



AMENDED pursuant to Rule 24(1)(a)
ORIGINALLY FILED FEBRUARY 7, 2007

No. 06 5034
VICTORIA REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

DAVE FORMOSA

PLAINTIFF

AND:

THE WATCHDOG BULLETIN
PATRICIA ALDWORTH
FARSITE COMMUNICATIONS and
MARJORIE MILLIKEN

DEFENDANTS

**AMENDED STATEMENT OF DEFENCE OF THE DEFENDANTS, THE
WATCHDOG BULLETIN and PATRICIA ALDWORTH**

1. Save and except as may be expressly admitted herein, the Defendant, Patricia Aldworth, denies each and every allegation of fact set out in the Statement of Claim herein and puts the Plaintiff to strict proof thereof.
2. In further response to paragraph 2 of the Statement of Claim, Watchdog Bulletin is not a person that can be sued. The Defendant admits the allegations of fact set out in Paragraph 3 of the Statement of Claim.
3. The Defendant admits the allegations of fact set out in Paragraph 1 of the Statement of Claim.
4. These Defendant says and the facts are that at the time the Defendant wrote and published the words set out in Paragraph 5 through 13 of the Statement of Claim herein:
 - (a) the Plaintiff was chair and a director of the Powell River Chamber of Commerce, while a senior manager of Catalyst Paper Corporation ("Catalyst") was a member of the Chamber's Board of Directors;
 - (b) the Plaintiff was a businessman and property developer who had earlier attempted to develop property in the City of Powell River;

- (c) the Plaintiff was a Director of Sliammon Development Corporation (“SDC”), a company controlled by the Sliammon First Nations (“Sliammon”) (although the Plaintiff was not a member of the Sliammon First Nations);
- (d) the Plaintiff was also an employee or paid consultant of SDC, and was the only member of the Board of Directors of SDC to draw a salary;
- (e) the Plaintiff, either personally or through corporations directly or indirectly owned or managed by him, has engaged in financial, property or management transactions with SDC, including but not limited transactions concerning the renovation and management of Lund Hotel, and as such has benefited from his relationship with SDC;
- (f) in or about 2006, SDC entered into a joint venture with the City of Powell River and Catalyst for the intended purchase of lands owned by the Catalyst; a mortgage on those lands to be paid by the City of Powell River; the removal of portions of those lands from the Agricultural Land Reserve; and the eventual development and resale of the lands as marine business park and other uses. The joint venture was incorporated as PRSC Land Developments Ltd. (“PRSC”);
- (g) PRSC is a limited partnership owned in equal one-third shares by the City of Powell River (or a corporate subsidiary thereof), SDC, and Catalyst (or a corporate subsidiary or subsidiaries thereof);
- (h) there was little public disclosure or consultation with the citizens of the City of Powell River of the facts set out in sub-paragraphs 4(a) through 4(g) above;
- (i) both before and after the incorporation of PRSC, the Plaintiff was active in attempting to secure removal of some of the subject lands from the Agricultural Land Reserve;
- (j) as a business operator and property developer, and as a paid employee or consultant to SDC, the Plaintiff stood to benefit and profit from an eventual development and resale of the lands being purchased by PRSC;
- (k) the loss of property tax revenue from Catalyst, and the liability of mortgage financing for substantially all of the purchase price, could jeopardize the financial stability of the City of Powell River;
- (l) because of the mixed and overlapping financial, management and local government involvement, and the lack of public consultation or disclosure, all as set out above, there were numerous concerns among citizens of the City of Powell River as to the propriety of the PRSC joint venture, the suitability and financial and environmental sustainability of the proposed development, the ultimate beneficiaries of the proposed development, and potential or actual conflicts of interest;

- (m) the concerns of various citizens of the City of Powell River resulted in the initiation of an investigation by the British Columbia Provincial Ombudsman, which is ongoing.

5. In answer to the allegations of fact set out in Paragraph 5 of the Statement of Claim, the Defendant admits that in the April 2, 2006 issue of "The Watchdog," she wrote and published or caused to be published the words set out therein. The Defendant denies that the words were published of and concerning the Plaintiff or were otherwise defamatory of the Plaintiff, or that they were published falsely or maliciously. The article referred to in paragraph 5, as the first line of the article, which reads: "you'd think our local officials had taken lessons from them good old boys in Washington" referred to the City council of Powell River and its conduct. To the extent that persons who were not members of the City council were referred to, they were referred to generically for the purpose of describing the conduct of the municipal council. If anyone did believe the plaintiff was a member of this generic group, persons who are not members of the municipal council to that extent the words constitute fair comment in a matter of public interest, published without malice and representing the honest opinion of the Defendant, based on the facts set out in paragraph 5 above herein.

