

FOUNDATION DOCUMENT PART I: THE 2012 SALE OF COLLUS SHARES

Chapter 6: Compenso Consulting Work with PowerStream Continues After Council Approval of the Share Sale; Finalizing the Share Sale Transaction (January 24, 2012-July 31, 2012)

**Commissioner: The Honourable Frank N. Marrocco, Associate Chief
Justice, Superior Court of Justice, Ontario**

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Chapter 6 Compenso Consulting Work with PowerStream Continues After Council Approval of the Share Sale; Finalizing the Share Sale Transaction (January 24, 2012-July 31, 2012)

6.1 Paul Bonwick's Involvement in Further Acquisition Discussions

550. On January 24, 2012, Ed Houghton emailed John Glicksman, Dennis Nolan, Mark Henderson, Brian Bentz and Paul Bonwick asking to have a brainstorming session that week on the next steps for "growing" Collus. A meeting was scheduled for Dennis Nolan, John Glicksman, Ed Houghton and Paul Bonwick on January 26. Councillor Chadwick asked Mr. Bonwick how his meeting with PowerStream went and whether they were interested in any further work. Mr. Bonwick replied "Yes ... they want me to present a six month plan including monitoring from Provincial government. Please keep going until we chat."

Email chain including Paul Bonwick, Ed Houghton, John Glicksman, Dennis Nolan, Mark Henderson and Brian Bentz, January 24-25, 2012, [ALE0001746](#)

Meeting invite from Victoria Scoffield to Dennis Nolan, John Glicksman, Ed Houghton and Paul Bonwick, January 26, 2012, [ALE0001700](#)

Email chain including Paul Bonwick and Ian Chadwick, January 23-28, 2012, [CJI0000580](#)

551. On January 31, 2012, Paul Bonwick obtained a quote for a salon rental at the Fairmont Royal York in Toronto for the evening of March 26, 2012. The Electricity Distributor's Association conference occurred at the Fairmont on March 25 and 26, 2012.

Email chain including Caitlin Rolfe, Paul Bonwick, John Glicksman, Ed Houghton, Mark Henderson and Brian Bentz, January 31 – February 2, 2012, [TOC0094011.0001](#) (email) [TOC0094011.0001.0001](#) (attachment)

Email from Electricity Distributors Association to Brian Bentz, March 14, 2012, [ALE0011398](#), p 4

552. On February 8, 2012, John Glicksman informed Paul Bonwick they were not going to proceed with the hospitality suite at the Electricity Distributor's Association conference and would instead take a low-key approach. Mr. Bonwick forwarded the email to Ed Houghton and suggested that they chat.

Email chain including John Glicksman, Paul Bonwick, Brian Bentz, Victoria Scoffield, and Ed Houghton, February 8, 2012, [CPS0009076 00001](#)

553. On February 9, 2012, Paul Bonwick advised John Glicksman that he identified Orangeville, Wellington Centre, Westario and Innisfil as potential consolidation options.

Email chain including Paul Bonwick, John Glicksman, Brian Bentz, Mark Henderson and Dennis Nolan, February 9, 2012, [ALE0001862](#)

554. On February 13, 2012, Paul Bonwick asked if Brian Bentz was available on March 27, 2012 for lunch with Innisfil Hydro and dinner with Orangeville/Wellington Centre. On February 20, 2012, Paul Bonwick emailed Ed Houghton to ask him to confirm a March 27, 2012 breakfast meeting with Innisfil Hydro, a lunch meeting with Orangeville Hydro and Wellington Center, and perhaps a dinner with Westario. Mr. Bonwick also suggested, “a broader discussion related to the Drummond Report and how we might best use that information to instigate consolidation discussions with LDC’s across the Province.”

Email chain including Paul Bonwick, Sandra DiPonio, and John Glicksman, February 13, 2012, [ALE0001877](#)

Email from Paul Bonwick to Ed Houghton, Brian Bentz, John Glicksman, Dennis Nolan and Mark Henderson, February 20, 2012, [ALE0001945](#)

555. The Drummond Report was released on February 15, 2012. The Drummond Report offered a number of recommendations with regards to reducing Ontario’s deficit. Recommendation 12-13 was to “[c]onsolidate Ontario’s 80 local distribution companies (LDCs) along regional lines to create economies of scale.” Local reporters contacted Mayor Cooper requesting comments on the Drummond report. Mayor Cooper forwarded these requests to Ed Houghton and asked him for help in formulating her comments. Mr. Houghton responded with suggested wording for the Mayor’s comments.

Drummond Report, Commission on the Reform of Ontario’s Public Services, February 15, 2012, [CJI0010461 \(excerpt\), p 19](#)

Email Chain between Sandra Cooper, Ed Houghton and Ian Adams, February 17-21, 2012, [TOC0515491](#)

556. An email chain containing a reporter's questions to Mayor Cooper about the Drummond Report was also forwarded to Paul Bonwick. One of the questions concerned whether the Drummond Report's recommendations would delay or hamper the Collus-PowerStream transaction. Mr. Bonwick responded to Ed Houghton, indicating:

No there is no concern that the Drummond Report would in any way negatively impact our initiative. In fact it clearly supports the initiative a being very progressive.

The only urgency attached to the deal comes in the form of the Town being paid 15 million dollars and the ability to move forward on our growth strategy recognizing the direction provided by the Drummond Report.

Email chain including Paul Bonwick, Ed Houghton, Sandra Cooper, and Ian Adams, February 17-21, 2012, [CPS0010813 00001](#)

557. On March 25, 2012, Paul Bonwick emailed Brian Bentz suggesting that Mr. Bonwick not attend introductory meetings scheduled for the next day. Mr. Bonwick indicated that he and Mr. Houghton felt that it might appear somewhat presumptuous to have a consultant responsible for consolidation and expansion attend these meetings. Mr. Bentz, Mr. Bonwick, and Mr. Houghton had meetings scheduled with representatives from other LDCs on March 26. In the same email, Mr. Bonwick advised that he had put in a request to have a Minister make positive mention of the Collus PowerStream partnership in an upcoming speech.

Calendar invitation for March 26, 2012, [ALE0002235](#)

Calendar invitation for March 26, 2012, [ALE0002234](#)

Email from Paul Bonwick to Brian Bentz, John Glicksman and Ed Houghton, March 25, 2012, [ALE0002383](#)

558. On March 29, 2012, Paul Bonwick circulated an agenda for a March 30, 2012 meeting. The first agenda item was to "discuss presentation, strategy and recommendations for the meeting with the Premier's Office related to consolidation." The second agenda item was to discuss specific strategies for six LDCs. The following day, Ed Houghton sent an

amended version of the agenda to Paul Bonwick that identified key individuals at each of the relevant LDCs.

Email from Paul Bonwick to Brian Bentz, John Glicksman, Mark Henderson, Dennis Nolan and Ed Houghton, CC Sandra DiPonio, Victoria Scoffield, Pam Hogg and Ryan Manchee, March 29, 2012, [TOC0133604.0001](#) (email) [TOC0133604.0001.0001](#) (attachment)

Email Ed Houghton to Paul Bonwick, March 30, 2012, [TOC0133911.0001](#) (email) [TOC0133911.0001.0001](#) (attachment)

559. After the meeting, Paul Bonwick circulated a new agenda containing a list of action items pertaining to scheduling follow up meetings with each of the LDCs.

