

## **APPENDIX "A"**

### **LIST OF ABBREVIATIONS**

AA&E	Aircraft Appliance and Equipment Ltd.
ACO	Administrative Contracting Officer (U.S.)
ADM	Assistant Deputy Minister
AMES	Armaments Marine Engineering and Services (DSS)
AQAP	Allied Quality Assurance Program (NATO Quality Assurance Specification)
ASBCA	Armed Services Board of Contract Appeals (U.S.)
ASPR	Armed Services Procurement Regulations (U.S.)
ATI	Access to Information Act (Canada)
BCA	Board of Contract Appeals (U.S.)
BIA	Bankruptcy and Insolvency Act
BSI	Belgium Standard Industries
BSL	Belgium Standard Limited
CAF	Canadian Armed Forces
CCC	Canadian Commercial Corporation
CDNG	Canadian Government (Her Majesty the Queen in Right of Canada (HMQ))
CFTSA	Canadian Forces Technical Services Agency
CFTSD	Canadian Forces Technical Services Detachment
CLP	Crown Liability and Proceedings Act
CRV	Crash Rescue Vehicle
DAR	Defence Acquisition Regulations (U.S.)
DCAMO	Defence Contract Management Area Operations (U.S.)
DCSMA	Defence Contract Services Management Agency (U.S.)
DD250	Material Inspection Form (U.S.)

DFARS	Defence Federal Acquisition Regulations (U.S.)
DG	Director General
DM	Deputy Minister
DND	Department of National Defence
DNDDC	Department of National Defence Detachment Commander
DND1016	Canadian Military Quality Assurance Specification
DOT	Department of Transport
DPSA	Defence Production Sharing Arrangement [Canada – U.S.A.]
DSS	Department of Supply and Services [now called Public Works and Government Services Canada (PWGSC)]
D & T	Deloitte & Touche
E-1	Emergency One Inc.
EPA	Economic Price Adjustment
ESC	Export Supply Centre (DSS)
FAR	Federal Acquisition Regulations (U.S.)
FICC	First Investors Capital Corporation
FMS	Foreign Military Sale (U.S.)
FOI	Freedom of Information Act (U.S.)
FTI	Fire Trucks Inc.
ICP	Industrial and Commercial Products Directorate (DSS)
ITB	Invitation To Bid
KS	King Seagrave (1982) Inc.
LAV	Light Armoured Vehicle (DSS)
MACE	Military Adapted Commercial Equipment
MACI	Military Adapted Commercial Item
MIL-I-45208A	U.S. Military Quality Assurance Specification

MOU	Memorandum of Understanding
PC	Product Centre (DSS)
PCO	Procurement Contracting Officer (U.S.)
PWGSC	Public Works and Government Services Canada
QA	Quality Assurance
QAR	Quality Assurance Representative
RAF	Royal Air Force
RCAF	Royal Canadian Air Force
REA	Request for Equitable Adjustment
RIV	Rapid Intervention Vehicle (DOT)
SPM	Supply Policy Manual
SQAR	Supervisor, Quality Assurance Representative
TACOM	Tank and Automotive Command (U.S. Army)
TB	Treasury Board
TEPB	Transportation and Energy Products Branch (DSS) within ICP
TROSCOM	Troop Support Command (U.S. Army)
USD	United States Dollars
USG	United States Government
US DOD	United States Department of Defence
WBS	Work Breakdown Structure



## APPENDIX "B"

Witnesses called by the Plaintiffs (in the order called)

1. William C. Thomas

He was born April 26, 1936 and was 65 years of age at the time of the trial. He was President and C.E.O. of BSL/Ameritek from 1982 until he was discharged on February 18, 1990 after the losses of Ameritek came to light. Earlier in his career, he had been Vice-President of Credit at Walter E. Heller Financial Corporation. Mr. Thomas was a member of the Credit Institute. He had no experience with military contracts of any kind before the MACE.

2. William C. McNeilly

At the date of testifying (February 2002), he was 64 years of age. In 1960, he received his Bachelor of Applied Science in Mechanical Engineering from the University of Toronto. He is a Professional Engineer in Ontario and a member of the Society of Automotive Engineers.

At the date of trial and since 1998, he has been the Chief Engineer with final design responsibility of the "severe truck group" – dump trucks, concrete trucks and logging trucks – for Navistar Corporation at Fort Wayne, Indiana U.S.A. The plant builds cabs and chassis, but not truck bodies.

From 1960 to 1969, he worked as a test and design engineer at International Harvester. After working as a design engineer in Eastern and Western Canada, he went to work for King Seagrave (1982) Inc. as Manager of Operations where municipal fire trucks were built.

3. Karl Morgenroth

He was born in 1936 and was 66 years of age at the date of trial. In 2002, he was employed by Amortek as an engineering consultant where he had been since July 1, 2001. At 21 years of age, in 1957, he obtained a degree in Industrial Engineering from General Motors Institute. His specialty was production methods. He has been a Professional Engineer in Ontario since 1959. In 1961, at 24 years of age, he obtained his M.B.A. from the University of Western Ontario. From 1964-1980, he worked for GMC. He worked for DSS as a DSS – PG4 engineer contract officer from 1980 to 1989 and was with CCC from 1989 until his retirement in 1995.

In 1984, he was the DSS senior contract officer at General Motors, Diesel, London, Ontario where LAV was being manufactured. Approximately one half of the staff at the LAV office in London, Ontario were professional engineers. In March 1985, he was the director of CCC's LAV.

4. Professor John Cibinic Jr.

The C.V. of this witness is found at Ex. 34. A full transcript exists for all of the evidence of this witness. His reports are filed as Ex. 36 and Ex. 37.

5. Raymond Vincent Hession

A full transcript exists for this witness.

At the time of testifying in March 2002, he was 61 years of age and was Chairman of HLB Decision Economics Inc., a consulting firm that gives advice to government and business. He graduated from Royal Military College, Kingston, Ontario in 1962 with a B.A. in Economics. He was in the Canadian Forces from 1958 – 1965 and retired as a Captain. He was employed by IBM and Multiple Access Ltd. in sales and services. From 1974 – 1982, he was executive director to the President/CEO/Chairman at Canada Housing Corporation. From 1982 – 1986, he was Deputy Minister DSS.

6. Alvin K. Rosenhan

Professor Rosenhan's C.V. is found at Ex. 52. His reports may be found at Ex. 54 and Ex. 55. He lives in Starkville, Mississippi. He holds a B. Sc. (1962) in mechanical engineering from the University of Missouri and a Masters Degree from the University of Mississippi. As of November 2001, he had passed all the credits but needed his dissertation to obtain his Ph.D. For 35 years, he has been in the fire apparatus business.

He is a registered professional engineer in five (5) states, the U.K. and some European countries. He consults on the purchase of municipal fire trucks, he is a fire co-ordinator in his home county with 38 trucks under his command. He holds several patents dealing with fire fighting equipment.

7. Peter John Scott

Mr. Scott was 71 years of age and retired when he testified. His biography is set out in my discussion of his evidence under: "C. Credibility and Reliability of Witnesses", subheading "(e)".

8. William Robert Schultz

At the date of trial he was 63 years of age. He has a secondary school diploma and a degree as a certified management accountant. He was employed by B.F. Goodrich Canada from 1957 to 1965 as an accountant in its corporate accounting department. In May 1967, he went to work for Carter Brothers

Construction, Waterloo, Ontario; it became BSL and BSL became Amertek. He was hired at Carter's as its controller and to oversee the financial and accounting functions. In January 1977, he became BSL's General Manager of Truck Body Division. In 1983, Mr. Schultz became BSL's Vice-President of Finance. At that time, BSL had \$2M - \$3M in the bank.

9. Michael R. Potter

Mr. Potter was 70 years of age when he testified in March 2002. In 1956, he earned a B. Sc. in Mechanical Engineering from the University of Durham in his native England; he earned a Master of Science and Agricultural Engineering in 1958. Since 1972, he has been a member of the Society of Automotive Engineers. Since 1990, he has been a Professional Engineer in Ontario.

Mr. Potter worked worldwide for Massey Ferguson from 1958 to 1987.

He was President/CEO of Amertek from April 30, 1990 until November 1995.

10. Pierre Velle-Zarb

At the time of testifying, he was 42 years of age. He earned a B. Sc. from the University of Toronto in 1982. In 1986, he took a course in Canadian Securities. He has programmed computers and started up a corporation that sells computer games.

From 1988 – 1993, he was Vice-President of First Investors Capital Corporation which located money for small companies.

In 1993, he founded Falcon Corporation which does mergers and acquisitions.

11. David R.G. Tanner

He was 48 years of age at the time of testifying. He holds a B. of Sc. and an M.B.A. from the University of Toronto. He is a financial analyst. He worked at Canadian Pacific for 10 years; while located in Calgary, he was assistant to the President. He left Canadian Pacific and went to work for a merchant bank.

In 1994, he launched his own company. He is the current President of Amertek. How this came about is set out by Killeen J. in [1998] 4 C.B.R. (4<sup>th</sup>) 23, 26 at paras. [18] and [39]; see: Ex. 93.

12. Dr. Victor Mele

This witness, 67 years of age at the time of testifying, has had a medical practice in the Danforth area of Toronto for many years. He obtained a B.A. from the University of Western Ontario and his M.D. from the same university in 1962. He was a friend of the late Dr. Forder. They invested in Amerkon and it invested in Amertek. He is a director of both companies. He and his wife, Diane, are directors of Chrislou Investment Ltd., which they own 50-50.

13. Linda Carol Forder

She is the widow of Dr. Forder. She was in her 43<sup>rd</sup> year at the time of the trial. At age 28 years, in 1987, she married Dr. Forder. They have four (4) children aged 14, 12, 9 and 4 years as of mid-April 2002. She is the executrix of her husband's estate. The estate made a proposal to its creditors, which was accepted, under the BIW.

14. Valerie Anne Steele, C.A.

Her C.V. is filed as Ex. 98. She is a senior Vice-President at KPMG. Her reports are filed as Ex. 99, Ex. 100, Ex. 101, Ex. 102 and Ex. 103.

15. John F. Collins

He is a lawyer, born on September 17, 1951. He was called to the Bar of Ontario in 1977 and to the Bar of California in 1985 and qualified as a solicitor in England and Wales in 1990. He retains his membership in all three jurisdictions.

From 1980 to 1991, he was Vice-President and chief counsel for Litton Systems Canada Ltd., builders of military airborne command and control systems etc. From 1990 to 1993, Mr. Collins joined a company in San Diego, California. He returned to Canada in 1993. His practice has always centered on public contract law and intellectual property. "Public contracts" connotes contracts between a government and a private party.

16. Dennis J. Mills, M.P. (Lib.)

Mr. Mills (D.O.B. July 19, 1946) is a four time elected member of Parliament for Toronto-Danforth and has been its member since 1988. For two terms, he was parliamentary assistant to the Ministry of Industry. His part in this saga is discussed in my reasons dealing with the D & T review.





## APPENDIX "C"

Witnesses called by the Government Defendants (in the order called)

1. Peter Roderick Smith

Mr. Smith (D.O.B. February 8, 1947) earned a B.A. in Economics from the University of Ottawa in 1968. He attended a training course for deputy ministers at the London School of Economics from 1973 to 1974. He served in several departments of the Federal government. In 1984 – December 1986, he was Assistant Deputy Minister of Supply Operations. Since 1994, he has been President of Aerospace Industries Association of Canada, a trade association. He is a registered Tier 2 lobbyist.

2. Arnold F. Sanderson

When he testified in April 2002 he was 65 years of age and retired. He was in the R.C.A.F. from 1955 to 1964. He earned his wings in 1956. When he left the service in 1964, he enrolled as an engineering student at the University of Waterloo and graduated in 1962. Thereupon, he was hired by DSS as an intern procurement officer and retired as a section head in March 1991.

