

CHAPTER - 11 - ELEVEN

THE IDENTITY OF THE PARTIES:

DISPUTING INVESTOR: **SUN BELT WATER, INC.**
Victoria Court Str.,
Box 92229,
Santa Barbara, California,
93190

(Herein "SUN BELT")

DISPUTING PARTY: **HER MAJESTY THE QUEEN**
c/o The Attorney General for Canada
Justice Building
4th Floor, 284 Wellington Street
Ottawa, Ontario,
K1A 0H8

(Herein "the Queen" or "Her Majesty")

NOTICE OF CLAIM

AND

DEMAND FOR ARBITRATION

1. Sun Belt respectfully notifies the Queen that, for six years, Sun Belt has sought to resolve its claim fairly and equitably in accordance with established principles of law and justice for a modest and lesser sum. Sun Belt has made continuous efforts to engage in "*good faith*" negotiations with Ministers and Employees of Her Majesty's federal government of Canada and Her Majesty's provincial government of British Columbia. However, in violation of both the **VIENNA CONVENTION ON THE LAW OF TREATIES** and the **NORTH AMERICAN FREE TRADE AGREEMENT**, herein the **NAFTA**, Her Majesty's Ministers and Employees for both governments and at all levels have acted in "*bad faith*" and refused to consult with or negotiate with Sun Belt in "*good faith*" and with "*fairness and equity*" contrary to Canadian and international law. As a result of the duplicity, dishonesty and "*bad faith*" exhibited by Her Majesty's Ministers and Employees, Sun Belt is now moved to file this formal claim for Arbitration under **Article 1116 of Chapter 11 of the NAFTA** and Sun Belt respectfully notifies the Queen that it will now seek full monetary damages and all other remedies available to it in accordance with international law .

See: **The Vienna Convention on the Law Of Treaties**

Article 26: Every treaty in force is binding upon the parties to it and must be performed by them in good faith.

Article 27: A party may not invoke the provisions of its internal law as justification for its failure to perform a treaty.

2. Sun Belt respectfully notifies the Queen that Sun Belt is claiming an Order for the restoration of the fresh water export licensing arrangements for shipment in bulk by marine

ranker that the Queen, through the oral and written statements of Her Ministers and Employees in British Columbia, from 1989 to 1991, represented would be available to Sun Belt and which representations induced Sun Belt to incur **\$3.6 MILLION DOLLARS (USD)** in expenses and accrued obligations in order to develop business opportunities in reliance upon the said representations and promises. Hereinafter, these expenses and accrued obligations are referred to as the **Sun Belt reliance costs**.

3. Sun Belt respectfully notifies the Queen that, in addition to the restoration of water export licencing arrangements for surplus fresh water from British Columbia, Sun Belt claims monetary damages to compensate it for the value of its lost business opportunity from March 18, 1991, to a reasonable time after the restoration of the water export licencing arrangements. Hereinafter, these monetary damages are referred to as **Sun Belt's temporary lost business opportunity costs**.

4. Sun Belt respectfully notifies the Queen that in the event that the water export licencing arrangements are not restored, as may be ordered by the Arbitration Panel, it claims full monetary damages for its permanent lost business opportunity arising from the loss of access to fresh water from British Columbia in perpetuity. Hereinafter, these monetary damages are referred to as **Sun Belt's permanent lost business opportunity costs**.

5. Sun Belt respectfully notifies the Queen that the value of its permanent lost business opportunity costs has been consistently rising since March 18, 1991, as the opportunities for the sale and marketing of fresh water worldwide have been increasing. In addition, the recent announcements by Her Majesty's government of Canada imposing a national ban on the export of fresh water by marine tanker from the Great Lakes has reduced the worldwide supply of fresh water for export by marine tanker by approximately twenty (20%) thereby further increasing the relative value of the Sun Belt's permanent lost business opportunity costs.

