



**Resolution Regarding the Canadian Federation of Students’  
Involvement in the Affairs of the Douglas Students’ Union —  
as Originally Submitted to the Federation**

Whereas:

- A. All students' unions in British Columbia are required, under the *University Act* and the *College and Institute Act*, to submit audited financial statements to their members, and to inform the Board of Governors of their institutions that this has been done;
- B. The Douglas Students' Union (Local 18 of the Canadian Federation of Students) wrote letters in 2002, 2003, 2004, and 2005 to the Douglas College Board of Governors, falsely stating to the Board that audited financial statements for the preceding fiscal years had been made available to its members, when, in fact, no audits had been conducted since 2001;
- C. The Douglas College Board of Governors voted in May 2005 to stop remitting Douglas Students' Union fees to the Union as long as the Union remained non-compliant with the *College and Institute Act*;
- D. The Canadian Federation of Students – Services (CFS-Services) loaned \$416,000 to the Douglas Students' Union, through payments made in June and August 2005 to the Union's health and dental plan broker and insurance provider, even though the Douglas Students' Union was (and still is) non-compliant with the *College and Institute Act*;
- E. The CFS-Services loans were not approved by the National Executive, but by its at-large elected officers;
- F. It appears that there is no security on the CFS-Services loans, but merely a “contractual obligation” on the part of the Douglas Students' Union to make payments to the health and dental plan broker;
- G. The National Executive Reports presented for the periods May 19 to November 22, 2005 and November 23, 2005 to May 23, 2006 contained no information on the



- CFS-Services loans to the Douglas Students' Union, or any other information concerning the travails of the Douglas Students' Union;
- H. The National Executive Report presented for the period May 25 to November 21, 2006 did mention the CFS-Services loans, but failed to note the reasons why Douglas College was withholding funds from the Douglas Students' Union;
- I. The National Executive Report presented for the period November 22, 2006 to May 23, 2007 mentioned the withholding by Douglas College of CFS, CFS-BC, and Douglas Students' Union funds, but failed to note the CFS-Services loans or the reasons why Douglas College was withholding funds from the Douglas Students' Union;
- J. The Canadian Federation of Students – British Columbia Component (CFS-BC) loaned \$200,000 to the Douglas Students' Union through payments made directly to the Union in October 2005, December 2005 and January 2006, even though the Douglas Students' Union was — and still is — non-compliant with the *College and Institute Act*;
- K. The October 2005 CFS-BC loan was not actually approved by the BC Component Executive Committee until December 2005, following an *in-camera* session that was attended by Douglas Students' Union representative Ryan Lam and Finance and Services Coordinator Joey Hansen;
- L. Attempts by representatives of the Graduate Students' Society of the University of Victoria (Local 89) at the August 2006 Semi-Annual General Meeting of CFS-BC to obtain information on the CFS-BC loans were met with hostility;
- M. The BC Executive Committee only secured their loan to the Douglas Students' Union in November 2006, and only after public and internal pressure to do so even though security of loans is standard and prudent practice;
- N. CFS-BC representatives repeatedly stated, during the period between October 2005 and November 2006, to the media and to representatives of member students' unions, that the loans were secured, even though this was not the case;



- O. Neither the CFS-Services loans nor the CFS-BC loans were approved by the Douglas Students' Union Board of Directors at the time that the loans were given, if at all;
- P. Contracts purportedly signed by then CFS-BC Chairperson Scott Payne and then DSU Internal Relations Coordinator Jeremy Gervan on October 4, 2005, December 21, 2005, and January 24, 2006 are inadequate and clearly drawn up without adequate legal advice;
- Q. Neither the CFS-Services loans nor the CFS-BC loans were subject to any sort of written agreement that was signed by Douglas Students' Union representatives at the time that the loans were given, if at all;
- R. A forensic audit commissioned by the Douglas Students' Union on itself was released in April 2006, and indicated that the Union suffered from gross financial mismanagement, and in particular, that substantial responsibility for this mismanagement laid with the then Finance and Services Coordinator, Joey Hansen;
- S. The Douglas Students' Union filed a lawsuit against Douglas College in March 2006, demanding that the funds held by the College be remitted to the Union, even though the Douglas Students' Union was (and still is) non-compliant with the *College and Institute Act*;
- T. Douglas College responded to this lawsuit by applying to the Supreme Court of British Columbia for an order appointing Deloitte & Touche Inc. as Receiver-Manager of the Douglas Students' Union;
- U. The CFS, CFS-Services, and CFS-BC responded to this application by intervening in this case, and requesting the Court to appoint as Receiver-Manager not Deloitte & Touche Inc., but Marne Jensen, the General Manager of the University of Victoria Students' Society;
- V. The lawyer for the Douglas Students' Union, Don Crane (who is also the lawyer for CFS-BC), informed the Court that the Douglas Students' Union favoured the appointment of Ms. Jensen as Receiver-Manager, even though the Board of Directors of the Douglas Students' Union never authorized this action;



