

# Chief Peguis Investment Corp update October 25, 2021

Since our last community update in March 2021, important developments have occurred which, as required by our bylaws, need to be communicated to Peguis Band members.

Peguis Council decision to restructure business entities

On Oct. 12, Peguis Chief and Council advised by way of their lawyer, Murray Sinclair, their plans for addressing the BFI debt (\$140 million) which is being processed by court-appointed receiver PriceWaterhouseCooper (PWC). The letter advised that Chief Peguis Investment Corp (CPIC), its assets and revenues are to be dissolved and the assets it manages liquidated, and all proceeds be turned over to PFN to facilitate negotiations with PWC in settling the debt owed by our community to BFI. The CPIC was given 7 days to reply.

CPIC is considering a number of options that include measures to safeguard assets and revenues that are transferred to Peguis First Nation (PFN) and that follow due process. CPIC handling of assets and revenues is governed by the terms of the Chief Peguis Investment Trust (CPIT) and cannot simply hand over assets and funds to PFN when demanded by PFN council. CPIC is considering under what conditions can the Board of Directors comply with the Chief and Council request. Some conditions that could be applied are as follows:

- The consent of PriceWaterhouseCooper, the court-appointed receiver of Bridging Financing Inc (BFI) to any proposed transaction or arrangement between CPIC and PFN;
- Approval by a court order through an application by PFN, CPIC and CPIT;
- That an election be held as soon as possible to fill vacancies in the CPIT so that CPIT can approve any arrangement;
- That PFN report the misappropriation of funds in the loan of \$1.5 million by CPIC to Peguis Development Corp (PDC) in March 2019 and seek ways to recover the funds from Mr. Wayne Allery. This would begin to lay a foundation of trust and restore confidence which the council has lost in the management and stewardship of public funds.

The CPIC board wants to make

## Who is CPIC and what is its mandate?

Chief Peguis Investment Corporation (CPIC) was created in June of 2012 to:

- be the investment arm of Peguis First Nation by searching out and finding investment opportunities and building businesses.
- look for opportunities in real estate, wholesale, retail, hospitality and business holdings.

### CPIC Board of Directors

The Board of Directors of CPIC reports to the Chief Peguis Investment Board of Trustees established under the Chief Peguis Investment Trust Constitution and Bylaws. These bylaws can be viewed at: [www.chiefpeguisinvestments.ca](http://www.chiefpeguisinvestments.ca).

Recently, the council appointed additional Directors. The full complement of directors are as follows:

Chair - Don Wilson, Vice-chair - Albert Sutherland, Treasurer - Noah Wilson, Secretary - Rhonda McPherson and Jim Wastasecoot.

CPIC Board of Directors report to the Chief Peguis Investment Trust Board of Trustees. Presently, the trustee positions remain vacant, although, the council has committed to holding trustee elections to fill them.

sure that due process is followed and that funds and assets under its management are properly transferred and safeguarded. Other conditions may be requested and could include an audit of other entities such as PDC.

2. CPIC Board statement of Claim filed in Court of Queen's bench.

The statement of claim is currently in abeyance since August 2021 to allow time for discussions to occur between CPIC and PFN on how the missing funds of \$1.5 million are to be recovered. Since then, the CPIC has not been able to recover the funds and will be reflected in our financial statements.

The statement of Claim arose out of a decision by Chief and Council in March 2019 to build a new Midway consisting of a motel and restaurant in front of the Peguis Mall and a Home Hardware regional store near the Community Hall. PDC requested a loan to accelerate construction by bulk-ordering sup-

plies and materials. The loan was provided by CPIC from BFI funds. The monies flowed but no materials were ordered.

Having exhausted all other avenues to recover the funds, including chief and council discussions to no avail, the Board of Directors took legal action.

3. Leasehold arrears

CPIC is managing properties at various locations including 1075 and 1065 Portage Ave Winnipeg. A number of tenants are running behind in their rents, among them, PDC which has not paid rents for over two years. CPIC must follow best business practices and has no option but to enforce the rules of landlord and tenant relationship in these circumstances. If the rents are not paid, CPIC must again resort to the rules and issue eviction orders unless rents are paid.