Email from Paul Bonwick to Brian Bentz, Ed Houghton, John Glicksman, Dennis Nolan, and Mark Henderson, CC Sandra DiPonio and Victoria Scoffield, April 1, 2012, [ALE0002411](#) (email), [ALE0002412](#) (attachment)

560. Around this time, Paul Bonwick also set up a meeting for April 3, 2012, to talk with John Herhalt and John Rockx about strategies pertaining to consolidation in the LDC sector. Mr. Rockx asked if the meeting would involve Mr. Bonwick and a “brain-storming group” as had previously been discussed. Mr. Bonwick responded: “My preference would be just me for an initial introduction and to develop some identified options or strategies. I would like to take that information away and include it in an agenda for a larger working group.”

Email chain involving John Rockx, Paul Bonwick and John Glicksman, March 29, 2012, [ALE0036085](#)

561. On April 24, 2012, Paul Bonwick discussed strategies to encourage consolidation between Collus, PowerStream and Wasaga Distribution with both Ed Houghton and PowerStream staff.

Email and attachment from Paul Bonwick to Ed Houghton, April 24, 2012, [TOC0147272.0001](#) (email), [TOC0147272.0001.0001](#) (attachment)

Email and attachment from Paul Bonwick to John Glicksman, Dennis Nolan, Mark Henderson, Eric Fagen and Ed Houghton, April 24, 2012, [TOC0147355.0001](#) (email), [TOC0147355.0001.0001](#) (attachment)

6.2 Paul Bonwick Hosts PowerStream and Others at the Heritage Dinner

562. Meanwhile, in February 2012, Mr. Bonwick began discussing the possibility of Collus and PowerStream attending the Heritage Dinner. In an email to Mr. Bentz, Mr. Houghton and Mr. Glicksman, Mr. Bonwick described the Heritage dinner as “that most significant Gala for the Liberals each year and will provide exceptional networking and communication opportunities.”

Email from Paul Bonwick to Ed Houghton, February 10, 2012, [TOC0100020.0001](#)

Email from Paul Bonwick to Brian Bentz, Ed Houghton, John Glicksman, Sandra DiPonio, and Victoria Scoffield, February 24, 2012, [TOC0109239.0001](#) (email); [TOC0109239.0001.0001](#) (attachment)

563. On March 1, 2012, Paul Bonwick sent Ed Houghton a draft memo, asking him to “review and edit accordingly.” The memo, which was from Paul Bonwick to Brian Bentz and Ed Houghton, included the following:

I would like to host a Table at the Premier’s Annual Gala, the Heritage Dinner taking place March 21, 2012 at the Metro Convention Center. As part of hosting this Table I would be pleased to pick up the cost.

Invited guests would include, Brian Bentz Pres. CEO, Ed Houghton Pres. CEO, Mayor Cooper, Mayor Lehman, Mayor Bevilaqua, Mayor Scarpitti, Deputy Chief of Staff to the Premier Dave Gene, Executive Directive Liberal Party of Canada Ian McKay, County Warden & Mayor Cal Patterson and Paul Bonwick, Host.

I believe this would provide an invaluable networking opportunity for the individual guests to promote their municipal interests as well as that of our collective initiatives, both Collus/Powerstream and Powerstream. The attendees for the evening will include all of Cabinet, Senior Political Staff, Premier, elected officials from across the Province (for all levels of government) as well as Fortune 100 Execs. The event typically hosts approximately 2,300 guests.

I have a table on hold at this time as well as confirmation from Dave Gene and Ian McKay. Dave will make arrangements for the Premier to join us at the Table for a visit and I will arrange for the Minister of Energy to join us for the same. If the guests would like a visit from any other Minister I can arrange for that to take place. I can also assure you that our Table will be appropriately located for our benefit.

I appreciate discussion surrounding the financial part of the opportunity however I highly recommend that only private corporate dollars (mine) go towards a fundraiser of this magnitude.

Please provide input at your earliest convenience.

*Email from Paul Bonwick to Ed Houghton, March 1, 2012, [TOC0113676.0001](#) (email)
[TOC0113676.0001.0001](#) (attachment)*

564. Mr. Houghton provided Mr. Bonwick with a revised draft of the memo that same day. Mr. Bonwick then sent the draft memo to Mr. Houghton, Mr. Bentz, Mr. Glicksman, and Mr. Nolan, asking for their comments.

*Email from Ed Houghton to Paul Bonwick, March 1, 2012, [TOC0113687.0001](#) (email)
[TOC0113687.0001.0001](#) (attachment)*

Email from Paul Bonwick to Ed Houghton, Brian Bentz, John Glicksman, and Dennis Nolan, March 1, 2012, [TOC0113702.0001](#) (email); [TOC0113702.0001.0001](#) (attachment)

565. Invitees to the Compenco Communications table at the Heritage Dinner included Brian Bentz, Mayor Cooper, Mayor Doug White (Mayor of Bradford West Gwillimbury), John Glicksman, Ed Houghton, Ian McKay (Executive Director of the Liberal Party of Canada), Dave Jean (Deputy Chief of Staff to the Premier), and Mark Kraemer (Chair of Westario).

Email from Joy Ciafardoni to Maurizio Bevilacqua, March 16, 2012, [ALE0004299](#)

Email from Paul Bonwick to Ed Houghton, Brian Bentz, John Glicksman, and Dennis Nolan, March 1, 2012, [TOC0113702.0001](#) (email) and [TOC0113702.0001.0001](#) (attachment)

566. On March 22, 2012, following the Heritage Dinner, Mr. Bonwick emailed Sandra DiPonio (PowerStream), writing:

Brian and I have finished the meeting and I now have several actions he would like initiated over the next few days.

I was pleased to hear that Brian felt the event last night was a very positive exercise.

He has asked that a meeting be scheduled in the next two weeks with the EVP Team as well as Ed and myself to develop strategic recommendations for the Premier's office as per their request.

...

Brian would also like to formally invite the Minister of Energy's chief of Staff and Senior Policy Advisor to a tour and a lunch presentation at PS HQ. Ideally we would target a time over the next three weeks. I can provide details to John when he is available.

Thank you very much for all your support in making last night a success.

Email from Paul Bonwick to Sandra DiPonio, March 22, 2016, [ALE0002365](#)

567. By email dated April 26, 2012, Mr. Bonwick wrote to Dave Gene (deputy chief of Staff to Premier McGuinty), thanking him for joining their table at the Heritage Dinner and following up on Mr. Gene's invitation to Mr. Bentz and Mr. Houghton to "join [Gene] and John Broadhead." Rose Sandino, a representative from the Premier's office, responded on April 26, 2012, providing possible times for a meeting. Ms. Sandino followed up by email again on May 1, 2012.

