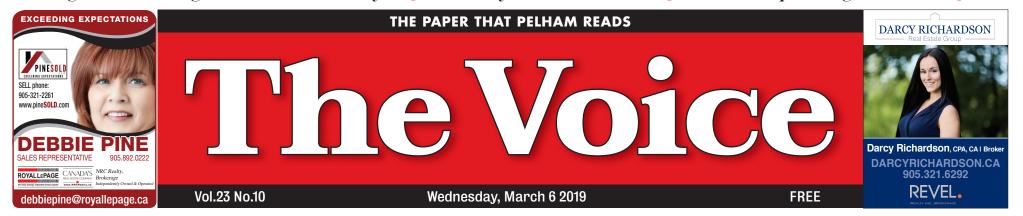
Indigenous heritage at Pelham Library page 7 Cherry orchard axed page 9 Public speaking winners page 11



# **Skeptical reception for cannabis exemption**



BY JOHN CHICK Special to the VOICE

We're not like the others. That was the gist of the message last Monday night from Leviathan CEO Martin Doane to a special public meeting of Pelham Town Council under the Planning Act. The Toronto-based cannabis producer is challenging the Town's Interim Control Bylaw (ICBL) to allow expedited expansion of its facility at 770 Foss Road, in Fenwick, to a 146,000 sq. ft. operation.

While not calling out local competitors CannTrust or Redecan by name, Doane touted Leviathan's plans for a near-airtight facility that would, he asserted, all but eliminate odor emissions into the surrounding area.

"I can't tell you about the other facilities," Doane told the meeting, which drew close to 300 residents to the community centre. "I'm surprised that we've got this kind of response for a facility that will have no odor, but the bad actors, so to speak, continue to do what they're doing. We seem to be bearing the brunt with the past history of difficulties."

See COMPANY Page 3





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### Company says it's the better cannabis corporate citizen, deserves Town exemption for building plans



#### continued from Page 1

The response comes from Leviathan's challenging of the ICBL, which, if the company has its way, will allow it to commence work on the new project in the summer construction months, ahead of the current ICBL's expiration date in October.

"Unlike others ... we will be deploying state-of-art technology that completely mitigates any odor problem through the implementation of a totally sealed greenhouse system," Doane said. "It's much more like a building with a skylight, than it is a conventional greenhouse."

Doane said Leviathan's plans include constructing a new facility from the ground up, as opposed to using the original cucumber greenhouse the company inherited upon its purchase of Woodstock BioMed in May 2018.

He cited technology that allegedly reduces emissions to 0.01 percent of facility air, thanks to charcoal filtering and internal air locks.

Other facilities, Doane implied, simply use a retrofitted greenhouse, which is naturally porous. of the product is moved out from the facility in cube vans.

In response to nearby residents' concerns about a potential decrease in property values, Doane cited statistics from Smiths Falls, Ontario, where he says local property values increased 13 percent from 2017 to 2018 after the opening of a cannabis facility, with overall transactions going up by 20 percent. Proximity to the specific facility was not clarified.

Doane also referenced polling from Leviathan that indicated 46 percent of Pelham residents wouldn't oppose a properly-constructed and regulated licensed grow-op, with 15 percent of respondents indifferent. He cited a similar poll done previously by the Voice as "completely unscientific."

Other locals brought up the very fact that Leviathan is challenging the interim bylaw — which expires in October — as reason to be concerned. The bylaw, as intended, was to allow the municipality to take a step back and analyze the rapidly-growing cannabis industry's place — including issues such as taxation

— in the community. "Why would we approve an exemption to the moratorium before [Town Council] completes the important work?" resident Tim Nohara asked Doane, prefacing that municipal bureaucracy can often convolute things like the erection of a flagpole.

### We couldn't be more empathetic to the concerns of the community

this ICBL is perverse in a sense, because...the hundreds of people here tonight have legitimate complaints about what's going on, but your complaint isn't with us. From day one, we've intended, and will execute, in delivering a fundamentally different solution."