CPIC will update community members on these items going

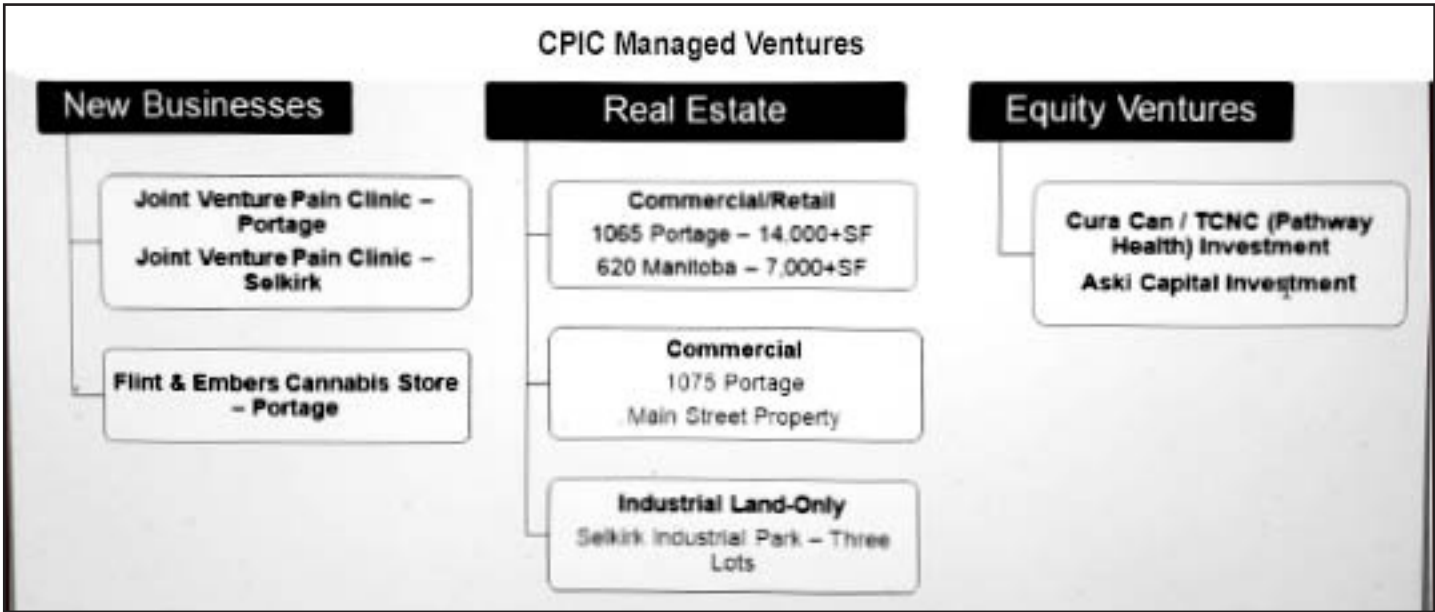
forward.

3. CPIC record of upward trend

CPIC has made great strides in the direction of profitability since 2017 when management new managers were hired. The corporation would have registered a profit in the last fiscal year (2020) had PDC paid lease arrears (\$600,000) and had PDC repaid the loan (\$1.5 million) provided it by CPIC in 2019. In the previous update, CPIC reported on the status of all investments the Board managed for PFN. The update can be viewed on our website, [www.chiefpeguisinvestments.ca](http://www.chiefpeguisinvestments.ca).

### What ventures is CPIC currently managing?

This information is presented in the following chart.



# Peguis community meeting on ZOOM July 5, 2021 ignites allegations of wrong-doing, questions

By Trevor Greyeyes

Peguis band members who tuned into a band meeting via ZOOM July 5, 2021 received hopeful news of a major housing project, some concerning news about the financial audit of 2019 – 2020 and a fiery exchange of words between a presenter from the Chief Peguis Investment Corporation (CPIC) and a Peguis First Nation band councillor.

Reports of the audit, housing solution and CPIC presentation are published in this issue of PNH on the following pages.

The difference of opinion occurred as CPIC representative, Noah Wilson, was presenting an update from the Board of CPIC, of which he is a member and the CPIC treasurer.

First, a CPIC employee made a statement about CPIC operations.

Then CPIC board member and treasurer Noah Wilson said:

“It’s been quite concerning that we have asked for several meetings to figure out a pathways forward for CPIC and also Peguis specifically with the mainstream banking situation as that was our main priority area since I joined the board,” stated Wilson. “Over the course of the relationship with BFI continued, we were removed entirely from the equation within our ability to understand exactly what was going on.”

He continued: “I do think there has been a lack of accountability and transparency throughout the whole process going forward and certainly the board has been going through quite a bit in terms of trying to understand and what the strategic pathway forward for Peguis and our goal to get to mainstream banking. Which is the main goal...”

At this point, Councillor Martin Favel interrupted Wilson and said, “I want to stop you right there. Something’s been biting at me in regards to your comments about leadership. I think something needs to be said right now.

We didn’t like the path that was going on. Our change in November, chief and council were taking a stand on the bleeding this First Nation was doing. I think that needs to be noted. I know you came in here about that time I was coming down.

I think you were being misled all along. We based our decision on the facts and the numbers. You know the direction that CPIC were going, we weren’t going anywhere. You know productivity wasn’t there. I see the presentations and your plans and we were nowhere near any of that. And today we’re still not there.”

TWCC (Trial Wi Chi Way Corporation) was taken on to property manage and also get Peguis bankable.