3. Obed Ivan Matthews

Mr. Matthews (D.O.B. October 16, 1930) was 71 years of age at the time of testifying. He has worked for the Federal government in many capacities since graduating from high school in Halifax, Nova Scotia in 1947. He took many "in house" courses and seminars over the years. In his latter time in government, he was Acting President CCC and retired in 1992 as CCC's Executive Vice-President.

4. William Charles Ames

At the time of testifying he was a 74 year old widower. He had retired in 1993.

At 15 years of age, in 1943, he joined the merchant marine and served until 1950. He was then employed by the Canadian Department of Agriculture in Western Canada until he moved to Ottawa in 1975 to be with DSS, Special Vehicles Branch. From 1985 – 1993, he was a project officer at CCC.

5. Janice S. Thorsteinson

Ms. Thorsteinson graduated from Carleton University in 1973 as an electrical engineer and has been a Professional Engineer in Ontario since 1975. She commenced employment with the Federal government in 1973 at the age of 22. In 1997, she was appointed Director General of Supply Policy.

6. Richard Lee Moorhouse

This Washington, D.C. lawyer was 54 years of age at the time of testifying. His C.V. is filed as Ex. 130 and his reports are filed as Ex. 131 and Ex. 135. A partial transcript of his March 4, 2002 evidence is filed as Ex. 134. He was called by counsel for the Government Defendants as their expert witness regarding USG contracts.

7. Colonel Kenneth C. Mitchell

This witness (D.O.B. August 4, 1937) was 64 years of age at the time of giving evidence. He retired from the Canadian Armed Forces in 1991 and retired, again, in 1992 after teaching for a year in the Middle East. He graduated from R.M.C. Kingston, Ontario in 1959 and in 1962 he obtained a Bachelor of Applied Science in Mechanical Engineering from the University of Toronto. He graduated from the U.S. Navy Test Pilot School as a flight test engineer. He stated that he brought little QA knowledge to the job to which he was appointed as commanding officer CFTSA.

8. Michel Fairfield

This witness was 44 years of age at the date of testifying. He has been a professional engineer since 1984. He received his qualification as an industrial engineer from the University of Montreal in 1981. He has been employed by DSS since May 1982. In September 1987, he became the project officer at CCC for the MACE and there remained until 1993. He replaced one John Stacey who had held the position for 1 ½ years. Before that, the position had been held by W.C. Ames, with his superior A.F. Sanderson.

9. Jim Muccilli, C.A.

This was the financial expert called by the Government Defendants regarding the loss claimed by the Plaintiffs. He received his C.A. in 1990; he also held the title of I.F.A. (Investigative and Forensic Accountant).

His C.V. is found at Ex. 158. His reports to counsel for the Government Defendants appear at Ex. 159A, Ex. 159B and Ex. 159C.

10. Gregory Robert Bone

He was 47 years of age at the time of testifying. He graduated from Seneca College as an electronic technician in 1973. He joined DND/QA on May 14, 1973. He was appointed 301 Detachment Commander on January 8, 1990 and held that position until 1994-1995 when he became Regional Commander. He left DND in July 1996. As of the date of the trial, and since March 1, 2001, he was employed as QA Manager for Magnum 2000 at Oakville, Ontario.

11. Paul E. McKenna

This 41 year old CCC employee obtained his B.A. in Mathematics at the University of Waterloo in 1994. At the date of testifying, he was on leave of absence finishing up his M.B.A. in Electronics at Dalhousie University. He joined CCC upon graduation in 1984. In 1987, he became CCC's Financial Services Officer (overseas director). He came to MACE in January 1990 as Financial Services Officer. In May 1995, he became Director/Manager of the U.S. division of CCC.

12. Jackson Clark Medley

This 73 year old witness who lives in Oshkosh, Wisconsin, prepared a report for counsel for the Government Defendants – Ex. 178. Tab 2 of Ex. 178 is the C.V. of the witness. It was the view of this witness that the P-19 crash truck of Oshkosh had all the capabilities and specifications required by the MACE crash truck. He had no answer to the question: "If that be so, why didn't the U.S. Army purchase the P-19s from Oshkosh as a "stock item"?"

13. Ranald Andrew Quail

At the date of trial, he was 62 years of age. He graduated as a civil engineer in 1962 from the University of New Brunswick; he became a Professional Engineer in Ontario in 1964. After graduating, he worked for the St. Lawrence Seaway. In 1975, he was the Deputy Commander of the Canadian Coast Guard; he was its commander from 1983 to 1986. In 1993, he was appointed Deputy Minister DSS (now PWGSC). At the same time, he was appointed President and Chairman of the Board of Directors of CCC. He testified that he had no concern that Douglas Patriquin drew the terms of reference for the D & T review, nor that D. Patriquin chose D & T because: "It never entered my mind that anyone else would do this work".

14. Kenneth George Hooton

As of the date of trial this 72 year old gentleman resided in Florida. He trained as an electrician in his native England. In 1982, he joined KS at Woodstock, Ontario as a commissioned salesman of KS's municipal fire trucks in

charge of overseas sales. He joined BSL, later Amertek, in 1984. He retired from Amertek in 1991 and moved to Florida in 1994.

15. Peter G. Strum

At the date of trial, this witness (D.O.B. March 6, 1947) was 55 years of age and, since 2000, had been President of spd Global consultants – a firm that does management consulting to government at all levels. Prior to his present occupation, he worked for D & T for 28 years, the last 18 as a partner. He earned a Bachelor of Commerce from Dalhousie University in 1968 and an M.B.A. from the University of Western Ontario in 1970. Some of his C.V. appears in Ex. 9: p. 465. He did much of D & T's government consulting work. He was one of the D & T authors of the report found at Ex. 10: p.2-62 (July 4, 1994).

16. Douglas Patriquin

This 55 year old earned his B.A. in Economics at Queen's University in 1968 and his M.A. in Economics at the University of Toronto in 1969. He obtained his Ph.D. in Economics from the London School of Economics in 1979. Since 1969, he has been employed by the Canadian federal government, a Canadian provincial government or a territorial government. In early August 1993, by Order-in-Council, he was appointed Executive Vice-President of CCC and its COO. In 1999, he replaced Mr. Quail as President and Chairman of CCC.

He said that the choice of D & T to prepare the report/review found as Ex. 10: p. 2-62, was an obvious choice because D & T had previously done "process audits for CCC". Mr. Patriquin testified that the selection of D & T and his authoring of the terms of reference had the approval of Mr. Quail and the Minister.

**APPENDIX "D"**

**PLAINTIFFS' CHRONOLOGY OF DOCUMENTS AND EVENTS**

<b>DATE</b>	<b>DESCRIPTION</b>	<b>PRODNO</b>	<b>EXHIBIT NUMBER</b>
April 1, 1984	Memorandum of Understanding between the U.S. Department of Defence and the Department of National Defence Canada	Crown 3417	Exhibit 143
April 19, 1984	Procurement Plan for DOT Crash Trucks	Crown 104	Exhibit 3, page 2 to 11
May 18, 1984	Telex amending DOT specifications to require that vehicle tendered must have been in use as a crash rescue vehicle at a major airport for a minimum of one year	Crown 10120	Exhibit 3, page 93
June 11, 1984	U.S. Army Truck bid set forwarded to King Seagrave and other potential bidders on the DSS source list	Crown 114	Exhibit 3, page 114 to 304
June 20, 1984	Trip Report of Bill Ames' visit to Walter Canada Inc. to assess capability of Walter for the DOT trucks	Crown 10134	Exhibit 3, page 94
June 21 and 22, 1984	Trip Report of Bill Ames' visit to Pierre Thibault Trucks Inc. to determine Thibault's capability for the DOT trucks	Crown 10134	Exhibit 3, page 95
July 11, 1984	DSS certification of step one technical proposal of King Seagrave	Crown 119	Exhibit 3, page 305A and 306
July 11, 1984	CCC telex to TROSCOM endorsing KS technical proposal and certifying KS bid is within technical and delivery capabilities of KS	Crown 118	Exhibit 3, page 307
July 24, 1984	Walter Canada sends details of six export bids to Sandy Sanderson of DSS	Crown 10136	Exhibit 3, page 308 to 316
July 27, 1984	Walter Canada sends information regarding labour hours and rates anticipated for the DOT trucks to Sandy Sanderson of DSS	Crown 10137	Exhibit 3, page 317 to 321

August 13, 1984	The U.S. Army notifies DSS that King Seagrave's step one technical proposal is acceptable	Crown 134	Exhibit 3, page 323
August 17, 1984	Handwritten costing notes of Bill McNeilly addressed to George LaPorte	Amertek 16656 and 12811	Exhibit 3, page 325 to 371
August 27, 1984	King Seagrave Step Two Pricing Proposal to the U.S. Army	Amertek 17142	Exhibit 3, page 372 to 447
August 27, 1984	CCC telex to U.S. Army endorsing King Seagrave pricing proposal	Crown 136	Exhibit 3, page 448
August 27, 1984	Abstract of offers prepared by C. Dei Santi (Contracting Officer, TROSCOM) at the time of bid opening indicating King Seagrave is the low bidder	Crown 130  N/A	Exhibit 3, page 466 to 468  Exhibit 28, Tab A
August 28, 1984	U.S. Army Contractor Evaluation Summary indicating award recommended based on the Contractor Evaluation Summary without a pre to award survey being requested	Amertek 17144	Exhibit 3, page 455 to 456
August 27 to 28, 1984	U.S. Army forwards Bid Pricing Verification Request to CCC for KS Pricing Proposal indicating KS price so low as to indicate an error had been made	Crown 155	Exhibit 3, page 461
August 30, 1984	Memorandum from CCC (Stauffer) to DSS (Sanderson) confirming Bid Pricing Verification Request received and requesting cross to guarantee from Walter and monthly reporting system be set up on contract status and delivery	Crown 155	Exhibit 3, page 461
August 31, 1984	Ames' note of visit to King Seagrave 30 August 1984 to verify prices	Amertek 15163	Exhibit 3, page 463
August 31, 1984	CCC telex to U.S. Army endorsing and verifying the King Seagrave price as quoted and vehicle shipping weight as quoted in response to bid pricing verification request	Crown 127	Exhibit 3, page 464

August 31, 1984	Pat Stauffer note recording report from Bill Ames following attendance at King Seagrave to check prices	Crown 166	Exhibit 3, page 465
August 31, 1984	U.S. Army awards Prime Contract to CCC	Crown 95	Exhibit 4, page 1 to 321
September 7, 1984	George LaPorte hand delivers typed King Seagrave pricing document signed by George LaPorte to Pat Stauffer of CCC	Crown 96 and 174	Exhibit 4, page 323 to 329G
September 27, 1984	Letter from U.S. Defense Logistics Agency to DND delegating government quality assurance responsibilities specified in the CCC to U.S. Army Prime Contract to DND	Crown 212	Exhibit 4, page 399
October 5, 1984	Telex award from CCC to King Seagrave	Crown 217	Exhibit 4, page 400
October 5, 1984	Draft Agreement confirming telex contract authority dated October 5, 1984	Crown 215	Exhibit 4, page 401 to 417
October 16, 1984	DSS memorandum indicating Treasury Board submission is in the approval process for an award of the DOT Program to Walter on a sole source basis	Amertek 15174	Exhibit 4, page 418
October 30, 1984	Post to Award Conference Record for the post to award conference for the U.S. Army Program	Crown 249	Exhibit 4, page 420 to 423
November 14, 1984	Draft copy of Ernst & Whinney document entitled "Acquisition Opportunity: King Seagrave (1982) Inc." sent to Bill Thomas at BSL	Amertek 15185	Exhibit 4, page 424 to 453
November 19, 1984	DSS file record of telephone conversation between Bill Ames and Ken Hooton indicating engineering and production staff were laid off temporarily at King Seagrave on Friday 16 November due to cash flow problems	Amertek 15176	Exhibit 4, page 454