He added, "Our plan...is to contribute tens of millions of dollars more to the local economy, while obeying all regulations...and being the best possible neighbour that we can be in the circumstances."

The municipal taxation code on agricultural properties — which pay substantially lower taxes than industrial properties -is likely one reason that Leviathan wants to find an amendment to the ICBL, as opposed to waiting for the Town to come up with a long-term plan for cannabis producers. "The taxation issue is clearly an irritant for towns like Pelham, and we empathize," Doane said. "But we're not the author of that." Mayor Marvin Junkin has called the rapid growth of the cannabis industry in Pelham "a double-edged sword." He's asked that licensed producers be better corporate citizens, cognizant of the positive economic impacts of a new and growing industry. Yet at the end of last Monday's meeting, Doane told councilors in a Q&A session that the Canadian wholesale cannabis market was now "lower than we thought it would be" and that Leviathan's view of the Canadian market has "changed substantially" over the past year.



Still, skeptics had questions.

Engineer Bill Heska, a Pelham resident, challenged Leviathan's contracted lead engineer, Matt Hotrum of Ehvert, on the exhausted air from the proposed facility in terms of cubic feet per minute (CFM). Hotrum admitted he did not have those exact numbers on hand.

"There's no proof whatsoever," Pelham Community Preservation Coalition head Jim Jeffs told the Voice afterward, in regard to Leviathan's promise that odor emissions will be limited.

Doane addressed light complaints by saying that night curtains and timed lighting will mitigate what one area resident compared to "alien spaceships coming down."

He also asserted that the traffic produced by the proposed facility would actually be less than the previous vegetable greenhouse.

"You don't need to big tractor-trailers to transport tens of thousands of dollars worth of cannabis," he said, pointing out that most Doane replied that it's unfair that Leviathan's expansion plans are being held back by the ICBL.

"When you put up a flagpole and have it delayed," Doane told Nohara, "you may have it delayed, but it doesn't cost \$100 million. So when you have an ICBL that has no report behind it, and has people canvassing for reelection and slamming down an ICBL ... that's the legal issue."

Earlier, Doane said there's "no pause" in the Canadian cannabis industry at the present time, adding that delays due to regulatory issues are costing companies like his millions of dollars a week. He added that Pelham's ICBL was unfair to Leviathan because his company has played by the rules.

"We couldn't be more empathetic to the concerns of the community... we're with you," Doane said. "And Council could have a decision on the amendment proposal at its meeting on March 18, but more likely later.

Top, Mayor Junkin asks assembled residents that their questions be kept on-topic, which for the most part they were. TOWN OF PELHAM VIDEO CAPTURE

### Willowbrook Nurseries donating new trees for Fenwick beautification

Poor choices made with original plantings have left village centre looking more beast than beauty

When the previous Pelham Town Council gave the go-ahead for the beautification of downtown Fenwick a few years back, John Langendoen was involved in the process. As founder of Willowbrook Nurseries, he knows a thing or two about plants, trees and what can grow where. However, his suggestions seemed to fall on deaf ears as planners insisted on using certain native plantings in the beautification.

"No, I fought with them," Langendoen said with a laugh last week, in Fenwick, as he met with Pelham Mayor Marvin Junkin and Interim CAO Teresa Quinlin regarding his Victoria Avenue nursery's plans to replace many of the plantings along Canboro Road in the village centre.

"They said, 'It has got to

#### **BY JOHN CHICK** Special to the VOICE

be native, that's the trend,"" Langendoen recalls. "That's fine, I get that, and I do encourage that where it's appropriate. But this is not a native site. This is an urban area, so you have to use plants that will fit the urban site."

The result, four years after the ribbon was cut on the beautification, is that some of the plants and trees are either dying off or being improperly managed.

"A plant over here, called aronia," Langendoen said, pointing. "It's not conducive to this environment. It pooched out. Over here on this gingko tree behind my truck, the top is missing on it. And that gets to be a massive, massive tree."