Email chain including Paul Bonwick, Dave Gene, Rose Sandino, Ed Houghton and Pam Hogg, April 11 – 26, 2012, [TOC0148946.0001](#)

Email chain including Paul Bonwick, Rose Sandino, Sarah Griffiths, Colin MacDonald and John Glicksman, April 11 – May 1, 2012, [ALE0032308](#)

568. On May 1, 2012, Mr. Bonwick responded to Ms. Sandino, retracting his request for a meeting, and advising that either he or Sarah Griffiths would "follow-up on a requested meeting in the very near future." Sarah Griffiths, Manager - Regulatory and Government Affairs at PowerStream, forwarded Mr. Bonwick's email to Mr. Glicksman and Colin Macdonald, commenting "I don't think this is an appropriate response to the Premier's Office..." Ms. Griffiths said that she would schedule a meeting as originally planned.

Email chain including Paul Bonwick, Rose Sandino, Sarah Griffiths, Colin MacDonald and John Glicksman, April 11 – May 1, 2012, [ALE0032308](#)

6.3 Additional Lobbying Involvement

569. On March 5, 2012 Brian Bentz was scheduled to meet Minister Bentley. Prior to the meeting, Paul Bonwick emailed Mr. Bentz and stated that, if Mr. Bentz were to suggest that the Minister encourage public comments regarding LDC consolidation, the suggestion would be well received. Mr. Bonwick also suggested that Mr. Bentz raise the

option of “specific tax incentives that would help stimulate activity” with the Minister. Mr. Bentz’s administrative assistant sent a reminder to Mr. Bentz to call Mr. Bonwick before his meeting with the Minister.

Email from Paul Bonwick to Brian Bentz, CC Sandra DiPonio, John Glicksman, Dennis Nolan, and Mark Henderson, March 1, 2012, [ALE0002144](#)

Email chain including Paul Bonwick, Brian Bentz, and Sandra DiPonio, March 2-3, 2012, [ALE0002148](#)

Email from Sandra DiPonio to Brian Bentz, March 3, 2012, [ALE0002150](#)

570. Meanwhile, Brian Bentz and Ed Houghton were also scheduled to meet with Simcoe-Grey MPP Jim Wilson on March 28, 2012. On March 22, Colin Macdonald circulated PowerStream’s draft briefing note for the meeting to Paul Bonwick and Mr. Houghton. Mr. Bonwick responded with a suggestion to expand both the briefing note and any “backgrounder” documents that Collus PowerStream intended to leave with Mr. Wilson. Mr. Macdonald stated that PowerStream usually provides “leave behind” materials at meetings and asked Mr. Bonwick if he could assemble these materials. A few days later, Mr. MacDonald sent a draft “backgrounder” document to Mr. Bonwick and indicated that he would follow up with Mr. Bonwick with a call.

Email chain including Colin Macdonald, Paul Bonwick, Ed Houghton, John Glicksman, Sarah Griffiths, and Sandra DiPonio, March 22-23, 2012, [ALE0002378](#) (email), [ALE0002379](#) (attachment)

Email chain including Colin Macdonald, Paul Bonwick, John Glicksman, Sarah Griffiths, Sandra DiPonio, Brian Bentz, and Ed Houghton, March 22-26, 2012, [ALE0032372](#) (email); [ALE0032372.0001](#) (attachment)

6.4 Paul Bonwick Advises Ed Houghton on Responding to a Concerned Collingwood Citizen

571. A Collingwood resident wrote a letter to the editor of an unidentified newspaper questioning the sale of the shares in Collus. On March 14, 2012, Pam Hogg scanned a copy of the letter and sent it to Ed Houghton with the comment “What an idiot she is.” Mr. Houghton forwarded the letter to Paul Bonwick, who shared it with Deputy Mayor Lloyd. Mr. Houghton wrote “She has finally surfaced!”. Deputy Mayor Lloyd wrote “Its a

fucking joke!!! I wouldn't even give it a second thought. She have no credibility” Mr. Bonwick replied to Deputy Mayor Lloyd:

I was going to have a letter prepared that properly identifies her for what she is....constant critic, always negative, nothing but criticism...not to mention the premise of her letter is completely wrong!

In effect, mock the heck out of her and to some extent the paper for providing her a vehicle to promote negativity on a consistent basis allowing some type of credibility to a source that offers no credibility.

Email chain including Pam Hogg, Ed Houghton, and Paul Bonwick, March 14, 2012, [TOC0122394.0001](#) (email); [TOC0122394.0001.0002](#) (attachment)

Email and attachment from Paul Bonwick to Rick Lloyd, March 14, 2012, [TOC0122423.0001](#) (email), [TOC0122423.0001.0001](#) (attachment)

Email chain between Paul Bonwick and Rick Lloyd, March 14, 2012, [TOC0122453.0001](#)

572. Mr. Bonwick sent a draft response letter to Mr. Houghton. Mr. Bonwick asked Mr. Houghton what he thought, “about someone from the public sending this letter to the editor.”

Email and attachments from Paul Bonwick to Ed Houghton, March 16, 2012, [TOC0124099.0001](#) (email); [TOC0124099.0001.0001](#) (attachment: original letter to the editor); [TOC0124099.0001.0002](#) (attachment: responding letter)

573. On March 29, 2012, Paul Bonwick sent Deputy Mayor Lloyd a draft email to a journalist and the journalist’s contact information. The email praised PowerStream for a recent environmental award and included an attached news release that the draft email described as,

...a wonderful announcement about our new partner PowerStream. It was my thinking that this would send a very positive message to the community about the quality of partner we have chosen.

Email and attachment from Paul Bonwick to Rick Lloyd, March 29, 2012, [TOC0133266.0001](#) (email); [TOC0133266.0001.0001](#) (attachment)

6.5 Collus and Collingwood's 2011 Financial Statements: Sources of Information to Town Council About the Transaction

574. The Town of Collingwood's Financial Statements for 2011 fiscal year were prepared and audited after the share purchase agreement (SPA) was signed and before the transaction was closed on July 31, 2012. The 2011 Financial Statements reported on the Collus – PowerStream transaction as follows:

On March 6, 2012, the municipality, Collingwood Utility Services Corp. ("the Company"), COLLUS Power Corp. ("Power"), COLLUS Solutions Corp. ("Solutions") and COLLUS Energy Corp. ("Energy") entered into an agreement with PowerStream Inc. for the sale of 50% of the outstanding common shares of the Company held by the municipality. The company is the sole shareholder of Power, Solutions and Energy.

As part of this agreement, Power will be required to declare recapitalization and closing dividends to the company prior to the finalization of the agreement, with payments occurring following the closing date. Power has the ability to repay the promissory note to the municipality at its discretion. To the extent that the note is not repaid, the interest rate on the note will remain 7.25% in 2012 and will be reduced to 5.58% per annum in 2013. Following 2013, the interest rate on the note shall be determined based on Ontario Energy Board ("OEB") regulations.

Further, Solutions will be required to declare closing dividends to the company prior to the finalization of the agreement, with payments occurring following the closing date. Following receipt of the above dividends, the company will be required to declare the dividends to the municipality. The effect of this transaction will be a reduction in the investment in Government business enterprises and an increase in current assets. As well, in future years the municipality will only be consolidating 50% of the operations the company into its financial statements. The sale transaction was approved by the OEB on July 12, 2012 and it is expected that the sale will close during fiscal 2012. The dividends to be declared and paid will be based on the financial position of Power and Solutions at the closing date.

