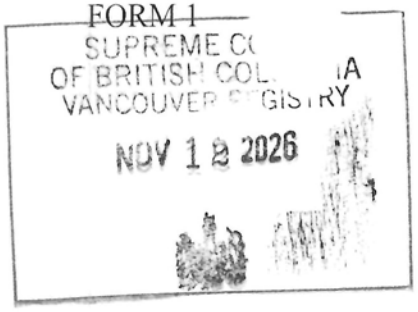
FORM 1



No. S 268408

Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

JESSIE BAINS

Plaintiff

AND:

BETTY VALENZUELA and HOSPITAL EMPLOYEES' UNION

Defendants

NOTICE OF CIVIL CLAIM

This action has been started by the Plaintiff for the relief set out in Part 2 below.

If you intend to respond to this action, you or your lawyer must:

(a) file a response to civil claim in Form 2 in the above-named registry of this Court within the time for response to civil claim described below; and

(b) serve a copy of the filed response to civil claim on the Plaintiff.

If you intend to make a counterclaim, you or your lawyer must:

(a) file a response to civil claim in Form 2 and a counterclaim in Form 3 in the above-named registry of this Court within the time for response to civil claim described below; and

(b) serve a copy of the filed response to civil claim and counterclaim on the Plaintiff and on any new parties named in the counterclaim.

JUDGMENT MAY BE PRONOUNCED AGAINST YOU IF YOU FAIL to file the response to civil claim within the time for response to civil claim described below.

Time for response to civil claim

A response to civil claim must be filed and served on the Plaintiff,

(a) if you were served with the notice of civil claim anywhere in Canada, within 21 days after that service,

(b) if you were served with the notice of civil claim anywhere in the United States of America, within 35 days after that service,

(c) if you were served with the notice of civil claim anywhere else, within 49 days after that service, or

(d) if the time for response to civil claim has been set by order of the Court, within that time.

PART 1: STATEMENT OF FACTS

A. The Parties

1. The Plaintiff, Jessie Bains (the "Plaintiff"), resides in British Columbia. He was a member in good standing of the Hospital Employees' Union ("HEU") from September 20, 2021 until November 4, 2024.

2. The Plaintiff is publicly engaged in matters concerning union governance, financial transparency, accountability and members' democratic rights, including through the website HEUBC.ca and associated public communications.

3. The Defendant Betty Valenzuela ("Valenzuela") is the elected Financial Secretary of HEU and a member of its Provincial Executive.

4. The Defendant Hospital Employees' Union ("HEU") is a trade union operating in British Columbia, with its principal office at 5000 North Fraser Way, Burnaby, British Columbia.

5. At all material times, Valenzuela acted in her official capacity as HEU's Financial Secretary, including in relation to the financial oversight of HEU locals, the commissioning and administration of an external investigation, and the communication of its findings to HEU members.

B. Background to the Financial Accountability Concerns

6. Beginning on December 4, 2025, the Plaintiff publicly raised concerns concerning the financial records, reporting obligations and financial oversight of HEU's Vancouver General Hospital Local (the "VGH Local").

7. The Plaintiff received information from persons claiming knowledge of the VGH Local's finances concerning possible financial irregularities, including allegations that approximately $250,000 or more might be unaccounted for.

8. The Plaintiff also raised concerns about the availability, completeness, preparation, trustee approval and submission of quarterly financial reports covering periods between 2022 and 2024.

9. The Plaintiff questioned whether HEU's Financial Secretary and Provincial Executive had exercised adequate financial oversight when the VGH Local allegedly failed to meet its reporting obligations.

10. In his public communications, the Plaintiff distinguished allegations received from sources from independently established facts and repeatedly called for original financial records to be produced and independently examined.

11. The Plaintiff did not possess the complete underlying financial records necessary to independently verify whether the financial allegations were accurate.

12. The Plaintiff's concerns included both the allegations of possible financial irregularities and the separate question of whether the VGH Local had complied with its obligations to provide timely and properly approved financial reports.

C. The December 4, 2025 Facebook Post

13. On December 4, 2025, the Plaintiff first publicly raised concerns about the VGH Local's finances, in a post on his Facebook page addressed to VGH Local members (the "December 4 Post").

14. In the December 4 Post, the Plaintiff asked a VGH Local member to file an ethics complaint against Valenzuela "for failing to enforce Article 19 and trusteeship obligations when VGH Local did not submit mandatory 2023/2024 quarterly financial reports," and referred to "a recent hearing regarding alleged theft exceeding $250,000."

15. The December 4 Post sought production of all missing quarterly financial reports and ledgers for 2023/2024, a formal compliance plan, and enforcement measures available under the HEU Constitution, including suspension of rebates and trusteeship under Articles 14(G) and 16(J).

16. The December 4 Post raised questions concerning financial reporting, transparency and oversight, and referred to allegations received from others. It did not assert as established fact that funds were missing or unaccounted for.

17. The Investigation Report described below did not refer to the December 4 Post.

D. The September 28, 2026 Communication to CUPE National

18. On September 28, 2026, the Plaintiff sent a written communication entitled "Urgent: CUPE National Oversight of Serious Financial Allegations at HEU" to CUPE National President Mark Hancock, CUPE National's Secretary-Treasurer and other union officials.

19. The September 28 communication was addressed directly to Valenzuela at her official HEU email address, BValenzuela@heu.org, in addition to other recipients.

20. The Plaintiff also made the substance of the September 28 communication publicly available.

21. In that communication, the Plaintiff raised concerns about possible financial irregularities involving the VGH Local, including allegations received from sources concerning funds that might be unaccounted for, possible improper political expenditures and alleged personal benefits to HEU officials.

22. The Plaintiff expressly qualified those allegations, stating: "These are allegations that require investigation. I am not asking CUPE National to accept them as proven facts."

23. The Plaintiff requested that CUPE National initiate or require an independent forensic audit of the VGH Local's finances.

24. The Plaintiff further requested the preservation and examination of the VGH Local's original bank statements, financial ledgers, cancelled cheques, financial statements, trustee reports, expense records and related correspondence.

25. The Plaintiff specifically raised concerns about alleged deficiencies in financial and trustee reporting during 2022 through 2024 and questioned the adequacy of HEU's financial oversight during that period.

26. The Plaintiff requested an independent determination of whether VGH Local funds had been properly accounted for and whether any funds had been used for improper purposes.

27. The September 28 communication therefore expressly distinguished allegations requiring verification from proven misconduct and sought production of original financial records to establish the facts.

28. Valenzuela was an identified direct recipient of the September 28 communication approximately one month before the publication complained of in this action.

E. The External Investigation

29. HEU subsequently commissioned an external investigation concerning allegations publicly raised by the Plaintiff about the VGH Local's finances.

30. The investigation was conducted by Magnus Verbrugge of Southern Law LLP pursuant to terms of reference dated October 5, 2026.

31. The investigator delivered a report dated October 22, 2026, addressed to Valenzuela in her capacity as HEU Financial Secretary (the "Investigation Report").

32. The Investigation Report concluded that the allegations of missing or misappropriated funds, improper political expenditures and personal financial benefits to HEU officials were not substantiated by the financial records examined.

33. The investigator reviewed monthly bank statements and cleared cheques for the period January 2023 through September 2026 and conducted a supporting-document spot audit of eleven transactions.

34. The investigator found no evidence in the records examined that VGH Local funds had been misappropriated, diverted to the BC NDP or used for the personal benefit of Valenzuela or HEU President Barb Nederpel.

35. The Investigation Report also expressly confirmed that the VGH Local had been delinquent in filing its quarterly financial reports during 2024 and 2025.

36. The investigator expressly stated in the Investigation Report: "I did not ask to review the VGH Local's Quarterly Reports."

37. The investigator further acknowledged that the VGH Local had failed for an extended period to meet its transparency and accountability obligations to its members.

38. The investigator also acknowledged that the late filing of quarterly financial reports "may have caused members of the VGH Local to reasonably and appropriately ask questions about the VGH Local's finances."

39. The investigator confirmed that the scope of the investigation was limited to assessing the financial allegations and did not include findings concerning the VGH Local's financial procedures and practices.

40. The investigator acknowledged that the Plaintiff was careful to distinguish allegations from established facts in his public communications.

41. The Plaintiff was not interviewed by the investigator in the course of the investigation, was not asked to provide information or documents, and was not provided with a copy of the Investigation Report before its findings were published to members.

42. Valenzuela was the addressee of the Investigation Report and was in a position to know its findings, qualifications and stated limitations before issuing the October 30, 2026 membership communication described below.

F. The October 30, 2026 Publications

43. On October 30, 2026, HEU distributed a written communication to VGH Local members bearing the subject line "VGH local financial review complete: funds accounted for" (the "Publication").

44. The Publication was distributed using HEU's official communication system, from members@heu.org, and displayed HEU's name, branding and organizational identification.

45. The Publication was signed by Valenzuela in her official capacity as Financial Secretary of HEU.

46. The Plaintiff pleads that Valenzuela authored, approved, authorized or adopted the Publication and participated in causing its distribution.

47. The Plaintiff further pleads that HEU, through its authorized officers, employees or representatives, issued, authorized, adopted or distributed the Publication in the course of union business.

48. The Publication expressly identified the Plaintiff by name and stated: "Former HEU member Jessie Bains publicly circulated a false and misleading claim that approximately $250,000 was missing or unaccounted for at the VGH local."

49. The Publication further stated: "All of Bains's allegations were unfounded and had no foundation in fact."

50. The Publication further stated that the investigator found no evidence "that former VGH local chair Lisa Kreut signed cheques for improper expenditures as claimed by Bains."

51. The Plaintiff pleads that, in stating that he had "claimed" that former VGH Local Chair Lisa Kreut signed cheques for improper expenditures, the Publication attributed to him an unqualified factual assertion he did not make. The Plaintiff's communications had raised questions concerning Ms. Kreut's role as an authorized signing officer, the adequacy of financial oversight and the need to examine the underlying expenditure records. The Plaintiff pleads that the attribution in the Publication materially mischaracterized the nature of those communications.

52. The Publication reproduced the investigator's conclusion that: "Mr. Bains's Allegations are entirely unsubstantiated, unfounded, and without merit."

53. The Publication also stated: "Now that the findings are available, continuing to circulate these false allegations without supporting evidence would divert further resources from serving members."

54. The Publication was communicated to members of the VGH Local, being persons other than the Plaintiff. The precise number of recipients is presently unknown to the Plaintiff.

55. On the same day, October 30, 2026, at approximately 5:05 p.m., HEU published a post on its official Facebook page under the name "Hospital Employees' Union" (the "Facebook Post"; together with the Publication, the "Publications").

56. The Facebook Post expressly identified the Plaintiff by name and stated: "Former HEU member Jessie Bains publicly circulated a false and misleading claim over the past several months that approximately $250,000 was missing or unaccounted for at the Vancouver General Hospital local."

57. The Facebook Post repeated that the investigator found no evidence that "former VGH local chair Lisa Kreut signed cheques for improper expenditures as claimed by Bains," and

concluded: "All of these allegations were unfounded."