It's a similar story with the London planetrees that were placed in the concrete and iron planters on the

roadside. In this climate, winter salt will erode the roots, causing the trees to slowly die. Langendoen said there are other options, given the side effects of our harsh winters, such as more salt-tolerant ornamental grass.

Willowbrook Nurseries will provide the new plantings to Pelham free of charge, with Town workers doing the removal of the old and installation of the new.

Langendoen and Willowbrook have a long history of donating back to the community, including the gas lamps for the original beautification, and a donation to the new community centre.

Junkin and Quinlin both said the goal is ideally to have the work done by the middle of July.

That timing works for Langendoen.



Mayor Marvin Junkin, Willowbrook Nurseries' John Langendoen, and Pelham Interim CAO Teresa Quinlin meet in Fenwick. JOHN CHICK PHOTO

"The best time to plant a tree is 40 years ago," he joked. "The second best time is today."

Junkin said Willowbrook would have carte blanche

on which plantings will be used, based on the brickwork-rich location.

"You can go in and you

can lay it out and say this is what we're going to do plant-wise," the Mayor told Langendoen. "If you just supply the plants, we'll go from there."

The plan will also include replacing the plants around the Fenwick flagpole, which sits in the middle of the intersection of Canboro and Maple. The pole is considered a heritage structure, and a ceremonial plaque exists for it. For whatever reason though, the Town has never affixed the plaque to the pole. Junkin said that will change once the new plantings are complete.

## **Pelham's Cannabis Control Committee slugs away**

Members face long climb up mountain of paperwork,

grow-operations. Marijuana outdoor gardens, marijuana festivals and how these affect a myriad of plans, bylaws and legislation regarding agriculture, the environment, and road conditions were just some of the topics aired in last Wednesday's meeting of Pelham's new Cannabis Control Committee. Waving a handful of paperwork, Tim Nohara, Chair of the committee, stated because of the long list of concerns, reports and a public consultation process, amendments to the town's Planning Act and bylaws to control cannabis were not likely to be completed before their due date. As a result, the committee approved recommending to council that it extend the interim control bylaw for one more year, to October 2020. The motion will be received by council on July 15, if needed.

In the meantime, Nohara said if the committee reviews the upcoming government research, and reports by the Town's Planning Department, and the committee feels it can complete its goals, "then super," he said. Otherwise, the laborious issues, public and stakeholder feedback and summer holidays were going to make it difficult to fulfill the obligations of the committee prior to September 16, when council is scheduled to receive the proposed amendments to the Cannabis Official Plan Amendment, related zoning bylaw and nuisance bylaw. "I don't see how we can review such an ambitious set of proposals in this time frame," he said. Barb Wiens, Director of Planning and Development, said, "I'm hopeful that we can do it in this timeframe." According to the current timeline, a draft of the Official Planning Act, Zoning Bylaw Amendment and Nuisance Bylaw would be forwarded to the committee by June 26. In mid- August, a public consultation meeting would be held to receive input. The Cannabis Control Committee would re-

options, meaning permanent bylaw may be delayed view the comments and adjust any recommendations for the Policy and Procedures Committee, which would then fine-tune the amendments for council by September 16

for final approval. Councillor Mike Ciolfi told the Voice, "It's kind of like trying to build a \$10 million bridge in six months," adding, "all of the people on the committee are volunteers and many of them work, so it's difficult."

Resident member Bill Heska asked if the Town was considering legislation from other municipalities to assist them in developing policy terms, although he added there appears to be a great deal of inconsistencies within different municipalities.

