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**STATEMENT OF THE WEI WAI KUM FIRST NATION COUNCIL
on the
RESIGNATION OF COUNCILLOR JASON PRICE
and his
BREACH OF FIDUCIARY DUTY TO THE BAND**

July 11, 2018

Jason Price, now a former Councillor of the Wei Wai Kum First Nation, has resigned from Council and has given the Band an undertaking that he will not run for a position on council for a period of six years from the date of his resignation. The resignation and suspension from running is effective as of Friday, July 6, 2018 and comes in the face of a Petition by the Council to have him removed from office and suspended for six years for breaching his fiduciary and other duties to the Band.

Jason Price submitted his resignation and undertaking just two days before a hearing was to be held by an Arbitrator on the Council's Petition. The Petition was based on the March 28, 2018 findings of an Independent Investigator (who is a lawyer) that Jason Price was in breach of his fiduciary and other obligations to the band. As a result of the resignation and undertaking, Jason Price has voluntarily accepted the full penalty that the Arbitrator could have imposed under the Petition and the Election Code, and the Arbitrator has thus ruled that the hearing into whether he ought to be removed and suspended will not proceed.

The Council accepts Mr. Price's resignation and undertaking, coming on the eve of the hearing, as substantiating the findings of the Independent Investigation and the basis for the Council's Petition.

This statement on the resignation has been unanimously approved by Council.

THE INDEPENDENT INVESTIGATION

The Independent Investigator's findings included, among other things, these points:

Undisclosed Payments of \$23,900

- Jason Price entered into some kind of undisclosed business relationship with K&L Spooner Construction Ltd., a company doing business with the band and which dealt directly with Jason Price as WWK's Lands, Housing and Public Works Administer.¹

¹ At the time of these events, K&L Spooner Construction was jointly owned by Kevin and Linda Spooner. Since then, Linda Spooner has assumed full control of the business and operates it under a new name. Ms. Spooner was

- The payments that Jason Price received from K&L totaled \$23,900. Jason Price failed to provide any evidence of any actual work product for work he claims to have performed for K&L.
- Jason Price did not disclose this “business relationship” to the Council as he was required to do as a fiduciary and under his oath of office.
- As a result of this “business relationship” Jason Price was in a conflict of interest.
- Jason Price, as a fiduciary, is obligated to provide a satisfactory explanation for the funds he received from K&L, but failed to do so.
- No credible explanation for these payments has been provided to date by Jason Price.

Construction and Renovation Benefits on Jason Price’s Home

- In addition, the Independent Investigator found that K&L did extensive construction and renovation work on Jason Price’s house for which no proof of payment on Jason’s part has been provided or established.
- There is evidence that work on Jason Price’s home was charged by K&L Spooner Construction Ltd to WWK through CMHC-funded home renovation projects on members’ houses. However, the Independent Investigator was not able to conclude on the available documents that Jason Price knew of this, but it is important to note that Jason Price, as the administrator of Lands, Housing and Public Works, received invoices for those CMHC projects from K&L and was responsible for reviewing them.
- As a fiduciary, Jason Price was obligated to provide an explanation for the work done on his house and establish how it was paid for. His assertion that he paid cash for this work was not supported by any evidence of such payments.

Jason Price was given an opportunity to explain himself and provide his version of events to the Independent Investigator but he declined to do so.

co-operative in the Independent Investigation and agreed, without compulsion, to be a witness in the hearing of the Petition.

THE PETITION AND HEARING UNDER THE ELECTION CODE

As a result of the Independent Investigator's findings, the Council submitted its Petition, along with the report of the Independent Investigator, to an Arbitrator under section 55 of the Election Code. The Arbitrator ruled that the Petition was in compliance with section 55 and that it should proceed to a hearing.