November 20, 1984	DSS file record prepared by Bill Ames indicating DSS met with George LaPorte to confirm King Seagrave's financial problem. Ames indicates his opinion is King Seagrave is bankrupt but not in receivership with all assets secured and no cash in the bank	Crown 281	Exhibit 4 page 457
November 28, 1984	U.S. Army signs amended P00002 authorizing purchase of second program year of U.S. Army fire trucks to be produced by King Seagrave	Crown 95	Exhibit 4, page 230 to 233
November 29, 1984	Treasury Board approves the award of the DOT contract in the amount of \$17.3 million to Walter Canada Inc. for the manufacture of 68 crash trucks	Crown 429	Exhibit 5, page 19 to 20
November 30, 1984	Walter signs guarantee of KS obligations to CCC under the U.S. Army Program	Crown 310	Exhibit 4, page 477 to 478
November 30, 1984	Schultz meets with McNeilly and Hooton regarding potential purchase by BSL of KS	Crown 8553	Exhibit 4, page 460 to 465
November 30, 1984	DSS file record of Bill Ames regarding meeting at CCC with George LaPorte indicating Roberts refused to sign "contract" until George produces evidence of financial capability	Crown 312	Exhibit 4, page 475 to 476
December 7, 1984	DSS telex to Walter advising that Treasury Board approval has been received for 68 DOT crash trucks and advising contract will not be issued to Walter until details of acceptable financial arrangements are provided	Crown 340	Exhibit 4, page 480
December 7, 1984	Financial viability evaluation by Ilchenko of King Seagrave (1982) Inc. and Walter Canada Inc. as of June 30, 1984 in response to request by Sanderson of December 4, 1984	Amertek 15189	Exhibit 4, page 481 to 482
December 18, 1984	Receiver takes over King Seagrave	Amertek 15193	Exhibit 4, page 486

December 21, 1984	Memorandum to CCC (Clarke) from Stauffer (CCC) indicating Walter cannot move out of Quebec because of political reasons	Crown 374	Exhibit 4 page 484
January 1985	Walter Canada Business Plan based on assumption that Walter will move from Montreal to Woodstock and will produce DOT trucks in Woodstock during 1985	Crown 387	Exhibit 4, page 487 to 530
January 3, 1985	DSS informs the U.S. Defense Logistics Agency that King Seagrave is in receivership for inventory and accounts receivable; King Seagrave is refinancing through Royal Bank; cash flow problems are expected to be resolved shortly	Crown 415	Exhibit 5, page 1
January 8, 1985	Handwritten trip report of Bill Ames regarding meeting with TROSCOM in St. Louis regarding software items. Notes state "General <u>Edelmann</u> indicated CCC should have informed TROSCOM of the financial situation and asks that CCC not hide facts in the future" and "C. Dei Santi expressed concern over the slippage and deliveries and our lack of communicating info re deliveries and financial problems. She requested we keep her informed of all events and problems. Everyone present promised better communications."	Amertek 15200	Exhibit 5, page 2 to 6
January 14, 1985	Aide Memoire stating "... the U.S. Army is experiencing representations from U.S. manufacturers regarding the award of the contract to King Seagrave (1982) Inc. and may therefore use the default on these minor items as the basis for termination of the contract. The loss of this contract to Canada will have considerable political implications both at the federal and provincial levels"	Crown 429	Exhibit 5, page 18 to 20
January 14, 1985	Aide Memoire stating "It is recommended that a telex contract to Walter Canada Inc. for 68 crash trucks for DOT be released"	Crown 9876	Exhibit 5, page 24 to 27
January 22, 1985	<u>Dun</u> & Bradstreet for Belgium Standard Limited	Crown 442	Exhibit 5, page 47 to 48

January 22, 1985	Internal DSS memorandum (Comeau to Smith) providing Smith with an update of the Walter/King Seagrave financial situation containing handwritten note from Peter Smith to Pierre Comeau stating "Thanks for this update but I want you to personally keep me posted <u>daily</u> on developments. This is very hot re MOT, MIN and CCC. We need to have contingency plan available" with note by Peter Smith to his assistant Irene "Keep copy here and BF [ <u>bring forward</u> ] daily"	Crown 10132	Exhibit 5, page 66 to 68
January 22, 1985	Handwritten file record of W.C. Ames regarding telephone conversation with George Sztyciel of Spartan Motors indicating Grumman is putting pressure on TROSCOM to terminate the (U.S. Army) contract for default and is using the Freedom of Information Act to obtain a copy of the KS bid	Crown 439	Exhibit 5, page 69
January 23, 1985	DSS memorandum (Roberts to Morris) requesting a complete analysis of Walter Canada Inc.'s financial situation with respect to its capability to perform the DOT and MACI contracts in the event King Seagrave is unable to perform the MACI contract and a complete analysis of the King Seagrave financial situation with respect to its capability to perform the U.S. Army contract	Amertek 52	Exhibit 5, page 71 to 72
January 24, 1985	DSS memorandum (Mody to Sanderson) recording information obtained from Daniel Romanowski and others by McEachern and Mody during a visit to King Seagrave on January 22, 1985. The information recorded from Romanowski: "Lack of cost accountant in King Seagrave. Costing for trucks handled by inexperienced employees such as engineer, president and sales staff." With handwritten notes identified by Sanderson.	Amertek 15213	Exhibit 5, page 122 to 125

January 24, 1985	Aide Memoire "Notwithstanding the January 14, 1985 Aide Memoire indicated that the cash flow problems of Walter Canada Inc. had been resolved through a guarantee of funding from the Banque Nationale, the Minister of Supply & Services has instructed DSS not to proceed with the issuance of an order to Walter Canada for the DOT crash trucks until he has so authorized	Amertek 15201	Exhibit 5, page 146 to 147
January 29, 1985	Handwritten file record by Bill Ames of telephone conversation with C. Nelson of TROSCOM. Nelson advises he is referring the contract to his legal personnel for their recommendation. Ames gives the opinion that this may possibility result in termination for default by U.S.	Amertek 51	Exhibit 5, page 144
January 29, 1985	Document indicating DSS was considering four alternative contractors to perform the U.S. Army Program to namely: Aircraft Appliance and Equipment Ltd., Hampton Engineering/Westinghouse Consortium, Aerotech International Inc., and Pierre Thibault Truck	Crown 458	Exhibit 5, page 148
January 31, 1985	Handwritten note of Sandy Sanderson indicating there were no financial statements available for King Seagrave in July to August	Crown 10190	Exhibit 5, page 169
January 31, 1985	Handwritten note of <u>Ames</u> indicating he had received a call from TROSCOM indicating that they have requested their legal access for recommendation which possibly mean termination for default.	Crown 460	Exhibit 5 pages 164-168
February 1, 1985	CCC calls on Walter by telex and letter to perform the KS Army Subcontract and to correct all defaults of KS under such Army Subcontract	Amertek 474 Crown 471	Exhibit 5, page 182 and 183
February 4, 1985	Sanderson letter to Bill Kiel at Ernst & Whinney regarding financial information available pertaining to King Seagrave	Crown 482	Exhibit 5, page 188 to 192

February 4, 1985	DSS memorandum (Sanderson to Roberts) advising "The DOT contract is the 'key' to the financing of the MACI contract" and recommending that the DOT contract be signed immediately	Amertek 15483	Exhibit 5, page 193
February 6, 1985	Handwritten note from Pat Stauffer to Ted Benson indicating Smith told AAE that CCC or DSS was not interested in receiving a proposal from AAE at that time	Crown 486	Exhibit 5, page 197
February 11, 1985	Memorandum of Bill McNeilly prepared for George LaPorte regarding his analysis of competitive bids for the U.S. Army Contract exclusive of software	Crown 490	Exhibit 5, page 202 to 203
February 14, 1985	Meeting with DSS personnel and Carl Thibault in Hession's boardroom	Amertek 509	Exhibit 5, page 206
February 15, 1985	Handwritten note of Sandy Sanderson recording report of telephone conversation stating "U.S. had written a letter yesterday at noon to the GAO [ <u>General Accounting Office of the USG</u> ] recommending that the contract with CCC (MACE) be terminated and then they go back out for bids. Advised Dave that if this happens, CCC would be liable for all the difference in costs between the KS bid and the 'new' successful bid".	Amertek 15235	Exhibit 5, page 207
February 15, 1985	Handwritten note of Sandy Sanderson stating he had been advised by Mr. Roberts that he "was no longer to talk to Walter's personnel. All contact would be between the Director and higher. This is to apply to Steve McEachern and Bill Ames also (the others have been advised)"	Amertek 15235	Exhibit 5, page 207
February 15, 1985	Handwritten notes of Dave Roberts of meeting with Walter Canada personnel on February 15, 1985 stating "McNeilly caused damage to K to S"	Amertek 509	Exhibit 5, page 208 to 211
February 20, 1985	Meeting at Woodstock City Hall with representatives from BSL, the City and DRIE	Crown 8562	Exhibit 5, page 219

February 20, 1985	BSL expression of interest sent to CCC	Crown 501	Exhibit 5, page 220 to 247
February 21, 1985	Typed note of Bill Schultz recording delivery of expression of interest and meeting with Bill Ames	Crown 8563	Exhibit 5, page 255
February 21, 1985	Response from Kiel to Sanderson letter of February 4, 1985	Amertek 68	Exhibit 5, page 256 to 257
February 22, 1985	Aide Memoire indicating "The owners of Walter Canada Inc. have categorically stated that they will not be able to finance the continuation of the MACE contract without the contract for the 68 Transport Canada vehicles. In this event, CCC would be required to terminate its contract with the U.S. Army and could incur a penalty of up to \$14 million"	Crown 508	Exhibit 5, page 271 to 273
February 25, 1985	Schultz's typed note of telephone call from George McDonnell reporting on telephone conversation with Hession indicating it looks like Walter has regrouped in order to fulfil the contract	Amertek 15318	Exhibit 5, page 280
February 26, 1985	Typed note summarizing February 14 meeting with <u>Carl</u> Thibault and discussions during a dinner between Walter and Thibault where LaPorte stated "don't touch it you will burn yourself" and recording both King Seagrave both underbid the MACE contract and LaPorte knows it	Crown 514 without handwritten notes  Crown 10043 with handwritten marginal notes	Exhibit 5, page 283 to 287  Exhibit 5, page 288 to 292
February 27, 1985	Notice of Public Auction at King Seagrave	Amertek 17208	Exhibit 5, page 293
February 28, 1985	Handwritten note from Bill Schultz returning a telephone call from Bill Ames to Bill Thomas during which Bill Ames advised Bill Schultz that LaPorte was going to remain as supplier for the MACI trucks	Amertek 15319	Exhibit 5, page 294

February 1985	Memorandum to the Minister from Hession indicating "if the U.S. government considers that it has sufficient justification to terminate its contract and award a new contract to the next lowest bidder, which is a U.S. manufacturer, the Canadian government could be liable for cancellation charges which could amount to \$14 million"	Crown 388	Exhibit 5, page 295 to 296
March 1, 1985	Note to file by Roberts regarding a telephone call from Thomas in which Roberts confirms it appears Walter would have sufficient financial backing to carry out the MACE contract	Amertek 112	Exhibit 5, page 297 to 298
March 1, 1985	Telex from Thomas to Matthews expressing concern regarding intended award of MACI contract to Walter, a company currently in receivership and whose assets were sold by public auction on February 27, 1985 by a liquidator	Crown 527	Exhibit 5, page 299
March 4, 1985	Letter from Smith to Matthews advising in view of Walter's financial difficulties the award of the DOT trucks has been delayed in spite of receipt of Treasury Board approval and that the exercise of the Walter Guarantee and the MACI contract "still contains an abnormal risk factor. However there seems no other reasonable way to minimize the risk. Alternative solutions have the effect of forcing the U.S. Army to terminate the contract for default and render CCC liable to pay \$14 M (or more) reprocurement costs"	Crown 537	Exhibit 5, page 302 to 303
March 5, 1985	Letter from Hession to Thomas confirming "Walter has a legal obligation to complete the contract and DSS has every indication that this can be accomplished"	Crown 543	Exhibit 5, page 314
March 5, 1985	Show Cause Notice from U.S. Army to CCC	Crown 544	Exhibit 5, page 315 and 316