6. In answer to the allegations of fact set out in Paragraph 6 of the Statement of Claim, the Defendant admits that in the April 14, 2006 issue of "The Watchdog," she wrote and published or caused to be published the words and headline set out therein but denies that the words were published falsely or maliciously. Further and in the alternative, the Defendant says:

- (a) the words,

"On March 31st, Councillor Bob Astrope (who carries the City's Planning portfolio) chaired a meeting for developers and contractors. Apparently, the meeting was Bob's way of showing the developers and contractors that he cares ... about planning. I arrived a little after 7 a.m. and the room was already full of the usual suspects and a few developers."

do not refer to and are not defamatory of the Plaintiff.

- (b) the words,

"Dave Formosa was busy explaining the need for secrecy and lack of disclosure around the Joint Venture as a 'legal requirement.'"

are true or substantially true in substance and in fact, or in the alternative, constitute a fair and accurate report of proceedings at a public meeting and are thereby privileged;

- (c) the words,

"Dave later exclaimed, with a straight face, that 'so far the JV process has been quite open!'"

are true or substantially true in substance and in fact, or in the alternative, constitute a fair and accurate report of proceedings at a public meeting of a committee of the District of Powell River held on March 31, 2006, and are thereby privileged;

(d) the words,

“So which is it, Dave, open or closed???”

constitute fair comment on a matter of public interest, published without malice and representing the honest opinion of the Defendant, based on the facts set out in Paragraph 4 above and statements made at a public meeting of a committee of the District of Powell River held on March 31, 2006;

(e) the words,

“Dave’s role at the meeting was to speak on behalf of the Chamber of Commerce and to serve as ad hoc facilitator for Astrope and the City Planning staff”;

are not defamatory of the Plaintiff, and in the alternative, are true or substantially true in substance and in fact;

(f) the words,

“Dave used the term ‘we’ so often throughout the meeting that he appeared aligned with every group in town”

constitute fair comment on a matter of public interest, published without malice and representing the honest opinion of the Defendant, based on the facts set out in Paragraph 5 above and statements made at a public meeting of a committee of the City of Powell River held on March 31, 2006;

(g) the words,

“During a JV history lesson, Dave lectured that, ‘a couple of years ago, we [Sliammon] were talking to former mill manager, Brian Johnson, about acquiring a small amount of surplus mill land to develop a marine industrial park. That discussion somehow became ‘take it all [800 acres] or none’”

are not defamatory of the Plaintiff, and in the alternative, constitute a fair and accurate report of proceedings at a public meeting of a committee of the City of Powell River held on March 31, 2006, and are thereby privileged;

(h) the words,

“When the inevitable question came up, ‘Why is the city in this JV partnership?’ Councillor Astrope said, ‘I dunno, ask Dave!’

are not defamatory of the Plaintiff, and in the alternative, constitute a fair and accurate report of proceedings at a public meeting of a committee of the City of Powell River held on March 31, 2006, and are thereby privileged;

(i) the words,

“Dave then said, ‘Some time ago, we [the city] had an opportunity to get in on our future ... mumble mumble ... ‘acquiring Millennium Park’”

are not defamatory of the Plaintiff, and in the alternative, constitute a fair and accurate report of proceedings at a public meeting of a committee of the District of Powell River held on March 31, 2006, and are thereby privileged; or in the further alternative, constitute fair comment, published without malice and representing the honest opinion of the Defendant, based on statements made at that public meeting.

7. In answer to the allegations of fact set out in Paragraph 7 of the Statement of Claim, the Defendant admits that in the April 14, 2006 issue of “The Watchdog,” she wrote and published or caused to be published the words set out therein. These Defendant denies that the words were defamatory of the Plaintiff and denies that they were published falsely and maliciously. In the alternative, these Defendant says that the words represented fair comment, published without malice and representing the honest opinion of the Defendant, based on the confusing and contradictory statements made by the Plaintiff and others at the public meeting referred to above and the facts set out in Paragraph 4 above.