6. Sun Belt respectfully notifies the Queen that the value of its temporary lost business opportunity costs were originally estimated to be **\$468 MILLION DOLLARS (USD)** based on its five year financial models developed in 1990 and 1991 with the approval of its lender, the **Bank of America**. However, Sun Belt notifies the Queen that its temporary lost business opportunity would now cover a period of eight (8) to twelve (12) years in a time of increased share price/earnings ratios and, accordingly, the Sun Belt temporary lost business opportunity costs may be as high as **\$1.5 BILLION DOLLARS**. This figure is now under review by business valuers and may be revised.

7. Sun Belt notifies the Queen that the value of its permanent lost business opportunity costs are estimated to be is in the range of **\$10.5 BILLION DOLLARS**

(USD). This figure is also under review by business valutors and may be revised.

8. Sun Belt respectfully notifies the Queen that under Article 1105 of the NAFTA, Sun Belt invokes the benefit of remedies available under international law and, accordingly, Sun Belt is seeking redress in the form of condemnation and satisfaction against several of the Ministers, Employees and Judges of the Queen who have individually and collectively denied Sun Belt due process under law, delayed, obstructed and denied Sun Belt its right to pursue justice in the domestic courts of Canada, refused to comply with the domestic laws of Canada, by perverse judgements have prevented full and proper disclosure of the facts surrounding the corrupt practices in British Columbia and Canada and further violated the Queen's obligations of "*transparency*" and "*good faith*" under the provisions of Article 102 of the NAFTA and Article 26 of the VIENNA CONVENTION ON THE LAW OF TREATIES.

9. Sun Belt respectfully notifies the Queen that the satisfaction and condemnation claimed against Her Ministers, Employees, and Judges, who have committed various and several international torts will be in the form of, reprimand, dismissal, fine and/or imprisonment following on the principle of international law which holds as follows:

"The higher the state organ that has committed the offence in question the more serious is the responsibility of the state concerned. In the case of subordinate officials reproof dismissal or punishment of the officials concerned, with commensurate indemnity is likely to constitute adequate reparation."

See **Swarzenberen & Brown, A Manual of International Law, 6th ed., Professional Books , 1976, at p. 145**

10. Sun Belt respectfully notifies the Queen that it is claiming condemnation and satisfaction against the following of Her Ministers, Ministers Employees and Judges in British Columbia who have engaged in tortious conduct under international law including the obstruction, delay and denial of justice and redress for Sun Belt in the British Columbia court system, as follows:

- a. **Mr. Ujjal Dosanjh, Q.C., the present Attorney General for British Columbia who, under law, is responsible for the conduct of litigation for or against the Crown and the operation of the Court system in British Columbia and who contrary to his Professional Code of Ethics and international law, encouraged, counselled and/or knowingly acquiesced in the tactics of dishonesty, duplicity, delay, denial, and obstruction of justice for Sun Belt in the British Columbia court system which tactics included the intentional suppression of evidence and concealment of documents. This has become a common practice by the Office of the Attorney General for British Columbia most recently seen in the Carrier Lumber case but also a common occurrence in other infamous British Columbia law cases where documents have been withheld, suppressed or destroyed under the direction of Attorney General Ujjal Dosanjh and/or his professional staff in an effort to deny justice to litigants and conceal corrupt practices.**
- b. **Ms. Maureen Maloney, Q.C., the present Deputy Attorney General for British Columbia, who contrary to her Professional Code of Ethics and international law encouraged, counselled and/or knowingly acquiesced while her staff lawyers engaged in the tactics of dishonesty, duplicity, delay, denial, and obstruction of justice for Sun Belt in the British Columbia court system which tactics included the intentional suppression of evidence and concealment of documents, a common practice by her Ministry since she was appointed Deputy Attorney General.**
- c. **Ms. Gillian Wallace, Q.C., the present Assistant Deputy Attorney General for British Columbia, who contrary to her Professional Code of Ethics and international law, encouraged, counselled and/or knowingly acquiesced while**

her staff lawyers engaged in the tactics of dishonesty, duplicity, delay, denial and obstruction of justice for Sun Belt in the British Columbia court system which tactics included the intentional suppression of evidence and concealment of documents.