March 6, 1985	Telex message form from Matthews to Thomas advising Walter will perform the MACI contract in accordance with the contract requirements and CCC is not seeking alternative sources at that time	Crown 548	Exhibit 5, page 317
March 8, 1985	Telex from Comeau (DSS) to Sebastyan (Transport Canada) requesting services of Burkhill to assist technical representatives of DSS and DND in an assessment of King Seagrave to determine the status of the MACI contract performance	Amertek 112	Exhibit 5, page 319
March 8, 1985	Roberts' handwritten note of meeting with George LaPorte and Bob McIntyre indicating "MACE - labour hours may be a problem. McNeilly had not planned set up of production. Progress payment on prototype vehicle - vehicle not assembled"	Amertek 112	Exhibit 5, page 320-323
March 8, 1985	Telex from Cloutier (CCC) to LaPorte (KS) advising of receipt of Show Cause Notice and indicating "the CCC/U.S. contract may be terminated as a result of your continued default"	Crown 554	Exhibit 5, page 324 to 327
March 12, 1985	Letter from Matthews (CCC) to Smith (DSS) confirming the potential for abnormal risk is understood and accepted by CCC as there does not appear to be a better fix	Amertek 717	Exhibit 5, page 331
March 12, 1985	Handwritten notes (with typed version attached) of Schultz regarding telephone conversations with Comeau in which Comeau stated "we should have contacted him he would have given us the straight goods"	Amertek 3926	Exhibit 5, page 332 to 334C
March 13, 1985	Letter from Roberts (DSS) to Royal Bank attaching MACI contract statement of findings as concluded by assessment conducted by officials from DSS, DND and Transport Canada	Crown 559	Exhibit 5, page 335 to 339



March 15, 1985	Aide Memoire re Walter Canada Inc. with Roberts' handwritten date of March 15, 1985 confirming meeting on March 15, 1985 with Smith, Comeau, Matthews, Cloutier and Gauthier from the government defendants and Jones and McIntyre from Walter attending at which problems were identified including "the contract cost of the MACE vehicle is too low by a minimum of \$7,000US per vehicle ..."	Crown 564	Exhibit 5, page 341 to 342
March 18, 1985	Letter from Hession to Thomas indicating Walter has a legal obligation to complete the contract and there is every indication that this can be accomplished	Amertek 2625	Exhibit 5, page 346
March 18, 1985	Tagged to memorandum on MACI project indicating "sensitive issue" Employment in Quebec. Employment in Ontario. Extra payments to Ontario firm. Fair treatment of bidders.	Crown 569	Exhibit 5, page 347
March 18, 1985	Aide Memoire King Seagrave Inc. stating "it is estimated that the bid prices are under by \$7,000US per unit"	Crown 569	Exhibit 5, page 348
March 19, 1985	Aide Memoire re RJ Stampings Co. Inc. stating "the estimated cost of the worst case option (termination for default whereby CCC pays the excess reprocurment costs plus liquidated damages) could be of the order of \$1.5M" (sic)	Crown 569	Exhibit 5, page 349
March 19, 1985	Letter from Jones (Walter) to Smith (DSS) thanking Smith for the two hour meeting on March 15, 1985 and attaching documentation	Crown 572	Exhibit 5, page 350 to 364
March 20, 1985	Handwritten note of meeting with Walter indicating discussion re \$7,000 per vehicle increase and stating "Smith - puts the gun to McIntyre"	Crown 580	Exhibit 5, page 365 to 368
March 20, 1985	Letter from McIntyre to Smith confirming discussion of March 20, 1985 and requesting ceiling price adjustment of \$4,000US	Amertek 363	Exhibit 5, page 369

March 13-20, 1985	McNeilly's handwritten notes prepared for entry of BSL into special vehicle market and including material cost estimates for municipal custom chassis prototype and CFRV prototype	Amertek 17220 Amertek 12809	Exhibit 5, page 374 to 382 Exhibit 8, page 383 to 385
March 1985	Handwritten costing notes of McNeilly from King Seagrave updated with changes made February 1985, used by McNeilly in costing for the BSL CFRV prototype	Amertek 12806	Exhibit 5, page 412 to 436
March 15, 1985	Handwritten notes of McNeilly regarding costing of the BSL prototypes	Crown 484	Exhibit 5, page 437 to 441
March 1985	Status report on MACE project recommending "proceed with the contract for the MACE vehicles on the basis of the price bid, with the proviso that final prices will be negotiated in accordance with the normal DSS cost allowance and profit policy"	Crown 150	Exhibit 5, page 450 to 452
March 1985	Document entitled Procurement Alternatives for the Completion of MACE Fire Truck Project stating "Belgium Standard did not bid on the MACE project so the company has no details on the pricing other than what they may have gained from Mr. McNeilly" and "Belgium Standard do not have personnel who are experienced in building chassis ... the costs of any McNeilly design manufactured by Belgium Standard are unknown but they would probably be at least \$10,000 higher than the King Seagrave bid ..."	Crown 150	Exhibit 5, page 453 and 456

Mid to Late March 1985	Memo entitled Procurement Options for the Completion of the MACE Fire Truck Project for the U.S. Army and the Production of 68 Crash Trucks for Transport Canada containing the following statements "Belgium Standard did not bid <u>on</u> the MACE project so that the company has no details of the pricing other than what they may have gained from McNeilly", "the <u>costs</u> of a new McNeilly design manufactured by Belgium Standard are unknown but they would probably be at least \$10,000 higher than the present King Seagrave bid" and "to obtain a 10% profit, the unit price may have to be increased by up to \$7,000US". "The company has not manufactured a crash truck and even if McNeilly's experience on fire trucks it is doubtful whether a successful vehicle could be built."	Crown 10027 (unredacted)  Crown 9873 (FOI redacted)	Exhibit 5, page 463 to 467  Exhibit 5, page 468 to 472
March 21, 1985	Memo from Smith (DSS) to Mathews (CCC) attaching assessment of BSL to complete MACE contract stating "Belgium Standard did not bid on the MACE project so that the company has no details on the pricing other <u>than</u> what they may have gained from <u>McNeilly</u> ."	Crown 587	Exhibit 5 page 473-477
March 22, 1985	Hooton's notes of Morgenroth's attendance at BSL	Amertek 2622	Exhibit 5, page 478
March 22, 1985	Minutes of the CCC Board of Directors authorizing additional contract cost to CCC of \$4,000 per vehicle and indicating potential loss to CCC of \$10 to \$14 million	Crown 8575	Exhibit 5, page 479
March 25, 1985	Letter from Morgenroth (CCC LAV Program Office) to Matthews (CCC) reporting on attendance at King Seagrave on March 22, 1985 indicating his advice to BSL that CCC would like to know "what it would cost to convert to Belgium Standard as a supplier if Walter did not complete the contract"	Crown 606	Exhibit 5, page 481 to 482

March 25, 1985	Letter from Matthews (CCC) to Smith (DSS) requesting a formal agreement with Walter be issued at the U.S. contract price "with a provision for cost overrun to a ceiling of US\$4,000/vehicle ... no cost overrun above this ceiling is to be permitted until any profit within the existing U.S. contract has been applied to the cost; no profit will be permitted on overrun costs except by CCC"	Crown 523	Exhibit 5, page 488 to 489
March 29, 1985	Memorandum from Comeau (DSS) to Smith (DSS) with copy to Matthews proposing Morgenroth perform the contract administration function for the duration of the MACI contract with Walter	Crown 10230	Exhibit 5, page 511 to 512
March 28-29, 1985	Sanderson note to file re exclusion from senior management meeting	Crown 10229	Exhibit 5, page 518
April 1985	Schultz's notes summarizing costing information used for BSL pricing proposal dated April 3, 1985	Amertek 15339	Exhibit 6, page 9 to 10
April 1985	Thomas note re summary of costing for BSL pricing proposal dated April 3, 1985	Amertek 15339	Exhibit 6, page 11
April 3, 1985	BSL pricing proposal for the MACI trucks	Crown 636	Exhibit 6, page 13 to 63
April 10, 1985	Memorandum from Ilchenko (DSS) to P. Bateson (DSS) Aide Memoire re Walter Canada in which Ilchenko inquires: "Is it too late to contemplate cost reimbursable contracts to the DOT and CCC requirements? This would allow for detailed contract audits and monitoring of expenditures by DSS. Particularly in view of the company's claim that some additional 4K(US) per unit may be required to provide a reasonable price."	Crown 647	Exhibit 6, page 64 to 68
April 11, 1985	Letter from Baker (BSL's counsel) to Matthews (CCC) attaching executed Indemnification Agreement	Amertek 460	Exhibit 6, page 197 to 198

April 15, 1985	Cloutier's trip report of meeting at TROSCOM April 11, 1985 indicating reason for meeting was to introduce Walter Canada Inc. the new CCC subcontractor for the MACI program	Crown 664	Exhibit 6, page 218 to 219
April 16, 1985	Note of Thomas of <u>telephone conversation</u> with Mathews advising <u>contract</u> to be awarded to Walter	Amertek 3062	Exhibit 6 page 220
April 17, 1985	Memorandum from Roberts (DSS) to Clarke (DSS) suggesting Thibault and Hub as alternative suppliers for mini-pumper procurement	Crown 668	Exhibit 6, page 222 to 223
April 24, 1985	Aide Memoire indicating alternative suppliers such as Belgium Standard and Thibault have been reviewed for the U.S. Army contract or the MOT contract and neither alternative supplier as recommended. Recommendation also suggests appointing a DSS project manager who will be resident in the London/Woodstock area to verify component costs, progress on staffing and production vehicles	Crown 687  Amertek 15493	Exhibit 5, page 445 to 446 (unredacted)  Exhibit 5, page 447 to 448 (FOI document redacted)
April 24, 1985	Aide Memoire on the MACI project for the U.S. Army and the MOT contract for crash trucks stating "if CCC were in default of its contract with the U.S. Army and an alternative supplier selected by the U.S. Army, CCC would be liable to pay the difference in the cost of the two contracts and this would amount to \$15 million. All efforts were therefore directed to avoid this loss situation".	Crown 686  Amertek 732	Exhibit 6, page 233 to 235 (unredacted)  Exhibit 6, page 235A to 235C (redacted)

April 1985	Letter from Mathews to Manion ( <u>Treasury</u> Board) indicating the only viable alternative to proposing <u>BSL</u> as a replacement contractor would have been to allow the U.S. Army to terminate CCC for default and the U.S. Army to would then <u>reprocure</u> from other sources in the U.S. with CCC being liable for the additional cost. Had the U.S. Army proceeded towards to award the contract to the next lowest U.S. bidder, the additional costs chargeable to CCC are conservatively estimated at \$10 million US.	Crown 626	Exhibit 6, page 406
May 16, 1985	Letter from Hession (DSS) to Matthews (CCC) advising Bourque is prepared to invest in Walter if a ceiling price increase of \$4,800US per vehicle is obtained and requesting CCC present the new cost figures to its Board of Directors for approval so the contractual arrangements can be finalized	Crown 715	Exhibit 6, page 247 to 249
May 1985	Memorandum to the Minister from Hession (DSS) confirming Bourque Enterprises is not prepared to make an investment and advising "the CCC contract with the U.S. Army had a contingent liability for the total program. If this liability is fully imposed the charge could be \$14 million CDN", "the only Canadian manufacturer that may have potential to complete the CCC contract in the required timeframe is Belgium Standard Limited". Recommended courses of action including "determine the capability of Belgium Standard to produce the vehicles to the correct standard for the U.S. Army in the required timeframe and at the quoted price"	Crown 694	Exhibit 6, page 254 to 257
May 28, 1985	Handwritten note of Hooton (BSL) regarding meeting at DSS indicating "review of pricing for possible reduction"	Crown 9886	Exhibit 6, page 258
May 28, 1985	Handwritten notes of Schultz regarding meeting with DSS on May 28, 1985	Amertek 17293	Exhibit 6, page 259