The hearing of the Petition was the last opportunity for Jason Price to give a full explanation for the substantial payments and construction/renovation benefits he received from K&L Spooner Construction. As noted, the Independent Investigator – who is also a lawyer – had found that Jason had a legal obligation as a fiduciary to give a satisfactory explanation. He did not provide one to the Investigator, so the hearing of the Petition before an independent Arbitrator provided him with the last opportunity to do so, and Council ensured that it was fair opportunity.

In particular, although the Election Code provides for a 20-day time period for the hearing of a Petition for removal from the date it is submitted, Jason Price complained (through his lawyer, Simon Wells of DLA Piper) that the 20 day period was inadequate to fully understand and respond to the Petition. Therefore, the Council agreed (at Simon Wells' request) to extend the time for the hearing of the Petition to July 10, 2018 thereby giving him an additional three weeks, on top of the 20 days, (i.e. 41 days) to respond to the Petition.

Despite the extra time given to respond, Jason Price provided no list of witnesses that he would be calling at the hearing and did not respond to a request by the Council for documents that would prove his claims that he paid cash to K&L Spooner or that demonstrated that he did any actual work for the \$23,900 payments he received from K&L Spooner.

In the meantime, the Council fully prepared for the hearing. Through the Band's lawyer, we gave Jason Price full disclosure of all the potentially relevant documents in the Band's possession, we specifically identified each document that we would be relying on at the hearing, we provided a list of all the witnesses that we would be calling in our case, and we provided a summary of the evidence that each witness was expected to give. We provided specific documents that Jason Price requested and responded to a lengthy and specific document request from his lawyer.

By July 6, Council, with our lawyer, was fully prepared for the hearing and to prove the case against Jason. We had given full disclosure of all aspects of our case to Jason and his lawyer. There is no question that the hearing of the Petition was a clear and fair opportunity for Jason Price to provide the necessary explanation for the payments and benefits he received from K&L, with full information of the case Council intended to put forward.

However, instead of proceeding with the hearing and offering up an explanation, Jason resigned from his position on council and undertook not to run for council for six years. He therefore accepted the full penalty that the Arbitrator could have imposed after a hearing.

COUNCIL ACCEPTS THE RESIGNATION AS CONFIRMATION OF JASON'S BREACH OF DUTY

As noted, Council considers this resignation and undertaking not to run to be a full vindication of the Petition and confirmation of the Independent Investigator's findings of breach of fiduciary

duty, and breach of Jason Price's obligations under his oath, contract of office, and Wei Wai Kum policy.

Instead of responding to the Petition and giving an explanation for his conduct (which he would be required to do under oath at the hearing) Jason Price chose to avoid a hearing by resigning and undertaking not to run for council for six years. He also advised that neither he nor his lawyer would show up at the hearing if it proceeded. The Arbitrator ruled that the hearing would not proceed given Jason's resignation and undertaking.

In the result, the following conclusion of the Independent Investigator is affirmed:

Given Mr. Price's fiduciary obligations and his undisclosed conflict of interest in dealing with K&L Ltd., Mr. Price has an obligation to establish that he paid for the work and materials obtained through K&L Ltd., including for his home renovation and various RRAP projects listed above. Mr. Price chose not to be interviewed as part of this investigation, or provide a response to the Allegations of Wrongdoing, including those with merit. **As a result, absent an explanation establishing that Mr. Price did not benefit, as the evidence suggests, he is in breach of his fiduciary duties to WWK.**

Jason Price has declined to give an explanation establishing that he did not benefit and, on this basis, the findings of the Independent Investigator that Jason has breached his fiduciary and other duties to the Band are confirmed. With Jason Price having refused all opportunities to provide an explanation that might establish that he did not improperly benefit from his relationship with K&L Spooner Construction Ltd., we can only conclude that no such satisfactory explanation exists.

Thus, on behalf of the Wei Wai Kum First Nation as its legal representative, Council accepts Mr. Price's resignation and his undertaking not to run for a position on council for a period of six years commencing July 6, 2018.

Gilakas'la,

On behalf of Wei Wai Kum First Nation Chief and Council,



Chris Roberts
Chief Councillor,
Wei Wai Kum First Nation