Why weren’t they doing that when the debt was \$60 million? 40 million? 60 million? All of sudden when the debt hit \$100 million and then they tried to step in and do their job?”

It doesn’t make sense to me. At this table leadership made a decision back in November we wanted to cut ties. It didn’t happen but CPIC kept them on, kept them on, kept them on, kept them on as a board. I just felt something had to be said in regard to your comments there.”

Councillor Favel then went on to repeat his sentiments over again but did offer up that chief and council had tried to set up meetings with previous CPIC board chair Don Wilson.

Although, CPIC treasurer Wilson did not continue with his presentation, he did say that CPIC had made progress and that a CPIC report with financial statements were available on the CPIC website.

As reported last month in this publication, Peguis has hired Senator Murray Sinclair to lead negotiations on settling matters with BFI on Peguis’ debt of \$122 million to the lender who is now under investigation and under receivership see the report in this issue on page 2, “Going Concern Uncertainty”). Sinclair requested a break in the meeting and a lunch period was observed. Upon resumption of the meeting, Sinclair gave notice that he couldn’t share all the information he’s gathered to date because he wasn’t sure that the forum was sufficiently secure and that some matters ought to be treated in a confidential manner.

He stated that they have requested documents from CPIC and that CPIC had refused to provide the requested documents. He said: “I challenge the CPIC representatives on this call to provide a response as to why they will not provide the documentation”

CPIC representatives were not able to reply to these assertions because they discovered they were no longer panellists. During the break, they were relegated to “participant” status on the ZOOM software which allows one to observe the video and sound but not to speak.

Sinclair said there were concerning actions where funds had been moved from the BFI loan account directly to CPIC accounts and that “they have no idea where the funds went from there.

He noted that CPIC was suing PDC and that this was very strange given PDC is a company of CPIC. This was an error. CPIC is a company that reports to Chief Peguis Investment Trust, not PDC.

Sinclair also said that upon review of the loan documents and BCR uncovered both missing BCRs and signa-

tures and they believes they may not exist. The suggestion was that some of the loans were not appropriately authorized, pointing the finger at CPIC.

Sinclair continued saying that there was some concerns that the CPIC board was not legitimately appointed as they had been put in place by chief and council and not the CPIT board as was required. He indicated that given the CPIC board was challenging the similar appointment of the CPIT trustees, the same question of legitimacy should apply to the CPIC board members.

He returned to the opening point with a statement that “CPIC has copies of missing documents that they are refusing to supply and something needs to be done.”

Peguis New Horizon contacted Don Wilson, the chair of CPIC, who said that a CPIC update is in the works which will clarify and answer the questions that were raised at the meeting, including the allegations of non-cooperation by Mr. Sinclair and the Board’s efforts to engage the senator but went ignored.

During the ZOOM meeting participants were able to pose questions in the chat box. One question was raised by band member Nina Forbes. She asked: “Hi Andrew (Marquess). Did Peguis pay for an independent third party appraisal to be conducted as part of the due diligence prior to writing an offer to purchase? If so, what firm conducted it and can band members view it?” The meeting chair, Ryan McCorrister, COO of Peguis First Nation, promised all questions would be noted and answered in due course. He also stated that a link to the ZOOM meeting video would be made available to band members only. Peguis New Horizon called several band members who all reported their request for this information, including leaving a voice message, was not answered.

When is the next deadline for Terra Indigena? Nov. 20, 2021. Please send us your news to [terraindigenanews@rezxchange.net](mailto:terraindigenanews@rezxchange.net).

## Human remains discovered at Lockport construction site

Terra Indigena News

Construction work on the Lockport bridge halted this summer when human remains were discovered. Archaeologists were called in and are still conducting an investigation, but early indications are that the two remains were those of teenagers who were found near one another. The province is now investigating in accordance with provincial laws, Chief Glenn Hudson says, and carbon dating will be carried out to find out more about when the teens may have lived and died.

Hudson said Peguis First Nation was not made aware of the construction work before it began, and hopes in the future they will be consulted about projects in their traditional areas.

### Do Not Use Water Advisory Lifted

All people using the drinking water supply from Peguis First Nation Public Water System are advised that the do not use water advisory has been lifted.

The water test results from the most current water samples show that the community drinking water supply is satisfactory at this time.

Peguis Chief and Council

COVID-19 Peguis First Nation  
24/7 COVID Hotline: (204) 645-2869  
[peguiscovid19@outlook.com](mailto:peguiscovid19@outlook.com)  
Peguis Health Centre  
(204) 645-2169

### BUY AT OUR PEGUIS PHARMACIES!

With services such as the new addition of the online clinic, blister packing, free deliveries and free med reviews and free vitamin products available for pick up in the community, we are confident that Peguis First Nation’s pharmacies is a better choice for our own members.