8. In answer to the allegations of fact set out in Paragraph 8 of the Statement of Claim, the Defendant admits that in the May 1, 2006 issue of “The Watchdog,” she wrote and published or caused to be published the words set out therein. These Defendant denies that the words were published falsely or maliciously. Further and in the alternative, the Defendant says:

(a) the headline, “The City is the Joint Venture Stepchild — by Deep Snout” does not refer to and is not defamatory of the Plaintiff;

(b) The words,

“The lawyers for Sliammon Development Corporation are Whyard-Villani. Whyard-Villani is a business partner of Sliammon Development Corporation rep. Dave Formosa”

are true or substantially true in substance and in fact, insofar as Robert Villani, a principal of the firm of Whyard-Villani, is a business partner of the Plaintiff;

(c) the words,

“So who is Whyard-Villani negotiating for: the City or the Sliammon Dev. Corporation?”

do not refer to and are not defamatory of the Plaintiff, and in the alternative, constitute fair comment on a matter of public interest, published without malice and representing a question honestly posed by the Defendant, based on the facts set out in Paragraph 4 above.

9. In answer to the allegations of fact set out in Paragraph 9 of the Statement of Claim, the Defendant admits that in the May 1, 2006 issue of "The Watchdog," she wrote and published or caused to be published the words set out therein as part of a list of issues of public concern arising from the fact set out in Paragraph 4 above. The Defendant denies that the words were published falsely or maliciously. Further and in the alternative, the Defendant says:

(a) the headline, "What are they smoking" and accompanying illustration, and the sub-headline, "What we know about the Joint Venture," do not refer to and are not defamatory of the Plaintiff;

(b) the words,

Issue	Hit of Information	Source
Cost	\$4.2 million	Dave Formosa

are not defamatory of the Plaintiff, or in the alternative are true or substantially true in substance and in fact, based on statements made by the Plaintiff;

(c) the words,

Patsy in the JV	The City of Powell River	Logic
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do not refer to and are not defamatory of the Plaintiff.

10. In answer to the allegations of fact set out in Paragraph 10 of the Statement of Claim, the Defendant admits that in the May 17, 2006 issue of "The Watchdog," she wrote and published or caused to be published the headline and words set out therein. The Defendant denies that the words were published falsely or maliciously. The Defendant specifically denies that the headline or words refer to or are defamatory of the Plaintiff. In the alternative, the Defendant says that the words constitute fair comment on a matter of public interest, published without malice and representing the honest opinion of the Defendant, based on the facts set out in Paragraph 4 above.

11. In answer to the allegations of fact set out in Paragraph 11 of the Statement of Claim, the Defendant admits that in the September 26, 2006 issue of "The Watchdog," she wrote and published or caused to be published the headline and words set out therein. The Defendant denies that the words were published falsely or maliciously. The Defendant denies that the words were published as "an introductory search guide." Further, the Defendant says:

(a) the words,

“The Story of the Greased Pig”

Keywords:

Greedy

Increased taxes

Inept politicians”

do not refer to and are not defamatory of the Plaintiff;

- (b) the words, “Dave Formosa” refer to the Plaintiff but do not and were not intended or understood to connect the Plaintiff with the remaining words and are not defamatory of him. In the alternative, if the words are defamatory of the Plaintiff, the words constitute fair comment on a matter of public interest, published without malice and representing the honest opinion of the Defendant, based on the facts set out in Paragraph 4 above.

12. In answer to the allegations of fact set out in Paragraph 12 of the Statement of Claim, the Defendant admits that in the September 26, 2006 issue of “The Watchdog,” she wrote and published or caused to be published the headline and words set out therein. The Defendant denies that the words were published falsely or maliciously. Further and in the alternative:

- (a) The words,

“Dave Formosa, the major proponent, a director and investor in PRSC which is the entity who will benefit from the lands removal from the ALC, was allowed to ramble on for more than five minutes unlike Ms. Maxey or other opponents of the proposal”

are not defamatory of the Plaintiff. In the alternative, the words are true or substantially true in substance and in fact. In the further alternative, the words constitute a fair report of a public meeting convened by the City of Powell River on or about September 19, 2006 and are thereby privileged. In the further alternative, the words the words constitute fair comment on a matter of public interest, published without malice and representing the honest opinion of the Defendant, based on the facts set out in Paragraph 4 above and the aforesaid public meeting.

- (b) The words,

“We had to sit through the same monotonous statements from proponents over and over. They were allowed to tell personal stories about their grandfathers, their fathers and their children, having nothing to do with the application.”

do not refer to and are not defamatory of the Plaintiff.

