

UNITED BROTHERHOOD OF CARPENTERS AND JOINERS OF AMERICA

[REDACTED]
General President

June 13, 2011

BY HAND

Mr. [REDACTED] - Executive Secretary Treasurer
Quebec Regional Council

[REDACTED]
Anjou, Quebec [REDACTED] CANADA

Dear Sir and Brother:

This will constitute formal notice of action being taken by the United Brotherhood of Carpenters and Joiners of America (UBC), pursuant to its authority under the UBC Constitution, regarding its affiliate, the Quebec Regional Council of Carpenters, Interior Systems Mechanics and Affiliated Workers (Regional Council).

Based upon information brought to my attention, it appears that the affairs of the Regional Council are being conducted in a manner detrimental to the welfare and best interests of the Regional Council, the UBC, and its members, and/or contrary to the provisions and requirements of the UBC Constitution, and that the continued operation of the Regional Council is in jeopardy.

Recently, pursuant to Section 10B of our Constitution an examination of the financial records was conducted by [REDACTED]. Their findings include, but are not limited to: (1) budgets are not being prepared, (2) representatives and administrative personnel do not appear to be familiar or comfortable with financial information or statements, (3) the records are being kept on a cash basis of accounting not accrual resulting in inaccurate financial information and decisions being made on incomplete financial information and, (4) the accounting professional retained by the Regional Council is not qualified.

Further, these shortcomings have a direct impact on the Council's ability to protect the members' interests under the Quebec labour relations regime where five (5) separate unions represent Carpenters and Interior Systems Mechanics. The raiding period (maraudage) begins in the spring of 2012 and the Regional Council is not well represented in the field now and has not set aside any reserves for the huge costs associated with the raiding period. Steps must be taken immediately in order to prepare for the raiding period.

After duly considering the information provided, I have determined, pursuant to my authority under Section 10H of the UBC Constitution, that an emergency situation exists

[REDACTED] Washington, D.C. [REDACTED]

Phone: [REDACTED]

Fax: [REDACTED]

Mr. [REDACTED]
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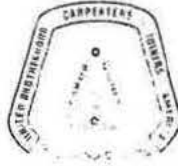
regarding the Regional Council requiring immediate action by the UBC to protect and preserve the welfare and interests of the membership. Accordingly, I hereby appoint as supervisor [REDACTED], District Vice President, Canadian District, to assume supervision over the Regional Council immediately.

District Vice President [REDACTED] is hereby granted full supervisory authority, according to the UBC Constitution and Laws, and the power to assume and exercise full and complete authority over the conduct of the Regional Council's affairs, including, but not limited to, the authority to enforce collective bargaining agreements, the authority to administer all of the Regional Council's assets, the authority to appoint assistant supervisors to assist him in the completion of his duties, the authority to conduct and cancel all meetings, the authority to remove and hire any and all officers, delegates, stewards and employees, as may be deemed necessary to insure the proper exercise of the supervisor's authority in carrying out the purposes of the supervision and insuring the proper functioning of the Regional Council. Furthermore, all officers and members of the Regional Council are hereby directed to fully cooperate with District Vice President [REDACTED] and any appointed assistant supervisors.

Fraternally yours,

[REDACTED]

General President



UNITED BROTHERHOOD OF CARPENTERS AND JOINERS OF AMERICA

[REDACTED]
General President

February 28, 2012

Mr. [REDACTED] Supervisor
Quebec Regional Council
[REDACTED]
Anjou, Quebec [REDACTED] CANADA

Dear Sir and Brother:

This will constitute formal notice of action being taken by the United Brotherhood of Carpenters and Joiners of America ("UBC") pursuant to its authority under the UBC Constitution.

Members of the General Executive Board ("GEB") of the UBC convened on February 20, 2012, and reviewed and considered the Hearing Committee's report regarding the Quebec Regional Council ("Council"). After full consideration and review, the GEB unanimously decided to adopt the findings and recommendations contained in the report of the Hearing Committee and to continue the imposition of the trusteeship over the Council. (A copy of the report is enclosed.) Accordingly, effective immediately, pursuant to the authority provided for in the UBC Constitution, the UBC hereby continues the supervision over the Council.

You shall continue in your appointed capacity as supervisor of the Council with full supervisory authority, according to the UBC Constitution and Laws, and the power to assume and exercise full and complete authority over the conduct of the Council's affairs, including, but not limited to, the authority to enforce collective bargaining agreements, the authority to administer all of the Council's assets, the authority to appoint assistant supervisors to assist you in the completion of your duties, the authority to conduct and cancel all meetings, the authority to remove and hire any and all officers, delegates, stewards and employees, as may be deemed necessary to insure the proper exercise of the supervisor's authority in carrying out the purposes of the supervision and insuring the proper functioning of the Council.

Fraternally yours,

[REDACTED]
GENERAL PRESIDENT

Enclosure

[REDACTED] (via facsimile)
[REDACTED] (via facsimile)

[REDACTED] Washington, D.C. [REDACTED]

Phone: [REDACTED]

Fax: [REDACTED]

**REPORT OF THE HEARING COMMITTEE APPOINTED BY
UNITED BROTHERHOOD OF CARPENTERS & JOINERS OF AMERICA
GENERAL PRESIDENT [REDACTED]
TO CONDUCT A HEARING INTO THE AFFAIRS AND OPERATION OF
QUEBEC REGIONAL COUNCIL OF CARPENTERS
QUEBEC CITY, QUEBEC**

I. INTRODUCTION

A hearing in this matter was conducted on Thursday, September 1, 2011. The proceedings were held at the Fairmont Le Chateau Frontenac hotel located at 1 rue des Carrieres, Quebec City, Quebec. The Hearing Committee consisted of [REDACTED] (Chairman), United Brotherhood of Carpenters & Joiners of America ("UBC") District Vice President, Southern District; [REDACTED], Executive Secretary-Treasurer, Atlantic Canada Regional Council, and [REDACTED], Executive Secretary-Treasurer, Carpenters District Council of Ontario. The entire proceedings were translated simultaneously and recorded for transcription by professional services.

