MNC's rights to terminate the Withdrawing Contractors' services on notice and with little or no financial penalty or payment from MNC with termination provisions by which MNC would be contractually obligated to pay up to 24 months notice, even if the Withdrawing Contractors did not provide any services to MNC (the "**Substituted Penalty Provision**");
- (b) having obtained mandates to work for MMF in the latter part of 2021, each of the Withdrawing Contractors was encouraged by Chartier, Chartrand and

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Watteyne to give notice of the termination of their respective contracts with MNC in 2021 or intended to stop providing services to MNC in 2021 in any event, such that MNC did not have a legal obligation to pay the amounts described above or in the Substituted Penalty Provision;

- (c) instead of being provided with termination payments without having to provide any services, benefit or value to MNC, each of the Withdrawing Contractors could have been given notice of termination by MNC in a manner which would have required each of them to continue to provide services, benefits and value to MNC;
- (d) to the extent that the Substituted Penalty Provision was legally enforceable, which MNC disputes, each of the Withdrawing Contractors still had a duty to take reasonable steps to mitigate any loss of revenue from MNC upon termination or breach of their respective contracts, and the Withdrawing Contractors were able to successfully mitigate that loss by being retained by MMF shortly after and as a reward for agreeing to terminate their services with MNC;
- (e) the amount of the Lump Sum Payments was well in excess of the Withdrawing Contractors' respective legal entitlements, and any termination payments to the Withdrawing Contractors should have been structured to take into account their duty to mitigate, as aforesaid.

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100. MNC pleads that Chartier, Chartrand and Watteyne breached their fiduciary duties and duties of good faith to MNC by orchestrating, encouraging, conspiring, assisting and implementing the negotiation or re-negotiation of purported contractual rights between MNC and the Withdrawing Contractors in order to create unconscionable and commercially unreasonable obligations on MNC, including in respect of the Substituted Penalty Provision.

101. Chartier, Chartrand and Watteyne also breached their fiduciary duties and duties of good faith to MNC by orchestrating, encouraging, conspiring, assisting and implementing the payment of the excessive, inappropriate and unnecessary Lump Sum Payments to each of the Withdrawing Contractors.

102. Further, each of Chartier, Chartrand and Watteyne breached MNC's By-Laws, customs, policies and practices, as well as their statutory and common law duties in negotiating or re-negotiating the purported contracts with each of the Withdrawing Contractors, including by incorporating or amending their respective contracts to include the Substituted Penalty Provision.

103. MNC pleads that Chartier, Chartrand and Watteyne breached their fiduciary duties and duties of good faith to MNC by conspiring with and encouraging each of the Withdrawing Contractors to cease providing services to MNC and instead provide their respective services to MMF.

104. In so implementing and orchestrating the payment of the Lump Sum Payments, and by encouraging the Withdrawing Contractors to cease providing services to MNC and

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provide their respective services to MMF, Chartier, Chartrand, MMF and Watteyne intended to advance their scorched earth policy so as to benefit MMF and correspondingly injure MNC upon their departures from MNC in September of 2021.

105. MNC pleads that MNC suffered damages as a consequence of the foregoing breaches by each of Chartier, Chartrand and Watteyne, including without limitation: (i) by paying the excessive, inappropriate or unnecessary Lump Sum Payments; and (ii) by losing the benefit of the services provided by the Withdrawing Contractors, at the encouragement of Chartier, Chartrand, MMF and Watteyne, to MNC's competitor, namely MMF.

106. As set out above, MNC pleads that each of the Withdrawing Contractors knew or were wilfully blind to the breaches of fiduciary duty by each of Chartier, Chartrand and Watteyne, and they assisted with those breaches. In so doing, each of the Withdrawing Contractors knowingly received the benefits thereof, being excessive compensation from MNC.

107. MNC pleads that the excessive, inappropriate or unnecessary Lump Sum Payments are impressed with a constructive trust in favour of MNC.

The Purported LRI and GDI Consultant Agreements

108. In addition to orchestrating excessive, inappropriate and unnecessary payments to the Departing Employees and the Withdrawing Contractors as apart of their scorched earth policy before their departures from MNC, Chartier, Chartrand and Watteyne negotiated, encouraged, orchestrated or assisted with the execution of excessive and

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unnecessary contracts on behalf of MNC, in breach of their statutory and common law duties, and in violation of MNC's By-Laws, customs, policies and practices. This was done in an attempt to bind MNC to significant future liabilities, to injure MNC thereby, and to correspondingly benefit MMF.

109. In particular, each of Chartier, Chartrand and Watteyne collaborated, designed, encouraged, negotiated, arranged or otherwise assisted with the execution of each of the LRI Consultant Agreement and the GDI Consultant Agreement without disclosing these negotiations and contracts to the MNC Board of Governors, without obtaining approval and signing authority in accordance with MNC's By-Laws, customs, policies and practices, and with the intent of benefiting associates of MMF, namely LRI and GDI, at the expense of and to intentionally cause financial injury to MNC.