- (c) The words,

“We listened to Dave Formosa and Walter Paul, two owners of the land, tell us, without any details, what a good deal the joint venture is.”

are not defamatory of the Plaintiff. In the alternative, the words are true or substantially true in substance and in fact, based on the Plaintiff’s position as principal of one of the joint-venture partners in the proposed property purchase. In the further alternative, the words constitute a fair report of a public meeting convened by the City of Powell River on or about September 19, 2006 and are thereby privileged.

(d) The words,

“4. Dave Formosa, the joint venture dealmaker, indicated in his remarks that he was working closely with the Agricultural Land Commission to get this application through the process successfully.”

are not defamatory of the Plaintiff. In the alternative, the words constitute a fair report of a public meeting convened by the City of Powell River on or about September 19, 2006 and are thereby privileged. In the further alternative, the words, “joint venture dealmaker” are true or substantially true in substance and in fact, based on the Plaintiff’s position as principal of one of the joint-venture partners in the proposed property purchase and the joint venture’s main representative in its dealings with the Agricultural Land Commission.

(e) The words,

“He implied that ALC staff were helping him develop a successful application.”

are not defamatory of the Plaintiff. In the alternative, the words constitute a fair report of a public meeting convened by the City of Powell River on or about September 19, 2006 and are thereby privileged.

(f) The words,

“If this is the case, it would appear the ALC is acting improperly.”

are not defamatory of the Plaintiff. In the further alternative, the words the words constitute fair comment on a matter of public interest, published without malice and representing the honest opinion of the Defendant, based on the facts set out in Paragraph 4 above and the aforesaid public meeting.

13. In answer to the allegations of fact set out in Paragraph 13 of the Statement of Claim, the Defendant admits that in the September 26, 2006 issue of “The Watchdog,” she wrote and published or caused to be published the headline and words set out therein. The Defendant denies that the words were published falsely or maliciously. Further, the Defendant says:

(a) If the words,

“Once upon a time, a zillionaire wanna’be from Powell River wanted to buy some land for development from a big corporation named Catalyst. The big corporation wanted to sell him a parcel of their almost 900 acres of ‘surplus’ land; however most of the land was in the Agricultural Land Reserve (ALR) and the piece the wanna’be wanted to buy would have to be excluded from the ALR before it could be developed.”

refer to the Plaintiff, the words are true or substantially true in substance and in fact, based upon the Plaintiff’s position as principal of one of the joint-venture partners in the proposed property purchase. In the alternative, the words fair comment on a matter of public interest, published without malice and representing the honest opinion of the Defendant, based on the facts set out in Paragraph 5 hereof.

(b) The words,

“So, as Dave Formosa stated at last week’s ALR public hearing, he brought his development plans to the Agricultural Land Commission (ALC) where he was told by ALC staff that his application for removal of the lands from the ALR could not succeed. However, if he recast his proposal in the context of a Local Government request based on Community Need, the application could ultimately succeed.”

are true or substantially true in substance and in fact. In the alternative, the words constitute a fair report of a public meeting convened by the City of Powell River on or about September 19, 2006 and are thereby privileged.

(c) The words,

“(And, if he partnered with a local First Nation group, why it would start to look like a ‘greased pig’).”

are not defamatory of the Plaintiff. In the alternative, the words constitute fair comment on a matter of public interest, published without malice and representing the honest opinion of the Defendant, based on the facts set out in Paragraph 5 hereof.

(d) The words,

Thus, a marriage of convenience took place. Dave Formosa desperately wanted to get involved in the development of Catalyst land and Catalyst desperately wanted to sell their ‘surplus’ land — to someone with a deep pocket.

constitute fair comment on a matter of public interest, published without malice and representing the honest opinion of the Defendant, based on the facts set out in Paragraph 4 above.

(e) The words,

“So, Catalyst and Formosa, who formerly worked at the mill, came up with a great idea: Convince the local politicians and the Sliammon First Nation honchos to enter into a secret deal with them where Catalyst would get \$4.5 million for their ‘surplus’ lands.”

are true or substantially true in substance and in fact, and in the alternative, constitute fair comment on a matter of public interest, published without malice and representing the honest opinion of the Defendant, based on the facts set out in Paragraph 4 above.

(f) The words,

“Getting the First Nation and the City involved in the secret deal would help Formosa/Catalyst get through necessary provincial approvals, including the ALC.”

constitute fair comment on a matter of public interest, published without malice and representing the honest opinion of the Defendant, based on the facts set out in Paragraph 4 above.