58. The Facebook Post included a publicly accessible link to the full Investigation Report.

59. The Facebook Post was published on a Facebook page operated by HEU that is open to the general public. It was accessible to any member of the public and was not restricted to HEU members or to members of the VGH Local.

60. The Plaintiff pleads that HEU, through its authorized officers, employees or representatives, published, authorized or adopted the Facebook Post through its official public Facebook page. The Plaintiff further pleads that the Facebook Post substantially repeated statements contained in the earlier membership communication signed by Valenzuela. The extent of Valenzuela's personal participation in authorizing, approving or directing the Facebook Post is presently unknown to the Plaintiff.

61. The Facebook Post was published at approximately 5:05 p.m. on October 30, 2026, after the Plaintiff's Legal Notice, described below, had been sent at approximately 4:20 p.m. that day to Valenzuela, HEU and HEU's legal counsel, expressly disputing the impugned characterizations and requesting that the Defendants refrain from republishing them as established fact.

G. The Plaintiff's October 30, 2026 Legal Notice and the Defendants' Failure to Respond

62. On October 30, 2026, within hours of the Publication, the Plaintiff sent a formal written notice to Valenzuela at her official HEU email address, copied to HEU's legal counsel, Matthew Desmarais, and to HEU (the "Legal Notice").

63. The Legal Notice identified the impugned statements, disputed the characterization of the Plaintiff's allegations as "false and misleading," and set out the respects in which the Plaintiff maintained the Publication materially misrepresented his concerns, including its failure to distinguish allegations of misappropriation from legitimate questions concerning financial reporting and oversight.

64. The Legal Notice requested, among other things, that Valenzuela confirm whether she personally authored, reviewed or approved the Publication, identify the factual basis for

characterizing the Plaintiff's allegations as false and without foundation, and issue a clarification acknowledging the financial reporting failures confirmed by the Investigation Report and distinguishing those failures from the allegations of improper expenditures.

65. The Legal Notice further requested that Valenzuela refrain from republishing the disputed characterizations as established fact without accurately representing their context, and that relevant records be preserved, including the Publication's distribution records and drafts and internal communications concerning its preparation and approval.

66. The Legal Notice requested a substantive written response within seven calendar days.

67. As of the date of this Notice of Civil Claim, neither Valenzuela nor HEU has provided a substantive response to the Legal Notice, and neither has issued a clarification, correction or retraction of the impugned statements.

H. Selective Presentation and Material Omissions

68. Before issuing the Publication, Valenzuela had been sent the Plaintiff's September 28, 2026 communication to CUPE National, which expressly identified the allegations as unproven and requested independent verification and examination of original financial records.

69. The Publication concentrated upon the investigator's rejection of the allegations concerning approximately $250,000 and possible improper expenditures, without adequately communicating the broader context of the Plaintiff's documented financial reporting concerns and requests for independent verification.

70. The Publication acknowledged that VGH Local quarterly financial reports had been submitted late during 2024 and 2025.

71. However, the Publication did not disclose that the investigator had expressly declined to review the original quarterly reports.

72. The Publication also did not explain that the investigator's mandate excluded findings concerning the VGH Local's financial procedures and practices.

73. The Publication did not inform members that the investigator had expressly acknowledged that the VGH Local failed for an extended period to meet its transparency and accountability obligations.

74. The Publication did not inform members that the investigator had expressly acknowledged that the late filing of quarterly reports could reasonably and appropriately cause members to question the VGH Local's finances.

75. Although the Publication reported the findings rejecting the financial allegations, it did not adequately distinguish those findings from the Plaintiff's separate questions regarding quarterly financial reporting, trustee oversight and access to original financial documents.

76. The Publication did not identify the particular prior statements or publications relied upon when describing the Plaintiff's allegations as "false and misleading."

77. The Plaintiff pleads that, in the circumstances of the Publication as a whole, the selective presentation of the investigation's findings and the omission of the qualifications contained in the Plaintiff's own communications and in the Investigation Report conveyed a materially misleading impression of the Plaintiff's conduct.

78. In particular, the Plaintiff pleads that the Publication was capable of being understood as suggesting that he had irresponsibly or dishonestly circulated false financial information, rather than having raised allegations identified as unverified and sought documentary confirmation.

79. The Plaintiff does not allege that the Investigation Report established theft, misappropriation, improper political expenditures or personal enrichment.

80. Rather, this action concerns the defamatory meaning and effect of the Defendants' characterization of the Plaintiff personally, having regard to the context known to them and the qualifications contained in the Investigation Report and in the Plaintiff's December 4, 2025 Facebook post and September 28, 2026 communication.

I. Defamatory Meaning

81. The Plaintiff pleads that the impugned statements, in their natural and ordinary meaning and in the context of the Publications as a whole, were defamatory of the Plaintiff.

82. The Plaintiff pleads that the statements conveyed, or were reasonably capable of conveying, the following meanings:

(a) the Plaintiff had publicly disseminated false or misleading information concerning HEU finances;

(b) the Plaintiff had made serious allegations without any reasonable factual basis;

(c) the Plaintiff had acted irresponsibly or dishonestly in communicating financial concerns;

(d) the Plaintiff was unreliable or untrustworthy as a source of information concerning HEU governance and financial accountability; and

(e) the Plaintiff's continued public advocacy concerning these matters improperly diverted union resources from serving members.

83. The Plaintiff pleads that these meanings were capable of lowering his reputation in the estimation of reasonable persons, including HEU members and members of the general public familiar with his activities concerning union accountability.

84. The Plaintiff further pleads that the defamatory impression arose not merely from the reporting of the investigator's findings, but from the Defendants' characterization of the Plaintiff personally, viewed in the context of the Publications as a whole.

J. Malice

85. The Plaintiff pleads that, in publishing the impugned statements, the Defendants acted with malice or, alternatively, in excess of any qualified privilege that may attach to the Publications.

86. Particulars of the facts and circumstances relied upon in support of malice include:

(a) the Plaintiff's September 28, 2026 communication was addressed directly to Valenzuela at her official HEU email address, approximately one month before the Publication, and that communication expressly identified the allegations as unproven and requested an independent examination of the relevant financial records;

(b) Valenzuela was the addressee of the Investigation Report, which concluded that the Plaintiff's financial allegations were unsubstantiated, unfounded and without merit, while also acknowledging that the Plaintiff had expressly distinguished allegations from established facts and that the VGH Local had failed to comply with its financial reporting obligations for an extended period;

(c) the Investigation Report expressly stated that the investigator did not ask to review the VGH Local's quarterly reports and that the investigation's mandate did not include findings concerning the VGH Local's financial procedures and practices;

(d) the Investigation Report confirmed that the VGH Local had been delinquent in its quarterly financial reporting during 2024 and 2025 and acknowledged that the late filing of quarterly reports could reasonably and appropriately cause members to question the VGH Local's finances;

(e) notwithstanding that knowledge, the Publication characterized the Plaintiff's communications as a "false and misleading claim" without qualification and attributed to the Plaintiff unqualified factual assertions;

(f) the Publication did not identify which of the Plaintiff's numerous prior statements the Defendants relied upon as false or misleading, depriving the Plaintiff of any fair opportunity to respond to a specific allegation;

(g) the Defendants did not contact or interview the Plaintiff, and did not provide him with the Investigation Report, before publishing the impugned statements about him to the membership; and

(h) the timing of the Publication, approximately one week after delivery of the Investigation Report and in the context of the Plaintiff's ongoing public advocacy and litigation concerning HEU, is capable of supporting an inference that the Publication

was motivated, in whole or in part, by a purpose of discrediting the Plaintiff's advocacy rather than merely informing members of the investigation's findings; and

(i) on October 30, 2026, approximately 45 minutes after the Plaintiff sent his Legal Notice disputing the impugned statements and requesting that they not be republished, HEU published substantially similar statements on its official Facebook page, accessible to the general public. The Plaintiff relies upon the broader audience, the nature of the statements, the timing of publication and the surrounding circumstances as matters relevant to whether the Facebook Post was published on an occasion of qualified privilege, whether any privilege was exceeded, and whether the Defendants acted with malice; and

(j) as of the date of this Notice of Civil Claim, the Defendants had not provided a substantive response to the Legal Notice or issued a clarification, correction or retraction of the impugned statements, which remain published, including on HEU's public Facebook page.

(k) the Plaintiff first publicly raised concerns about the VGH Local's finances on December 4, 2025, identifying the VGH Local's failure to submit mandatory quarterly financial reports and calling for enforcement of the HEU Constitution's financial accountability provisions, being the same reporting delinquency during 2024 and 2025 that the Investigation Report subsequently confirmed, yet the Publications characterized the Plaintiff's communications as a "false and misleading claim" without acknowledging the financial reporting and oversight concerns at the core of the Plaintiff's advocacy.

87. The Plaintiff pleads that such malice, if established, defeats any defence of qualified privilege or fair comment and is relevant to the assessment of aggravated and punitive damages.

K. Responsibility of the Defendants

88. Valenzuela issued, authorized or adopted the Publication in her capacity as HEU Financial Secretary. The extent of Valenzuela's personal participation in authorizing, approving or directing the Facebook Post is presently unknown to the Plaintiff.

89. HEU provided the institutional means through which the Publications were distributed, including its official email system, branding, membership distribution arrangements and its official public Facebook page.

90. The Plaintiff pleads that HEU directly authorized, adopted or participated in the publication of the impugned statements, including by publishing the Facebook Post on its own public Facebook page.

91. Further or alternatively, the Plaintiff pleads that HEU is vicariously liable for any actionable defamatory publication committed by Valenzuela within the course and scope of her authorized union duties.

92. The Plaintiff claims that the Defendants are jointly and severally liable for the damages caused by the Publications or liable in such proportions as the Court determines.

L. Harm to the Plaintiff's Reputation

93. The Plaintiff has maintained a public profile in matters concerning union democracy, financial transparency, accountability and members' rights, including through the website HEUBC.ca and associated public communications.

94. The Publication identified the Plaintiff by name and challenged his credibility concerning matters central to his public advocacy.

95. The Publication was distributed to the members of the VGH Local — the very community within which the Plaintiff's advocacy is directed and in relation to which his credibility is of central importance.

96. The Facebook Post was published on a publicly accessible page and was not restricted to union members, making the impugned statements identifying the Plaintiff available to persons outside HEU's membership, including members of the public familiar with the Plaintiff's advocacy. The precise number of persons who viewed, shared or otherwise accessed the Facebook Post is presently unknown to the Plaintiff.

97. The Plaintiff pleads that the Publications tended to injure his reputation, standing and credibility among HEU members and other persons familiar with his union-related

activities.

98. The Plaintiff has suffered reputational injury, distress and embarrassment as a consequence of the Publications.

99. Following the Plaintiff's written objection to the Publication and his request for clarification or correction, the impugned statements remained uncorrected and were republished to the general public in the Facebook Post. The Plaintiff relies upon the circumstances of the Publications and the subsequent conduct of the Defendants, to the extent established by the evidence, in support of his claim for aggravated damages.

100. The Plaintiff claims general damages for the injury caused by the defamatory publication, in an amount to be assessed by the Court.