d. **Mr. Stephen Owen, Q.C., formerly Ombudsman and subsequently the Deputy Attorney General for British Columbia until approximately February, 1997, who misled the Legislature of the Province and Sun Belt and its agents when he falsely and misleadingly reported on the favours conferred by Her Majesty on W.C.W. Western Canada Water Enterprises Ltd., the competitor of Sun Belt.**

e. **Mr. William Pearce, Q.C., formerly senior counsel employed with the office of Attorney General of British Columbia until January, 1998, and now employed as the Attorney General for the Her Majesty in Her Crown Colony of Bermuda, an international bank haven colony, and who stated:**

"while there is merit in the Sun Belt claim we do not believe that Sun Belt has the resources to litigate"

f. **Mr. Don Chiasson, Senior Legal Counsel employed with the Office of the Attorney General of British Columbia. On July 29, 1998, the Premier of Her Majesty's government in British Columbia, the Honourable Glen Clark advised Sun Belt that:**

"I am asking Don Chiasson ...to respond to any proposals that you may have that might lead to an amicable resolution of this matter"

Contrary to his Oath of Allegiance to Her Majesty and contrary to his Code of Professional Ethics, Mr. Chiasson refused to follow the instructions of the Premier. These instructions were given by the Premier after his office had given assurances to the Office of the President of the United States that his office would review the Sun Belt claim and try to resolve it amicably.

g. **Ms. Lisa Shendroff, Junior Legal Counsel employed with the Office of the Attorney General of British Columbia, who assisted Her Majesty's Government in British Columbia to conceal documents, violate the Rules of Court, swear at least one false affidavit and disobey Court Orders all contrary to her Code of Professional Ethics and Oath of Allegiance to the Queen.**

- e. **Mr. Timothy Leadem**, Legal Counsel employed with the Office of the Attorney General for British Columbia, dishonestly represented to Sun Belt that Her Majesty's government in British Columbia wished to negotiate a settlement in "*good faith*" but secretly assisted Her Majesty's government to delay, deny and obstruct justice by concealing key documents and making false and misleading assurances to Sun Belt and its legal counsel concerning the intentions of Her Majesty's government. Mr. Leadem's dishonesty and lack of "*good faith*" towards Sun Belt were contrary to His Oath of Allegiance to the Queen and contrary to his Code of Professional Ethics.
- i. **Ms. V. Ann Wilson**, Solicitor with the Office of the Attorney General and a key witness who refused to answer legitimate pre-trial questions by Sun Belt legal counsel contrary to the assurances provided by **William Pearce, Q.C.**, to **Mr. Justice Shabbits**, that Her Majesty's Employees would co-operate with the pre-trial investigation by Sun Belt legal counsel.
- j. **Mr. Justice E. Robert Edwards**, a Justice of the Supreme Court of British Columbia, who was a Q.C. and the Deputy Attorney General with the Attorney General's Office when the corrupt practices took place and who provided false evidence to Sun Belt legal counsel and refused to co-operate with the Sun Belt pre-trial investigation contrary to the promises of **William Pearce Q.C.**, given to Justice Shabbits that Her Majesty's Employees would co-operate with the pre-trial investigation by Sun Belt legal counsel
- k. **Mr. Justice John C. Bouck**, of the Supreme Court of British Columbia, who refused to follow binding legal precedent, as required by his Oath of Office, and who thereby prevented the pre-trial disclosure of certain key documents submitted to the British Columbia cabinet for consideration at the time of the imposition of the moratorium on the export of fresh water which documents would have proved the moratorium was imposed in "*bad faith*".
- l. **Mr. Justice James Shabbits**, the assigned trial judge and justice of the Supreme Court of British Columbia who, through a series of perverse judgements, denied Sun Belt every motion for pre-trial disclosure of documents and pre-trial examination of witnesses thereby effectively denying Sun Belt access to justice in the British Columbia court system.
- m. **Mr. Justice Brian Williams**, Chief Justice of the Supreme Court of British Columbia who wrongly and illegally interfered with and prevented certain pre-trial investigations by Sun Belt legal counsel.