Agenda and Council Package including the Financial Statements for Town of Collingwood as of December 31, 2011, July 30, 2012, [CJ10008029](#), p 47, 65

Town of Collingwood Council Minutes July 30, 2012, [CJ10008084](#)

575. Meanwhile, Collus Power's auditor's notes for the 2011 year-end audit were prepared on March 28, 2012 and were reviewed by the audit partner on April 4, 2012. The audit notes described the impact of the upcoming share sale transaction as follows:

In fiscal 2011 the shareholder of the company's parent entered into a share purchase agreement for 50% of the parent company's shares. Within the sale agreement are clauses that would require Power to declare dividends upon the close of the deal to the parent company as well as take out long term debt to finance a recapitalization dividend that has the impact of reducing retained earnings of the company materially and adding a material amount of debt.

Auditor's notes, April 4, 2012, [CBB0000161](#)

576. A set of financial statements for the Collus companies as at July 31, 2012, was prepared for the closing of the transaction. The Collus Power financial statements showed the long-term liabilities as a loan payable to Infrastructure Ontario in the amount of \$6.3 million, an earlier loan from Ontario Infrastructure Projects Corporation for 2.6 million and the outstanding note payable to the Town of Collingwood, which was described as, "7.25% note payable to the Town of Collingwood, no set terms of repayment."

Collus Power Corp Financial Statements as at July 31, 2012, [CBB0000202](#), p 13

Collus Solutions Corp Financial Statements as at July 31, 2012, [CBB0000203](#)

577. As part of the 2011 year-end audit, CEO Ed Houghton and CFO Tim Fryer signed a management letter to the auditors confirming, among other things, that Collus Power Corp had disclosed the identity of the company's related parties, and all the related party relationships and transactions of which they were aware.

Management Letter to Gaviller and Co, LLP from Ed Houghton and Tim Fryer, April 27, 2012, [CBB0000160](#)

6.6 Council Considers the Collus Power Loan and Town Promissory Note

578. On April 12, 2012, Collingwood Council met *in camera*. The minutes from this meeting state, amongst other things, that, "Ms. Marjory Leonard provided the various options available in regard to calling the COLLUS promissory note to finance the acquisition of 507 Tenth Line."

Minutes of Special Council, April 12, 2012, [TOC0512072](#)

579. Later in the meeting, Council passed the following resolution:

THAT Council authorize not calling the promissory note held by Collus, and monies be allocated from the sewer reserve to offset the cost of the 507 Tenth Line property acquisition.

Town of Collingwood Resolution No. 160, April 12, 2012, [TOC0142343](#)

580. Previously, on September 12, 2011, Council had approved the purchase of the 507 Tenth Line property in Collingwood. A resolution was passed at that time to call the promissory note in order to finance the transaction. At the time of that decision, in an email exchange between Mr. Houghton and CFO Tim Fryer about the implications of the Town calling the promissory note, Mr. Fryer explained, amongst other things, that, "...the loss of the annual before PILs interest payment counters any benefit of cashing in the Prom note. And of course it can never be renewed once it is gone."

Minutes of Council, September 12, 2011, [CJ10007997](#), p 4

Email Exchange between Ed Houghton and Tim Fryer, September 6-8, 2011, [TOC0528276](#)

6.7 Council Discharges CAO Wingrove; Ed Houghton is Appointed as Acting CAO for the Town

581. At the Town Council meeting held Monday, April 2, 2012, Council moved into closed session and discussed a performance review for the Town's CAO. Council had previously discussed, "the background and current Town process of evaluating the CAO's performance" at the December 5, 2011 Council meeting. The minutes from the December 5, 2011 meeting reflect that, "[i]t was suggested that such reviews be conducted annually and early in each calendar year." Council had carried a motion introduced by Councillor Chadwick to ask the Town's Manager, Human Resources to "bring back a report to Council suggesting a process to undertake the annual performance reviews of the Town's CAO."

In-Camera Agenda April 2, 2012, [TOC0512078](#)

Council Minutes, December 5, 2011, [CJ10007955](#)

In-Camera Minutes December 5, 2011, [TOC0512149](#)

582. Ms. Wingrove was given notice of termination on Tuesday, April 3, 2012. Ms. Wingrove was given an option to “resign [her] employment voluntarily,” with a deadline of noon on Tuesday, April 10, 2012. Ms. Wingrove did not resign voluntarily.

Email and attachment from Marianne Nero to Kim Wingrove and Sandra Cooper, April 12, 2012, [TOC0141331](#) (email) and [TOC0141332](#) (attachment)

Email exchange between CAO Wingrove and Clerk Almas, April 4, 2012, [TOC0137104](#)

583. On April 3, 2012, COLLUS Director of Operations and IT Services Larry Irwin confirmed to Mayor Cooper that CAO Wingrove’s electronic access and building access had been cut off. Mayor Cooper responded, “Kim is on one week vacation.” Mr. Irwin forwarded this email to the Deputy Mayor, who replied, “I’m on holidays as well!!! Lol Fucking bullshit.” An April 11, 2012 article in The Enterprise Bulletin reported: “Last Monday night, councillors met *in camera* to discuss the CAO’s performance; on Tuesday, Wingrove abruptly took a week-long vacation.”

Email exchange between L. Irwin and Deputy Mayor Rick Lloyd, April 3, 2012, [TOC0137021](#)

“CAO, town go their separate ways,” April 11, 2012, [AME0000008](#)

584. On April 9, 2012, Deputy Mayor Lloyd offered to help Mr. Houghton in his new role:

If you need me to help let me know!

I like the way direction was given this morning and that is exactly what is required!

Kick ass if need be as you know where we need to be and that is exactly the direction required not only on this issue but all. It is time the Corporation is managed as staff have been doing what ever but now clear concise direction will prevail. Glad to see someone finally steering the ship.

CAO don't make friends of staff they give direction to staff and that has been lacking for a long time.

Deputy Mayor Lloyd then forwarded his email to Paul Bonwick, who responded “perfect”

Email from Rick Lloyd to Ed Houghton, from Rick Lloyd to Paul Bonwick, April 9, 2012, [TOC0138988.0001](#)

585. Ed Houghton responded to Deputy Mayor Lloyd's email offering to help:

What I need is to be given "officially" the job so we can really get on with the work at hand. I don't think the Mayor has given any thought to when this might happen and it is difficult to do what is required. Sandra really needs your full support and guidance because this has been difficult for her and taken quite the toll on her.

Email exchange between Ed Houghton and Rick Lloyd, April 9, 2012, [TOC0139000](#)

586. Mr. Lloyd responded:

...right now we have a CAO until tomorrow then my hope was that Sandra would announce at Department Heads that you were the Interim CAO then a press release Stating that Ms. Wingrove has resigned etc. And that you would be the interim CAO working with a management team...

Then at our next Council meeting we pass a bylaw making you the interim CAO...

Now with that said I'm sure everyone on staff is fully aware that this is going to happen and that you must immediately manage and give direction with the most pertinent outstanding issues.

As I'm sure that you are aware I WILL BE STAYING INVOLVED on this as well all issues going forward.

Email exchange between Ed Houghton and Rick Lloyd, April 9, 2012, [TOC0139000](#)

587. Mr. Houghton responded to the Deputy Mayor, writing, "Good for you! "Acting CAO" is better than interim because that indicates a time. The other can be until you and Council wishes to change."