110. While each of the LRI Consultant Agreement and the GDI Consultant Agreement purports to have been executed by Chartrand (on behalf of MNC) and witnessed by Watteyne on April 1, 2021, they were actually executed between September 28, 2021 and September 30, 2021, just prior to the resignations and departures of each of Chartier, Chartrand and Watteyne from MNC so as to appear to be contracts made in the ordinary course of MNC's business and not part of their Scheme.

111. Specifically in connection with the GDI Consultant Agreement, Chartier, Chartrand and Watteyne (in part, through an email from Monette to GDI, which was copied to Watteyne and Celeste and dated September 30, 2021), directed others at MNC (including Monette) and instructed GDI to provide a back-dated invoice dated April 1, 2021 in respect

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of the back-dated April 1, 2021 GDI Consultant Agreement. This back-dated invoice was actually delivered to and received by MNC on September 30, 2021, as requested in the aforementioned email from Monette to GDI dated September 30, 2021.

112. In correspondence to each of LRI and GDI sent in December of 2021, MNC put each of LRI and GDI on notice of MNC's position that each of the LRI Consultant Agreement and the GDI Consultant Agreement are legally unenforceable and void *ab initio* due to the breach of duties by each of Chartier and Chartrand, as aforesaid.

113. In the event that either LRI or GDI seeks to enforce the LRI Consultant Agreement or the GDI Consultant Agreement, MNC seeks damages, and contribution and indemnity from each of Chartier, Chartrand, MMF and Watteyne in respect thereof, as set out in paragraph 1 of the Statement of Claim.

The Purported Metis Database Assignment and Conversion

114. In or about April of 2020, MNC entered into the Database Agreement with U of A pursuant to which MNC acquired prescribed rights, interests and benefits described therein, including in respect of the Metis Database.

115. The Database Agreement provides for research and associated Metis Database services facilitated by U of A for the benefit of MNC or as MNC permits.

116. However, and without lawful right or authority, and in breach of existing MNC By-laws, customs, policies and practices, and in breach of their fiduciary duties, each of Chartier, Chartrand and Watteyne secretly collaborated, encouraged, assisted and executed an unlawful plan to transfer MNC's rights, interests and benefits arising from the

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Database Agreement, including in the Metis Database that had been purchased with MNC's funds, to MMF for nominal or no consideration.

117. More specifically, Chartier, Chartrand, MMF and Watteyne secretly conspired to have MMF convert MNC's rights, interests and benefits arising from the Database Agreement, including in the Metis Database, by orchestrating the execution and implementation of: (i) a purported Database Purchase Agreement between MNC and MMF dated March 26, 2021 (the "**Purchase Agreement**"); and (ii) a purported Assignment of Métis National Council Service Agreement between MNC and MMF dated September 30, 2021 (the "**Assignment Agreement**"), in breach of MNC's By-Laws, customs, policies and practices, as well as in violation of applicable statutory provisions considering the conflict of interest arising in connection therewith.

118. The Metis Database is the only centralized web-interfaced catalogue that contains Métis historic information extracted from archival documents and which can be used to trace and construct family trees. These processes facilitate cultural re-connection, identity reclamation, and nation building. The Metis Database is vital to the Métis Nation, and MNC acquired prescribed rights, interests and benefits therein pursuant to the Database Agreement.

119. Chartier, Chartrand and Watteyne conspired to secretly facilitate the transfer of the benefits of Database Agreement, including the Metis Database, to MMF without consulting with and without the approval of the MNC Board of Governors by secretly

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arranging for the execution and implementation of both the Purchase Agreement and the Assignment Agreement in breach of MNC's By-Laws, customs, policies and practices.

120. Further, and as was known by each of Chartier, Chartrand and Watteyne, at no time was any person appointed by the MNC Board of Governors to sign any documentation on behalf of MNC with respect to either the Purchase Agreement or the Assignment Agreement, in violation of MNC's By-Laws, customs, policies and practices.

121. The purported Assignment Agreement and the purported Purchase Agreement, including the transfer and sale of the Metis Database to MMF, constitutes unlawful conversion of MNC's rights, interests and property by MMF with the unlawful assistance of each of Chartier, Chartrand and Watteyne.

122. In executing both the Assignment Agreement and the Purchase Agreement, and by ultimately orchestrating the transfer of the benefits of the Database Agreement, including the Metis Database, to MMF, each of Chartier, Chartrand and Watteyne breached their fiduciary duties to MNC, and MMF knowingly participated in that breach and was knowingly in receipt of the benefits of those breaches of fiduciary duty.

123. Chartier, Chartrand, MMF and Watteyne, in secret collaboration, have unlawfully conspired to allow MMF to convert MNC's rights, interests and benefits from the Database Agreement, including in respect of the Metis Database, with the intention of injuring MNC and so as to deny MNC its rights and interests therein.

124. As a direct result of the unlawful acts and omissions of each of Chartier, Chartrand, MMF and Watteyne, as aforesaid, MNC has suffered damages as well as the loss of the

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rights, interests and benefits that MNC purchased and acquired pursuant to the Database Agreement, including in respect of the Metis Database.