Wiens replied, "There is not a lot of consistency, and we have to look at the existing landscape in Pelham. You can't put in zoning bylaws that will be prohibited. That is not going to fly.<sup>3</sup> Resident member Jim Jeffs said that according to MPP Sam Oosterhoff, municipalities wanting to protect agricultural lands from being used for cannabis growth and facilities could do so by limiting cannabis facilities to industrial-zoned areas. Wiens replied, "I don't know if that would withstand a court challenge." She reminded the group that marijuana was legal in Canada, and said, "My understanding is if someone gets a licence at the federal level we can't interfere." Wiens assured the group she was monitoring court cases on marijuana grow-ops, and would get clarity on licensing, which she would bring to the next meeting. Such legal decisions could affect how future amendments are written. Wiens also cautioned against over-regulating, which puts

#### **BY GLORIA J. KATCH** Special to the VOICE

the Town at risk of defying the Charter of Rights and Freedoms. Over-regulating can also have a negative affect on greenhouse businesses that don't grow marijuana. Last week, council passed a bylaw stating that greenhouses were now required to have a site plan agreement before they could set up operations in Pelham.

Wiens noted the Town's authority primarily deals with amending the Town's Official Plan. Albeit, Wiens admits the interim control bylaw is meant to address large policy gaps that need to be "tightened up," which gave the group some reassurance that changes could be made to control where marijuana facilities are located.

The committee is examining

Retired Pelham business owner and one-time mayoral candidate Carla Baxter, Vice-Chair of the committee, asked if country roads could sustain the additional traffic required to haul away the effluent. Wiens replied Pelham's roads are designed to handle the capacity. About every ten years, she said, there is a road study done in Pelham that includes engineering reports, and that information is used to determine the Town's capital budgets. Interim CAO and Town Treasurer Teresa Quinlin added there is a "pavement condition index" on all roads, which can be compared to road conditions five years previously to determine the shape they're in. Roads are rated according to when they need to be repaired, noted Wiens.

With respect to Leviath cannabis grower seeking to build a greenhouse facility in Fenwick. Councillor Ciolfi said traffic monitoring should consider the number of employees working at the facility as well. Carla Baxter added, "Leviathan already has a negative impact and there are a lot of people in the area who want to move out, and it prevents people moving in." Opening the meeting, Wiens outlined the three tiers of government and how agricultural lands must be protected and comply with land use plans, which in Niagara include: the Greenbelt, the Niagara Escarpment Planning and Development Act, and A Place to Grow Plan. More importantly, the Town is waiting for the Region to complete its official plan, and Pelham will have to align with it, she said. Nohara said the Region's plan is "very good and will not limit us in what we want to do." Jeffs asked if marijuana facili-

ties were allowed to make oil under agricultural tenets. Wiens replied that CannTrust was allowed to treat and package marijuana, and that oil products were actually produced at its facility in Vaughn. Agricultural guidelines permit production of by-products, noting that wineries and fruit farmers are also allowed to make juice. The definition of agriculture is "pretty broad," in scope, pointed out Wiens, which includes crop growing, livestock, poultry, aquaculture, maple syrup production, etc.

Louis Damm stated the Town needed to look at the effluent levels, as there is a difference between a small business and a large industry.

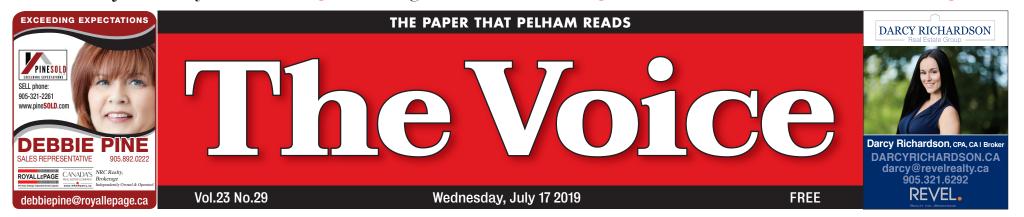
"The wine industry went through this," he said, suggesting this is an area the Town needs to pay attention to. Wiens admitted that "the scale and intensity" of grow-ops are important considerations for the committee.