Email exchange between Ed Houghton and Rick Lloyd, April 9, 2012, [TOC0139000](#)

588. On April 10, 2012, the Town issued a press release thanking CAO Wingrove for her service. Deputy Mayor Rick Lloyd forwarded a copy to Paul Bonwick, who remarked: "that's not a news release..."

Press Release, Town of Collingwood, April 10, 2012, [TOC0141899](#)

Email from Rick Lloyd to Paul Bonwick, April 10, 2012, [TOC0139481.0001](#)

589. On Thursday, April 12, 2012, two days after the announcement of CAO Wingrove's departure, a Special Meeting of Council was convened. During the *in camera* portion of that meeting, Council voted to appoint Ed Houghton as the acting CAO of the Town.

In-Camera Minutes of Council, Town of Collingwood, April 12, 2012, [TOC0512134](#)

590. On April 13, 2012, Paul Bonwick sent Ed Houghton an email addressing him as "Mr. CAO, Pres, CEO, EVP..." Mr. Bonwick asked Mr. Houghton if he had advised Brian Bentz of PowerStream about his recent appointment.

Email from Paul Bonwick to Ed Houghton, April 13, 2012, [TOC0141676.0001](#)

6.8 The Acting CAO Assembles an Executive Management Team with Town and Collus Staff

591. On April 11, 2012, Deputy Mayor Lloyd forwarded an internal Town staff email from Marjory Leonard regarding a property development issue involving Di Poce Management Ltd to Paul Bonwick. Mr. Bonwick asked the Deputy Mayor to discuss the matter with Ms. Leonard. The Deputy Mayor responded, "I will and I was hoping Ed would take the lead but I will speak with her." Later in April, by way of an email entitled, "DiPoce," the Deputy Mayor advised Mr. Bonwick that he would be speaking with Town treasurer, Ms. Leonard about the matter.

Emails between Rick Lloyd and Paul Bonwick, April 11, 2012, [TOC0140340.0001](#);

[Email chain including Marjory Leonard, Paul Bonwick and Rick Lloyd, April 25, 2012, TOC0148204.0001](#)

592. On April 12, 2012, Deputy Mayor Lloyd emailed Paul Bonwick stating: "Just met with Adams and he is going to write the EB blog about Council making the right decision and how wonderful Ed is." Mr. Bonwick responded: "you are the man."

Email chain including Rick Lloyd and Paul Bonwick, April 12, 2012, [TOC0141124.0001](#)

593. Later that day, Councillor Cunningham emailed Deputy Mayor Rick Lloyd, writing, “[d]id Council accept Ed as acting CAO at today’s in camera meeting. It would be nice to know what the decision was.” Deputy Mayor Lloyd responded:

Sorry big guy I should have kept you in the loop! ...

You may want to send Ed a congrats email as he was voted the Acting CAO. I have to tell you that Marjory and Sara are very pleased.

... going forward Ed has already put his executive team together consisting of Sara, Marjory and Larry

Email exchange between Sandy Cunningham and Deputy Mayor Rick Lloyd, April 12, 2012, [TOC0141546](#)

594. In his “thank you” email to the Town councillors sent on April 12, 2012, Ed Houghton wrote, “I want to be successful, I want the Executive Team to be successful.” The creation of the management team comprising Mr. Houghton, Clerk Sara Almas, Treasurer Marjorie Leonard, and Larry Irwin was reported in a news article dated April 13, 2012.

Email from Ed Houghton to the Town Councillors, April 12, 2012, [TOC0518042](#)

Email from Sara Almas to Nancy Farrer and Marta Proctor, April 13, 2012, [TOC0142206](#)

6.9 The Ontario Energy Board “MAAD” Application Regarding the Share Sale of Collus to PowerStream

595. The Share Purchase Agreement between the Town and PowerStream provided that PowerStream would prepare and submit a MAAD (Mergers, Acquisitions and Divestiture) Application to the Ontario Energy Board with the cooperation of the Town, Collus and Collus Power.

Share Purchase Agreement s. 6.2(3) and 6.3(3), March 6, 2012, [ALE0002782](#)

596. Before the Share Purchase Agreement was signed, Ed Houghton forwarded an email chain with the subject line: “Re: MAAD Application Matters” involving Tim Fryer, John Rockx and others to John Rockx and John Herhalt, writing,

John & John:

Can you please stop any more contact with Tim until further notice. I will explain what details I can later.

Please consider this email extremely confidential.

Regards.....Ed

Email from Ed Houghton to John Rockx and John Herhalt, February 4, 2012, [KPM0002496](#)

597. The MAADs Application was filed on March 9, 2012.

Email chain including Heather MacLennan, Colin MacDonald, Sarah Griffiths, Ed Houghton, Dean Muncaster, David McFadden, Brian Bentz, John Glicksman, Dennis Nolan, and Mark Henderson, March 3, 2012, [ALE0002291](#) (email) [ALE0002292 Pg. 1-41](#) (attachment)

598. On April 25, 2012, the Ontario Energy Board (OEB) issued the Notice of Application and Written Hearing for its review of the MAADs Application.

Email chain including Maureen Connor, Scott Stoll, Sarah Griffiths, Colin Macdonald, Brian Bentz, John Glicksman, Dennis Nolan, and Mark Henderson, [ALE0002475](#) (email), [ALE0002476](#) (attachment), and [ALE0002477](#) (attachment)

599. Veridian sought and was granted Observer status for the share sale Application. As an "Observer", Veridian would not have any role in the Application but would receive copies of all Board-issued materials related to the Application.

Email from Colin Macdonald to Brian Bentz, Dennis Nolan, John Glicksman, Mark Henderson, Sarah Griffiths, Scott Stoll, and Ed Houghton, May 17, 2012, [ALE0002577](#) (email) and [ALE0002578](#) (attachment)

Email from Colin Macdonald to Brian Bentz, Dennis Nolan, John Glicksman, Mark Henderson, Sarah Griffiths and Scott Stoll, May 17, 2012, [ALE0002511](#)

600. While waiting for the OEB's decision on the Application, Paul Bonwick arranged for Ed Houghton and Brian Bentz to give an interview to a local reporter. Mr. Bonwick provided a briefing memo to Mr. Houghton and Mr. Bentz in advance, setting out anticipated areas of questioning, including:

...

- There are some that would suggest that many of these multi-million dollar partnerships/consolidations that take place are preordained prior to the public becoming involved. How would you respond to that concern?

Ed is already well scripted as he was author of much of the process.

Brian can from his perspective about the competitive bid process, that the clear format provided by Collus and that most of the industry has looked at this as a model to emulate. It is also important to mention that not only is the executive management team involved in the process so is legal and accounting experts, Boards of Directors, Shareholders (Municipal Councils) as well as the Ontario Energy Board. There are few agreements that receive the level of scrutiny compared to LDC partnership agreement.

- Why was the timing right for Collus to seek a partner?

Ed

...

Email from Paul Bonwick to Ed Houghton and Brian Bentz, John Glicksman, Sandra DiPonio, Eric Fagan, and Pam Hogg, May 29, 2012, [ALE0002615](#) (email) and [ALE0002616](#) (attachment)

601. On June 18, 2012, Colin MacDonald of PowerStream advised John Glicksman and Ed Houghton that the OEB Staff had “no issues” with the proposed Collus-PowerStream transaction. PowerStream, the Town of Collingwood and Collus submitted reply submissions to the OEB on June 20, 2012. The OEB approved the sale on July 13, 2012.

