



CMC seeks stay of proceedings on the sale of Mountain Equipment Co-operative

Today, Monday, Sept. 28, at 10:00 am PST, legal counsel jointly representing CMC, the BCCA, and the ACCA (the Parties), will request a stay of proceedings on the sale of Mountain Equipment Co-operative (MEC).

This will be done by way of a hearing before a justice of the Superior Court of British Columbia.

Through this hearing, the Parties will be asking the Court for Intervenor Status in the sale of Mountain Equipment Co-operative on the basis that the BC Co-operative Association Act (the Act), and the Rules of Mountain Equipment Co-operative, were not respected in the process for the sale of its assets.

The Act requires co-operatives to seek special resolutions from their members prior to engaging in the sale of substantially all of the Association's assets, or consultative meetings of members to determine support, none of which took place prior to the announcement of the sale of Mountain Equipment Co-operative to Kingswood Capital Management on September 11th.

The Rules echo the Act, such that Mountain Equipment Co-operative's Rule 8.11 prohibits the sale of the whole or substantially the whole of the business without the sale being authorized by special resolution, and all members have the opportunity to vote on the resolution.

We have just learned this morning that the Court has reserved additional time for the hearing and will extend its proceedings to hear arguments until tomorrow morning. We will provide additional information as soon as it becomes available as related to the outcomes decided by the Court.

CMC has organized a joint national campaign with the BCCA and the ACCA, in association with the Save MEC Campaign, and supported in solidarity by our national network of provincial and territorial associations. Our joint objective is to protect the rights of co-op members and ensure that a situation like the sale of MEC does not occur again.

We will keep you informed of the outcome and thank you for the outpouring of support we have received from across Canada.

John Kay
Chair, Board of Directors, Co-operatives and Mutuals Canada

André Beaudry
Executive Director, Co-operatives and Mutuals Canada