- n. **The Honourable Glen Clark**, former Premier of British Columbia, now under criminal investigation by the police in British Columbia for corrupt practices and who, in writing, advised Sun Belt that Her Majesty's government in British Columbia genuinely wished to negotiate a reasonable out of court settlement the claim. And who, in 1991, told the provincial legislature that

"the Vancouver Stock Exchange was infested with crooks cronies deposed dictators and the mafia"

However, after he was elected, neither Mr. Clark nor his colleagues took any steps to investigate the scandalous conduct of Her Majesty's previous Social Credit government, which with the assistance of the Office of the Attorney General, provided W.C.W. Western Canada Water Enterprises Ltd. with illegal benefits enabling it to tout its shares on the notoriously corrupt Vancouver Stock Exchange. Further, under the guidance of Mr. Clark and Mr. Dosanjh, Her Majesty's government has prevented the public disclosure of relevant documents suggesting the criminals remain entrenched in the bureaucracy at the Attorney General's Office and elsewhere in Her Majesty's government of British Columbia.

11. Sun Belt respectfully notifies the Queen that it is claiming condemnation and satisfaction against the following of Her Ministers and Employees of the government of Canada who, under international law and under their Oath of Allegiance to Her Majesty, have a duty to Sun Belt to ensure that Her Majesty's government of Canada comply with Her Majesty's international obligations of "*transparency*" and "*good faith*" as required under the provisions of Article 102 of the NAFTA and Article 26 of the VIENNA CONVENTION ON THE LAW OF TREATIES.

- a. **Mr. John Gero**, Director General Trade Policy, Department of Foreign Affairs and International Trade, Ottawa, Canada, who, acting in "*bad faith*", failed to disclose any new documents or evidence in the NAFTA Chapter 11 consultations, contrary to Canada's obligations for "*transparency*" under Article

102 of the NAFTA

- b. **Mr. Joseph de Pencier**, Legal Counsel for the Department of Foreign Affairs and International Trade, Ottawa, Canada, who, acting in "*bad faith*", failed to disclose any new documents or evidence in the NAFTA Chapter 11 consultations, contrary to Canada's obligations for "*transparency*" under Article 102 of the NAFTA.
- c. **The Honourable Lloyd Axworthy**, the Minister of Foreign Affairs for Canada who is responsible to insure compliance by Her Majesty's federal government employees with both the NAFTA and the VIENNA CONVENTION ON THE LAW OF TREATIES.
- d. **The Honourable Sergio Marchi**, the former Minister of International Trade for Canada and now Canada's Ambassador to the World Trade Organization in Geneva, Switzerland, an international bank haven country and who was responsible to insure Her Majesty's federal government employees, Mr. Gero and Mr. de Pencier would act in "*good faith*" and in accordance with Canada's obligations for "*transparency*" under the NAFTA and who did not act accordingly.

12. Sun Belt respectfully notifies the Queen that it reserves to right to include in its claim for condemnation and satisfaction those persons who were and may still be Ministers, Employees or Judges of the Queen, both in the government of Canada and/or the government of British Columbia, and who conspired to defeat Sun Belt's business interests through the exercise of the corrupt practices carried out by the Office of the Attorney General for British Columbia from 1989 to date. The identity of these persons remains hidden due to the fact that Her Majesty's present Attorney General for British Columbia, The Honourable Ujjal Dosanjh, and his professional employees, in breach of their Oaths of Allegiance to the Queen and in further breach of their Oaths as Barristers and Solicitors taken upon entry into the Legal Profession of British Columbia, have, wrongfully and corruptly, refused to

provide Sun Belt with full and proper pre-trial disclosure as required by the laws of the province of British Columbia, the domestic laws of Canada, Article 102 of the NAFTA and Article 26 of the VIENNA CONVENTION ON THE LAW OF TREATIES.