The Chairman read into the record a letter dated August 3, 2011, from UBC General President [REDACTED] addressed to the Quebec Regional Council (herein sometimes referred to as QRC). In the letter, General President [REDACTED] explained that: a hearing into the affairs of the QRC was going to be conducted by the UBC; stated reasons for the hearing; and, informed the membership and officers of the QRC of their opportunity to appear before the Hearing Committee and present testimony, their views, and other evidence. The letter, sent to all members of the QRC, provided the date, time and place of the hearing. (A copy of the August 3, 2011 letter is in the record as part of Exhibit #1.)

Previously, the QRC had been placed under emergency trusteeship by the UBC. By letter dated June 13, 2011, from General President [REDACTED] to the QRC, the QRC was placed under emergency trusteeship, pursuant to the authority provided for under

the UBC Constitution. [REDACTED], District Vice President, Canadian District, was appointed Supervisor over the QRC. (A copy of the June 13, 2011 letter is in the record as part of Exhibit #1.)

The hearing commenced on the morning of September 1, 2011, and proceeded in accordance with the announced schedule. Upon completion of the testimony of the last witness at the morning session, the hearing was closed. (TR 92)

During the proceedings, three (3) exhibits were entered into the record. Twelve (12) individuals were sworn in and provided live testimony totaling 93 pages of transcript. Among those testifying were [REDACTED] UBC District Vice President, Canadian District (TR 11 – 19); [REDACTED], Business Representative Local Union 134 (TR 30 – 35) who submitted Exhibit #2; [REDACTED] EST, Quebec Regional Council (TR 46 – 75) who submitted Exhibit #3; and many members of Local Unions affiliated with the Quebec Regional Council. All those present were given the opportunity to express their views, give testimony, and present evidence.

The Hearing Committee has carefully reviewed and considered all of the evidence and testimony presented at the hearing, and hereby makes the following observations, findings, recommendation, and conclusion.

II. OBSERVATIONS AND FINDINGS

In the letters dated June 13, 2011, and August 3, 2011, (Exhibit #1) UBC General President, [REDACTED] advised the Quebec Regional Council of the issues that prompted supervision. Specifically:

- [I]t appears that the affairs of the Regional Council are being conducted in a manner detrimental to the welfare and best interests of the Regional Council, the UBC, and its members, and/or contrary to the provisions and requirements of the UBC Constitution, and that the continued operation of the Regional Council is in jeopardy.

- Recently, pursuant to Section 10B of our Constitution an examination of the financial records was conducted by [REDACTED]. Their findings include, but are not limited to: (1) budgets are not being prepared, (2) representatives and administrative personnel do not appear to be familiar or comfortable with financial information or statements, (3) the records are being kept on a cash basis of accounting not accrual resulting in inaccurate financial information and decisions being made on incomplete financial information and, (4) the accounting professional retained by the Regional Council is not qualified.
- Further, these shortcomings have a direct impact on the Council's ability to protect the members' interests under the Quebec labour relations regime where five (5) separate unions represent Carpenters and Interior Systems Mechanics. The raiding period (maraudage) begins in the spring of 2012 and the Regional Council is not well represented in the field now and has not set aside any reserves for the huge costs associated with the raiding period. Steps must be taken immediately in order to prepare for the raiding period.

Not one of the twelve (12) witnesses disputed the necessity of an emergency trusteeship. No one disputed the evidence provided by the accounting firm, [REDACTED], that the financial records were not being kept in a proper and accessible manner or that the bookkeeper was not qualified. All witnesses agreed on the importance of the forthcoming raiding period (maraudage) and that the Quebec Regional Council is not prepared at this time.

Only two (2) of the witnesses testified that the trusteeship should be lifted. The remaining ten (10) witnesses agreed that the trusteeship should continue. The two (2) witnesses in favour of lifting the trusteeship did not provide compelling arguments. In fact, most of their testimony dealt with tensions between Local Unions 134 and 761 and the difficulties in running a Regional Council where the majority of the executive are full-time staff.

III. RECOMMENDATION AND CONCLUSION

After reviewing the evidence and testimony in this proceeding, we, the Hearing Committee, hereby find that the UBC's imposition of emergency supervision over the

Quebec Regional Council was warranted. We recommend to the UBC General Executive Board that the UBC supervision over the Quebec Regional Council, pursuant to Sections 6(D) and 10(H) of the UBC Constitution, be continued until such time as the QRC is able to function effectively without UBC supervision.

Accordingly, we further recommend that the appointed supervisor over the Quebec Regional Council, District Vice President [REDACTED] continue full supervisory authority over the QRC, according to the UBC Constitution and Laws, including the power to assume and exercise full and complete authority over the conduct of the QRC's affairs, including, but not limited to, the authority to enforce collective bargaining agreements, the authority to administer all of the Quebec Regional Council's assets, the authority to appoint assistant supervisors to assist him in the completion of his duties, the authority to conduct and cancel all meetings, the authority to remove and hire any and all officers, delegates, stewards and employees, as may be deemed necessary to insure the proper exercise of the supervisor's authority in carrying out the purposes of the supervision and insuring the proper functioning of the Quebec Regional Council.

Respectfully submitted,
For the Hearing Committee:

[REDACTED]
[REDACTED] (Chairman)
[REDACTED]

Date: January 27, 2012