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COMMERCIAL LIST

B E T W E E N:

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Plaintiffs

and

CHEVRON CORPORATION, CHEVRON CANADA LIMITED and CHEVRON CANADA FINANCE LIMITED

Defendants

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THE SUPREME COURT OF CANADA HAS ADDRESSED THE ARGUMENTS OF CHEVRON CORPORATION – ADVERSELY TO IT

1. On December 17, 2013, the Ontario Court of Appeal ordered Chevron Corporation ("Chevron") and Chevron Canada Limited ("Chevron Canada") to serve and file their respective Statement of Defence within 30 days. The Supreme Court of Canada upheld that Order.

2. In both courts, Chevron argued that the courts of Ontario had no jurisdiction to try the recognition and enforcement action against it because it had no and never would have assets in the jurisdiction. That argument failed in both courts.

3. In both courts, Chevron and Chevron Canada argued that, because of the principle of corporate separateness, the shares and assets of Chevron Canada were not exigible to satisfy the judgment against Chevron. That argument failed in both Courts. The Supreme Court held that Chevron Canada represented the very debt to be enforced in Canada.

4. By the simple expedient of filing Statements of Defence, the Chevron Companies now request this Court to dismiss the action against them without the trial anticipated by the Supreme Court. This contention is far too narrow an interpretation and application of the Supreme Court's robust judgment regarding the deference to be accorded to foreign judgments.

5. Chevron contends that, although there is a final judgment against it to pay for the remediation of lands, water and health of 30,000 indigenous people, and although they presume that the final Ecuadorian judgment will be recognised in Ontario, nevertheless there is no point in having a limited defence trial, because upon receiving the Ontario judgment it will be rendered unenforceable by a principle called "corporate separateness".

6. The Chevron Companies contend that a valid foreign judgment and a presumptively valid Ontario judgment are trumped by the incorporation of 100% wholly-owned subsidiaries with the result that the victims of Chevron's pollution continue to suffer.

7. Corporate separateness has never been applied where it results in injustice. It has been ignored in dozens of Canadian and UK cases in order to serve the ends of justice and to ensure that legal obligations are discharged.

8. The Supreme Court of Canada declared:

(a) There is one and only one prerequisite to recognize and enforce a foreign judgment and that is that the Ecuadorian courts had a real and substantial connection to Chevron, which Chevron concedes:

> "I agree with the Ontario Court of Appeal and the motion judge that the approach favoured by Chevron is sound neither in law nor in policy. Canadian courts, like many others, have adopted a generous and liberal approach to the recognition and enforcement of foreign judgments. To recognize and enforce such a judgment, the only prerequisite is that the foreign court had a real and substantial connection with the litigants or with the subject matter of the dispute, or that the traditional bases of jurisdiction were satisfied."

Reference: *Chevron Corp. v. Yaiguaje,* 2015 SCC 42 ("SCC Reasons"), para. 27, Authorities of the Plaintiffs / Respondents, Tab 1

(b) Through its own behaviour and legal noncompliance by failing to pay the Judgment, Chevron cannot claim that a trial in Ontario is unfair to it:

> "Second, no unfairness results to judgment debtors from having to defend against recognition and enforcement proceedings. In essence, through their own behaviour and legal noncompliance, the debtors have made themselves the subject of outstanding obligations. It is for this reason that they may be called upon to answer for their debts in various jurisdictions."

Reference: SCC Reasons, para 55, Authorities of the Plaintiffs / Respondents, Tab 1

(c) There is no requirement that the Judgment Debtor, Chevron, have assets in the jurisdiction:

> "In this regard, I find persuasive value in the fact that other common law jurisdictions — presumably equally concerned about order and fairness as our own — have also found that the presence of assets in the enforcing jurisdiction is not a prerequisite to the recognition and enforcement of a foreign judgment."
>
> . . .
>
> "If jurisdiction over recognition and enforcement proceedings were dependent upon the presence of assets at the time of the proceedings, this may ultimately prove to only benefit those debtors whose goal is to escape rather than answer for their liabilities, while risking depriving creditors of access to funds that might eventually enter the jurisdiction."