Email from Colin Macdonald to John Glicksman, June 18, 2012, [ALE0002696](#)

Reply submissions, June 20, 2012, [ALE0002718](#)

Email chain and attachment including Cindy Shuttleworth, Ken McLeod, Catherine Barr, Jenna Grant, John Rockx, John Herhalt and Jonathan Erling, July 12-13, 2012, [KPM0002928](#) (email) [KPM0002929](#) (attachment)

6.10 Transaction Negotiations – Change Letters

602. Given the change from a sale of Collus Power to a sale of Collus, PowerStream sought commitments from both Collus and the Town with regards to the services that Collus Solutions provided to the Town, Collus Power and the CPUSB. PowerStream wanted: (1) the Town to agree to continue using the services of Collus and its subsidiaries as they had in the past and, in accordance with certain regulatory requirements; and (2) Collus

Solutions to agree to continue to provide services to all parties “on a fully allocated cost base plus a return”

Email chain including Corrine Kennedy, Robert Hull, David McFadden, Ron Clark, Dennis Nolan, and John Glicksman, [ALE0001260](#) (email) and [ALE0001261](#) (attachment)

603. Counsel on the transaction were Aird & Berlis for Collus, Collus Power, Collus Solutions, Collus Energy and the Town of Collingwood, and Gowlings for PowerStream. Lawyers on both sides of the transaction traded draft language that included these shared services commitments in the Share Purchase Agreement. The Share Purchase Agreement was finalized to include an agreement to either amend the Service Agreements or confirm that they were acceptable in their current form prior to the closing of the share sale transaction. This understanding was set out in a side letter about the service agreements that was signed by Mayor Cooper, Ed Houghton, and Dennis Nolan at the time of the Share Purchase Agreement.

Email chain including Corrine Kennedy, Robert Hull, David McFadden, Ron Clark, Dennis Nolan, and John Glicksman, [ALE0001260](#) (email) and [ALE0001261](#) (attachment)

Signed Side Letter of March 6, 2012, [ALE0002230](#)

Share Purchase Agreement definition of Interim Period, s. 4.3(5) and s. 6.3(8), March 6, 2012, [ALE0002782](#)

Index to Closing Books, [ALE0004323](#)

604. On March 26, 2012, CFO Tim Fryer sent an email to Ed Houghton in which he suggested allocating a higher amount of Collus Solutions’ costs to Collus Power.

Email from Tim Fryer to Ed Houghton, March 26, 2012, [TOC0130777](#)

6.11 The Dividend Calculations and the Upcoming Report to Council

605. On July 24, 2012, Corrinne Kennedy of Aird & Berlis provided draft recapitalization dividend calculations to PowerStream counsel Danielle Waldman for review. The dividend was calculated to be \$ 4,089,937.

Email chain including John Rockx, Corrine Kennedy, Ron Clark, Ed Houghton, Cindy Shuttleworth, Danielle Waldman, July 24, 2012, [ALE0003029](#) (email) and [ALE0003030](#) (attachment)

606. On July 24, 2012, Ms. Waldman emailed Ms. Kennedy, stating that July 31st was being “targeted as its month end.” Ms. Waldman asked if Collus had sufficient cash on hand to declare the dividend on either July 31, or August 1 at 12:00am. Ms. Kennedy replied that she would ask, but that the dividend payment “was a condition precedent to the corporate deal which is why it was not contemplated as happening first.”

Email chain including Sue Patterson, Corrine Kennedy, Danielle Waldman, Ron Clark, Ed Houghton, July 24, 2012, [ALE0003031](#)

607. On July 26, 2012, Infrastructure Ontario offered Collus Power a \$7M loan. This loan was arranged to finance the recapitalization dividend to the Town as a condition of closing. Collus Power showed the loan as at July 31, 2012 as \$6.3 million.

*Letter from Infrastructure Ontario to Collus Power Corp., July 26, 2012, [ALE0003508](#)
Financial Statements, Collus Power Corp., July 31, 2012, [CBB0000202](#), p 13*

608. Infrastructure Ontario advised Collus Power that it could do a special advance on July 31, 2012, provided that Collus Power provided the original executed documents by July 30, 2012. Shuttleworth advised PowerStream that “[f]unds appear to be ok for disbursement on July 31st.”

Email chain including Upma Das (Infrastructure Ontario), Cindy Shuttleworth, Jenna Grant, Tim Fryer, Catherine Barr, Desmond Ng, Jennifer Hutcheon, John Glicksman, Ed Houghton, John Rockx, Corrine Kennedy, and Daniel Miller, July 26, 2012, [ALE0003075](#)

609. On July 30, 2012, Paige Backman of Gowlings, counsel for PowerStream, emailed Ms. Waldman copies of the Board resolutions authorizing: (1) Collus Power’s declaration and payment of a recapitalization dividend in the amount of \$4,089,937 and (2) Collus Solutions’ declaration and payment of a recapitalization dividend in the amount of \$213,986. Both dividends were to be adjusted by the Working Capital Adjustment to the Final Recapitalization Dividend Amount.

Email from Gidget Hunter to Danielle Waldman, July 30, 2012, [ALE0003242](#) (email), [ALE0003243](#) (attachment), [ALE0003244](#) (attachment), [ALE0003245](#) (attachment), and [ALE0003246](#) (attachment)

610. In an email to Council on July 29, 2012, Ed Houghton wrote:

If all goes well Monday and Tuesday morning, the transaction between Collus Power and PowerStream will take place late Tuesday afternoon.

In Councillor Cunningham's terms, we will be delivering two suitcases of money. One suitcase with \$8,000,000 from PowerStream and one from Collus Power with approximately \$4,000,000 (the recapitalization dividend calculation is being completed tomorrow). As you know, the Town of Collingwood will still hold the Promissory Note in the amount of \$1,710,000.

Email from Ed Houghton to Members of Council, July 29, 2012, [TOC0192460](#)

611. Councillor Chadwick responded, writing, "Wait... that's \$12 million. I thought the total was \$15 million. What happened to the rest?" Mr. Houghton replied:

The estimates we discussed with Council was based on 2010 Financials and were between \$14 and \$15 M. The totals I noted are just under \$14 M if you include the Promissory Note which Council has requested to not be monetized at this time. The good news for Collus is we have reduced our regulated liability by almost \$1 M since December 31st, 2010 and that helps out the balance sheet but reduces the recapitalization dividend by \$1/2 M.

There will also be a true up once we have completed the 2012 Financials up to July 31st. The totals also exclude the transaction costs.

This is still a good news story.

Email from Ed Houghton to Ian Chadwick, July 30, 2012, [TOC0192461](#)

612. On July 30, 2012, Collus Power Board members David McFadden and Sandra Cooper approved the payment of a dividend pursuant to the share purchase agreement as a "recapitalization dividend" in the amount of \$4,089,937.00, subject to a working capital adjustment.