13. Sun Belt respectfully notifies the Queen that it attempted to resolve its claim through resort to the domestic courts of British Columbia. However, due to the corrupt and illegal actions of the Attorney General for British Columbia, The Honourable Ujjal Dosanjh, and his staff, which administer the court system in that province, and through a series of perverse judgements Sun Belt was denied due process and access to justice in the British Columbia domestic court system. The delay and denial of due process under the law directed by The Honourable Ujjal Dosanjh, Attorney General for British Columbia, and his staff, dishonestly and in "*bad faith*" were part of an admitted tactic to drain Sun Belt's financial resources. Accordingly, Sun Belt is now moved to seek redress under the provisions of Chapter 11 of the NAFTA.

14. Sun Belt respectfully notifies the Queen that her Ministers and Employees in British Columbia, on September 25, 1989, contrary to their Oaths Of Allegiance to the Queen and, in the case of the Attorney General and his professional staff, contrary to their Oaths as Barristers and Solicitors, taken upon entry to the Legal Profession, caused Her Majesty to enter into a contract with a company that was linked to organized crime, i.e. a

"mob company" and the *"mafia"*, and to confer on that *"mob company"* a lucrative and exclusive water export franchise contrary to the laws passed by the **Legislature of the Province of British Columbia** and contrary to the laws passed by the **Parliament of Canada**, and thereby caused Her Majesty to violate Her **Coronation Oath**, in breach of the first principle of law underlying the **British Parliamentary** form of government which is explicitly a part of the **Constitution of Canada**.

15. Sun Belt respectfully notifies the Queen that four days after the making of the corrupt and illegal contract there was a private placement of shares and warrants to an entity known as the **Royal Bank of Switzerland S.A.** which witnesses report operated an account in Her Majesty's Crown Colony of the **Cayman Islands**, another international bank haven colony, which has a notorious reputation as a secret haven for money obtained by illegal and corrupt practices carried out by criminals, corrupt politicians and corrupt government employees in Canada and elsewhere.

16. Sun Belt respectfully notifies the Queen pursuant to **Chapter 11 of the NAFTA** the past and continuing actions of Her Ministers and Employees constitute violations of the **Section A of Chapter 11 of the NAFTA** as follows:

- a. a breach of the national treatment provisions of **Article 1102** arising when the Queen compensated Sun Belt's Canadian partner but, as became evident in February, 1997, had no intention of compensating Sun Belt for damages arising in similar circumstances;

- b. a breach of the minimum standard of treatment provisions of **Article 1105** requiring the Queen to treat Sun Belt in accordance with international law, including fair and equitable treatment and protection and security.
- c. the actions of the Queen are measures tantamount to nationalization or expropriation of the investment of Sun Belt under **Article 1110** of Chapter 11 of the **NAFTA** entitling Sun Belt to full compensation in accordance with paragraphs 2 through 6 of **Article 1110**
- d. through the conduct of Her agents employed with the federal government of Canada the Queen has failed to comply with the rule and principle of "*transparency*" as required by **Article 102** of the **NAFTA** in relation to the consultations which took place between December 2, 1998, and June 1, 1999 as required by **Article 1118** and in relation to attempts by Sun Belt to resolve its claim fairly and equitably;
- e. through the conduct of Her Ministers and Employees with the federal government of Canada, the Queen has in "*bad faith*" refused all requests of Sun Belt to engage in negotiations as contemplated by **Article 1118**.
- f. through acts of "*bad faith*" and other forms of morally dishonest and dishonourable conduct by Her Majesty's Ministers and Employees which constitute violations of **Article 26** of the **VIENNA CONVENTION ON THE LAW OF TREATIES** which applies to the **NAFTA** and the violations of which afford Sun Belt remedies under **Article 1105** of the **NAFTA**.

21. Further particulars of the claim of Sun Belt are set out in the twenty three page Notice Of Intent To Submit A Claim For Arbitration delivered on December 2, 1998.

22. Further and better particulars of the claim of Sun Belt will be provided in the Statement of Claim which will be delivered as required by the **UNCITRAL** Arbitration Rules which Statement of Claim will also set out more of the detail concerning the tortious acts of the Ministers, Employees and Judges of Her Majesty's governments of Canada and

British Columbia.