- W. Ms. Jensen was appointed Receiver-Manager of the Douglas Students' Union in January 2007;
- X. It is extremely unusual for a non-accountant to be appointed as a Receiver-Manager of an organisation;
- Y. Ms. Jensen continues to work on a full-time basis managing the affairs of the University of Victoria Students' Society, which is located on Vancouver Island;
- Z. The Douglas Students' Union is located on the Lower Mainland;
- AA. Ms. Jensen swore an affidavit before the Court in which she stated that she expected that, should she appointed as Receiver-Manager, the 2005 audited financial statements of the Douglas Students' Union would likely be completed "within the next 6 – 8 weeks";
- BB. The 2005 (and 2006) audited financial statements of the Douglas Students' Union have yet to be completed and presented to its membership, over 35 weeks after Ms. Jensen's appointment as Receiver-Manager;
- CC. Several members of the Board of Directors of the Douglas Students' Union have complained that Ms. Jensen has not provided the Board of Directors with full and timely financial information with respect to the Union;
- DD. Ms. Jensen and Mr. Hansen have been friends and colleagues for many years, creating an apparent conflict of interest;
- EE. The National Executive Report presented for the period November 22, 2006 to May 23, 2007 also failed to note the appointment of Ms. Jensen as Receiver-Manager of the Douglas Students' Union upon the joint application of the CFS, CFS-Services, and CFS-BC, in spite of the fact that this action likely amounted to the most significant legal and 'membership development' issue during the six months in question;
- FF. The British Columbia Component Executive Committee Report for the period August 17, 2006 to August 15, 2007 contained several false claims concerning the Douglas Students' Union's involvement, in particular claims that the Douglas



Students' Union was in compliance with the *College and Institute Act* and the Court, vindicated the Union's argument that Douglas College was "illegally withholding" Douglas Students' Union fees;

- GG. It is not certain that the Douglas Students' Union will be able to repay its loans to CFS-Services and CFS-BC;
- HH. Financial mismanagement amongst students' unions was one of the arguments used by right-wing students in Australia in their successful campaign to introduce Voluntary Student Unionism in that country;
- II. The leaders of the CFS, of CFS-Services and of CFS-BC have completely failed to properly disclose their legal and financial actions with respect to the Douglas Students' Union to their membership;
- JJ. CFS-Services and CFS-BC have acted irresponsibly by propping up the Douglas Students' Union when it was grossly mismanaged;
- KK. The unilateral decision by the at-large elected officers of CFS-Services in June and August 2005 – George Soule, Angela Regnier, and Dave Hare – to purportedly authorize the loan of \$200,000 to make payments on the health and dental plan of the Douglas Students' Union represented very poor governance; and
- LL. The collaboration of the Federation with a rogue provincial component in supporting the appointment of Marne Jensen as Receiver-Manager of the Douglas Students' Union, despite her full-time job on Vancouver Island and her lack of professional qualifications as an accountant is highly problematic; therefore,

Be it resolved that the National Executive be censured;

Be it further resolved that former at-large elected officers George Soule, Angela Regnier, and Dave Hare be censured;

Be it further resolved that the National Executive be directed to include, in every National Executive Report until the CFS-Services loans are repaid and the appointment



of a Receiver-Manager of the Douglas Students' Union is ended, clear and detailed information surrounding the Federation's actions with respect to the Douglas Students' Union;

Be it further resolved that Bylaw X – Finances be amended by adding a new section 5, to read as follows:

**5. Extraordinary Transactions**

- a. For the purposes of this section, "extraordinary transaction" means any financial transaction that arises outside of the usual and predictable operations of the Federation, and includes:
  - i. any transaction that is unbudgeted; and,
  - ii. any gift or loan to a provincial component or student association over \$1,000.
- b. Any extraordinary transaction shall require the approval of the National Executive. This approval may not be delegated.
- c. The details of any extraordinary transaction shall be reported to the members in the National Executive Report required under Bylaw V, section 2 (f).
- d. The financial statements of the Federation shall include a note on every gift or loan over \$1,000 made by the Federation to any provincial component or student association. ;

Be it further resolved that for the purposes of this resolution, "loan" includes an advance on health and dental plan premiums