Collus Power Corp, Declaration of Dividend, July 30, 2012, [CBB0000166](#)

613. On July 30, 2012, Council met and approved the Town financial statements as of December 31, 2011 in advance of closing of the transaction. The Town auditor, Sue Bragg of Gaviller and Company, presented the draft financial statements to Council.

Minutes of Council, July 30, 2012, [CJ10008084](#), p 3

Agenda and Council Package including the Financial Statements for Town of Collingwood as of December 31, 2011, July 30, 2012, [CJ10008029](#), p 2, 45-71

614. The consolidated financial statements presented to Council on July 30, 2012 included a description of the sale of Collus, which was classified as a “a government business enterprise”. Note 21 to the financial statements stated that the Town would be paid recapitalisation and closing dividends as a result of the sale and that the terms of the promissory note would change if Collus Power did not repay it.

Council Agenda and Meeting Package including Town of Collingwood Draft Financial Statements, Collus, July 30, 2012, [CJ10008029](#), pp. 2, 46, 64-65

6.12 The Closing of July 31, 2012: The Contemplated Commercial Relationships Among Collus PowerStream, PowerStream and the Town of Collingwood

615. Prior to the share sale, the Town was the sole shareholder of Collus. After the sale, the Town became the 50% shareholder of a new entity, Collus PowerStream. PowerStream owned the other 50% of the shares. Each of the Town and PowerStream had the ability to appoint three members of the new Board of Directors. After the sale closed, the Collus PowerStream board of directors consisted of David McFadden, Brian Bentz, David Garner, Dan Horchik, Sandra Cooper and Jeff Lehman.

Share Purchase Agreement, signed, March 6, 2012, [ALE0002782](#), recital c, p. 4

Unanimous Shareholders Agreement, signed, July 31, 2012, [ALE0003296](#), article 4.1(c)

Collus PowerStream materials, [ALE0000031](#)

Collus PowerStream 2012 post partnership organizational chart, [CPS0011297_0001](#)

616. The documents exchanged on closing of the transaction on July 31, 2012 included mutual buyout provisions (referred to as the “shotgun” clause), unanimous shareholder approval

of certain corporate actions, and rights of first refusal. These provisions are described briefly below.

Unanimous Shareholders Agreement, signed, July 31, 2012, [ALE0003296](#), Articles 5, 7, 9

6.13 The “Shotgun” Clause

617. The buy-sell provision or “shotgun clause” meant that the Town or PowerStream could offer to purchase all the other shareholder’s shares at any time. Such an offer would trigger a 20-day period during which the other shareholder had to either accept the offer and sell all its shares or buy the offering shareholder's shares at the offered price per share.

Unanimous Shareholders Agreement, signed, July 31, 2012, [ALE0003296](#), Article 9

6.14 Unanimous Shareholder Approval of Certain Corporate Actions

618. The unanimous shareholders agreement provided that certain corporate actions could not be taken unless both the Town and PowerStream agreed to them. These included actions taken to:

- a. Acquire, merge or amalgamate with another electricity distributor;
- b. Dispose of, rent or sell any part of Collus PowerStream;
- c. Spend more than \$500,000;
- d. Borrow money outside the ordinary course of business;
- e. Make amend or repeal corporate by laws; and
- f. Change Collus PowerStream’s dividend policy.

Unanimous Shareholders Agreement, signed, July 31, 2012, [ALE0003296](#), Article 5

6.15 Right of First Refusal

619. The Town and PowerStream also granted each other a right of first refusal: neither party could sell all or part of its shares to a third party without first giving the other shareholder the opportunity to purchase the same number of shares for the same price.

Unanimous Shareholders Agreement, signed, July 31, 2012, [ALE0003296](#), Article 7

6.16 The Contemplation of Future Acquisitions by PowerStream and the Town of Collingwood

620. The closing documents included a letter from Dennis Nolan, Secretary to PowerStream Inc., to Mayor Cooper dated July 31, 2012. In the letter, amongst other things, Mr. Nolan wrote:

This letter is to confirm that it is the intent of PowerStream Inc. ("PowerStream") and The Corporation of the Town of Collingwood ("Town of Collingwood") to pursue significant growth opportunities on a prudent and profitable basis, where it enhances the Corporation's strategic position, and creates economies of scope and scale. Specifically, the Corporation will pursue opportunities for the acquisition, merger or other business arrangements with local distribution companies within the CHEC Group of LDCs, and consider other opportunities for acquisition, merger or other business arrangements, upon the recommendations of the Management and the Board of the Corporation, and such proposals shall be reviewed and considered by each Shareholder, acting in good faith, in the best interests of the Corporation.

In accordance with Section 14.11 of the Shareholders Agreement, this is also to confirm that PowerStream and the Town of Collingwood agree that the Corporation shall have the first right to evaluate and or pursue such M&A opportunities that may arise with CHEC Group of LDCs, and that PowerStream will first consider pursuing M&A activities with LDCs having less than 20,000 customers, and within a reasonable geographic proximity to Town of Collingwood through the Corporation, prior to pursuing such opportunities through PowerStream.

Confirmation letter from Dennis Nolan, signed by Mayor Cooper and Clerk Almas, July 31, 2012, [ALE0004351](#)

6.17 Shared Services Agreements

621. On March 6, 2012, Sandra Cooper and Ed Houghton, on behalf of the Town of Collingwood and Collingwood Utilities Services Corp., also signed a letter confirming their intention that the Town of Collingwood would continue to purchase services under the Service Agreements.

Re: Purchase Agreement dated March 6, 2012, Closing Books, Vol.1, Tab 12, [CPS0006971](#), p 319-320

622. Four months later at the closing of the transaction, PowerStream drafted a supplementary agreement which waived the obligation to finalize the Shared Service Agreements. The supplementary agreement, which was signed by Sandra Cooper, Sara Almas, and Ed Houghton, stated that the Service Agreements will be reviewed and amended within 12 months to comply with certain conditions. The conditions included:

- a. That Collus PowerStream would provide services to the Town of Collingwood on a fully allocated cost basis plus a return on investment;
- b. That Collus PowerStream would not pay more than the fair market value for any services supplied by the Town of Collingwood;
- c. That the shared services agreements would be reviewed annually so that the costs of the services under the agreements could be revised. If the parties could not agree on a revised cost of services, the cost would increase by 3.5% of the previous year's costs;
- d. That there would be a five-year term of the Service Agreements; and
- e. If the parties were unable to determine the cost of services, the cost would be determined by an independent accounting firm.

Closing books, July 31, 2012, Vol. 2, Tab 40, p. 168 Re: Shared Services Side Letter, [CPS0006970](#)

623. A complete copy of the closing books and all agreements were produced to the Inquiry by PowerStream (now Alectra) and by Collus PowerStream (now EPCOR).

Closing books produced by PowerStream, [ALE Closing Book](#) (ALE0004323 to ALE0004385)

Closing books produced by Collus PowerStream, July 31, 2012, [CPS0006970](#) and [CPS0006971](#)

6.18 Post-Closing Matters

624. The transaction funds paid to the Town are described in more detail in Chapter 7.

625. On July 30, 2012, Paul Bonwick sent Ed Houghton a draft memo outlining a future commercial relationship between Compenso and Collus PowerStream. The memo contemplated Compenso being hired by Collus PowerStream and receiving a monthly stipend of \$6,750 “for the purpose of supporting our collective growth strategy.”