May 28, 1985	Memorandum from Hession (DSS) to the Minister confirming Bourque no longer prepared to invest in Walter and meeting held with Belgium Standard on May 28	Crown 694	Exhibit 6, page 271 to 273
May 29 to June 1, 1985	Buck Miller trip report comparing differences between King Seagrave technical proposal and Belgium Standard technical proposal in order to determine required amendments to the Prime Contract	Crown 765	Exhibit 6, page 277 to 280
May 31, 1985	Handwritten note regarding call to Buck Miller at Belgium Standard stating "want proposal from Belgium Standard -- new prices (excludes \$2,000 for commission to De Coursin)	Amertek 15375	Exhibit 6, page 286
End of May 1985	Schultz handwritten calculations regarding possible reduction of BSL price for MACI contract	Amertek 17278	Exhibit 6, page 287 to 289
May 31, 1985	Letter from Thomas (BSL) to Comeau (DSS) confirming price reduction of \$2,000US per vehicle	Crown 765	Exhibit 6, page 290 to 291
June 4, 1985	Letter from Cloutier (CCC) to Dei Santi (TROSCOM) advising "Belgium Standard has the necessary financial and technical capability to complete the contract" and requesting meeting on June 17, 1985	Crown 778	Exhibit 6, page 304 to 306
June 7, 1985	Notice of termination for default from Dei Santi (TROSCOM) to Cloutier (CCC)	Crown 787	Exhibit 6, page 318 to 319
June 12, 1985	Letter from Cloutier (CCC) to Dei Santi (TROSCOM) proposing Belgium Standard as new subcontractor	Amertek 14981	Exhibit 6, page 323 to 324
June 12, 1985	Letter from Smith (DSS) to Sebastyan (Transport Canada) confirming Walter is unable to perform the DOT contract and advising "at this time, Pierre Thibault is the only known fire truck manufacturer in Canada which we consider capable of assembling a crash rescue vehicle for your department"	Crown 804	Exhibit 6, page 325 to 326

June 14, 1985	Memorandum from Richard to Miller confirming a letter is to be prepared from the ADM to the president of the corporation noting that: "every effort has been made to retain the contract in Canada and this action is as a 'last ditch' effort". Re DOT trucks: DOT considered Thibault an unacceptable designer and will probably agree to determine international potential sources of supply and issue an RFP accordingly	Crown 815	Exhibit 6, page 335 to 336
June 17, 1985	Letter from Cloutier (CCC) to Dei Santi (TROSCOM) proposing BSL as new subcontractor and advising "the proposal has been examined extensively and CCC is convinced that this company has the technical and financial resources to complete the contract"	Crown 822	Exhibit 6, page 340 to 342
June 18, 1985	Letter from Smith (DSS) to Matthews (CCC) indicating negotiations have been concluded with Belgium Standard	Crown 816	Exhibit 6, page 343 to 344
June 18, 1985	Note to file regarding discussions with GM regarding MACI contract	Crown 837  Amertek 644	Exhibit 6, page 345 (unredacted)  Exhibit 6, page 346A to 346B (redacted)
June 18, 1985	Letter from Morgenroth (CCC LAV Program) to Thomas (BSL) requesting assistance to BSL in training a resource person in accounting related detail	Crown 850	Exhibit 6, page 350 to 351
June 18, 1985	Notice of termination to Walter Canada from Richard (DSS)	Amertek 15399	Exhibit 6, page 352 to 353
June 20, 1985	Letter from Matthews (CCC) to Minister Kelleher advising "the evaluation of Belgium Standard and their proposal were positive. It was concluded that this firm was financially and technically capable of fulfilling the contract"	Crown 862	Exhibit 6, page 356 to 357



June 21, 1985	Memorandum from Carol Rosenbaum (Attorney Advisor, TROSCOM) to C. Dei Santi (Contracting Officer, TROSCOM) advising "grounds for termination appear to be firm" ... "legal grounds to terminate for default exist"	N/A	Exhibit 28, Tab D
July 4, 1985	Letter from Morgenroth (CCC LAV Program) to Thomas (BSL) with handwritten indicating BSL had discussed the processing of DD250's with DCASMA and progress payments to be handled by Sanderson in a format different to LAV Program	Crown 890	Exhibit 6, page 363
July 4, 1985	Telex message from Cloutier (CCC) to Dei Santi (TROSCOM) confirming the BSL vehicles will be equal to or better than King Seagrave vehicles	Crown 887	Exhibit 6, page 364 to 366
July 8, 1985	Memorandum from C. Dei Santi (Contracting Officer, TROSCOM) to Carol Rosenbaum (Attorney Advisor TROSCOM) advising "I feel that a workable delivery schedule can be worked out and it would be in the best interests of the government to accept CCC's offer of consideration, rather than terminate for default and reprocure, if the above question concerning certification can be resolved"	N/A	Exhibit 28, Tab F
July 16, 1985	Memorandum from C. Dei Santi (Contracting Officer, TROSCOM) stating "CCC's certification that the truck to be provided will be ' <u>equal</u> to' or 'better than' the one that they are obliged to provide under the contract is legally unenforceable. Before a decision can be made to allow CCC to continue performance, CCC was requested to provide a list of the differences, detailed enough to be suitable for evaluation by technical proposal"	N/A	Exhibit 28, Tab H

July 23, 1985	Memorandum from C. Dei Sandi (Contracting Officer, TROSCOM) advising "CCC was requested to provide a list of differences, detailed enough to be suitable for evaluation by technical personnel, in order that a decision can be made to allow CCC to continue performance on this contract. In response, CCC provided a list of changes to the King Seagrave proposal and also provided 3 copies of Belgium Standard's unsolicited proposal	N/A	Exhibit 28, Tab G
July 24, 1985	Aide Memoire confirming CCC received an extensive from BSL of its offer to July 20 and unofficially to July 29	Crown 914	Exhibit 6, page 386 to 387
August 5, 1985	Aide Memoire prepared by Richard (DSS) setting out costs beyond the CCC/U.S. contract to be incurred	Amertek 15422	Exhibit 6, page 389 to 390
August 6, 1985	Letter from Thomas to Richard confirming material price increase of \$4,500US per vehicle in consideration of extending BSL pricing proposal	Amertek 15415	Exhibit 6, page 391 to 392
August 9, 1985	Telex to Belgium Standard from Richard (DSS) confirming the U.S. Government accepts the change in subcontract to Belgium Standard	Crown 949	Exhibit 6, page 395
August 12, 1985	Letter from Dei Santi (TROSCOM) to CCC enclosing amendment of contract to change the subcontractor to BSL	Crown 958	Exhibit 6, page 397 to 408
August 12, 1985	Memorandum from C. Dei Santi (Contracting Officer, TROSCOM) to Paul Probst (TROSCOM) stating "negotiations have been completed and it has been determined to be in the best interests of the government to allow CCC, with Belgium Standard as subcontractor, to continue performance on this contract"	N/A	Exhibit 28, Tab I

August 30, 1985	Memorandum from Sanderson (DSS) to Louis-Charles Sirois (DSS Legal) confirming "we are also troubled with what is happening" and stating "I am seeking legal advice to ensure that the CCC responsibility with respect to the U.S./CCC contract is as much as possible transferred to Belgium Standard. I must ensure that every effort is used to ensure that CCC's exposure is kept to a minimum"	Crown 990	Exhibit 6, page 425
September 6, 1985	Press Release of Belgium Standard confirming negotiations are complete for the purchase of the King Seagrave facility	Crown 991	Exhibit 6, page 427
October 3, 1985	CCC/BSL Subcontract, with amendments	Crown 1008	Exhibit 6, page 476 to 563
October 21, 1985	Letter from Matthews (CCC) to Smith (DSS) regarding cost of the performance bond	Crown 1041	Exhibit 6, page 571
October 24, 1985	Letter from Smith (DSS) to Matthews (CCC) regarding the cost of the performance bond and stating "Belgium Standard is the only company involved in this industry which has adequate funding to perform the contract"	Crown 1046	Exhibit 6, page 572 to 574(?)
October 28, 1985	Post-award conference record prepared by TROSCOM confirming waivers and deviations are to be made "through DND QAR"	Crown 1054	Exhibit 6, page 580 to 584
November 1985	Copy of uncosted bill of material for front suspension	N/A	Exhibit 6, page 585 to 586
November 1985	Cost of engineering bill of material for front suspension	Amertek 8202	Exhibit 6, page 588 to 589
November 27, 1985	Letter from Burrige (BSL) to Richard (DSS) in which Burrige requests material price increase in the amount of \$3,248 US per vehicle and on which Richard requests Sanderson have BSL deal directly with him on this issue	Crown 1081	Exhibit 6, page 590 to 591

December 9, 1985	Letter from Burrige to Sanderson attaching revised material cost increase breakdown requesting an increase of \$457.88 US per vehicle and confirming "we have strictly adhered to prices for March and August 1985, on the premise that 'normal' price increases will be addressed by the EPA clause. Includes handwritten note confirming communication with Sanderson on December 18 reducing price increase to \$420 per vehicle	Amertek 14928	Exhibit 6, page 595 to 596
December 17, 1985	Sanderson's handwritten notes of telephone calls to suppliers to verify material price increases submitted by Burrige	Crown 1091	Exhibit 6, page 598 to 600
December 18, 1985	Sanderson's handwritten notes including aluminium as a major component in the calculation for the material price increase resulting in decrease of material price increase to \$420US per vehicle	Crown 1091	Exhibit 6, page 601
December 19, 1985	Telex from Burrige (BSL) to Sanderson (DSS) confirming acceptance of \$420US for material price increases	Crown 1101	Exhibit 6, page 622
February 28, 1986	Sample completed claim for progress payment	Crown 1148	Exhibit 7, page 18 to 20
April 4, 1986	DOT subcontract between CCC and Amertek	Amertek 11581	Exhibit 95
August 14, 1986	Memorandum from Burrige (BSL) to Thomas, cc Schultz, summarizing results of costing review conducted by Burrige and Schultz following the acceptance of the First Article. Costing and pricing listed by Burrige does not include foreign exchange gains	Crown 1232	Exhibit 6, page 409 to 410
September 2, 1986	Schultz's re-calculation of Burrige's costing memorandum dated August 14, 1986 to reflect foreign exchange gains and showing percentage of profit on cost ranging from 11.6 to 14.5%	Crown 1232	Exhibit 6 Page 411

Various dates	Completed DD250 forms signed by Scott, Wallace, Sison, Beastall, Deary (DND)	Crown 1690	Exhibit 7, page 58 to 62
March 15, 1988	Letter from Findlay to Schultz enclosing draft comments regarding 1987 year-end	Crown 8672	Exhibit 63
February 8, 1989	Memorandum to Coons (DSS) from Fairfield (DSS) discussing changing the format under which progress claims are submitted to require expenditures to be tracked on a per vehicle basis	Crown 1817	Exhibit 7, page 65 to 66
March 21, 1989	Letter from Janssen (Amertek) to Fairfield (DSS) responding to question regarding computer accounting on a per truck basis and confirming Amertek does not have the facility to provide information in that format	Amertek 14885	Exhibit 7, page 67 to 74
March 27, 1989	Letter from Findlay (Thorne Ernst & Whinney) to Schultz (Amertek) enclosing comments to management resulting from audited financial statements for the year ended December 31, 1988	Amertek 893	Exhibit 7, page 415 to 434
May 5, 1989	Letter from Fairfield on CCC letterhead to Burrige (Amertek) requesting information regarding Amertek's financial, technical and delivery capability, price support, etc. prior to certification and endorsement of Amertek's Navy bid and endorsement by CCC	Amertek 6376 and 1846	Exhibit 7, page 75 to 90
September 22, 1989	Pre-award survey of Amertek re quality assurance for the Navy Program	Crown 1928	Exhibit 7, page 99 to 101
August 28, 1989	U.S. Navy Prime Contract	Crown 1899	Exhibit 7, page 102 to 253
October 4, 1989	Letter from Stokes (DCMAO) to TROSCOM confirming Amertek's quality assurance capability is satisfactory and meets the requirements of AQOP-4 (NATO equivalent of Mil-I-45208A)	Crown 8847	Exhibit 7, page 262 to 264