Reference: SCC Reasons, para. 56 and 58, Authorities of the Plaintiffs / Respondents, Tab 1

9. Chevron now requests this court to dismiss the recognition and enforcement action which the Supreme Court of Canada endorsed in the strongest terms. Chevron regurgitates the same arguments it placed before the Supreme Court of Canada, which were all dismissed. The Supreme Court's mandate for the recognition and enforcement action to proceed is evident from the following passages:

(a) "Facilitating comity and reciprocity, two of the backbones of private international law, calls for assistance, not barriers."

Reference: SCC Reasons, para. 69, Authorities of the Plaintiffs / Respondents, Tab 1

(b) "Second, the notion of comity, which has consistently underlain actions for recognition and enforcement, militates in favour of generous enforcement rules."

Reference: SCC Reasons, para. 42, Authorities of the Plaintiffs / Respondents, Tab 1

(c) "Barring exceptional concerns, a court's focus when enforcing a foreign judgment is not on the substantive and procedural law on which the judgment is based, but instead on the obligation created by the judgment itself."

> "Important consequences flow from this observation. First, the purpose of an action for recognition and enforcement is not to evaluate the underlying claim that gave rise to the original dispute, but rather to assist in enforcing an already-adjudicated obligation. In other words, the enforcing court's role is not one of substance, but is instead one of facilitation: *Pro Swing*, at para. 11. The court merely offers an enforcement mechanism to facilitate the collection of a debt within the jurisdiction."

Reference: SCC Reasons, paras. 43 & 44, Authorities of the Plaintiffs / Respondents, Tab 1

10. The Supreme Court makes it clear that a stay or dismissal of proceedings, which is in essence what Chevron seeks, is unavailable:

> "Walker adds that, as a result, since enforcement concerns only local assets, 'there is no basis for staying the proceedings on the grounds that the forum is inappropriate or that the judgment debtor's principal assets are elsewhere': *ibid*."

Reference: SCC Reasons, para. 46, Authorities of the Plaintiffs / Respondents, Tab 1

CHEVRON'S MOTION

11. Chevron puts its motion to this court in this way: "…is it [a Judgment in Ontario for the plaintiffs] capable of being executed against a non-party to the Ecuadorian proceedings, Chevron Canada Limited (Chevron Canada)?" The answer is clearly: YES.

Reference: Factum of Chevron Corporation, para. 2

12. First, Chevron cites no rule and no authority for the proposition that a court can stay or dismiss an action because a judgment against it would not result, after execution, in a benefit to the plaintiffs. The Supreme Court stated the exact opposite: "there is no basis for staying the proceedings on the grounds that…..the judgment debtor's principal assets are elsewhere".

13. Second, the motion is not Chevron's to make. It is for Chevron Canada to make. But it is important to note that Chevron Canada attempted to extricate itself from this action with the very same argument, and the Supreme Court decided that it was indeed a proper defendant.

Reference: SCC Reasons, paras. 92, 93, Authorities of the Plaintiffs / Respondents, Tab 1

14. Third, if Chevron really has the conviction of its position that it has no assets that can be seized, it should not oppose the plaintiffs' action. It can, as the Court of Appeal stated, ignore the Ontario proceeding and suffer a default judgment.

15. Fourth, the plaintiffs gain additional benefits from a judgment in Ontario against Chevron. They can register the judgments in every other province of Canada and extra-territorially under the *Reciprocal Enforcement of Judgments (U.K.) Act*. As stated by Justice Gascon of the Supreme Court, "I acknowledge that, under provincial legislation, a recognition and enforcement judgment issued in one province, may be capable of being 'registered' in another province, thus offering some advantage to plaintiffs who have already successfully obtained a recognition and enforcement judgment".

16. The plaintiffs' position has been clear from the filing of its Statement of Claim in 2012. Chevron has very substantial assets in Canada.

Reference: SCC Reasons, para. 49, Authorities of the Plaintiffs / Respondents, Tab 1

17. The Supreme Court's strong judgment advocating the facilitation of recognition and enforcement actions by means that are "far less invasive" than an action at first instance cannot, as Chevron tries, by the mere filing of a Statement of Defence, be an avenue to undermine the Supreme Court's judgment in this case and negate the strong statements in favour of international comity and respect for the courts of other countries. Chevron's motion must be dismissed.