When Baxter asked if CannTrust could host a festival, Wiens stated that the company is allowed to do sampling as do wineries, and they could host such an event. However, any large gathering would require a permit, she said. At the close of this second committee meeting, Quinlin stated she was "very impressed" by the amount of the work already completed. Councillor Ciolfi told the Voice he is still awaiting a report from MPP Oosterhoff on what can be done at the provincial level to assist Pelham on this issue. When asked if he was monitoring complaints, he replied, "no," but receives emails constantly from residents, particularly from the Cherry Ridge and Balfour Street area subdivisions. "Now that it's summer, people want to be outside, and they can't enjoy their pool or hang their clothes on the line, because of the smell," he said. But Ciolfi was optimistic. "We're starting to get things accomplished."

areas and possibly any legal loopholes to control large grow-ops, including wastewater usage, environmental laws, and traffic monitoring. Councillor Ciolfi asked if cannabis grower CannTrust, in Fenwick, was on a sewer system. Wiens replied that the operation is on a septic system, and its effluent is less than 10,000 meters a day per property. CannTrust monitors its system's effluent, and both the Region and Ministry of the Environment require this data. "All the irrigation water is recycled for their own use, and they recycle their own internal water," she said, adding, "Their standards are high."

Pelham greenhouse operator Louis Damm said he is aware of septic systems that have "crashed," but Wiens pointed out CannTrust submits water samples for monitoring. She also added that the Region can conduct inspections of septic system at any

Summerfest's hazy numbers page 3 Baring it all in the bush page 10 Panthers under-15 take bronze page 15



# The man behind the meltdown

CannTrust stock plummets, CEO's future uncertain, as whistleblower Nick Lalonde lets loose

> **BY JOHN CHICK** Special to the VOICE

It appears clear that CannTrust's by now widely reported non-compliance violations with Health Canada are the result of a whistle-blowing former employee.

While Health Canada wouldn't confirm this, a surprise inspection by federal regulators on June 17 uncovered 5,200 kilograms of unlicensed cannabis at CannTrust's Fenwick facility.

Two days earlier, on June 15, Fenwick resident Nick Lalonde, who worked at the Balfour Street site for almost two years, had emailed the Voice and Health Canada several employees with various allegations of infractionsincluding cannabis being grown in unlicensed areas. "It wasn't licensed,"

Lalonde told the Voice. "How did I know that? Because one day my manager came up to me at 7:30 at

See MELTDOWN Page 12



Fenwick resident and former CannTrust employee Nick Lalonde, outside the company's Balfour Street operation last Friday.

**VOICE PHOTO** 



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Mature cannabis buds drying on racks in a climate-controlled drying room at CannTrust's Fenwick production facility, in June. With already approved expansion plans to essentially double their Balfour Street location's output by the end of 2020, CannTrust was on track to produce some \$1 billion dollars worth of cannabis per year before their current difficulties. **DAVE BURKET PHOTO** 

#### Former Pelham Mayor David Augustyn joins CannTrust officials at their ceremonial ribbon-cutting, June 26, 2018. Augustyn asserted that the industrial grow operation "provides hope to our community." GLORIA J KATCH PHOTO

#### MELTDOWN

continued from Page 1

night and said, 'Nick, we're going to be hanging poly wall, we're going to hang all the poly walls up to hide the plants ... we just need to take some pictures.""

Lalonde, 28, who said he quit his job at CannTrust in May, explained that Health Canada often simply relies on photographs supplied by cannabis growers to ensure that they are playing by the rules.

"I kind of figured that

was strange, and that was the kind of beginning of the end for me," Lalonde added. "I'm not into criminal stuff. We were literally hanging up poly walls to hide thousands of plants from Health Canada so we could snap a picture and then send that to them."

Health Canada subsequently put a sales freeze on the unlicensed product, while CannTrust itself has since voluntarily put a hold on another 7,500 kilograms of dried cannabis. The combined 13,000 kilograms of pot constitutes the majority of the company's current inventory, and by the Voice's calculations is valued at approximately \$110 million dollars.

On Thursday, the company said that it was suspending all sales of its cannabis products, and that its board of directors would conduct an investigation into the allegations of wrongdoing.