November 10, 1989	CCC/Ameritek Navy Subcontract	Crown 8871	Exhibit 7, page 265 to 276
January 24, 1990	Letter from Thomas (Ameritek) to Richard (DSS) and Mullington (CCC) advising of discovery of substantial loss in connection with the Army contract and advising that the cost estimates under the contract were incorrect from the very beginning	Crown 2014	Exhibit 7, page 277 to 280
January 24, 1990	Press Release announcing discovery of substantial loss	Crown 2024	Exhibit 7, page 284
January 25, 1990	Letter from Thomas (Ameritek) to Richard (DSS) confirming meeting to be held at CCC on January 30, 1990 and offering all books, records and working papers of Ameritek to be available for CCC officers for inspection	Ameritek 10900	Exhibit 7, 285
January 30, 1990	Memorandum from McNeilly to Thomas Pullman Schultz and Litynsky (Ameritek) re visit of Colonel Sipes (TROSCOM) to Ameritek February 7 and 8, 1990 to discuss "perceived" quality deficiency reports with U.S. Army vehicle	Crown 2096	Exhibit 145
February 1, 1990	Letter from Thomas (Ameritek) to McIntosh (CCC) advising CCC that material costs for the Army contract were grossly underestimated and requesting reinstatement of the material price adjustment which would enable to Ameritek to negotiate a bank loan of \$2 million to enable Ameritek to complete the contract	Crown 2085	Exhibit 7, page 296 to 298
February 2, 1990	Letter from McIntosh (CCC) to Thomas (Ameritek) refusing to grant the request to reinstate the material price increase and giving notice to Ameritek of suspension of progress payments pursuant to sub-article 9.2 of the subcontract	Crown 2109	Exhibit 7, page 299 to 300
February 15, 1990	Memorandum from Fairfield to Sanderson (DSS) enclosing information on the status of work progress and material inventory in relation to claim numbers 48, 49 and 50	Crown 2209	Exhibit 7, page 303 to 317

February 20, 1990	Contract cost balance summary	Crown 2220	Exhibit 7, page 320 to 322
February 28, 1990	Norm Desereau's analysis of the U.S. Navy contract conducted after the announcement of Amertek's loss	Crown 2256	Exhibit 96
March 5, 1990	Letter from Kron (Amertek) to McIntosh (CCC) requesting loan guarantee from CCC	Crown 2285	Exhibit 7, page 323
March 5, 1990	Letter from Kron (Amertek) to McIntosh (CCC) advising offer of payment of portion of progress claims 49 and 50 is unacceptable	Crown 2291	Exhibit 7, page 324
March 6, 1990	Letter from McIntosh (CCC) to Kron (Amertek) rejecting Amertek's request for full payment of progress claims 49 and 50	Amertek 12993	Exhibit 7 page 324 A&B
March 7, 1990	Letter from Kron (Amertek) to McIntosh (CCC) confirming CCC's rejection of Amertek's request for loan guarantee	Crown 2291	Exhibit 7 pages 326- 327
March 9, 1990	Telephone conversation record of Terry Adams (DCASMA) in which CCC is reprimanded for failing to report lay-off of Amertek workers to DCASMA	Crown 2334	Exhibit 7, page 328 to 329
March 16, 1990	Letter from Gore (DCASMA) to Mitchell (DND) identifying irregularities regarding the signing of DD250's before the contractor has received the government bill of lading and dates of shipment are known	Crown 2351	Exhibit 7, page 377 to 378
March 23, 1990	Letter from Gore (DCASMA) to Mullington (CCC) advising DND QAR have signed DD250's before the form was complete	Crown 2372	Exhibit 7, page 383 to 385
March 26, 1990	Updated vehicle completion and material inventory status report of Fairfield	Crown 2378	Exhibit 7, page 388 to 414
April 4, 1990	Letter from Coppola (DND) to DND Commanding Officer regarding DND's handling of the DD250's	Crown 2420	Exhibit 7, page 476 to 479

April 26, 1990	Letter from Manggrum (DCASMA) to Bone (DND) re QAR signing DD250 for the U.S. Navy First Article test (FAT) report, without having seen the FAT report	Crown 8955	Exhibit 146 (formerly Exhibit J)
April 1990	Schultz (Amertek) bill of material comparison	Crown 8223	Exhibit 7, page 551 to 552
April 1990	Schultz's notes of review of bill of material increases with McNeilly	N/A	Exhibit 7, page 557
May 2, 1990	Letter from Gore (DCASMA) to Mitchell (DND) advising of concern that DND QAR signed a DD250 for the government inspection of the First Article Test (FAT) report before seeing the report	Crown 2630	Exhibit 7, page 617
May 7, 1990	Notice of First Creditors Meeting and report of Ernst & Young to the creditors of Amertek Inc.	Crown 553	Exhibit 7, page 570 to 609
May 8, 1990	Letter from Manggrum (DCASMA) to DND re quality deficiency report for Amertek	Crown 2506	Exhibit 147
May 25, 1990	Material inspection and receiving report proving the First Article Test Report, signed by Herb Sison	Crown 2668	Exhibit 7, page 623
June 4, 1990	Trip report of visit to Amertek by Joe Mahoney (QAR TROSCOM) describing satisfactory results of investigation regarding certain performance issues on the U.S. Army truck	Amertek 10315	Exhibit 78
June 7, 1990	Memorandum from Bone outlining concern of Colonel Gore that customer complaints by TROSCOM are being transmitted directly to Amertek and not passing through DCMAO and 3CFTSD	Amertek 1813 Crown 2728	Exhibit 8, page 2 to 4 Exhibit 8, page 5 to 7
June 29, 1990	Letter from Bone (DND) to Potter (Amertek) advising of his findings from his visit to Amertek on June 21, 1990 in which he concludes Amertek quality assurance inspection system did not meet the contract requirements	Crown 2854	Exhibit 8, page 32 to 34



July 6, 1990	Letter from Potter (Amertek) to Bone (DND) responding to Bone's letter of June 29, 1990 and requesting a meeting with Bone	Crown 2899	Exhibit 8, page 46 to 47
July 17, 1990	Letter from Bone to Potter following meeting on July 12, 1990 and requiring Amertek to implement its inspection system 201 prior to production	Crown 2921	Exhibit 8, page 57 to 58
July 19, 1990	Offer to Finance	Crown 9003	Exhibit 8, page 62
August 10, 1990	Letter from Potter to McIntosh (CCC) and Richard (DSS) authorizing CCC and DSS to release information to First Investors for the purpose of their due diligence activity	Crown 2980	Exhibit 8, page 63
August 17, 1990	First Investors' due diligence report	Amertek 2834	Exhibit 8, page 72 to 105
August 28, 1990	Executed Offer to Finance with handwritten changes	Amertek 16332	Exhibit 8, page 111 to 112
August 29, 1990	Press Release of Amertek announcing financing by investor group	Crown 2996 Crown 3013	Exhibit 8, page 108 and 123
September 1990	Final Report of First Investors	Amertek 17438	Exhibit 8, page 124 to 150
September 7, 1990	Report of Ernst & Young to the creditors of Amertek	Crown 3038	Exhibit 8, page 155 to 179
September 12, 1990	Notes of Fairfield (DSS) of meeting with CCC and Amertek on September 6, 1990 regarding Amertek's proposal, financing and restart of production	Crown 3052	Exhibit 8, page 184 to 187
September 17, 1990	Minutes of the second meeting of creditors	Amertek 787	Exhibit 8, page 188 to 198

September 25, 1990	Letter from McKay (First Investors) to McIntosh (CCC) seeking a postponement by CCC of its security along with a four day turnaround time for invoice payments in order to obtain bank financing and to provide Amertek with adequate cash resources and attaching various cashflow statements prepared by First Investors	Crown 3121	Exhibit 8, page 201 to 206
September 26, 1990	Memorandum from Litynsky to Potter with copies to department heads regarding the implementation of Amertek's inspection system	Crown 3125	Exhibit 8, page 207 to 210
September 26, 1990	Types notes of meeting between CCC, DSS, Amertek and First Investors wherein Amertek agrees not to commence delivery of Navy vehicles until Army vehicles are completed	Crown 10338	Exhibit 8, page 211 to 214
September 27, 1990	Memorandum of Tyckyj (Audit Services) regarding results of audit performed on Amertek	Crown 9019	Exhibit 8, page 233 to 242
October 1990	Various notes of telephone conversations recorded by Adams (DCMAO) regarding Amertek's initial request for a waiver	Amertek 10304	Exhibit 8, page 221 to 222
October 2, 1990	Letter from Richard (DSS) to Potter (Amertek) confirming Amertek is not to commence delivery of Navy production vehicles prior to completion of delivery of all Army vehicles	Crown 3149	Exhibit 8, page 226
October 2, 1990	Handwritten notes of Sison (DND) regarding Amertek's inspection system and its restart of production	Crown 3152	Exhibit 8, page 227 to 231
October 5, 1990	Potter memorandum to Amertek Board members advising DND now insisting on full compliance with military quality specification. Amertek insisting on waiver for the balance of the Army contract.	Crown 9022	Exhibit 8, page 247 to 248
October 9, 1990	Letter from Litynsky (Amertek) to Adams (DCMAO) withdrawing request for waiver	Crown 3166	Exhibit 8, page 250

October 9, 1990	Letter from Litynsky to Sison (DND) enclosing program for restart of production of the Army contract and the Navy contract	Crown 3168	Exhibit 8, page 251 to 252
October 10, 1990	Letter from Potter to Bone (DND) proposing agenda for meeting on Tuesday, October 16	Amertek 11802	Exhibit 8, page 254
October 1990	Contract diary sheet of Sison	Crown 3173	Exhibit 8, page 259 to 266
October 12, 1990	McKenna note setting out contract progress payment and asking "Should the bells have not been ringing?"	Crown 3175 DOJ 10075 (w/o 'bells' statement)	Exhibit 8, page 268 Exhibit 8, page 271
October 22, 1990	Typed notes of Fairfield regarding meeting of October 16 and 17 stating "Vella-Zarb ... said that he was satisfied with the <u>turn</u> of what he had seen and that he was going to favourably recommend to the investor group that the 1.8 capital injection be finalized by Monday, October 22, 1990 at the latest"	Crown 3220	Exhibit 8, page 291 to 293
October 23, 1990	Letter from Potter to Sison (DND) attaching action plan as agreed at meeting on October 16 and 17, 1990	Amertek 14523	Exhibit 8, page 294 to 297
October 26, 1990	Typed note of telephone conversation with Bone regarding waiver	Crown 9039	Exhibit 8, page 308
October 30, 1990	Letter from Litynsky to Bone (DND) with proposed corrective action plan	Crown 3265	Exhibit 8, page 309 to 332
November 2, 1990	Handwritten notes of Michel Fairfield indicating DND requiring 100% of inspection requirements before final inspection and acceptance of vehicles can take place	Crown 9051	Exhibit 8, page 382 to 383