18. Chevron's motion is another in a series of delays it constructs to defer remediation of serious contamination for which it is required to pay USD 9.51 billion. The U.S. 2nd Circuit Court of Appeals roundly criticized Chevron for seeking an injunction to prevent the plaintiffs from seeking enforcement anywhere in the world:

> "Chevron is once again seeking to prevent the respondents from realizing on their legitimate judgment. As the U.S. 2nd Circuit Court of Appeals stated and as is consistent with the principles of international comity:
>
> The Recognition Act and the common law principles are motivated by an interest to <u>provide for</u> the enforcement of foreign judgments, not to prevent them.
>
> Chevron would turn that framework on its head and render a law designed to facilitate 'generous' judgment enforcement into a regime by which such enforcement could be preemptively avoided." [emphasis added]

Reference: *Chevron Corporation v. Naranjo*, 667 F.3d 232 (2d Cir. January 26, 2012) at pp. 18 and 19, Authorities of the Plaintiffs / Respondents, Tab 3

19. The Ontario Court of Appeal also spoke pointedly to Chevron's tactics:

> "Once the Ecuadorian courts made their decisions, Chevron chose not to abide by them. Indeed, Chevron sought and obtained a global injunction from a New York federal district court barring the enforcement of the Ecuadorian judgment in any court in any country in the world: *Chevron Corp. v. Donziger*, 768 F. Supp. 2d 581 (S.D.N.Y. 2011). The United States Court of Appeals for the Second Circuit reversed this decision and

> remitted the case to the district court with instructions to dismiss Chevron's declaratory judgment claim in its entirety: *Chevron Corporation v. Naranjo*, 667 F.3d 232 (2d Cir. 2012).
>
> Now the Ecuadorian plaintiffs have decided to try to have the Ecuadorian judgment enforced in Ontario. Chevron's response is to contest the jurisdiction of the Ontario court; it has not attorned to its jurisdiction.
>
> The picture from the above history is an obvious one. For 20 years, Chevron has contested the legal proceedings of every court involved in this litigation – in the United States, Ecuador and Canada. Chevron even sought, and briefly obtained, a global injunction against enforcement of the Ecuadorian judgment.
>
> In these circumstances, I cannot agree with the motion judge that the Ecuadorian plaintiffs' recognition and enforcement action in Ontario is an 'academic exercise' and would be 'an utter and unnecessary waste of valuable judicial resources.' In these circumstances, the Ecuadorian plaintiffs do not deserve to have their entire case fail on the basis of an argument against their position that was not even made, and to which they did not have an opportunity to respond. In these circumstances, the Ecuadorian plaintiffs should have an opportunity to attempt to enforce the Ecuadorian judgment in a court where Chevron will have to respond on the merits. That the plaintiffs in this case may ultimately not succeed on the merits of their recognition and enforcement action, or that they may not succeed in successfully collecting from the judgment debtors against whom they bring this action, are not relevant factors for a court to consider in determining whether to grant a discretionary stay before the defendants have even attorned to the jurisdiction of the Ontario court. A party may bring an action for all kinds of strategic reasons, recognizing that their chances of collection on the judgment are minimal. It is not the role of the court to weed out cases on this basis and it is a risky practice for a judge to second-guess counsel on strategy in the name of judicial economy."

Reference: *Yaiguaje v. Chevron Corporation*, 2013 ONCA 758 ("OCA Reasons"), paras. 67-70, Authorities of the Plaintiffs / Respondents, Tab 2

20. Chevron's jurisdiction motion was doomed from the outset. Four Supreme Court of Canada cases were clearly insuperable. Rule 17.02 stood against it. All 11 judges ruled against Chevron, all citing four Supreme Court cases and the Rule. But it took three years.

21. Now Chevron cloaks itself in its subsidiary's argument, while postulating that its 100% wholly owned subsidiary is not its asset.

22. Chevron and Chevron Canada both rely heavily on Justice Brown's stay decision which was overturned on each of no less than five bases:

> "The point I draw from these passages in the respondents' notice of motion and appeal facta is this: the motion judge's stay in a major case involving poor and vulnerable foreign residents, one of the world's largest corporations, a long and difficult process in a foreign court, and a huge damages award, was entirely his own construct; no party sought it. Consequently, this issue was not argued before the trial judge, and no cases were put before him regarding the appropriateness of granting a discretionary stay."