(g) The words,

“And once the lands were out of the ALR, under the Formosa/Catalyst scheme, the cost of the “servicing” (roads, sewers, streetlights, etc.) of those lands would be the city’s responsibility rather than theirs.

are true or substantially true in substance and in fact, and in the alternative, constitute fair comment on a matter of public interest, published without malice and representing the honest opinion of the Defendant, based on the facts set out in Paragraph 4 above.

(h) The words,

“And being such nice guys, they’d let the City undertake the clean-up of at least one of those toxic, ugly hulks sitting offshore as well.”

are true or substantially true in substance and in fact, and in the alternative, constitute fair comment on a matter of public interest, published without malice and representing the honest opinion of the Defendant, based on the facts set out in Paragraph 4 above.

(i) The words,

PRSC is the umbrella corporation of the Powell River Waterfront Development Corporation (PRWDC) which is wholly-owned by the City of Powell River and guess what? ... three of our City Councillors are the three (and there are only three) Directors of PRWDC. (Did someone mumble conflict of interest?)

do not refer to and are not defamatory of the Plaintiff.

(j) The words,

The rest of PRSC is made up of a numbered corporation owned by Catalyst (sounds like the Bahamas, doesn't it?) ...

do not refer to and are not defamatory of the Plaintiff.

(k) The words,

"... and some company from Sliammon headed up by the chief and former chief and, guess who? why it's Dave Formosa again ...

"Here's an even bigger kicker. One of those three guys representing Sliammon on the PRSC board isn't even a Sliammon First Nation member. He's — guess who? Why, it's none other than Dave Formosa again. And he's a white boy."

are true or substantially true in substance and in fact, and in the alternative constitute fair comment on a matter of public interest, published without malice and representing the honest opinion of the Defendant, based on the facts set out in Paragraph 4 above.

(l) The words,

"However, provincial bureaucrats and people from outside Powell River won't know that, will they? No, they will think how nice it is that Sliammon has three of their own on the PRSC board. Inclusivity, that's the current politically-correct non-word for this kind of game-playing."

constitute fair comment on a matter of public interest, published without malice and representing the honest opinion of the Defendant, based on the facts set out in Paragraph 4 above.

(m) The words,

"It's really hard to get a grasp on who is using who in this deal. One thing is clear: the joint venture is going to 'use' Powell River taxpayers"

do not refer to and are not defamatory of the Plaintiff. In the alternative, the words constitute fair comment on a matter of public interest, published without malice and representing the honest opinion of the Defendant, based on the facts set out in Paragraph 4 above.

(n) The words,

“And I’ll bet you can guess who the Managing Partner of PRSC is to be. Right ... Sliammon (read Dave Formosa).”

are true or substantially true in substance and in fact, based on the Plaintiff’s position as director and principal of Sliammon Development Corporation. In the alternative, the words constitute fair comment on a matter of public interest, published without malice and representing the honest opinion of the Defendant, based on the facts set out in Paragraph 4 above.

(o) The words,

“And all he’ll have to do is to tell his buddies, the Mayor and City Councillors, what he wants done and when.”

constitute fair comment on a matter of public interest, published without malice and representing the honest opinion of the Defendant, based on the facts set out in Paragraph 4 above.

(p) The words,

Much of the servicing of these lots will be done without the public even knowing about it — for example, street paving with money disbursed, no questions asked, from the city’s Pavement Management Fund. Our politicians aren’t going to say it is for new development. No, if asked, they’ll just tell us it was a scheduled upgrade. In fact, these shady practices appear to already be occurring given the recent blacktopping of a significant stretch of road that didn’t need it (no homes on the street — mostly bush — road was fine) but the road sits between two pieces of PRSC joint venture land. And hey, the cost is on the backs of the little guy taxpayers in Powell River.

do not refer to and are not defamatory of the Plaintiff. In the alternative, the words constitute fair comment on a matter of public interest, published without malice and representing the honest opinion of the Defendant, based on the facts set out in Paragraph 4 above.