PART 2: RELIEF SOUGHT

The Plaintiff seeks the following relief against the Defendants Betty Valenzuela and the Hospital Employees' Union, jointly and severally where legally appropriate:

101. General damages for defamation in an amount to be assessed by the Court.

102. Aggravated damages if the evidence establishes conduct justifying such an award.

103. Punitive damages if the evidence establishes malicious, high-handed or otherwise sufficiently reprehensible conduct warranting such an award.

104. A declaration that the statements found by the Court to be defamatory of the Plaintiff were not legally justified.

105. An injunction restraining further publication or republication by the Defendants of statements determined by the Court to be defamatory, on such terms as the Court considers appropriate.

106. Prejudgment and postjudgment interest pursuant to the Court Order Interest Act, as applicable.

107. Costs of this proceeding, including applicable taxes and disbursements.

108. Such further and other relief as this Honourable Court considers just.

PART 3: LEGAL BASIS

A. Defamation

109. The Plaintiff relies upon the common law tort of defamation, including libel, and the applicable provisions of the Libel and Slander Act, R.S.B.C. 1996, c. 263.

110. To establish the cause of action, the Plaintiff pleads that:

(a) the words complained of were defamatory in their natural and ordinary meaning and in the context in which they were published;

(b) the words expressly identified and referred to the Plaintiff; and

(c) the Defendants published the words to persons other than the Plaintiff.

111. The Publications were written and electronically distributed, were capable of injuring the Plaintiff's reputation and constitute actionable libel, subject to any valid defence established by the Defendants. General damages are presumed in an action for libel.

B. Misleading Defamatory Impression

112. The Plaintiff relies upon the natural and ordinary meaning of the impugned words, considered in the context of the Publications as a whole.

113. The Plaintiff pleads that the Defendants' characterization of his allegations, coupled with the omission of material qualifications and context, created a defamatory impression concerning his honesty, reliability and responsibility in communicating financial concerns.

114. The Plaintiff relies upon the December 4, 2025 Facebook post, the September 28, 2026 CUPE National communication, the October 22, 2026 Investigation Report and the October 30, 2026 Publications (including the Facebook Post) as documents relevant to the context in which the impugned words must be understood, including the express qualifications contained in the Plaintiff's own communications and the stated limitations of the Investigation Report.

C. Malice

115. The Plaintiff relies upon the facts pleaded in Part 1, Section j as material facts supporting malice, excess of privilege, and the claims for aggravated and punitive damages.

D. Anticipated Defences and Reply

116. The Plaintiff acknowledges that the Defendants may raise defences including justification (substantial truth), qualified privilege, fair comment and responsible communication on matters of public interest.

117. The Plaintiff pleads that the defamatory meanings alleged in Part 1 were not substantially true and were not legally justified. Although the Investigation Report concluded that the Plaintiff's financial allegations were unsubstantiated, unfounded and without merit, it also acknowledged the Plaintiff's express distinction between allegations and established facts, confirmed extended financial reporting deficiencies and identified limitations in the investigation's scope. The Plaintiff pleads that the Publications conveyed a defamatory impression concerning his honesty, credibility and conduct that was not justified by those findings when considered in their full context.

118. To the extent that the Defendants rely on qualified privilege, the Plaintiff pleads that the unrestricted publication of the Facebook Post to the general public raises a separate issue concerning the existence and scope of any such privilege. The Plaintiff relies upon the audience, content, purpose and circumstances of the Facebook Post, together with the facts pleaded concerning malice, in support of his position that any applicable privilege was unavailable, exceeded or defeated, and to defeat any defence of fair comment.

119. To the extent that the Defendants rely on responsible communication on matters of public interest, the Plaintiff pleads that the Defendants did not exercise reasonable diligence in the circumstances: they failed to contact the Plaintiff before publication, failed to identify the specific statements relied upon, published a characterization of the Plaintiff that went

beyond the findings of the Investigation Report itself, and republished that characterization to the general public after the Plaintiff's written objection had been sent to them.

E. Liability of HEU

120. The Plaintiff relies upon the common law principles of direct publication, authorization, adoption of defamatory statements and vicarious liability.

121. The Plaintiff pleads that Valenzuela acted within the course and scope of her authorized union functions when participating in the Publication.

122. The Plaintiff pleads that HEU authorized, adopted, distributed or otherwise participated in the Publications, including by publishing the Facebook Post on its own public Facebook page, and is liable for its own publication, or alternatively is vicariously liable for Valenzuela's actionable conduct.

F. Particulars

123. If the Defendants plead substantial truth or fair comment, the Plaintiff relies on Rule 3-7(21) of the Supreme Court Civil Rules, which requires a defendant in a libel or slander action who pleads those defences to provide particulars of the facts relied on in support of them.

124. The Plaintiff will seek particulars of the facts relied on by the Defendants in support of any plea that the impugned statements, including the characterization of the Plaintiff's communications as "false and misleading," were substantially true or constituted fair comment.

125. The Plaintiff further relies on Rules 3-7(22) and 3-7(23) concerning demands for particulars and applications for further and better particulars where appropriate.

G. Damages and Relief

126. The Plaintiff relies on the common law principles governing general, aggravated and punitive damages in defamation actions.

127. The Plaintiff relies on the Court Order Interest Act and the Supreme Court Civil Rules concerning interest, costs and procedural relief.

Plaintiff's address for service: Jessie Bains, [redacted]

E-mail address for service: [redacted]

Telephone: (604) 365-3400

Place of trial: Vancouver, British Columbia

The address of the registry is: 800 Smithe Street, Vancouver, BC V6Z 2E1

Date: November 12, 2026

Jessie Bains

Rule 7-1 (1) of the Supreme Court Civil Rules states:

(1) Unless all parties of record consent or the court otherwise orders, each party of record to an action must, within 35 days after the end of the pleading period,

(a) prepare a list of documents in Form 22 that lists

(i) all documents that are or have been in the party's possession or control and that could, if available, be used by any party at trial to prove or disprove a material fact, and

(ii) all other documents to which the party intends to refer at trial, and

(b) serve the list on all parties of record.

APPENDIX

The following information is provided for data collection purposes only and is of no legal effect.

Part 1: CONCISE SUMMARY OF NATURE OF CLAIM:

Claim for damages for defamation (libel) arising from statements published about the Plaintiff by name on October 30, 2026 in an email distributed to union members and in a post on the Defendant HEU's public Facebook page.

Part 2: THIS CLAIM ARISES FROM THE FOLLOWING:

[Check one box below for the case type that best describes this case.]

A personal injury arising out of:

[ ] a motor vehicle accident

[ ] medical malpractice

[ ] another cause

A dispute concerning:

[ ] contaminated sites

[ ] construction defects

[ ] real property (real estate)

[ ] personal property

[ ] the provision of goods or services or other general commercial matters

[ ] investment losses

[ ] the lending of money

[ ] an employment relationship

[ ] a will or other issues concerning the probate of an estate

[X] a matter not listed here

Part 3: THIS CLAIM INVOLVES:

[Check all boxes below that apply to this case.]

[ ] a class action

[ ] maritime law

[ ] aboriginal law

[ ] constitutional law

[ ] conflict of laws

[X] none of the above

[ ] do not know

Part 4:

[If an enactment is being relied on, specify. Do not list more than 3 enactments.]

Libel and Slander Act, R.S.B.C. 1996, c. 263

Court Order Interest Act, R.S.B.C. 1996, c. 79

VANCOUVER
NOV 12 2026
REGISTRY

No. S 268408

Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

JESSIE BAINS

Plaintiff

AND:

BETTY VALENZUELA and HOSPITAL EMPLOYEES' UNION

Defendants

AFFIDAVIT OF JESSIE BAINS

I, **JESSIE BAINS**, o[redacted]British Columbia, semi-retired,

AFFIRM THAT:

1. I am the Plaintiff in this proceeding and have personal knowledge of the matters stated in this affidavit, except where otherwise indicated.
2. I was a member in good standing of the Hospital Employees' Union ("HEU") from September 20, 2021 to November 4, 2024. I continue to advocate publicly for financial transparency, accountability and democratic rights within HEU through my website, HEUBC.ca, and social media.

3. Beginning in late 2025 and continuing through 2026, I received information from persons concerning the financial management of HEU's Vancouver General Hospital Local ("VGH Local"), including allegations that approximately $250,000 might be unaccounted for and concerns about financial and trustee reporting during 2022 to 2024. These were allegations brought to my attention, not facts that I had independently established.
4. Beginning on December 4, 2025, and continuing through 2026, I published posts asking questions about VGH Local financial reporting, the availability of trustee reports and financial oversight. I also called for an independent examination of the Local's financial records. The Investigation Report described below separately identifies delinquent Quarterly Reports during 2024 and 2025; I do not represent that it confirmed deficiencies for the whole of 2022 to 2024.
5. On December 4, 2025, I first publicly raised concerns about the VGH Local's finances in a post on my Facebook page addressed to VGH Local members. In that post, I asked a VGH Local member to file an ethics complaint against HEU's Financial Secretary, Betty Valenzuela ("Valenzuela"), "for failing to enforce Article 19 and trusteeship obligations when VGH Local did not submit mandatory 2023/2024 quarterly financial reports," and referred to "a recent hearing regarding alleged theft exceeding $250,000." Attached and marked as Exhibit A is a true copy of that post. The Investigation Report described below does not refer to the December 4, 2025 post, and states at page 3 that I did not specify where the $250,000 figure came from.
6. On September 28, 2026, I emailed CUPE National and HEU officials, including Valenzuela, requesting an independent forensic audit and examination of the VGH Local's financial records. I wrote: "These are allegations that require investigation. I am

not asking CUPE National to accept them as proven facts." Attached and marked as Exhibit B is a true copy of that email.

7. On October 30, 2026, at 2:54 p.m., HEU sent an email addressed to VGH Local members under the name of Valenzuela, HEU's Financial Secretary, entitled "VGH local financial review complete: funds accounted for" (the "Member Email"). The Member Email relies on an investigation report dated October 22, 2026, prepared by Magnus Verbrugge of Southern Law LLP for Valenzuela (the "Investigation Report"), which I describe further below. Attached and marked as Exhibit C is a true copy of the Investigation Report. A VGH Local member brought the Member Email to my attention after its distribution. I forwarded a copy to my own email address at 7:17 p.m. that day. The forwarded copy in Exhibit D does not identify that member. Attached and marked as Exhibit D is a true copy of the Member Email as forwarded to myself.

8. The Member Email identifies me by name and says that I "publicly circulated a false and misleading claim" that approximately $250,000 was missing or unaccounted for at the VGH Local. It also states: "All of Bains's allegations were unfounded and had no foundation in fact."

9. On October 30, 2026, at approximately 4:20 p.m., I sent Valenzuela a formal legal notice, copied to HEU and its counsel, disputing the statements about me, requesting clarification and preservation of evidence, and seeking a written response within seven calendar days. Attached and marked as Exhibit E is a true copy of that notice.

10. Later on October 30, 2026, at approximately 5:05 p.m., HEU published a post on its official public Facebook page (the "Facebook Post") identifying me by name and stating that I had "publicly circulated a false and misleading claim" concerning approximately

$250,000. The post also stated: "All of these allegations were unfounded." Attached and marked as Exhibit F is a true copy of that publication.