23. Sun Belt respectfully notifies the Queen that it acquired knowledge of the alleged breaches of NAFTA in May, 1997, when it first acquired a copy of the secret agreement between Her Majesty's government in British Columbia and W.C.W. Western Canada Water Enterprises Ltd. The agreement showed a secret violation of the British Columbia Water Act and the Canada US Free Trade Agreement and proved that the representations and promises of Her Majesty's Ministers and Employees were made dishonestly and fraudulently for the purpose of deceiving Sun Belt and its legal counsel.

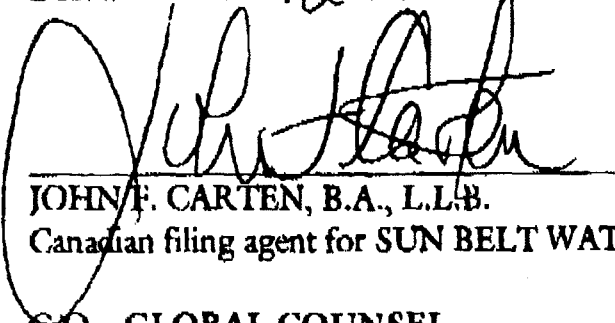
24. As a consequence of the actions of the agents for the Queen in British Columbia government and the Canadian federal government, Sun Belt files this Notice Of Claim under the UNCITRAL Arbitration Rules, and claims as follows:

- a. under Article 1135 (1)(b) of Chapter 11 of the NAFTA, Sun Belt claims an Order for the restoration of the water export licencing arrangements that were promised to Sun Belt by Her Majesty's Ministers and Employees in British Columbia from 1989 to 1991, and which prompted Sun Belt to incur the Sun Belt reliance costs acting on the ostensible "*good faith*" of Her Majesty's Ministers and Employees.
- b. Sun Belt claims and Order and Declaration that the moratorium imposed on the export of fresh water in marine tanker by the government of British Columbia by Order In Council under the Water Act was illegal and contrary to international law.

- c. Sun Belt claims an Order and Declaration that the restrictions imposed on the export of fresh water in marine tanker by the Water Protection Act of British Columbia are illegal and contrary to international law.
- d. Sun Belt claims damages for the recovery of the Sun Belt reliance costs in the sum of \$3.6 million (USD) plus reasonable interest from March 18, 1991, to date.
- e. Sun Belt claims damages for the recovery of the Sun Belt temporary lost business opportunity in the sum of \$1.5 BILLION (USD) after adjustment for its reliance costs and reasonable interest.
- f. Alternatively, in lieu of the Orders requested in paragraphs ²⁴~~23~~ (a), (b), (c) and (d) herein, Sun Belt claims damages for the recovery of the Sun Belt permanent lost business opportunity in the sum of \$10.5 BILLION (USD)
- g. this arbitration is invoked under Article 1115 of Chapter 11 of the NAFTA and the arbitration will be in reference to breaches of Articles 1102, 1105 and 1113 of Chapter 11 of the NAFTA, beaches of Articles 26 and 27 of the VIENNA CONVENTION ON THE LAW OF TREATIES and various international torts carried out by the Her Majesty's Ministers, Employees, and Judges
- h. Sun Belt claims damages for the recovery the legal and managerial costs of the frustrated legal action in the British Columbia court system in the sum of \$3 MILLION DOLLARS (USD).
- i. Sun Belt claims Orders for reproof, dismissal, fine or imprisonment along with commensurate indemnity as satisfaction for the harm it has suffered as a result of the various acts of "bad faith" and other international torts carried out by the Ministers, Employees, and Judges of the Queen.
- j. Sun Belt claims the costs associated with these arbitration proceedings.

ALL OF WHICH IS RESPECTFULLY SUBMITTED.

DATED THIS ^{12th} DAY OF OCTOBER, 1999.



A large, stylized handwritten signature in black ink, appearing to read 'John F. Carten', is written over a horizontal line. The signature is enclosed in a large, hand-drawn oval.

JOHN F. CARTEN, B.A., L.L.B.
Canadian filing agent for SUN BELT WATER INC.

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