

September 30, 2020

LET'S UNITE AND STAND TOGETHER FOR CO-OPERATIVES

Dear Co-operators:

Proceedings in the B.C. Superior Court hearing to review the sale of Mountain Equipment Co-op's assets continue today and may only adjourn later this week.

What is at stake is more than the assets of the retailer, it is the democratic rights of the members, in this case those of Mountain Equipment Co-op that are enshrined in the Co-operative Associations Act of B.C. and in the by-laws of the co-operative. But it's much more than that.

British Columbia and regional jurisdictions across Canada, the U.S., and around the world have similar legislation. Should this legislation not be recognized by the Superior Court of British Columbia, it would be a trampling on the foundation upon which co-operatives have been built.

In Canada alone, financial and non-financial co-operatives are a key part of the social and economic backbone for our country. They represent 3.4% of our GDP and almost 200,000 jobs supporting individuals and their families. By measure of both jobs and GDP, the co-operative and mutual sector in Canada is larger than the telecommunications, mining, and auto manufacturing sectors, respectively. The average age of non-financial co-operatives in Canada, based on our federal government's own data, is 43.7 years. We should consider this something to safeguard with great energy and passion as we continue through these uncertain economic times. And through their core principle of 'Concern for Community', co-operatives across Canada and around the world are having an impact on the quality of lives every day by putting community first.

The Court has a remarkable opportunity through these proceedings to recognize that the Co-operative Associations Act of B.C. and the Companies' Creditors Arrangement Act (CCAA) share the same jurisdiction - that they are aligned in their purpose - that they share the same objectives of a fair and equitable process that considers all stakeholders.

If the Court simply looks at this as a case of a financially troubled retailer, this process could be used to undermine member capital contributions to co-operatives and erode public confidence in the co-operative model.

When we look among the 8,000 co-operatives in Canada that are built on the principles our sector is founded on, we see examples like Desjardins – 120 years old, United

Farmers of Alberta – 111 years old, Sollio Cooperative Group – 98 years old, Federated Co-operatives Limited – 92 years old, Agropur Dairy Cooperative – 82 years old, The Co-operators – 75 years old, Gay Lea Foods Co-operative – 62 years old.

Co-operatives aren't like traditional enterprises and if they 'are' built on co-operative principles, they thrive, create jobs, support their communities, and contribute to the quality of life and prosperity of their host communities, provinces, territories, and country.

I would encourage you, in solidarity with Co-operatives and Mutuals Canada, the British Columbia Co-operative Association, and the Alberta Community and Co-operative Association, and through our joint collaboration with the Save MEC campaign, to express through every channel and network at your disposal, the importance of this case, and how its domino effect could be precedent setting for co-operatives and mutuals in Canada, and other jurisdictions.

Let's unite, stand together, and set a precedent that allows co-operatives and mutuals to thrive.

Thank you,

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

André Beaudry
Executive Director
Co-operatives and Mutuals Canada