11. The Facebook Post states that I had claimed former VGH Local chair Lisa Kreut "signed cheques for improper expenditures." The Investigation Report, at page 10, instead describes me as implying or insinuating that signing cheques "may have made Ms. Kreut privy to improper expenditures." I refer to these passages to record their respective wording.

12. I obtained the Investigation Report from the publicly accessible link to the full report included in the Facebook Post.

13. At page 3, the Investigation Report describes the allegation about approximately $250,000 as an allegation that VGH Local funds "may be missing or unaccounted for" and states that the investigator inferred from my posts a connection to the 2022 to 2024 period. At page 4, the investigator wrote: "Mr. Bains is careful to state in his frequent posts that the Allegations are not established facts but are simply questions based on information he has received from members."

14. At pages 10 to 13, the Investigation Report concludes that the allegations were unsubstantiated and unfounded. In particular, at page 11, it says: "All of its funds for this period are accounted for, and its financial resources have increased, not diminished." The phrase "this period" follows the investigator's discussion of records beginning in 2023. The report also states that no evidence was found of misappropriation or improper expenditures in the records examined.

15. The Investigation Report states at page 2 that its scope was limited to determining whether the evidence substantiated the allegations and that it did not examine the VGH

Local's financial procedures and practices. At page 6 it states that the bank account statements supplied covered January 2023 to September 2026. At pages 6 and 7 it describes reviewing account statements and cleared cheques and a random spot audit of eleven transactions. The report does not state that a comprehensive forensic audit was conducted.

16. At page 12, the investigator expressly states that he did not attempt to obtain the VGH Local's financial records predating January 2023 and gives reasons for that decision, including record-retention considerations and the absence of red flags in the records he had reviewed. The period of account statements examined therefore did not include 2022, a year within the 2022 to 2024 period identified at page 3 in connection with the missing-funds allegation.

17. At pages 9 and 11, the Investigation Report states that the VGH Local had been delinquent in filing Quarterly Reports during 2024 and 2025 and that those reports were subsequently brought up to date. At page 11, the investigator states: "I did not ask to review the VGH Local's Quarterly Reports." He also states that the Local "failed for an extended period of time to meet its obligations of transparency and accountability to its members, but that is a governance issue that appears to have now been addressed."

18. At pages 11–12, the Investigation Report further states: "In any event, the late filing of Quarterly Reports may have caused members of the VGH Local to reasonably and appropriately ask questions about the VGH Local's finances, but it does not establish that anything improper occurred with the local's money because again, the Account Statements and other financial records provide a complete accounting."

19. I was not interviewed by the investigator, was not asked by him to provide my sources or supporting documents, and was not given the Investigation Report before the Member Email was sent. At page 3, the investigator states that he did not interview the assistant secretary-treasurer because the investigation concerned financial records rather than the identity of my sources.

20. As of the date of this affidavit, I have not received a substantive written response, correction or retraction from either Defendant to my October 30, 2026 legal notice.

21. I believe the Member Email and Facebook Post have harmed my reputation and credibility among persons familiar with my advocacy concerning HEU. Both publications identified me by name and characterized my statements as false or misleading. I am concerned that readers may understand those statements as suggesting that I knowingly or irresponsibly circulated false financial information, whereas I had described the information as allegations requiring investigation.

AFFIRMED BEFORE ME at the City of Surrey, in the Province of British Columbia, on this 10th day of November, 2026.

A Commissioner for taking Affidavits

within British Columbia

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JESSIE BAINS

Exhibit A 22
of the Affidavit
of Jessie Bains

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HEUBC – Uncensored

Jessie Bains Admin December 4, 2025

To: VGH Local Members

Re: Urgent Request – File Ethics Complaint Against Financial Secretary Betty Valenzuela

I'm asking a VGH Local member to file the attached ethics complaint against HEU Financial Secretary Betty Valenzuela for failing to enforce Article 19 and trusteeship obligations when VGH Local did not submit mandatory 2023/2024 quarterly financial reports.

Why this matters:

- Betty Valenzuela earns over **$250,000/year** as Financial Secretary—her constitutional duty is to enforce financial accountability and protect member funds.
- VGH Local failed to submit required quarterly reports during a period of acknowledged financial chaos, including a recent hearing regarding alleged theft exceeding **$250,000**.
- Instead of placing VGH Local under trusteeship or suspending rebates (as required by Articles 14(G) and 16(J)), the Local was reportedly told quarterly reports weren't necessary—**with no written authority**.
- Meanwhile, Ms. Valenzuela has time to attend NDP political rallies but not to deal with serious financial breaches at one of HEU's largest Locals.

The double standard:

- When it benefits leadership or political allies: constitutional requirements are waived, enforcement disappears.
- When it affects ordinary members or critics: strict compliance is demanded and discipline follows.

What I need:

A VGH Local member in good standing to file the attached Code of Conduct complaint with the Ethics Commissioner. The complaint is already written, strong, and grounded in the HEU Constitution. You just need to add your name, contact info, sign, and send.

Why a VGH member should file:

- You have direct knowledge of the quarterly reporting failure.
- You are directly harmed by the lack of transparency and oversight.
- Your voice carries weight because this is your Local and your dues.

This isn't personal—it's about accountability. If the Financial Secretary won't enforce the Constitution at a Local tied to her politically, what other breaches are being ignored? Members deserve answers and uniform enforcement of the rules.

Please contact me if you're willing to file. I will provide the completed complaint form and guide you through submission.

Subject: Code of Conduct Complaint – Failure to Enforce Article 19 and Trusteeship Obligations (VGH Local) – Respondent: Financial Secretary, Betty Valenzuela

To: Ethics Commissioner, HEU Ethics Office
Email: ethicscommissioner@heu-ec.ca

Please accept this Code of Conduct complaint pursuant to the HEU Code of Conduct and the HEU Constitution & By-Laws.

Who is involved in the complaint?

- Your name: [Member's full name]
- Your telephone number: [Member's phone]
- Your email address: [Member's email]
- Status: HEU Member

Respondent (Provincial Executive member complained about):

- Name: Ms. Betty Valenzuela
- Position: Financial Secretary, HEU (Provincial Executive)

What are the details of your complaint against the Respondent?

1. What happened (detailed account, role of respondent)

I allege that HEU Financial Secretary, Ms. Betty Valenzuela, breached the HEU Code of Conduct and failed to meet mandatory constitutional duties under Articles 6, 7, 8, 13, 16, and 19 by not enforcing quarterly financial reporting requirements at Vancouver General Hospital (VGH) Local in 2023/2024 and by failing to place the Local under trusteeship despite repeated non-compliance.

- Article 19 requires Locals to maintain accurate, current, auditable records and to submit quarterly financial reports; expenditures must be properly motioned and recorded; members must have access to financial information.
- Article 7 requires timely, accurate financial reporting to members to enable democratic oversight.
- Article 8 requires Trustees to conduct quarterly reviews and the Executive to ensure all required reports are completed.
- Article 16(J) expressly empowers the Financial Secretary, in consultation with Trustees, to suspend rebates to Locals that "repeatedly fail to provide Quarterly Report Forms" and to escalate until compliance is restored.
- Article 14(G) authorizes trusteeship where there is a "serious breach of the Constitution and By-Laws" or a threat to funds, assets, or records.
- Article 13 provides for discipline where officers breach constitutional duties.

Despite VGH Local reportedly not submitting mandatory quarterly financial reports for 2023/2024—and amid acknowledged financial disorder and a recent hearing regarding alleged theft exceeding $250,000—no written, formal exemption exists allowing non-submission; no trusteeship was imposed; and there is no record of constitutionally required enforcement actions (e.g., suspension of rebates, formal directives, or trusteeship) being taken by the Financial Secretary.

This constitutes selective non-enforcement that protects a Local closely tied to the Financial Secretary while other Locals face strict compliance and sanction for lesser lapses. It undermines transparency, obstructs member oversight, and damages confidence in HEU's stewardship of funds.

Remedy sought:

- A finding that Ms. Valenzuela failed to uphold constitutional duties and the Code of Conduct by not enforcing Article 19 and related provisions at VGH Local;

- Immediate direction to require VGH Local to produce all missing quarterly financial reports and ledgers for 2023/2024;
- A formal compliance plan with timelines, and, if non-compliance persists, suspension of rebates and/or trusteeship per Articles 14(G) and 16(J);
- A membership notice clarifying that mandatory reporting cannot be waived verbally and that any exemption requires written, documented authority consistent with the Constitution;
- Consideration of proportionate corrective/disciplinary action under Article 13;
- Assurance that selective enforcement will cease and that uniform application of Articles 6, 7, 8, 16, and 19 will be applied to all Locals.

1. How do you know about this conduct? (direct knowledge/witness/records)

- Member reports from VGH Local indicate 2023/2024 quarterly reports were not submitted and that the Local was "told" quarterly reports were not required.
- No written directive or constitutional authority has been produced to justify a reporting exemption.
- There was a recent hearing regarding alleged theft exceeding $250,000 at/connected to VGH Local, highlighting heightened risk and the need for strict compliance, not exemptions.
- The Constitution (attached excerpts) confirms mandatory reporting, oversight powers, and trusteeship tools that were not used.

1. When did the conduct take place? (dates/times if known)

- The non-submission pertains to the 2023/2024 fiscal reporting periods.
- The failure to enforce and/or to place the Local in trusteeship is ongoing until compliance is demonstrated and documented.

1. Code of Conduct sections alleged breached (tick/check the relevant boxes)

- Standards and expectations of conduct [X]
- Conflict of interest [X] (appearance of favoritism/selective enforcement benefiting a Local closely tied to the Financial Secretary)
- Confidential information [ ]
- Communication by Provincial Executive members [X] (purported verbal "exemptions" or informal communications contrary to constitutional requirements)
- Entertainment, gifts, favours, and other benefits [ ]
- Use of HEU property [X] (financial stewardship obligations connected with HEU funds, records, and reporting)

1. HEU Constitution & By-Laws provisions relied upon (with brief grounds)

- Article 19 (Financial Accountability): mandatory quarterly reports; member access; proper motions/records.
- Article 7 (Member Oversight): timely and accurate financial reporting to members.
- Article 8 (Trustees & Executive): quarterly reviews; ensure required reports are completed.
- Article 16(J) (Quarterly Report Forms): authority to suspend rebates for repeated failures.
- Article 14(G) (Threat – Assets, Funds & Records): trusteeship for serious breaches.

- Article 13 (Charges, Trials & Penalties): discipline for constitutional breaches.
- Article 6 (Duties/Officers): officers must uphold bylaws and ensure compliance.

Are you willing to participate in an informal resolution to settle the matter?

- Yes, provided the outcome includes:
  - Written acknowledgement of the constitutional breach;
  - Immediate submission of all missing quarterly reports and ledgers by VGH Local;
  - A written, time-bound compliance plan;
  - A clear statement to all Locals that reporting cannot be waived verbally and that any change must be issued in writing in accordance with the Constitution;
  - Public notice to members summarizing the corrective actions; and
  - A commitment to uniform enforcement going forward.