Non-Arm's Length Payments and Excessive Gifts

125. Subsequent to the withdrawals of each of Chartier, Chartrand, MMF and Watteyne from MNC in September of 2021, MNC uncovered the various breaches of fiduciary duty by Chartier, Chartrand and Watteyne for the benefit of MMF, as aforesaid, as well as other breaches of their fiduciary duties by authorizing and implementing inappropriate gifts and other expenses.

126. As of the date of pleading, MNC continues to conduct inquiries as to the inappropriate and unauthorized spending practices of Chartier, Chartrand and Watteyne, the particulars of which will be provided in advance of trial.

127. As of the date hereof, MNC pleads that Chartrand, Chartier and Watteyne facilitated the delivery of excessive or inappropriate remuneration and expenses or inappropriate gifts, including without limitation: (i) excessive or inappropriate remuneration to Chartrand's wife pursuant to Consultant Agreements between MNC (signed by Chartier on behalf of MNC) and "Ryley James" and/or Glorian Chartrand whereby "Ryley James" and/or Glorian Chartrand were receiving, at times, at least \$13,500 per month; and (ii) a gold watch that was purchased at Chartrand's direction and with Watteyne's assistance, which was provided to Chartier in the summer of 2021 as a "retirement gift", which was concealed from the MNC Board of Governors and which was delivered in breach of MNC's By-Laws, customs, policies and practices.

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128. Furthermore, the “retirement gift” provided by Chartrand and Watteyne to Chartier at MNC’s expense was inconsistent with the payment of a lump sum termination payment of \$244,710 made by MNC to Chartier representing 18 months of Chartier’s salary, as referenced above, and was not appropriate considering the breaches of fiduciary duty and damages caused by Chartier to MNC, as aforesaid.

129. MNC pleads that Chartier, Chartrand and Watteyne are liable to reimburse MNC for these excessive gifts and unauthorized expenditures, the details of which will be provided in advance of trial.

Other Causes of Action

130. MNC pleads that Chartier, Chartrand, MMF and Watteyne entered into an agreement and Scheme among themselves in Ontario to do an unlawful act (by way of breach of statute, breach of fiduciary duty and conversion, as aforesaid) or to do a lawful act by unlawful means (by way of breach of statute, breach of fiduciary duty and conversion, as aforesaid), the predominant purpose of which was to cause financial injury to MNC and which did in fact cause financial injury to MNC.

131. Alternatively, MNC pleads that the conduct of Chartier, Chartrand, MMF and Watteyne in formulating and implementing the Scheme was unlawful (by way of breach of statute, breach of fiduciary duty and conversion, as aforesaid), was directed towards MNC, and Chartier, Chartrand, MMF and Watteyne knew or ought to have known in the circumstances that financial injury to MNC was likely to and did in fact occur.

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132. The Scheme was also designed and implemented by Chartier, Chartrand, MMF and Watteyne in Ontario in order to provide MMF with an unfair advantage in MMF's ultimate desire and effort to be the sole national voice and representative of the Metis Nation. In so doing, these defendants not only created severe financial and reputational damage to MNC, they also designed and created additional obstacles intended to delay, hinder or prevent MNC from fulfilling its mandate, including by: (i) leaving MNC with depleted financial resources; (ii) transferring MNC assets to MMF; (ii) creating inappropriate, excessive and unnecessary contractual liabilities for MNC; and (iii) encouraging MNC personnel and consultants to discontinue providing services to MNC.

133. MNC pleads that Chartier, Chartrand, MMF and Watteyne, using conspiratorial and unlawful means in Ontario, intentionally interfered with MNC's business and relationships with the intent of causing MNC to suffer financial damage, which was in fact suffered by MNC as a consequence thereof.

134. Further, MNC pleads that the Scheme and the conduct of Chartier, Chartrand, MMF and Watteyne were calculated, malicious, demonstrated a callous disregard for the rights of MNC and their obligations to MNC, and were otherwise reprehensible so as to be worthy of censure and deterrence. MNC suffered general damage to its reputation as well as the financial damages referenced above. MNC therefore seeks an award of aggravated, exemplary and punitive damages as against each of Chartier, Chartrand, MMF and Watteyne.

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135. MNC pleads and relies on the *Canada Not-for-Profit Corporations Act*, S.C. 2009, c. 23, including without limitation, section 141 thereof.

136. MNC proposes that the trial of this action proceed in the City of Toronto, in the Province of Ontario.

MNC SERVES THIS STATEMENT OF CLAIM WITHOUT A COURT ORDER OUTSIDE OF ONTARIO IN RELIANCE ON RULE 17.02(a), (c)(i), (f), (g) and (i) OF THE RULES OF CIVIL PROCEDURE.

January 27, 2022

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Plaintiff

and CLÉMENT CHARTIER et al
Defendants

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT
TORONTO

STATEMENT OF CLAIM

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