November 19, 1990	Letter from Litynsky (Amertek) to Wright (TROSCOM) complaining that "when the original DND QAR team was replaced by a new team introduced to us in June 1990, a new set of rules was established. Amertek has been advised that the inspection system used since the beginning of the contract is no longer acceptable and that until extensive major revisions are made to this system to comply with Mil-I-45208A and until Amertek fully complies with the revised system, no further vehicles will be approved for shipment" and stating "Amertek has cooperated with this new DND QAR team but feels that some of their interpretations of the Mil standard are not realistic for a product of this type and would add exorbitant cost and length of time to complete this contract".	Crown 9051  Crown 3372	Exhibit 8, page 385 to 387  Exhibit 148, page 7 of 9 and 9 of 9
November 22, 1990	Letter from Potter to Bone (DND) regarding the submission of inspection records for 7 vehicles in order to allow DND to assess the sufficiency of records with the approval of the remaining 43 vehicles.	Crown 3348	Exhibit 8, page 484 to 486
November 26, 1990	Letter from Amertek to TROSCOM requesting contracting officer attend at configuration audit team visit December 3-7, 1990 to resolve contract requirements currently in dispute, specifically, the fact that the "new Canadian DND QAR team is changing the interpretation of the <u>rules</u> ".	Crown 3372	Exhibit 148, page 5 of 9
December 12, 1990	Memorandum to file from Fairfield regarding meeting between Navy, CCC and Amertek during which Moss (Navy) advised there must not be any linkage between the U.S. Navy and Army contracts and action taken by Amertek to resolve its current QA problems on the Army contract shall not impact or interfere the performance of the Navy contract	Crown 3400	Exhibit 8, page 489 to 492

December 18, 1990	Memorandum to file re informal discussion between Kron, Colonel Mitchell and John Gattinger (CFTSA) recording that Amertek tried to make the point that the "rules have changed" on Amertek and the completion of the U.S. Army contract after it was 90% completed and that DND has "moved the goalposts"	Crown 9090	Exhibit 151
December 20, 1990	Letter from Rast (DCASMA) to Potter advising Amertek has put on the contractor alert list as a poorly performing contractor to which it is recommended no awards be made without prior consultation with DCMAO	Crown 3447	Exhibit 8, page 495
December 31, 1990	Memorandum from Ross (QA Supervisor) re <u>Trip Report for Review of Configuration of the MACI Fire Truck at Woodstock Ontario Canada on 3-7 Dec. 1990 concluding "Since there is only 43 vehicles left on this contract, the contractor has deemed it not feasible to implement Mil-I-45208A at this time. Indications are that the contractor is making a sincere effort to be in compliance with Mil-I-45208A at the start of the Navy Contract. The contractor plans on submitting a waiver on the discrepancies ..." and recommending "TROSCOM configuration control board expedite the review of the waiver on the discrepant parts of Amertek's inspection system when it arrives as indications are that some of the last 43 trucks are scheduled for Desert Shield"</u>	Amertek 14537	Exhibit 67
December 1990	Letter from Colonel Mitchell with distribution to Bone and others recording complaints of Kron that it is DND's fault that Amertek can't deliver the last 43 trucks to the U.S. Army because DND has changed the rules	Crown 3435	Exhibit 149
January 18, 1991	Request for waiver	Crown 3527	Exhibit 12 Page 35-63
January 18, 1991	Submission of revised waiver	Crown 3525	Exhibit 68

January 22, 1991	Letter from Sison (QA Manager, DND) to Manggrum (QA Specialist DCMAO) enclosing QAR comments against "the subject waiver indicating the product did not conform to the technical specifications and advising the detachment is unable to provide assurance of product conformance"	Crown 3539	Exhibit 70
February 5, 1991	Letter from Heston (Deputy, DCASMA) advising Amertek that Amertek was being put on the contracting improvement program (CIP)	Crown 3609	Exhibit 81
February 11, 1991	Letter from Colonel Mitchell to Bone and others indicating the purpose of the visit to Amertek on February 6, 1991 was to discuss the "new DND quality assurance methodology"	Crown 3627	Exhibit 153
February 21, 1991	Memo from Potter to Amertek directors indicating TROSCOM has advised the request for waiver has been approved	Crown 9139	Exhibit 9, page 1
February 21, 1991	Copy of waiver signed by U.S. Army advising "it is considered that full implementation of Mil-I-45208A at this time in the contract would accomplish nothing for the government. Also some of these units may be required to support Desert Storm and they are sitting in the parking lot. It is therefore recommended that the basic waiver should be approved."	Crown 3643	Exhibit 9, page 2 to 5
March 28, 1991	Letter from Kron (Amertek) to Richard(CCC) complaining that the actions of DND and changing its method of contract supervision and administration and have caused Amertek considerable delay and excess cost, specifically the DND paper processing cost to the company estimated in excess of \$1.5 million	Crown 3928	Exhibit 154, page 5 of 6
March 28, 1991 (2 <sup>nd</sup> )	Letter from Kron (Amertek) to Richard (CCC) complaining about the actions of DND and changing it's method of contract supervision and administration causing Amertek delay and excel cost.	Amertek 8016	Exhibit 12 page 102

May 1, 1991	Letter from Fairfield (CCC) to Potter (Amertek) requesting information from Amertek regarding financial, technical and delivery capability and price support for evaluation by CCC and DSS prior to certification and endorsement of Amertek's Navy FMS bid	Amertek 1846	Exhibit 9 pages 115-118
June 18, 1991	Amertek's bid for the Navy FMS contract	Amertek 3846	Exhibit 9, page 12 to 114
August 1991	Article from Military Fire Fighter Magazine containing the following quote from the West Point Fire Chief, Joe Cerrone, describing the Amertek U.S. Army truck: "It is one of the most versatile pieces of apparatus I've seen in my 30 years of firefighting."	Amertek 1182	Exhibit 71
November 20, 1991	Notes of Amertek Board of Directors meeting dealing with Chrislon loan	N/A	Exhibit 9, page 123 to 124
November 20, 1991	Typed minutes of the meeting of the Board of Directors of Amertek Inc. dealing with the Chrislou agreement	Amertek 16197	Exhibit 9, page 125
December 19, 1991	Note to file of McKenna (CCC) setting out CCC's reasons for endorsing the FMS contract in light of Amertek's history of financial and technical difficulties	Crown 4529	Exhibit 9, page 128 to 136
January 22, 1992	Letter from McPherson (U.S. Navy) to Fairfield (CCC) requesting pre-award survey of Amertek for the Navy FMS contract as a result of the history of financial problems at Amertek	Crown 4627	Exhibit 9, page 142 to 146
February 6, 1992	Letter from Fairfield (CCC) to Hollingsworth (CCC) attaching completed copy of the pre-award survey of Amertek for the Navy FMS contract	Crown 4671	Exhibit 9, page 150 to 173
March 17, 1992	Endorsement of CCC of Amertek's Navy FMS bid	Amertek 11482	Exhibit 9, page 200

April 24, 1992	FMS Prime Contract	Crown 4858	Exhibit 9, page 200A to 205
June 30, 1992	Management Information Circular re: Chrislou	Amertek 940	Exhibit 12 page 255- 263
September 1, 1992	Letter from <u>Hollingsworth</u> (CCC) to Wynne - George (U.S. Army) confirming the amount of Amertek's claim for equitable adjustment for the U.S. Army contract is U.S. \$17,992,576.71	Amertek 2930	Exhibit 205
November 20, 1992	Amended agreement between Amertek and Chrislou	Crown 5313	Exhibit 9, page 211 to 217
November 27, 1992	Contingency plan prepared by government defendants indicating contingency factor of 10% used for purposes of calculating reprocurement of the Navy and FMS contracts	Crown 5313	Exhibit 9, page 219 to 225
December 9, 1992	Letter from Hollingsworth (CCC) to Potter (Amertek) discussing possible supplementary agreement and indicating CCC has reviewed the agreement between Amertek and Chrislou dated September 17 and revised November 20, 1992 and attaching draft supplemental agreement	Crown 5518	Exhibit 9, page 246 to 254
December 22, 1992	Executed Supplemental Agreement between Amertek and CCC	Crown 5620	Exhibit 9, page 255 to 261
April 15, 1993	Agreement between U.S. Navy and CCC regarding the retrofit program whereby CCC agreed to pay for components, parts and materials and reimburse the U.S. government for actual costs incurred by the U.S. government for costs and labour associated with the retrofit for a total amount not to exceed \$356,000US	Amertek 14058	Exhibit 72



June 10, 1993	Copy of the final audit report from Consulting and Auditing Canada indicating that the total audited amount exceeds the total price of the contract by \$6,911,648US	Crown 6205	Exhibit 9, page 298 to 322
August 6, 1993	Decision of <u>Wynne</u> -George (U.S. Army Contracting Officer) to Fairfield (CCC) of Amertek's REA claim for the U.S. Army contract indicating a total entitlement amount to CCC of \$35,266.76	Crown 9556	Exhibit 9, page 323 to 329
August 17, 1993	Note to Dennis Mills from Tom Coghlan indicating one course of action would be for Amertek to file a request with CCC for a "ex gratia" payment and confirming that CCC, with the approval of Treasury Board has made substantial "ex gratia" in the past similar circumstances	Crown 9563	Exhibit 9, page 330
September 19, 1993	Letter from Potter (Amertek) to Dick (Minister Government Services) seeking "ex gratia" relief	Crown 6450	Exhibit 9, page 344 to 351
October 1, 1993	E-mail from Patriquin (CCC) to Quail (Government Services) advising CCC cannot make an "ex gratia" payment	Crown 10372	Exhibit 13 page 205
October 20, 1993	A letter from Patriquin (CCC) to Quail (Government Services) re: Delivery of the Deloitte report.	Crown 10373	Exhibit 13 page 215
October 1993	Undated letter from Minister Dick to Russell Wunker confirming he has asked that a report be prepared for him from Deloitte & Touche	Crown 15651	Exhibit 9, page 369
October 15, 1993	Letter from Patriquin (CCC) to Quail (Government Services) recommending Deloitte & Touche carry out their review and attaching draft terms of reference	Crown 6544	Exhibit 9, page 370 to 372

December 6, 1993	Email to Quail (Government Services) from Patriquin (CCC) confirming "review to be carried out to consider 'fairness and commercial reasonableness' CCC's admin of the file, largely to satisfy commitment made to previous Minister and to see if there are lessons to be learned. I see no reason for a witch hunt" and "this study should be carefully structured and managed and submitted to myself and then to you"	Crown 6694	Exhibit 9, page 373 to 374
December 13, 1993	Letter from Dennis Mills (MP) to Dingwall (Minister PWGSC) requesting an independent review of Amertek's allegations	Crown 6754	Exhibit 9, page 375 to 379
January 21, 1994.	Letter from Patriquin (CCC) to Moss (U.S. Navy) attaching certification by CCC of Amertek's REA claim for the Navy program	Amertek 14408	Exhibit 206
January 28, 1994	Letter from Patriquin (CCC) to Stehelin (D&T) enclosing terms of reference and requesting Deloitte & Touche prepare and submit a review plan and a costing proposal	Crown 6795	Exhibit 9, page 411 to 413
February 15, 1994	Draft retainer agreement from Deloitte & Touche	Crown 6844	Exhibit 9, page 449 to 454
February 18, 1994	Letter from Potter (Amertek) to Dingwall (Minister PWGSC) requesting Amertek be consulted prior to the establishment of or definition of the terms of reference of the Deloitte review and requesting the appointment of Lindquist Avey	Crown 6837	Exhibit 9, page 456
February 19, 1994	Letter from Dingwall (Minister PWGSC) to Potter (Amertek) confirming Deloitte's current mandate is as comprehensive as it can be made and that it does take into account most if not all of Amertek's expectations	Crown 6809	Exhibit 9, page 458
February 21, 1994	Memorandum from McKenna (CCC) to Fairfield (PWGSC) requesting PWGSC comments on the terms of reference/retainer agreement with Deloitte & Touche	Crown 6844	Exhibit 9, page 460 to 466