Email and attachment from Paul Bonwick to Ed Houghton, July 30, 2012, [TOC0193004.0001](#) (email), [TOC0193004.0001.0001](#) (attachment)

626. On August 6, 2012, Paul Bonwick asked Ed Houghton if he had time to speak. Ed Houghton responded, “Yes Bubba, topic?” Mr. Bonwick responded, “Golf tournament, BLT, new Board, Mt. View.”

Email from Paul Bonwick to Ed Houghton, August 6, 2012, [TOC0195563.0001](#)

627. On August 15, 2012, Dennis Nolan wrote to Ed Houghton about calling Board meetings to follow up on the shared service agreements as agreed on closing. According to Mr. Nolan:

The Agenda for the meeting would include confirmation and changes to Officers of each entity, confirmation and/or amendment of signing authorities, i.e. bank accounts, etc, it may also be appropriate to amend the By-Laws for each entity, to bring them up to date. The Agenda should also, for COLLUS Power, include the follow-up items from the Share Purchase Agreement, including the requirement for a Strategic Plan and Service Level Agreements within 6 months of closing.

Email from Dennis Nolan to Ed Houghton, August 15, 2012, [ALE0003466](#)

628. On August 16, 2012, Cindy Shuttleworth requested that John Rockx send KPMG’s invoice to Collus. Mr. Rockx forwarded the request to John Herhalt and stated that he had

assumed that KPMG was supposed to be invoicing the Town of Collingwood and not Collus.

Email chain including Cindy Shuttleworth, John Rockx and John Herhalt, August 16, 2012, [KPM0002990](#)

629. In December 2012, Mr. Bonwick asked Mr. Houghton to review another draft memo regarding a working relationship between Collus PowerStream and Compenso. This memo contemplated Compenso working directly with Collus PowerStream's president and CEO on policy initiatives and potential consolidations with other LDCs in the Simcoe Region. The following day, Mr. Houghton forwarded the memo to Shirley Houghton's email address.

Email and attachment from Paul Bonwick to Ed Houghton, December 30, 2012, [TOC0259674.0001](#) (email), [TOC0259674.0001 .0001](#) (attachment)

6.19 The Companies are Renamed

630. On August 20, 2012, Collus Solutions and Collus Power amended their Articles of Incorporation to change the names to Collingwood PowerStream Utility Services Corp. (COLLUS PowerStream), Collus PowerStream Corp. (Collus PowerStream (Power)), and Collus PowerStream Solutions Corp. (Collus PowerStream Solutions).

Financial Statements, Collus Solutions Corp. Subsequent Events, As at July 31, 2012, [ALE0003521](#) at p 10

Financial Statements, Collus Power Corp. Subsequent Events, As at July 31, 2012, [ALE0003522](#) at p 15

Articles of Amendment, July 30, 2012, [ALE0003405](#)

6.20 The Closing Celebrations

631. Paul Bonwick's company, Compenso Communications, assisted with the planning for the celebrations and the rebranding of Collus to Collus PowerStream. The total budget for Collus' rebranding initiative was \$54,550. Compenso Communications provided the booking for the print and radio advertisements.

Email from Eric Fagen to Ed Houghton, Paul Bonwick, Pam Hogg, and Karla Findlay, July 12, 2012, [TOC0182942.0001](#) (email); [TOC0182942.0001.0001](#) (attachment) [TOC0182942.0001.0002](#) (attachment)

632. On August 16, 2012, Collus Power and PowerStream hosted an event in Collingwood to announce the new corporate identity and the strategic partnership. At the event, Collus PowerStream officials presented a \$50,000 cheque to the Collingwood General and Marine Hospital Foundation. The donation was made by Collus PowerStream officials and included proceeds from the Collingwood Mayor's Annual Golf Challenge Cup. Mr. Houghton's speaking notes for the event included the following statement:

On September 16th, 2010 the Georgian Bay District of the [Electricity Distributors Association] held a meeting in Muskoka and the theme of the meeting was "Taking Charge of Our Future!" At that meeting our Board discussed informally that it was time for us to "fish or cut bait" ...On November 23rd, 2010, the very next day I sent out my first email to see if there was an opportunity to do exactly this...The rest is history."

Agenda and News Release, Announcement of Collus Power's New Corporate Identity, August 16, 2012, [ALE0000031](#)

Talking points, Ed Houghton, August 16, 2012, [TOC0516316](#)

633. The Mayor's speaking notes (which Paul Bonwick had asked Ed Houghton to send to him for review in advance) included the following statement:

And I would be remiss if I didn't express my sincere gratitude to my fellow council members, who from the beginning had the vision to recognize the many opportunities and benefits that will be realized for the Town of Collingwood from having a strategic partner in place. Our Council ran on a platform of implementing positive change in our community, in providing maximum value to our residents and most importantly to lay the foundation for a more vibrant community for generations to come. This initiative is proof of that commitment!

Talking points, Sandra Cooper, August 16, 2012, [TOC0516755](#)

Email exchange between Ed Houghton and Paul Bonwick, August 14, 2012, [TOC0199303.0001](#)

634. Brian Bentz also spoke at the event. His talking points included the statement that, on August 11:


...we all gathered around at a home on Davis Street here in Collingwood to announce our first partnership venture, which involved PowerStream, Collus Power and three other local distribution companies using Solar Powered Attic Vents for conservation purposes. Some of you might remember seeing the billboards...“Put solar power on your roof for one hundred dollars.”

Brian Bentz Talking Points, August 16, 2012, [ALE0003468](#)

635. Abby Stec of Green Leaf Distribution sent a congratulatory email to Paul Bonwick about the speeches at the event. Paul Bonwick forwarded the email to Mayor Cooper, adding “FYI, Great Job.”

Email from Abby Stec to Paul Bonwick, forwarding email to Sandra Cooper, August 16, 2012, [TOC0200736](#)

636. On November 24, 2012, Paul Bonwick sent an email to Ed Houghton. The body of the email read as follows:

 Sat 2012-11-24 2:33 PM
Paul Bonwick <paulbonwick@compenso.ca>
<\$RemoveOnDelivery,SuppressSaveInSentItems> BLACKBERRYMESSENGERINVITESTAGE2

To: Ed Houghton

-----O-----
<\$RemoveOnDelivery,SuppressSaveInSentItems> BLACKBERRYMESSENGERINVITESTAGE2

-----O-----

240:AQEBAAECAACLxYoMwAACAEAAwAVAAQCINRUQ5pO1XKIbz5xQqAM6y3C70UAAXP2LWx6OuXVtXUntTx5WN8ey1RWRQABlIviPZ2B4hBwSFNlaWIDACrpl
LsNAAAH0Ni1sWYjKqFrcBIXZMeSv1weYk4lWnXAcEjj1tJ5ITLpr0vPKg1Js1tH9XQuzL3i83gMwQALBSs36YLACpFZCBib3VnaHRvbggACjj34kgXAAAAAABQ

Hon. Paul Bonwick P.C.
Compenco Communications
Off: 705-445-8540
Cell: 705-888-6613
www.compenco.ca

-Sent from my Blackberry.

Email from Paul Bonwick to Ed Houghton, November 24, 2012, [TOC0248258.0001](#)