Attachments (to include with your email)

- Relevant excerpts from the HEU Constitution & By-Laws:
  - Article 13 (pp. 66–77), Article 14(G) (pp. 58–59), Article 16(J) (p. 64), Article 19 (pp. 66–77), plus Articles 6, 7, 8 excerpts on duties and oversight.
- Any member communications, minutes, trustee notes, or emails referencing quarterly reporting being "not required" at VGH Local.
- Any materials related to the recent hearing regarding alleged theft >$250,000 (if available).
- Any local meeting notices/minutes reflecting failure to report to members.

Confidentiality
I understand the Ethics Office treats submissions as confidential and will disclose only as necessary to investigate and resolve the complaint or as required by law. I will respect confidentiality and will only seek confidential advice as needed.

Signature (type name/date)
[Member full name]
[Date]

Contact details for follow-up
Phone: [Member phone]
Email: [Member email]

Exhibit B 22
Of the Affidavit
of Jesse Bains

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Gmail

Jessie Bains <bainsj@gmail.com>

Urgent: CUPE National Oversight of Serious Financial Allegations at HEU

1 message

Jessie Bains <bainsj@gmail.com> Mon, Sep 28, 2026 at 5:23 PM
To: mhancock@cupe.ca, crennick@cupe.ca, Barb Nederpel <bnederpel@heu.org>, Betty Valenzuela <BValenzuela@heu.org>
Cc: crennick@cupe.ca, shillier@cupe.ca, pgloutney@cupe.ca, gmckay@cupe.ca, slucas@cupe.ca, alinkletter@cupe.ca, aclark@cupe.ca, sdrost@cupe.ca, fdemontigny@cupe.ca, htessier@cupe.ca, mhurley@cupe.ca, ymcclean@cupe.ca, bkeith@cupe.ca, cprefontaine@cupe.ca, trebelo@cupe.ca, agonsalves@cupe.ca, dmerrier@cupe.ca, dbellerose@cupe.ca, KRanalletta@cupe.ca, illoyd@cupe.ca, Mlarocque@cupe.ca, kpeterson@cupe.ca, ruppal@cupe.ca, Lynn Bueckert <LBueckert@heu.org>, sskidmore@bcfed.ca, hkailley@bcfed.ca, rashton@bcfed.ca, pfinch@bcgeu.ca, cgordon@bctf.ca, webpres@hsabc.org, skooner@hsabc.org, bcfed@bcfed.ca, sburns00@hotmail.com, sherryh@cupe.ca, dawnbellerose@hotmail.com, marty75chantel78@gmail.com, pfinch@bcfed.ca, bcgeuinfo@bcgeu.ca

Dear Mark Hancock and CUPE National Secretary-Treasurer,

I am writing because I believe CUPE National can no longer credibly look the other way while increasingly serious allegations of financial irregularities within the Hospital Employees' Union remain unanswered.

In my view, CUPE National has failed in its responsibility to provide meaningful oversight despite repeated complaints and warnings concerning financial accountability within HEU.

I also want to make my standing in raising these concerns clear. **I was an HEU member from 2021 until October 2024.** These concerns involve the finances of a union to which I belonged and paid dues during part of the very period now in question. I therefore have a direct and legitimate interest in asking CUPE National to investigate these allegations and exercise whatever authority it has to require an independent examination or audit of HEU and the relevant Local finances.

I have now received new information from individuals with knowledge of the finances of the Vancouver General Hospital Local that raises substantially more serious concerns than those I previously brought forward.

I am being told that **well over $250,000 may be unaccounted for** and that the financial problems may extend much further back than previously understood. I have also received allegations that funds may have been directed or used for purposes benefiting the **BC NDP, HEU President Barb Nederpel and HEU Financial Secretary Betty Valenzuela personally**.

These are allegations that require investigation. I am not asking CUPE National to accept them as proven facts. I am asking why CUPE National has apparently done so little to independently determine the facts.

I am further informed that financial and/or trustee reporting at the VGH Local was seriously deficient during 2022–2024, a period during which current HEU Provincial Executive member **Lisa Kreut served as VGH Local Chair and was a signing officer on Local cheques**.

I have also received information that financial ledgers prior to 2019 may be unavailable. That raises another fundamental question: **if the earlier ledgers were unavailable, how was the Local's opening financial position established, who established it, and what documentation supported the amount?**

Where is the independent forensic audit?

Where are the complete bank records, ledgers, cancelled cheques, trustee reports and financial statements?

Who authorized the expenditures?

Who signed the cheques?

Where did the money go?

And most importantly for CUPE National: **where have you been while all of this has been unfolding?**

These questions now overlap directly with my existing BC Supreme Court litigation concerning HEU political spending. HEU reported **$470,401.04 in election advertising expenditures connected with the 2024 provincial election**, and I have already demanded the underlying records showing the source, authorization, recipients and accounting for those expenditures. I have now expanded my disclosure demand to include relevant VGH Local financial records to determine whether Local funds were connected in any way to political expenditures beyond the amount reported to Elections BC.

I want to be very clear about what I am asking CUPE National to do:

Stop relying upon HEU to investigate itself.

These allegations require an independent examination of the financial records by people who do not report to, depend upon, or have political relationships with the individuals whose conduct may need to be examined.

If the allegations are false, an independent forensic review should establish that.

If hundreds of thousands of dollars are fully accounted for, produce the records and demonstrate where the money went.

But if CUPE National continues to receive warnings about potentially serious financial irregularities and chooses not to investigate independently, then CUPE National's own conduct and oversight inevitably become part of the story.

There may eventually come a day when these matters receive attention well beyond Facebook posts, internal union correspondence and court proceedings. If a national investigative program such as **CBC's The Fifth Estate** were examining this file and asked CUPE National, *"When these allegations and warnings were being raised, what did you do?"* — what would your answer be?

I am asking you to answer that question now.

Please advise:

1. Whether CUPE National will initiate or require an **independent forensic audit** of the VGH Local's finances;

2. Whether CUPE National will require preservation and examination of the VGH Local's bank statements, ledgers, cancelled cheques, financial statements, trustee reports, expense records and related correspondence;

3. Whether CUPE National will investigate whether any VGH Local funds were used directly or indirectly for political purposes or for the personal benefit of any HEU officer or official;

4. Whether CUPE National has previously received complaints or concerns regarding these financial matters and, if so, what action was taken; and

5. If CUPE National will not investigate, the reasons why it believes no independent investigation is warranted.

This is no longer something that should be answered with silence, referrals back to HEU, or assurances that HEU can deal with its own affairs.

Members' money deserves an accounting.

I was one of those dues-paying members during part of the period now in question. I am therefore asking CUPE National directly: **investigate these allegations, independently audit the relevant finances, preserve the records, and establish where the money went.**

CUPE National needs to decide whether it intends to demand that accounting or eventually explain why it did not.

I request a substantive written response.

Sincerely,

Jessie Bains

Exhibit C of the Affidavit of Jesse Bairs DD2

SOUTHERNLAW

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REPORT TO
Betty Valenzuela
Financial Secretary
Hospital Employees' Union

In this matter of

INVESTIGATION OF FINANCIAL RECORDS
VANCOUVER GENERAL HOSPITAL LOCAL

Submitted by Magnus Vebrugge
Southern Law LLP (the "Investigator")

October 22, 2026

File Number: SL-M204368

1. Investigation Mandate

This report is provided to Betty Valenzuela, financial secretary, Hospital Employees' Union ("**HEU**"), pursuant to terms of reference dated October 5, 2026.

I was asked to conduct an investigation (the "**Investigation**") of the financial records of the Vancouver General Hospital local of HEU (the "**VGH Local**"), with reference to ongoing public allegations about the VGH's Local's finances (the "**Allegations**") made by a former HEU member, Jessie Bains.

2. Investigation Process

In this report, I summarize the financial records and information provided by HEU and by the VGH Local, summarize the feedback and information received by Investigation participants, and set out my findings.

The scope of the Investigation was limited to determining whether the evidence substantiates any of the Allegations. Accordingly, I did not examine (and this report does not include) findings about the financial procedures and practices of the VGH Local.

3. Background and Allegations

To clarify some of the terms used in this report:

- The Provincial Executive is HEU's provincial governing body.
- Each HEU local has an elected Executive Committee (sometimes referred to as the Executive or Local Executive) that runs the local's business and affairs.
- Each local has an elected chair.
- An elected secretary-treasurer (who is a local officer and member of the local Executive Committee) manages the finances at each of the approximately 300 HEU locals.
- The Financial Secretary (currently Betty Valenzuela) oversees HEU's finances at the provincial level and is an elected member of the Provincial Executive. She acts as the primary interface between locals and the Provincial Executive for financial matters.

I was advised by HEU that Mr. Bains was formerly a member of the Fraser Support Services Local of HEU and was terminated several years ago by his employer, the Provincial Health Services Authority. The details and circumstances of his termination were not relevant to this Investigation.

Mr. Bains maintains an active personal Facebook page and a website (www.HEUBC.ca), both of which he uses to engage in activism regarding HEU. I did not examine his various campaigns in detail, but it was evident from both platforms that he has been (and continues to be) engaged in litigation and other disputes with the HEU.

In his online posts, Mr. Bains makes various Allegations against the VGH Local and HEU. As noted above, he is not a member of HEU or the VGH Local, and he consistently describes the Allegations as based on information provided to him by VGH Local members. Other than several references to the current assistant secretary-treasurer, he does not name his sources. I did not interview the assistant secretary-treasurer because the Investigation was concerned with the VGH Local's financial records, not about who Mr. Bains's sources were.

Mr. Bains makes four distinct Allegations about the VGH Local's funds and financial records, as follows:

Missing Funds

Mr. Bains alleges that approximately $250,000 of the VGH Local's funds may be missing or unaccounted for.

Mr. Bains does not specify when these funds allegedly went missing or where the $250,000 figure came from, but the inference from his public posts is that he has tied this Allegation to a period between 2022 and 2024 during which he was told that the VGH Local had failed to file the quarterly reports that it was required to send to the HEU Provincial Executive ("**Quarterly Reports**")—the implication being that the failure to file Quarterly Reports left the VGH Local's funds from that period missing or unaccounted for.

BC NDP Contributions

Mr. Bains alleges that VGH Local funds may have been improperly directed to the British Columbia New Democratic Party ("**BC NDP**"). In support of this Allegation, he frequently elaborates on the past and current ties of various members of the HEU Provincial Executive and Executive Committee to the BC NDP. Among other things, he implies that HEU's reported political contributions at a provincial level may have failed to account for funds contributed by the VGH Local to the BC NDP, either directly or indirectly.

Personal Benefits

Mr. Bains alleges that Barb Nederpel (HEU President) and Ms. Valenzuela may have improperly benefitted from the VGH Local's funds.

Missing Records

Mr. Bains alleges that the VGH Local's financial records for the period prior to 2019 are missing or unavailable. He implies from this allegation that Ms. Valenzuela may have instructed the VGH Local to create a new financial ledger starting from a fabricated or incorrect starting point.

