

CANADA  
PROVINCE OF ALBERTA  
PROVINCE D'ALBERTA

IN THE COURT OF QUEEN'S BENCH OF ALBERTA  
DANS LA COUR DU BANC DE LA REINE DE L'ALBERTA

BETWEEN/ENTRE:

HER MAJESTY THE QUEEN  
LA REINE

- and/et -

JAMES P. LINDEMULDER AND/ET SHAKE MASTERS MANUFACTURING INC.

Accused  
Accusés

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ADMISSION OF FACTS  
FAITS ADMIS

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Pursuant to the provisions of section 655 of the *Criminal Code of Canada*, the individual and corporate Accused by their counsel hereby admit the following facts, for the purpose of dispensing with their proof for purposes of these proceedings.

1. Mr. James P. Lindemulder resides at 2708-49 Street S.W., Calgary, Alberta and was at the relevant times, President and part owner of Shake Masters Manufacturing Inc.
2. At all material times herein Shake Masters Manufacturing Inc. was a corporation incorporated pursuant to the laws of Alberta and was engaged in the manufacturing of wood products.

3. On or about April 1<sup>st</sup>, 1997, Shake Masters Manufacturing Inc. amalgamated with Shake Masters Ltd. to become Shakemaster Incorporated.
4. In June of 1995, the Alberta Land and Forest Service (ALFS) established a number of Local Advisory Committees ("LACs"), comprised of industry and community representatives, in response to certain recommendations contained in the Northern Alberta Development Council (NADC) report dated July 4<sup>th</sup>, 1994, regarding the sale and supply of Crown timber, which was accepted by the ALFS.
5. Mr. James P. Lindemulder, representing Shake Masters Manufacturing Inc., was the Secretary and Ms. Jennifer Brotzell, representing Dunmore Wood Preservers, was the Chairperson of the Crowsnest and Bow Districts LAC. In addition, Mr. George Knight, representing Natal Forest Products, Mr. Egbert (Eppie) Veldman, representing Veldman Enterprises, Mr. Gordon Lehn, representing Spray Lakes Saw Mills and Mr. Rob Chisholm, representing the ranchers, were also members of the Crowsnest and Bow Districts LAC.
6. In early November, 1996, the Alberta Land and Forest Service, on behalf of the Province of Alberta, issued by way of a public notice, a call for tenders, which detailed the terms and conditions of an auction for the sale of CTPs that was held at Blairmore, Alberta, on November 28, 1996 (the "Auction"). Attached hereto and marked as Annex 1 is a true copy of the notice.

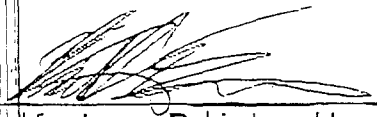
7. The Alberta Land and Forest Service represented that the Auction would proceed in person by oral bid and that each permit would relate to a particular territorially demarcated lot of standing timber in the Crowsnest-Bow District. Sales would be made in three categories: Manufacturers, Loggers/Contractors and Open.
  
8. On November 27, 1996, Mr. Lindemulder, representing Shake Masters Manufacturing Inc., met with the following persons at the Highwood Hotel in Blaimore, Alberta (the "meeting"):
  - Jennifer Brotzell representing Dunmore Wood Preservers
  - Carmen Rinke representing Rinke & Sons Lumber Ltd.
  - Blaine Whittaker carrying on business as Westwood Portable Saw Mill
  - George Knight representing Natal Forest Products Ltd.
  
9. At the meeting, discussions occurred as to which of the specific CTPs would be allocated to each of the parties, named in paragraph 8 above, and the parties, collectively, came to an agreement as to who would and who would not bid on specific CTPs in the manufacturer's category of the Auction (the "Agreement").
  
10. The Agreement was implemented at the Auction with the following CTPs being purchased in the manufacturer's category of the Auction by the following parties, and for the following prices:

Name of Purchaser	CTP #	CTP VOL M <sup>3</sup>	BID & PAID
Dunmore	50006	1100	\$ 9.63
	50012	410	\$ 0.63
	50013	803	\$ 0.63
sub-total		2313	
Natal	50014	911	\$ 0.63
sub-total		911	
Rinke	50003	150	\$17.23
	50024	500	\$ 0.63
sub-total		650	
Shake Master	70016	688	\$ 0.63
	70017	833	\$ 0.63
	70021	2190	\$ 0.63
	70022	2190	\$ 0.63
	70023	2430	\$ 0.63
	70024	1920	\$ 0.63
sub-total		10251	
Whittaker	70018	1232	\$ 0.63
sub-total		1232	
TOTAL		17357	

11. Bids for each of the CTPs were being accepted in increments of \$ 0.10 cents per cubic meter. The bid price was in addition to the base Rate of Crown Dues of \$0.53 per cubic meter and the Reforestation Levy of \$8.57 (including 7% GST) per cubic meter in effect for green coniferous sawlog timber at the time of the sale as established in the *Timber Management Regulation*, A.R. 60/73, as amended from time to time.
  
12. Of the 13 CTPs offered for sale in the Manufacturers category of the Auction, only two received bids from more than one qualified bidder. These two CTPs, which sold for \$17.23 and \$9.63, per cubic meter, were also the only permits to receive any bid in excess of the minimum bid of \$0.10 cents per cubic meter over the Base Rate of Crown Dues and Reforestation Levy, as set out in paragraph 10 above, as provided by the auction rules. In both of these instances, a Mr. Larry Peterson bid against the person to whom the other bidding parties had assigned the particular lot in question.
  
13. The Accused did not make known the agreement or arrangement to anyone in the Alberta Land and Forest Service nor anyone else concerned with the letting of bids or the conduct of the Auction, at the material time.

DATED at Calgary, Alberta, the 20<sup>th</sup> day of April, 2000.

  
James P. Lindemulder

  
Counsel for James P. Lindemulder and  
Shake Masters Manufacturing Inc.