(q) The words,

“Oh yeah, taxes. At the same time our elected officials were prostrating themselves in front of the local gods, Catalyst and Dave

| Formosa, for the great opportunity of joining them in the secret plan to rip off Powell River ... ”

| constitute fair comment on a matter of public interest, published without malice and representing the honest opinion of the Defendant, based on the facts set out in Paragraph 4 above.

| (r) The words,

| “ ... these self-same city officials decided to give Catalyst a big tax break \$3 million”

| do not refer to and are not defamatory of the Plaintiff.

| (s) The words,

| “This deal appears to be a ‘greased pig,’ meaning political influence has been employed to ensure approval by all the necessary politicians and related bureaucrats (ie. The ALR whose director, Colin Fry, came all the way from Burnaby up here to Powell River to meet personally with Formosa and other PRSC owners in order to be ‘helpful’) ... ”

| are not defamatory of the Plaintiff. In the alternative, the words constitute fair comment on a matter of public interest, published without malice and representing the honest opinion of the Defendant, based on the facts set out in Paragraph 5 hereof.

| (t) The words,

| “ ... from the local yokel politicians here in Powell River up to the top pol in B.C., Premier Campbell ...”

| do not refer to and are not defamatory of the Plaintiff.

| (u) The words,

| “Because when the city faces bankruptcy and Catalyst gets their lands back, fully-serviced, we will have a record of the deeds of the individuals who held all these secrets. Because when this ‘greased pig’ suffocates in its own excrement and goes belly-up, we can call to account all those so-called ‘businessmen’ and elected officials complicit in this shady deal ...”

| constitute fair comment on a matter of public interest, published without malice and representing the honest opinion of the Defendant, based on the facts set out in Paragraph 4 above.

| (v) The words,

“ ... — as well as those who had the power to stop it and didn’t make any effort to do so.”

do not refer to and are not defamatory of the Plaintiff.

(w) The words,

“Slippery fellow, this greased pig, and smelly too.”

do not refer to and are not defamatory of the Plaintiff. In the alternative, the words constitute fair comment on a matter of public interest, published without malice and representing the honest opinion of the Defendant, based on the facts set out in Paragraph 4 above.

14. The Defendant denies the allegations of fact set out in Paragraph 14 of the Statement of Claim and specifically denies that the words written and published by the Defendant as set out in Paragraphs 5 through 13 of the Statement of Claim, bore or were intended and understood to bear the meanings set out therein. The Defendant is unaware of what facts or matters on which the Plaintiff relies in supporting his allegations.

15. In the further alternative and in further answer to the whole of the Statement of Claim herein, if the words written and published by the Defendant as set out in Paragraphs 5 through 13 of the Statement of Claim are defamatory of the Plaintiff (which is not admitted but denied), the words were written and published by the Defendant, without malice, in an honest belief of the truth thereof, on occasions of qualified privilege, being the duty and responsibility of the Defendant to convey to the citizens of Powell River and elsewhere in British Columbia, the concerns arising from the lack of adequate disclosure and adequate consultation of the facts set out in Paragraph 4 above, and the corresponding right and duty of the citizens of Powell River and elsewhere in British Columbia, to be apprised of such concerns.

16. In answer to the allegations of fact set out in Paragraph 15 of the Statement of Claim, the Defendant admits that the words set out in Paragraphs 5 through 13 of the Statement of Claim were published on the Internet, but do not admit that the words were thereby published throughout the world. The Defendant admits that the words were further published in print editions to a limited number of subscribers of “The Watchdog” newsletter. The Defendant denies that the words were defamatory of the Plaintiff and repeats the statements set out above.

17. The Defendant denies the allegations of fact set out in Paragraph 16 of the Statement of Claim. The Defendant says that if the Plaintiff has suffered any damage to his reputation, which is not admitted but denied, such damage arises solely from his participation in a complex property transaction involving municipal funds, contingent municipal liability, and environmental concerns, while failing to effect adequate public disclosure or public engagement on the purpose and details of the transaction.

18. The Defendant denies the allegations of fact set out in Paragraph 17 of the Statement of Claim.

19. The Defendant pleads and relies on the provisions of the *Libel and Slander Act*, R.S.B.C. 1996, C. 263.

WHEREFORE THE DEFENDANT, PATRICIA ALDWORTH, SUBMITS that the claim against her be dismissed with costs.

DATED at the City of Vancouver, in the Province of British Columbia, this 12th day of June, 2008.


Solicitor for the Defendant, Patricia Aldworth

THIS AMENDED STATEMENT OF DEFENCE is filed by ROBERT S. ANDERSON of FARRIS, VAUGHAN, WILLS & MURPHY LLP, Barristers & Solicitors, P.O. Box 10026, 25th Floor, Pacific Centre, 700 West Georgia Street, Vancouver, British Columbia, V7Y 1B3 (604-684-9151) (facsimile 604-661-9349)