February 22, 1994	Letter from Garcia Marin (PWGSC) to Hollingsworth (CCC) enclosing changes to the Deloitte & Touche draft terms of reference/retainer agreement	Crown 6845	Exhibit 9, page 467 to 468
February 23, 1994	<u>Email</u> from Patriquin (CCC) to Hollingsworth (CCC) stating "the terms of reference are as broad as they need to be to accommodate the essential problem, i.e. to respond to Amertek's allegations re CCC. There is no point that we can artificially limit the scope to any issue or issues we choose. Indeed, the consultants must interview Amertek to legitimize the process in the eyes of the parliamentarians" and "please get the boys (and girls?) on side <u>asap</u> , and draft a note to Art S to me indicating the above points, that Ran is fully on board and we are committed to this to the Minister not to mention the PMO, that we very much value the documentation and cooperation of their staff in the process to come."	Crown 6832	Exhibit 106
February 24, 1994	Terms of reference/retainer agreement signed by Deloitte & Touche	Crown 6854  Crown 6859	Exhibit 9, page 469 to 473  Exhibit 9, page 486 to 490
March 11, 1994	A fax from Potter (Amertek) to Forder and Kron ( Amertek) advising Strum told Potter in response to Potter's assertion that a review by Deloitte is not an impartial audit "and that's the way the system works in Ottawa"	Amertek 3294	Exhibit 13 page 422

March 14, 1994	Memorandum from Fairfield (DSS) to file re meeting between PWGSC and CCC regarding the Deloitte & Touche review in which Fairfield stated "the writer <u>wondered</u> how detailed could the review be given the fact that Deloitte & Touche has only one month to look at the piles of documents which cover a period that goes back as far as 1984. Cloutier responded the quantity of information to be so retrieved will be commensurate with and only worth the amount that has been pledged toward it (i.e. \$25,000)	Crown 6887	Exhibit 9, page 503 to 505
March 17, 1994	Letter from Potter (Amertek) to Allen (D&T) suggesting an agreement be entered into by the parties that information provided is without prejudice	Amertek 17125	Exhibit 9, page 506
March 24, 1994	A letter from Strum (Deloitte) to Potter (Amertek) concerning documentation provided to Deloitte from Amertek and stating "Deloitte and Touche would issue its own conclusion on this matter and, whether Amertek or CCC concur, it will be our considered and objective review."	Amertek 3274	Exhibit 13 page 43-44
March 25, 1994	Letter from Potter (Amertek) to Dingwall (Minister PWGSC) confirming Amertek will not continue to cooperate with the current review and requests return of all documents unless the second consulting firm is appointed as part of the reviewed team	Amertek 15366	Exhibit 9, page 493
March 30, 1994	Letter from Strum to Potter advising D&T is proceeding with review notwithstanding Amertek's withdrawal	Amertek 2367	Exhibit 74
April 8, 1994	Letter from Potter (Amertek) to Patriquin (CCC) confirming Amertek <u>will provide its full cooperation to Deloitte and Touche and confirming Amertek has appointed Lindquist Avey to expedite the process.</u>	Amertek 2351	Exhibit 13 page 480

April 11, 1994	Letter from Quail (CCC) to Dingwall (Minister PWGSC) recommending that in replying to Potter (Amertek) advising Deloitte's mandate is comprehensive and that the Minister expects them be "objective" and "their report would be made in confidence to you."	Crown 10390	Exhibit 13 page 482-483
April 19, 1994	Letter from Dingwall (Minister PWGSC) to Potter (Amertek) in which he describes the review as "being conducted by the consulting firm of Deloitte & Touche, <u>whose</u> final report will be made in confidence to me" and confirming that he has "every confidence that Deloitte & Touche will produce a balanced and objective review"	Amertek 15873	Exhibit 9, page 521 to 522
April 22, 1994	Letter from Potter (Amertek) to Dingwall (Minister PWGSC) confirming Amertek has invited the cooperation of CCC and Deloitte & Touche to meet with Lindquist Avey and requesting the report findings be made available to Amertek	Crown 6992	Exhibit 75
June 2, 1994	Letter from Dingwall (Minister PWGSC) to Potter (Amertek) stating "the review is being conducted for me and the results will be given to me in confidence" and "I am confident that Deloitte & Touche's approach will produce a fully comprehensive and objective report"	Amertek 15885	Exhibit 9, page 537
June 10, 1994	Email from Jean Todd (Patriquin's assistant) to Hollingsworth, Cloutier and McKenna (CCC) advising "the initial meeting with D&T will involve Doug only"	Crown 7069	Exhibit 9, page 538
June 28, 1994	Final briefing document of Deloitte & Touche	Crown 7078	Exhibit 9, page 539 to 589
July 5, 1994	Letter from Stehelin (D&T) to Patriquin (CCC) attaching Deloitte & Touche final briefing document dated July 4, 1994	Crown 6744	Exhibit 10, page 1 to 62

March 3, 1995	Memorandum from Hollingsworth (CCC) to Coons (CCC) attaching a copy of Amertek's review and rebuttal of Deloitte & Touche final briefing document dated July 4, 1994	Crown 7153	Exhibit 10, page 71 to 130
May 5, 1995	Letter from Patriquin (CCC) to Potter (Amertek) setting out CCC's negative response to Amertek's written rebuttal of Deloitte & Touche's final briefing document and oral presentation on February 24, 1995	Crown 7169	Exhibit 10, page 131 to 133
June 5, 1995	Memo from Patriquin (CCC) to Bishop advising "Belgium Standard did not bid on the 1984 contract, nor were its capabilities were ever reviewed in the bidding of that contract." And "Amertek or Belgium Standard are not King Seagrave and would not seem to have any right to seek commercial documents relating to that company, especially as <u>their</u> argument linking their losses to the awarding of the contract to King Seagrave is viewed by our lawyers as specious."	Crown 1042	Exhibit 14 page 257-259
November 3, 1995	Letter from Potter (Amertek) to Patriquin (CCC) disputing the amounts claimed by CCC pursuant to the supplemental agreement, specifically the U.S. Navy retrofit program costs and the inclusion of costs relating to Dew Engineering and Mohr Sinclair Technical Writers	Amertek 15912	Exhibit 73
April 17, 1996	Fax message from Crown (Amertek) to Cloutier (CCC) re: Compliant about unilateral settlement of a ASPCA U.S. Army appeals by CCC.	Crown 7279	Exhibit 14 page 302
June 14, 1996	Letter from Wynne-George (U.S. Army) to Fairfield (CCC) enclosing contract amendment incorporating settlement of the U.S. Army ASBCA appeal in the amount of \$375,000US and attaching settlement agreement between CCC and the U.S. Army	Crown 9724	Exhibit 10, page 237 to 245
September 9, 1996	Sanitized version of Sucker's e-mail from McKenna to Coutier, Patriquin and Fairfield.	Crown 10076	Exhibit 14 page 345

December 2, 1996	Report to the creditors of Amertek Inc. (Amertek's proposal)	Crown 7321	Exhibit 10, page 273 to 311
December 9, 1996	Calculation of amount due to CCC in the amount of \$1,011,724.33	Crown 7315	Exhibit 10, page 272
December 9, 1996	Calculation of amount due to CCC for a total amount of \$1,700,864.86	Crown 7315	Exhibit 10, page 271
December 9, 1996	McKenna memo to Cloutier, Patriquin and Fairfield (CCC) advising "voting against the proposal as it stands will see Amertek Inc. being deemed to have made an assignment in bankruptcy retroactive to the date of the proposal, 2 December 1996. Amertek would be legally dead" and "As I see it here, this is our chance to sink the suckers into bankruptcy. They are out on the plank, let's keep them walking"	Crown 7319	Exhibit 10, page 312
December 12, 1996	Spreadsheets showing amount due to CCC by Amertek in the amount of \$1,705,403.48	Crown 7315	Exhibit 10, page 261
December 12, 1996	Proof of Claim of CCC in the amount of \$1,705,403.48	Crown 7315	Exhibit 10, page 266
December 12, 1996	Email from McKenna to Cloutier, Douglas and Fairfield (CCC) advising "I am working on the figures for the proof of claim"	Crown 7319	Exhibit 10, page 312
December 12, 1996	Memo from Cloutier to McKenna and others stating "we can easily become the bad guys in this whole mess"	Court 7323	Exhibit 10, page 314
December 12, 1996	McKenna's chart showing voting percentages based on three scenarios depending on the amount of CCC's claim	Crown 7315	Exhibit 10, page 268
December 12, 1996	McKenna's typed notes of meeting with Fairfield, Cloutier, Patriquin	Crown 7315	Exhibit 10, page 269
December 13, 1996	McKenna note of meeting with Amertek's creditors	Crown 10417	Exhibit 14 page 468

December 13, 1996	Fax from McKenna (CCC) to Ayres (Trustee) enclosing releases to be signed by Amerkon and Amertek in return for CCC voting in favour of the proposal	Crown 7327	Exhibit 10, page 315 to 319
March 13, 1997	Memo from Heinberg (Aikin Gump, CCC solicitors) to U.S. Navy providing legal arguments available to CCC demonstrating that the Navy has significant liability and should settle the appeals for the amount requested.	Amertek 1216	Exhibit 207
March 18, 1997	Transcript of Fifth Estate television program entitled "Financial Disaster for Amertek" hosted by Linden MacIntyre.	Crown 7370	Exhibit 10, page 323 to 333
April 9, 1997	Letter from <u>Moss</u> (U.S. Navy) to Pantazi (CCC) advising the Navy was "very disturbed" by the 5 <sup>th</sup> Estate Broadcast and indicating the Navy learned for the first time "many disturbing facts concerning our contract with the CCC"	Amertek 2935	Exhibit 208
April 20, 1997	Letter from Crown (Amertek) to Patriquin advising Amertek is without funds to participate or assist CCC in funding ASPCA Navy appeal.	Crown 7384	Exhibit 209
March 10, 1998	Motion Record containing various documents relating to Amertek's proposal	N/A	Exhibit 91A
March 10, 1998	Responding Motion Record of Amertek to 1998 motion containing the affidavit of William Forder attaching various documents	N/A	Exhibit 91B
March 10, 1998	Affidavit of Thomas Ayres, Trustee in Bankruptcy, sworn in response to government defendants' motion to set aside the approval of Amertek's proposal and reorganization by Mr. Justice <u>Killeen</u>	N/A	Exhibit 92
May 14, 1998	Decision of Mr. Justice <u>Killeen</u> on the motion by CCC to set aside Amertek's proposal in bankruptcy and reorganization	N/A	Exhibit 93



<u>Printed May 14, 2003</u>	Excerpt from Supply Operations Service (PWGSC) website indicating one of the guiding principles of Supply Operations is integrity, specifically "PWGSC supply activities will be open, fair and honest" and identifies the foundation for government contracting as appears in the Treasury Board policy to be: "the objective of government procurement contracting is to acquire goods and services and to carry out construction in a manner that hands us access, competition and fairness and results in best value, or if appropriate, the optimal balance of overall benefits to the Crown and the Canadian people"	N/A	Exhibit 129
-----------------------------	--	-----	-------------



**COURT FILE NO.: 96-CU-113354**  
**DATE: 20030807**

**ONTARIO**

**SUPERIOR COURT OF JUSTICE**

**B E T W E E N:**

AMERTEK INC., AMERKON CAPITAL  
CORPORATION, LINDA FORDER,  
Executor and Trustee Under the Last Will  
and Testament of William Forder,  
deceased, and VICTOR MELE  
Plaintiffs

- and -

CANADIAN COMMERCIAL  
CORPORATION, ATTORNEY GENERAL  
OF CANADA, AND FIRST INVESTORS  
CAPITAL CORPORATION  
Defendants

---

**REASONS FOR JUDGMENT**

---

O'Driscoll J.

**Released: August 7, 2003**