The ensuing reaction has been negative for Cann Trust, to put it mildly. The company's stock price plummeted almost 50 percent last week, closing at an all-time low of \$3.34 per share. Meanwhile, several law firms are gearing-up to file class-action lawsuits on behalf of shareholders and others who may have suffered financial losses amid the turmoil. As of Friday morning, Lalonde said that he had been approached by 11 law firms as a potential witness.

Some analysts predict that the company could lose its cannabis production licence entirely— a scenario that seemed unlikely last Monday, until more bad news rolled in as the week progressed. BNN-

Bloomberg reported that Heath Canada cited Cann-Trust 15 times for "major or critical observations" from 2015 to 2018.

Certain CannTrust products were withdrawn from sale by Ontario and Alberta regulators, and CannTrust's Danish partner quarantined affected shipments, leading to concerns of a cannabis shortage in Denmark.

By Friday, the company was in full damage-control mode.

"As CannTrust voluntarily disclosed earlier this week, we are conducting a full internal investigation and preparing a report to the regulator, including mitigating factors," an unnamed spokesperson said in a release provided by Strategic Objectives, the Vaughan-based company's public relations firm. The statement did not answer Voice questions about Lalonde's claims.

"We owe our full response to Health Canada regarding specific details and responsibility. That is the road back to compliance. Until that time we are unable to comment on specific details or the actions of current or former employees."

In late May, after Lalonde posted messages online which were critical of the company, he received a letter on CannTrust letterhead threatening him with legal action for libel.

"The post are defamaread in part, ' 'and create the impression that Cann Trust has made misrepresentations to employees, customer, shareholders, and regulators. The posts are derogatory and present CannTrust as dishonest...." The company did not respond to repeated Voice requests to confirm the letter's authenticity.

Lalonde also asserts that CannTrust cut corners in terms of disposal when he was there. As a former specialist in the destruction of unused cannabis, he said that regulations require the product be mixed with cat litter and water before being disposed of. Instead, Lalonde asserts, the company simply used cheaper screenings—the type of small gravel seen in patio construction.

"Kitty litter is about \$1,500 to \$2,000 a month, and you must add a cup of water for each cup of kitty litter ... that destroys the odor. Instead, they're buying screenings at like \$17 a yard."

provided Lalonde screen-captures from his phone that he asserted proved that the gravel was ordered in bulk. The Voice has not independently verified that the orders were made or delivered.

The Voice asked Health Canada if it is normal to require only a company-supplied photograph to be submitted for compliance checks. Maryse Durette, a Senior Media Relations Advisor at Health Canada, alluded to these as "evidence packages."

"[Producers] must submit evidence packages to demonstrate to the department that they have a complete facility or expansion that meets the regulatory requirements, including physical security, record keeping and product-quality requirements," Durette said. "This evidence is verified through on-site in-spections which can occur at any time."

Lalonde maintains that the procedures are lax.

"They do come by for audits, but it's a joke," he said. "They're just asking me all these questions, and I'm answering them, and they believe everything I said."

Regardless, Lalonde said that Health Canada should have access to all of Cann-Trust's security video.

"The cameras in the facility, they're recording 24-7. And those recordings go to two servers-they go to CannTrust and Health Canada servers," he said.

"I told Health Canada to check the cameras."

Asked why he decided to come forward, Lalonde said that his main motitory in nature," the letter vation was to "show the country and the world that you shouldn't be scared to stand up for what's right. And for all the amazing employees that CannTrust lied to and made do illegal activities, risking their future for minimum wage."