***

In his public posts, Mr. Bains makes a number of other claims and statements, or asks questions about governance and other issues with the VGH Local and HEU generally. These claims, statements, and questions are either derived from his Allegations set out above, or are unrelated

to the financial issues within the scope of my Investigation. Accordingly, this report does not address all of the subject matter of Mr. Bains's public posts.

Mr. Bains is careful to state in his frequent posts that the Allegations are not established facts but are simply questions based on information he has received from members. The following excerpt from his website provides a good example of how Mr. Bains presents the Allegations (the emphasis and all-CAP are from his original posts):

> ***One member alleges that Barb Nederpel and Betty Valenzuela did not aggressively pursue the matter because some Local funds had gone toward the BC NDP and they preferred the issue be shut down.*** *To be absolutely clear:* ***that is an allegation from a member, not something I am presenting as an established fact.*** *But when an allegation involving members' money, senior HEU officials and possible political expenditures is raised, the answer cannot be silence.* ***OPEN THE BOOKS AND LET THE RECORDS ESTABLISH THE TRUTH.***

Mr. Bains's public posts are consistently inflammatory and sensational in tone. Here are three illustrative examples of his comments:

> ***HOW DOES ONE OF HEU'S LARGEST LOCALS GO MORE THAN A YEAR WITHOUT PROVIDING PROPER FINANCIAL REPORTING — AND NOBODY AT THE TOP STEPS IN?*** *Betty Valenzuela is HEU's Financial Secretary. She is also directly connected to the VGH Local. If members' accounts are accurate that financial statements were not being provided for more than a year, why wasn't immediate action taken to protect the Local's money and secure or freeze the affected accounts?* ***That is one hell of a long nap for the person responsible for financial oversight.***
>
> ***
>
> *I am also being told that people who knew what was happening were* ***looked after, protected or otherwise given reasons to remain silent.***
>
> ***
>
> *.... an interesting question given what VGH Local members have been asking:* ***What tricks did Barb*** *[Nederpel]* ***and Betty*** *[Valenzuela]* ***learn when it came to dealing with the approximately $250,000 that members say went missing or remains unaccounted for at VGH Local?*** *Because the bigger issue isn't a clever quote. It is why members say there was* ***no adequate investigation and no satisfactory public accounting of what happened to approximately $250,000 in members' money.*** *If there is an innocent and documented explanation, then this should be simple:* ***Open the books. Produce the financial records. Explain what happened to the money. Allow an independent forensic audit.*** *Members shouldn't need any "tricks."*

4. Policies

4.1. Constitution and Bylaws

Substantially the only source of funds for each local, including the VGH Local, is the union dues rebates it receives from the Provincial Executive pursuant to Article 2, Section B of the HEU Constitution & Bylaws ("**Rebates**"). Each HEU member pays union dues to HEU from their wages, and a portion of that money comes back to each local as Rebates. Rebates are used to fund the local's meetings, activities, and other expenses.

4.2. HEU Policies and Procedures Manual

The *HEU Policies and Procedures Manual* (the "**Policy Manual**") includes the following:

- *"In accordance with the Constitution and Bylaws of the HEU, in particular Article 7, Section G and Article 15, Sections G and J; if any Local has fallen behind on the submission of three (3) or more consecutive Quarterly Reports, the Financial Secretary's Office, under the recommendation of the Trustees and the Financial Secretary may suspend their monthly rebates until the matter is corrected."* (p. 118-119)
- *"HEU will have the Provincial Executive Trustees assist the local Secretary-Treasurers in maintaining the finances of the local, for those in need of assistance."* (p.121)

4.3. Secretary-Treasurer's Manual

The Secretary-Treasurer's Manual (the "**Manual**") is not an official HEU policy document but is intended instead as a reference manual for secretary-treasurers to fully and effectively carry out their duties for their local. Ms. Valenzuela advised that although the Manual was not official policy, locals were expected to comply with it.

Relevant passages from the Manual include the following:

- *"PAYMENT OF BILLS. The Constitution and By-Laws of the Hospital Employees' Union requires the Secretary-Treasurer pay all bills sanctioned by the Local, by cheque. Every payment made by the Local must have supporting documentation/receipts which explain why the money was spent."* (p.26)
- *"QUARTERLY REPORTS. Every three months, the Secretary-Treasurer shall prepare a Quarterly Report. Quarterly Reports reflect the rebates and the expenses of the Local and ensure that the Local is transparent and accountable for the money and assets entrusted to them. The Trustees will go over the finances of the Local and compare them to the motions and By-Laws that support the expenditure. These are entered into the Quarterly Reports which are submitted to the Financial Secretary's Office for review. This process is governed by the Constitution: Article 16, Section C. ... It is essential that three (3) Trustees sign the Quarterly Report before it is forwarded to the Financial*

Secretary's Office. If you require assistance in completing this form, please contact the Financial Secretary at the Financial Secretary's Office." (p.29)

- *"LOCAL UNION FUNDS. Locals are reminded about the importance of "responsible spending" of Local funds.* [Rebate money] *is to be used to strengthen your Local's membership including training and educational opportunities, bursaries, office supplies, community outreach, wage replacement for union business, as well as attendance at conferences and conventions."* (p. 34)

5. Account Statements

The VGH Local has maintained accounts with Vancouver City Savings Credit Union ("**VanCity**") for many years. I was provided with copies of all monthly account statements (the "**Account Statements**") for its chequing account (the "**Account**") from January 2023 to September 2026. The Account Statements record all deposits and withdrawals and include copies of all cleared cheques written on the Account.

The key year-by-year data from the Account Statements is as follows:

	2023	2024	2025	2026[1]
Opening Balance	$79,552.40	$129,205.93	$144,198.55	$174,388.19
Deposits	$94,776.73[2]	$66,683.25	$69,277.61	$47,657.85
Withdrawals	$45,123.20	$51,690.63	$39,087.97	$34,401.90
Closing Balance	$129,205.93	$144,198.55	$174,388.19	$187,644.14
Net Change in funds on deposit	+$15,920.35[3]	+$14,992.62	+$30,189.64	+$13,255.95

With one exception, all deposits to the Account were Rebates provided by HEU to the VGH Local. On November 28, 2023, a cheque in the amount of $33,733.18 was deposited to the Account from Gulf & Fraser Credit Union ("**G&F**"). The chair from that time explained to me that the Executive Committee decided to liquidate a term deposit investment that the VGH Local held with G&F, so that all of the VGH Local's funds would be held in the Account with VanCity.

The Account Statements also provide details about the VGH Local's term deposits with VanCity (the "**Term Deposits**"). The Term Deposits are made up of a small number of individual investments with various terms, interest rates, and maturity dates. Interest on the Term Deposits

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[1] To September 30, 2026
[2] Includes $33,733.18 from the liquidation of a term deposit at G&F
[3] Net of G&F term deposit which was moved from G&F to VanCity

is shown on the Account Statements. On January 1, 2023, the Term Deposits aggregate balance was $73,814.99. The VGH Local has consistently rolled over the Term Deposits at maturity. The aggregate balance of Term Deposits was $74,647.53 on December 31, 2023, $77,074.93 on December 31, 2024, $79,871.36 on December 31, 2025, and $81,931.92 on September 30, 2026. For that period, the VGH Local has not used any of the funds invested in Term Deposits, and the interest income on the Term Deposit has been reinvested when they roll over; accordingly, the aggregate balance continues to grow.

Next, I reviewed the Account Statements and the cleared cheques attached to them, to determine what the VGH Local spent money on during this period.. None of the cheques or withdrawals from the Account raised any red flags. Most were in the nature of small honoraria, or the payment or reimbursement of expenses that would be normal and expected for the normal activities of an HEU local. I asked the Investigation participants about a number of line items that were outliers in terms of dollar amounts. Each of these was noted on the applicable cleared cheque that it was for expenses like Zoom business meeting fees, food and drinks for events put on by the VGH Local for its members, fees associated with members attending Winter School (this refers to the Canadian Labour Congress Pacific Region Winter School, which HEU partners with and sponsors for its members), or the VGH Local's dues payable to the Vancouver District Labour Council.

I also conducted a random spot audit of eleven Account transactions that involved significant withdrawals, or cheques for which the payee was a member of the Executive Committee at that time, to determine whether there was any evidence of a systematic failure by the VGH Local to collect and maintain appropriate supporting receipts, invoices, or other documents for its expenditures. I was provided with copies of each of the requested invoices and receipts, all of which matched the applicable cheques and entries in the Account Statements.

The Account Statements do not show any evidence of missing funds, or of the VGH Local's funds being withdrawn or spent for improper purposes. There is no evidence in the Account Statements that any funds were sent directly or indirectly to the BC NDP, or that Betty Valenzuela or Barb Nederpel benefitted personally from any of the VGH Local's funds.

What the Account Statements show is that for the period beginning January 1, 2023, the VGH Local's finances have been stable, its spending has been conservative and consistent, and its Account funds on deposit and Term Deposits have grown steadily. Deposits to the Account have exceeded withdrawals each year.

Including Account funds on deposit and Term Deposits, the VGH Local's total financial resources increased from January 1, 2023 ($187,100.57) to September 30, 2026 ($269,576.06), by $82,475.49, or 44.1%.

6. Participant Feedback

I interviewed and requested financial records from several past and current members of the VGH Local's Executive Committee, as well as from Ms. Valenzuela.

On the whole, the feedback and information from these participants added little of substance to the information in the Account Statements. This was not because the information from the participants was not relevant or useful. For purposes of the Investigation, the Account Statements and supporting receipts and invoices from my random spot audit were sufficient to assess and make findings with respect to each of the Allegations. The feedback of the participants was substantially consistent with the Account Statements and other financial records that were provided to me.

Notwithstanding the foregoing, I had broad-ranging discussions with the participants in order to assess whether there was any context or detail that was not captured by the financial records, or that would otherwise assist in my assessment of the Allegations. Much of what I heard from the participants was concerned with the politics and operational history of the VGH Local, but I have not added that feedback here except to the extent that it is relevant to the Allegations and the subject matter of the Investigation. I have not used the participants' names because the Investigation was concerned with the VGH Local's financial records in light of the Allegations, and not with the actions of individuals.

Comments and themes from the participants that were relevant included the following:

General

Each of the participants said they were not the source of Mr. Bains's information or his Allegations, and each of them said they were not aware of who those sources were, other than to note that a small number of members had confirmed at VGH Local meetings that Mr. Bains had contacted them and/or they had responded to him.

Each of the participants said the Allegations made by Mr. Bains had not been alleged by members, nor raised or discussed, during any member meetings of the VGH Local. The participants were unanimous that they were not aware of any basis for the Allegations. Several of the participants were personally offended by the Allegations, especially to the extent that the Allegations made insinuations about them or questioned their ethics or good-faith conduct.

Missing Funds

Each of the participants said they did not know on what basis Mr. Bains alleged that ~$250,000 of the VGH Local's funds were missing or unaccounted for.

One participant commented that Mr. Bains seemed to be fixated on $250,000 as a number in various scenarios (for example, he had previously complained in other online posts about Ms. Valenzuela's salary of $250,000.)