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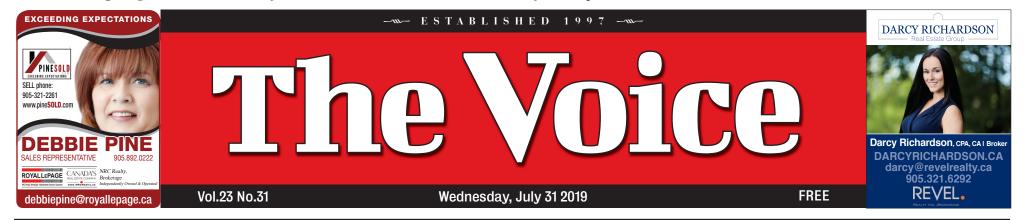
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Coping with disability cuts page 3 Restored runway a soft touch page 9 Kids and summer page 14



# **CannTrust fires CEO, Board Chair quits**



CannTrust's now ex-CEO, Peter Aceto, shown in a CannTrust video posted to the company's YouTube channel on February 27. The video was allegedly recorded next to one of the operation's illegal grow rooms at its Fenwick production site, in January. The video was removed from YouTube last week. **YOU TUBE SCREENCAP** 

# Leaked emails allegedly show both men aware of unlicensed pot months ago

#### BY JOHN CHICK Special to the VOICE

CANADA'S

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CannTrust's upper management structure has gone up in smoke. The beleaguered cannabis producer fired CEO Peter Aceto last Thursday, and on the same day forced

CannTrust's upper management co-founder and chair Eric Paul to ructure has gone up in smoke. resign.

The moves were made by a "special committee" of the company's board of directors, formed in the aftermath of the Health Canada compliance meltdown triggered by whistleblower Nick Lalonde, a former employee at CannTrust's Fenwick facility.

"Implementing the necessary changes is essential to the interests of our medical patients, customers, shareholders and employees," committee chair Robert Marcovitch said in a media release.

One of the final straws for Aceto appeared to be a video the com-

EXCEEDING\_EXPECTATIONS

pany placed on YouTube in February, in which the CEO was seen standing in front of an unlicensed growing room at the Balfour Street site. Lalonde, and four other former employees who were not identified, told the Financial Post that the room was "Range 8," the area that sparked the Health Canada compliance violations in June.

Furthermore, internal emails

See FIRED Page 10

## Column Six Sleepless in Niagara

### Navigating early motherhood with a colicky baby

#### BY HEATHER BOYD Special to the VOICE

N THE EARLY MONTHS of parenting I counted my infant's sleep in \_minutes. Not hours. Minutes. I wrote down these numbers on scraps of paper in the dark while soothing and breastfeeding my son. I scanned this list of digits, also in the dark, hoping to see some trend, however miniscule, towards longer sleep periods. Hoping to see some indication that he was sleeping longer and, by extension, that I could sleep longer too. If he slept even two minutes longer, maybe something had improved. However, instead of seeing an improvement, I saw a deflating list of double digits that represented wakings that also were numbered in the double digits every night.

These early days of parenting had moments of pure bliss, and smittenness. My baby was healthy, and I loved holding him and soaking him in. The

See COLUMN SIX back page

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### **FIRED**

continued from Page 1

from last November obtained by the Globe and Mail indicated Aceto was fully aware of the illegal growing.

"We dodged some bullets," CannTrust director of quality and compliance Graham Lee wrote in an email to Aceto after an earlier Health Canada inspection. "[Health Canada] did not ask about [Range 8], which are unlicensed rooms currently full of plants."

Another email obtained by BNN Bloomberg cited Aceto telling subordinates to "continue [planting] as planned" in the unlicensed areas, evidently appearing to flaunt federal regulations.

Nick Lalonde told the Voice earlier this month that he was previously ordered to hang temporary walls in Range 8 so Cann-Trust could mask plants in photographs sent to Health Canada as part of a compliance check. He separately alleged that CannTrust also cut corners in disposal of waste cannabis.

Reached for comment over the weekend, Lalonde said that he was pleased that the company's CEO and board chair had been given the boot.

"I believe there are still

many great employees there for the new company that buys that facility," said Lalonde. "But they should also get rid of whoever directed the Health Canada submissions process."

Lalonde named a number of managers he asserted would have "known what was going on."

"I also find it very interesting how, if a small cigarette shop or beer store would've got caught breaking major regulations like these, they would have been fined immediately, licence taken, or thrown in jail... never mind been given the opportunity to hire a special committee [to report on themselves]."