One participant speculated that Mr. Bains, or one of more of his sources, may have concluded from the VGH Local's delinquency in filing Quarterly Reports that the local's funds from that period were missing or unaccounted for. Mr. Bains suggested in various online posts that Quarterly Reports were delayed or missing for the period from 2022 to 2024. The Rebates

received by the VGH Local each year vary based on the number of members, but for that period totalled less than $200,000.

Ms. Valenzuela confirmed that the VGH Local was now current with filing its Quarterly Reports, after having been delinquent in 2024 and 2025. She noted that her office assisted the VGH Local with finalizing a number of Quarterly Reports in 2025, per Page 121 of the Policy Manual, and that the Quarterly Reports were in order (albeit very late). She said she had not exercised her authority to freeze payment of Rebates to the VGH Local during this period of delinquency because her practice was to first give locals warnings and offer to assist them, which was done in the case of the VGH Local. The participants were unanimous that they were not aware of any missing funds or any basis for this Allegation. More than one participant emphasised that because the Account Statements provided a complete record of the VGH Local's financial transactions, delinquencies in Quarterly Reports could not reasonably be taken as an indication that the local's funds were missing or unaccounted for.

BC NDP Contributions

The participants were unanimous that they were not aware of any of the VGH Local's funds being sent or diverted to the BC NDP, either directly or indirectly.

Personal Benefits

The participants were unanimous that they were not aware of Ms. Valenzuela or Ms. Nederpel receiving or personally benefitting from the VGH Local's funds.

Missing Records

The participants were unanimous that they were not aware of any of the VGH Local's financial records going missing, prior to 2019 or otherwise.

More than one participant emphasized that because the Account Statements provided a complete records of all of the local's financial transactions, there was no basis for this Allegation. One participant commented that when table officers for the Executive Committee received training from HEU after being elected, they were told that financial records must be kept for seven years, so this directive may have been the source of Mr. Bains's Allegation that records prior to 2019 (seven years ago) were missing.

One participant mentioned a member of the Executive Committee had claimed in 2025 that the filing cabinet in which the VGH Local's financial records were kept had been broken into and some records removed and had later claimed that those records had been "put back." This participant did not think those claims were credible, but since there was no indication that any financial records were currently missing, I did not investigate this incident further as it had no bearing on my ability to make findings on the evidence.

7. Analysis and Findings

I find that Mr. Bains's Allegations are entirely unsubstantiated, unfounded, and without merit. My analysis and reasoning follows.

It is unknown what specific information the Allegations are based on. Mr. Bains's Facebook and website posts about the Allegations are lengthy and frequent, but they do not provide any sources or specific evidence and are entirely composed of hearsay and speculation. Mr. Bains has constructed an elaborate narrative of insinuations and accusations framed as *"questions."* Mr. Bains consistently paints a dire picture of potentially serious financial misconduct at the VGH Local and at Provincial Executive, but that picture is entirely based on speculation and lacks any meaningful substance. As detailed below, there is no evidence to support his specific Allegations that the VGH's Local had funds missing or spent its funds improperly.

Despite the lack of substance to his Allegations, and notwithstanding that he is not a member of HEU and has no standing or vested interest with respect to HEU matters, Mr. Bains goes on to repeatedly demand that HEU and the VGH Local produce extensive information, documents, and financial records to respond to his Allegations.

The Account Statements provide a complete record of the VGH Local's finances. All deposits of Rebates, investment income, and withdrawals from the Account are recorded in the Account Statements. Between 2023 and 2026, the VGH Local has not made any withdrawals other than by cheque, and accordingly, there is a complete record of exactly who received any of the VGH Local's funds, when that occurred, and what those expenditures were for. The cleared cheques all include a hand-written note about the nature of the expense. There are no red flags in the VGH's Locals financial records that I reviewed, and a spot audit of transaction receipts established that the local has appropriately retained supporting receipts and invoices to support all spending and withdrawals from the Account.

In several online posts, Mr. Bains constructs a narrative based on information that Lisa Kreut, the former chair of the VGH Local, signed some of the VGH Local's cheques. He implies or insinuates that this may have made Ms. Kreut privy to improper expenditures. This insinuation is entirely a red herring. Ms. Kreut, as the elected Chair of the VGH Local, was an authorized signing officer on the Account, and there was nothing remarkable or unusual about her having signed cheques. Absent any evidence that she signed cheques for an improper expenditure (and I did not find any such evidence), Mr. Bains's insinuation was purely speculative and had no foundation in fact.

None of the Investigation participants knew what information Mr. Bains's Allegations were based on, nor who his sources were. However, his sources (assuming he had any), and what they told him, are ultimately irrelevant for precisely the reasons set out above: complete financial records for the VGH Local are available, and those records do not corroborate the Allegations in any way. The records speak for themselves, regardless of what anyone may have told Mr. Bains.

With respect to the specific Allegations, I find as follows:

Missing Funds

The Allegation that approximately $250,000 of the VGH's Local's funds are missing or unaccounted for is unfounded.

There was no evidence that any of the VGH Local's funds, let alone $250,000, were unaccounted for. Since the beginning of 2023, the VGH local has received less than $200,000 in total Rebates from HEU, and it has no other source of revenue other than a small amount of investment income derived from its Term Deposits. All of its funds for this period are accounted for, and its financial resources have increased, not diminished.

The VGH Local was delinquent in filing its Quarterly Reports during 2024 and 2025, but this fact does not establish in any way that funds were missing or unaccounted for:

- First, the Quarterly Reports are now current and up to date, and the delinquent reports were prepared with the assistance of the Provincial Office and have been confirmed to be in order.
- Second, the Quarterly Reports are not determinative of the VGH Local's finances, because the Account Statements provide a clear and independent third-party record of all of the VGH's Local's financial transactions. Ms. Valenzuela confirmed that the Quarterly Reports are consistent with the VGH Local's Account Statements.

I did not ask to review the VGH Local's Quarterly Reports. The Account Statements represent a primary source of information about the VGH Local's financial records, whereas the Quarterly Reports are prepared from the Account Statements and constitute a secondary source.

As set out on Page 29 of the Manual, the purpose of Quarterly Reports is to ensure that *"the Local is transparent and accountable for the money and assets entrusted to them."* The local trustees review and sign off on the Quarterly Reports to ensure accountability to the local's members, and the Financial Secretary's office receives and reviews the Quarterly Reports to ensure everything is in order. The VGH Local failed for an extended period of time to meet its obligations of transparency and accountability to its members, but that is a governance issue that appears to have now been addressed. The most charitable reading of Mr. Bains's comments about Ms. Valenzuela taking a *"hell of a long nap"* during VGH Local's delinquency in filing its Quarterly Reports is that Mr. Bains is unaware of HEU's practice of forbearance in dealing with locals who fall behind in this task. Freezing a local's Rebates is a dramatic step because it cuts off the local's only source of revenue while most of its expenses continue. HEU's policies give the Financial Secretary the power to freeze rebates when Quarterly Reports are not provided, but it does not require that the Rebates be frozen: this decision is taken on a case-by-case basis.

In any event, the late filing of Quarterly Reports may have caused members of the VGH Local to reasonably and appropriately ask questions about the VGH Local's finances, but it does not establish that anything improper occurred with the local's money because again, the Account Statements and other financial records provide a complete accounting.

BC NDP Contributions

The Allegation that funds were improperly diverted from the VGH Local to the BC NDP is unfounded.

There was no evidence whatsoever that this occurred, all of the Investigation participants agreed that this did not happen, and the Account Statements provide no support for this Allegation.

Personal Benefits

The Allegation that Ms. Valenzuela and Ms. Nederpel personally benefitted from the VGH Local's funds is unfounded.

There was no evidence of any kind that either of them received any funds from the VGH Local, or that either of them benefited in any way from its financial resources.

Missing Records

The Allegation that the VGH Local's financial records were missing for the period prior to 2019, including Mr. Bains's insinuation that the VGH Local's current financial records were therefore based on an improper foundation or starting point, is unsubstantiated. Mr. Bains's insinuation that Ms. Valenzuela may have instructed the VGH Local to create a financial ledger from a fabricated starting point does not have merit.

There was no evidence that any financial records have gone missing, either for the pre-2019 period as alleged, or otherwise. The VGH's Local's financial records from January 2023 to September 2026 are complete and readily available from VanCity. I did not attempt to obtain the VGH Local's financial records predating this period for several reasons:

- Canadian taxpayers are generally required to keep financial records for six years after the end of the applicable tax year, and VGH Local would not be expected or required to maintain copies of its financial records from 2019 or earlier.
- Federal law (*Proceeds of Crime (Money Laundering) and Terrorist Financial Regulations*) requires credit unions to keep customers' account records for a minimum of five years, and VanCity's website states that it keeps customers' account e-statements available online for seven years. Records from before 2019 would require a manual request from VanCity, but because the Account Statements I reviewed from 2023 to 2026 were in order and raised no red flags, there was no evidentiary basis to engage in a fishing expedition for pre-2019 Account Statements, especially since Mr. Bains did not allege that funds may be missing for that period.
- Upon completion of my review of the Account Statements from January 2023 to current, there was no reasonable basis for me to request any financial records predating that period, as I did not find any evidence in support of Mr. Bains' Allegations. Mr. Bains is a member of the public and an HEU activist for reasons of his own, but it is important to note that he is not an HEU member and has no personal interest in the VGH Local or its finances, and once I was satisfied that no evidence existed of any missing or misappropriated funds for a period of nearly four years, I determined that spending more

of HEU's money looking back further into VGH Local's financial records was neither warranted nor appropriate.

VGH Local manages its own finances, and Ms. Valenzula does not direct the local in the preparation of its financial ledger in her role as financial secretary on the Provincial Executive.

Most importantly, as noted above, the Account Statements from VanCity provide a complete record of the VGH's Local's finances, and there could never be any reason to fabricate or choose an arbitrary starting point for the local's financial ledger, because the Account Statements themselves constitute a complete, accurate, and independent third-party record of the VGH Local's financial transactions, including an opening and closing balance for deposits and Term Deposits for each calendar year.

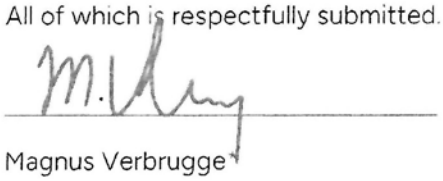
8. Conclusion

I find that the Allegations made by Mr. Bains are unfounded and unsubstantiated in their entirety and have no merit.

In one of his public posts, Mr. Bains asserted, "***OPEN THE BOOKS AND LET THE RECORDS ESTABLISH THE TRUTH.***" The books have been opened: I conducted a thorough review of the VGH Local's financial records from January 2023 to September 2026 and interviewed key members of the VGH Local, and I found no evidence of any kind to support Mr. Bains's Allegations.

The financial records have established that the VGH Local's funds are intact, its financial resources have increased over time, its transactions and supporting documentation have been appropriately documented, and there is no evidence that any funds have been spent improperly, misappropriated, or directed for improper purposes, political or otherwise.

All of which is respectfully submitted.



Magnus Verbrugge*

*Law Corporation

Exhibit D
of the Affidavit
of Jessie Bains

DALISHA DYAL
BARRISTERS AND SOLICITORS
D&L LLP
#208, 5455-152 STREET
SURREY, BC V3S 5A5
T: 778-504-6647 F: 778-375-4448

Gmail

Jessie Bains <bainsj@gmail.com>

Fwd: VGH local financial review complete: funds accounted for

1 message

Jessie Bains <bainsj@gmail.com>
To: Jessie Bains <bainsj@gmail.com>

Fri, Oct 30, 2026 at 7:17 PM

---------- Forwarded message ---------
From: **Hospital Employees' Union** <members@heu.org>
Date: Fri, Oct 30, 2026 at 2:54 PM
Subject: VGH local financial review complete: funds accounted for
To: <i@gmail.com>

Dear VGH local members,

I am writing to share the results of an external investigation into allegations about your local's finances.

Former HEU member Jessie Bains publicly circulated a false and misleading claim that approximately $250,000 was missing or unaccounted for at the VGH local.

HEU commissioned an external investigator to examine the financial records and determine whether the allegations were supported by evidence. That investigation is now complete.

The investigator found all "Mr. Bains's Allegations are entirely unsubstantiated, unfounded, and without merit." (p.10) You can read the full report here.

The financial records support that conclusion:

"All of its funds for this period are accounted for, and its financial resources have increased, not diminished." (p.11)

The review covered monthly bank statements and cleared cheques from January 2023 to September 2026.

The investigator also spot-checked supporting records for eleven transactions and interviewed people involved in the local's finances.

The investigator found no evidence that local funds were spent improperly or diverted to the BC NDP, that HEU President Barb Nederpel and I (HEU Financial Secretary) personally benefited from VGH Local's funds, or former VGH local chair Lisa Kreut signed cheques for improper expenditures as claimed by Bains. All of Bains's allegations were unfounded and had no foundation in fact.

In its conclusion, the investigator states:

"The financial records have established that the VGH Local's funds are intact, its financial resources have increased over time, and there is no evidence that any funds have been spent improperly, misappropriated, or directed for improper purposes, political or otherwise." (p.13)

There was a separate issue with late financial reports. The local fell behind in submitting quarterly reports during 2024 and 2025. Those reports are now up to date, following assistance from the financial secretary's office.

Addressing these allegations required union time and resources. The investigation found no evidence to substantiate them.

Now that the findings are available, continuing to circulate these false allegations without supporting evidence would divert further resources from serving members.

You have a right to ask questions about your local's finances and to expect clear answers and timely financial reporting.

If you have questions about these findings, please contact your local executive or the financial secretary's office.

Thank you for the work you do every day and for your commitment to your local and your union.

In solidarity,

Betty Valenzuela
Financial Secretary
Hospital Employees' Union

Moved? New phone number?

Update your HEU contact information

Hospital Employees' Union | 5000 North Fraser Way | Burnaby, BC V5J 5M3 CA

Unsubscribe | Update Profile | Constant Contact Data Notice

Exhibit E
of the Affidavit
of Jessie Bains

DR.

DALISHA DYAL
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Gmail

Jessie Bains <bainsj@gmail.com>

FORMAL LEGAL NOTICE — Potential Personal Liability for Defamation, Misrepresentation and Preservation of Evidence

1 message

Jessie Bains <bainsj@gmail.com> Fri, Oct 30, 2026 at 4:20 PM
To: Betty Valenzuela <BValenzuela@heu.org>
Cc: "DESMARAIS, Matthew" <mdesmarais@ahbl.ca>, "DHILLON, Reneet" <rdhillon@ahbl.ca>, HEU <heu@heu.org>

Dear Ms. Valenzuela,

RE: FORMAL NOTICE OF POTENTIAL PERSONAL LIABILITY — DEFAMATORY PUBLICATION TO VGH LOCAL MEMBERS

I am writing to place you formally on notice concerning your recent email distributed to members of the Hospital Employees' Union (HEU) VGH Local, in your capacity as Financial Secretary.

Your communication identifies me by name and makes categorical statements concerning my honesty, credibility and allegations about VGH Local finances.

I consider these statements potentially defamatory, materially misleading in their presentation and damaging to my reputation.

This notice is directed to you personally, not merely to HEU as an organization.

1. YOUR DECISION TO IDENTIFY ME PERSONALLY

Your email states:

> "Former HEU member Jessie Bains publicly circulated a false and misleading claim that approximately $250,000 was missing or unaccounted for at the VGH local."

You further state that my allegations were entirely unfounded and had no foundation in fact.

These are serious statements about an identifiable individual, distributed to third parties under your name and official title.

I ceased being an HEU member on November 4, 2024.

You could have communicated the investigator's conclusions without identifying me personally or making categorical statements about my credibility. You chose instead to name me and characterize my allegations as false.

I request that you explain why you considered this personal identification and characterization necessary.

2. MATERIAL OMISSIONS AND MISREPRESENTATION OF MY CONCERNS

My concerns have included the absence of financial and trustee reports for 2022–2024, compliance with the HEU Constitution, proper authorization of expenditures and the adequacy of financial oversight.

Your own email acknowledges that VGH Local failed to submit quarterly financial reports during 2024 and 2025.

Yet you characterize my concerns as entirely unfounded without adequately distinguishing between allegations of misappropriation and legitimate questions about financial reporting and oversight.

Your email also states that the investigator reviewed bank statements and cleared cheques beginning in January 2023 and spot-checked supporting documentation for eleven transactions.

That does not establish that every transaction, trustee report or constitutional reporting requirement from 2022 onward was independently examined.

I dispute the fairness and accuracy of presenting the investigation as a complete rejection of all my financial accountability concerns when your own communication acknowledges reporting failures.

3. WHY ARE YOU TARGETING A FORMER MEMBER?

I am no longer an HEU member.

Nevertheless, you have chosen to make me the central subject of a communication about the financial affairs of a local whose current members are also requesting financial and trustee records.

Why are you using my name to defend HEU's financial oversight practices instead of directly addressing the questions being raised by current VGH Local members?

You could have reported the findings, disclosed the outstanding reporting issues and explained what corrective measures were taken.

Instead, you chose to make categorical statements about me personally.

I consider that decision unnecessary and potentially harmful to my reputation.

4. NOTICE OF POTENTIAL PERSONAL CIVIL LIABILITY

Please understand that I am examining my legal options concerning your statements.

The fact that you hold elected union office does not automatically protect you from personal civil liability for statements you personally author, authorize or publish.

I am specifically considering whether to commence a civil action for defamation against you, Betty Valenzuela, in your individual capacity.

Any such proceeding would be based on the applicable legal requirements, including the defamatory meaning of the statements, their publication, their context and any available defences.

I reserve the right to seek damages, appropriate corrective relief, interest and costs where legally recoverable.

I also reserve the right to seek disclosure of relevant records through the court process, subject to the applicable rules of evidence and discovery.

5. FORMAL DEMAND FOR PRESERVATION OF EVIDENCE

Given the possibility of litigation, I request that you immediately take reasonable steps to preserve all relevant records within your possession or control, including:

- The original email and its complete distribution records.
- Drafts, revisions and internal communications concerning its preparation, approval and circulation.
- Communications involving you, Barb Nederpel, Lisa Kreut, HEU staff, legal advisers and the external investigator concerning statements about me.
- The investigator's report, instructions, scope of engagement and supporting materials, to the extent relevant to the statements published about me.
- Relevant financial and trustee reporting records relied upon to characterize my allegations as false.

This is a formal request that potentially relevant evidence not be deleted, altered or destroyed.

6. DEMAND FOR WRITTEN RESPONSE AND CORRECTIVE ACTION

Within **seven calendar days of receiving this notice**, I request that you:

1. Confirm whether you personally authored, reviewed or approved the email before distribution.
2. Identify who authorized its publication and the approximate number of recipients.
3. Identify the factual basis for your categorical characterization of my allegations as false and without foundation.

4. Explain whether the investigator examined the complete financial and trustee reporting records for 2022–2025.

5. Confirm that relevant evidence has been preserved.

6. Confirm whether you are prepared to issue a clarification acknowledging that financial reporting failures occurred and distinguishing those failures from the separate allegations of improper expenditures.

I further request that you refrain from republishing disputed personal allegations about me as established fact without accurately representing their context.

7. FINAL NOTICE

Betty, you have turned a dispute about financial accountability into a personal attack on someone who is no longer an HEU member.

The questions about financial statements, trustee reports, filing dates and constitutional compliance do not disappear because an investigator has rejected allegations of financial misappropriation.

Nor does an investigator's conclusion automatically establish that every question I have raised was false.

I am not prepared to allow my name and reputation to be used to deflect attention from legitimate questions concerning VGH Local's financial reporting.

You are entitled to defend your financial oversight record. You are not entitled to publish defamatory statements about me without potential legal consequences.

Consider this formal notice that I am examining your personal responsibility for the statements you published and reserve the right to pursue an action against you individually in the Supreme Court of British Columbia.

This correspondence is sent without waiver of any rights or remedies available to me.

I expect your substantive written response within seven calendar days of receiving this notice.

8. COPY TO HEU LEGAL REPRESENTATIVE

I am copying **Matthew Desmarais** (mdesmarais@ahbl.ca) on this formal notice to ensure it is received and properly documented, particularly in the event that you have blocked my email address or otherwise restricted direct communication with me.

Any failure to receive or respond to this notice should not be attributed to a lack of reasonable effort on my part to bring these serious concerns directly to your attention.

I request that Mr. Desmarais promptly forward this correspondence to you and confirm receipt.

This correspondence is intended to provide you with formal notice and an opportunity to address these matters before I decide whether to commence civil proceedings.

I reserve all rights, including the right to name you personally as a defendant in any appropriate civil action.

Sincerely,

Jessie Bains

CC: Matthew Desmarais — mdesmarais@ahbl.ca

Exhibit F
of the Affidavit of Jessie Bains

Hospital Employees' Union's Post

DALISHA DYAL
BARRISTERS AND SOLICITORS
D&L LLP
#208 5455-152 STREET
SURREY, BC V3S 5A5
T: 778-504-6647 F: 778-375-4448

Hospital Employees' Union
October 30 at 5:05 PM

Former HEU member Jessie Bains publicly circulated a false and misleading claim over the past several months that approximately $250,000 was missing or unaccounted for at the Vancouver General Hospital local.

HEU commissioned an external investigator to examine the financial records and determine whether the allegations were supported by evidence. That investigation found no evidence of missing funds or improper spending in the records reviewed. You can read the full report at tinyurl.com/cabyncp4.

The investigator reviewed bank statements and cleared cheques from January 2023 to September 2026, spot-checked supporting records for eleven transactions, and interviewed people involved in the local's finances.

The report states: "All of its funds for this period are accounted for, and its financial resources have increased, not diminished." (p.11)

There were delays in quarterly reporting, which have since been addressed. Members were entitled to ask questions about those delays—but late reports are not evidence that money is missing because the Account Statements and other financial records provide a complete accounting.

The investigator also found no evidence that local funds were spent improperly or diverted to the BC NDP. HEU President Barb Nederpel and Financial Secretary Betty Valenzuela personally benefited from VGH Local's funds, or former VGH local chair Lisa Kreut signed cheques for improper expenditures as claimed by Bains.

All of these allegations were unfounded.