CannTrust's virtual collapse has fast become the biggest scandal in the Canadian cannabis industry since the government fully legalized the product less than a year ago. The regulatory change spawned numerous licensed grow the operations across country, and it appears early demand outstripping supply may have created a wild west approach among some in the industry.

CannTrust had been in the medical marijuana business prior to legalization, and Aceto took the reins of the company last October —when the unlicensed Fenwick rooms

were reportedly activated. Beyond that, Health Canada earlier cited CannTrust 15 times for "major or critical observations" between 2015-18.

Aceto, former CEO of Tangerine Bank before taking over at CannTrust, told the Voice in January that the Fenwick facility was "globally revered," and at the time promised to address community concerns such as light and odor emissions.

"There's no doubt there are things we can do to be a better member of [the Pelham] community, and be more involved in the community, and we certainly have plans to do so," he said.

Pelham Mayor Marvin Junkin was among those watching from the sidelines as the carnage unfolded.

"I find it hard to believe that management would ignore the rules that they did, with so much at stake," said Junkin. "I realize that you have to keep the shareholders happy, but staying within the rules should have been the number one concern."

Tim Nohara, Chair of Pelham's newly formed Cannabis Control Committee, says that the developing situation is disturbing.

"The justified national press coverage casts a negative shadow on our Town and by extension its residents," says Nohara, "and tarnishes the good reputation and integrity of local business leaders and workers."

Nohara adds that the situation also highlights the importance of the work of the committee.

"We are developing as quickly as possible new bylaws and regulations to help Council mitigate the adverse impacts we are experiencing from this new industry, which showed up unannounced to residents and imposed itself on our beautiful community."

Pelham Town Councillor and committee member Mike Ciolfi was equally blunt.

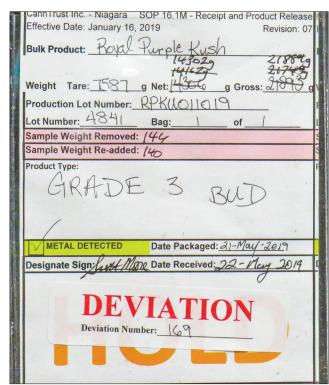
"Everyone involved with the decision making of growing cannabis in five additional rooms without a licence should be held accountable," said Ciolfi. "Health Canada should cancel their licence. This is a new industry and everyone should play by the rules."

Ciolfi also noted that CannTrust's financial contribution to Pelham is negligible, contrary to an inaccurate assertion made recently in a Welland Tribune story, in which Cann Trust was cited as an "important source of tax revenue to the Town."

In fact, the sprawling operation in Fenwick is classified as agricultural, and pays property tax at rates far lower than those of the average business.

"CannTrust is not a major source of revenue for the Town at this time," confirmed Town Treasurer Teresa Quinlin.

"As for jobs," said Ciolfi, "approximately 5% of the workers are from Pelham...and for donations to the community, there has been zero dollars donated to groups or organizations



Label affixed to a plastic tote of cannabis, at CannTrust's Fenwick production facility in June. **VOICE PHOTO** 

#### in Pelham."

Where the scandal leaves the future of the Fenwick facility remains anyone's guess. While some analysts have predicted CannTrust could lose its licence, the company's special committee appears determined to salvage the operation. Marcovitch - who previously headed U.S. ski and snowboard maker K2 Sports —has been appointed interim CEO after last week's executive purge. Calls grew among some industry analysts last week for a "white knight"-another cannabis companv—to come in and acquire CannTrust's assets in Pelham, Vaughan, and B.C., presumably including its workforce.

CannTrust stock rebounded slightly on news of Aceto's dismissal after weeks of precipitous decline, spiking 16 percent in Friday morning trading before closing the week at \$3.01 a share—though still down some 80% in value since its high point of \$14.87 per share, last October. At least a dozen class action lawsuits are underway, according to financial media reports, seeking shareholder restitution.

With additional reporting by Dave Burket.





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