Reference: OCA Reasons, para. 53, Authorities of the Plaintiffs / Respondents, Tab 2

23. Even the Supreme Court had little regard for Justice Brown:

> "The stay was entirely the initiative of the motion judge. According to the Court of Appeal, a s. 106 stay should only be granted in rare circumstances, and the bar to granting it should be raised even higher when it is not requested by the parties. In fact, the s. 106 stay in this case constituted a 'disguised, unrequested and premature Rule 20 and/or Rule 21 motion': para. 57. In MacPherson J.A.'s view, the motion judge had effectively imported a *forum non conveniens* motion into his reasoning on the stay, even though no such motion had been before him. The issues that the motion judge had addressed deserved to be fully canvassed on the basis of a complete record and full legal argument."

Reference: SCC Reasons, para. 18, Authorities of the Plaintiffs / Respondents, Tab 1

24. As the Supreme Court said, no heed and deference should be accorded Justice Brown's findings on "corporate separateness":

> "In that regard, the deference allegedly owed to the motion judge's findings concerning the separate corporate personalities of the appellants and the absence of a valid foundation for the Ontario courts' exercise of jurisdiction is misplaced. These findings were reached in the context of the s. 106 stay. As I stated above, the Court of Appeal reversed that stay, and this issue is not on appeal before us."

Reference: SCC Reasons, para. 95, Authorities of the Plaintiffs / Respondents, Tab 1

25. In light of the criticisms of the Court of Appeal and of the Supreme Court of Canada, it is astonishing that the defendants continue to press this Court to accept Brown J.'s findings.

26. Yet Chevron, the well-funded behemoth, with net annual profits of over USD 25 billion and 1,500 subsidiaries, persists in re-litigating issues already decided against it by the Supreme Court.

27. A prime example of an immense irrelevance to the "corporate separateness" submissions by Chevron is the repeated reference to the judgment of Judge Kaplan – which has nothing to do with "corporate separateness". Lacking any proper basis to stop the trial against it, Chevron resorts to irrelevant submissions.

28. The 2nd Circuit Court of Appeals affirmed that Chevron's RICO action in the USA was an in personam judgment against three individuals. The result was the imposition of a constructive trust over any monies obtained by those specific three individuals. The court expressly held that it did not invalidate the Ecuadorian judgment or prevent its enforcement in Canada.

29. The summary judgment motion of Chevron should be dismissed. The Supreme Court of Canada rejected all the same arguments made by Chevron to it on the jurisdiction motion and ordered it to proceed with its defence.

CHEVRON CANADA

30. The Judgment Debtor, Chevron, is a holding company that owns 100% of the shares of some 1,500 different operating subsidiaries all over the world.

31. It has removed its assets from Ecuador in order to evade its debt to the plaintiffs and now tries to shield its Canadian assets behind a misplaced (and erroneous) claim to "corporate separateness".

32. In any event, "corporate separateness" does not apply to this execution proceeding. Wholly-owned assets are exigible to satisfy judgment debts, whether direct or indirect. There is no law or public policy that would or should operate to protect wholly-owned assets in these circumstances and deprive Ecuadorian villagers of justice.

33. The Supreme Court of Canada determined, on the jurisdiction motion brought by Chevron Canada, that it was an asset of Chevron, and had to file a defence and proceed to trial.

34. Chevron Canada is a 7th level subsidiary of Chevron. All intervening subsidiaries are 100% owned by Chevron. They are all investment companies only and not engaged in Chevron's main endeavors. They are, like the 1,500 subsidiary companies Chevron is constantly creating and dissolving, companies of convenience.

CHEVRON CANADA IS AN ASSET OF CHEVRON CORPORATION

35. The plaintiffs' principal submission is that Chevron Canada is an asset of Chevron, exigible and available for execution and seizure.

36. The plaintiffs' alternative arguments, developed later in the factum, address corporate separateness, its inapplicability to the facts and circumstances of a judgment debt, the economically significant relationship between Chevron and Chevron Canada, and the command and control structure imposed by Chevron over the myriad activities carried out by the operating subsidiaries that dividend up their earnings to Chevron to pay its shareholders.

37. The Supreme Court declared that Chevron Canada was a proper party to the litigation even though it was not involved in causing the pollution in Ecuador. Chevron Canada put the issue of "corporate separateness" squarely before the Supreme Court, contending that it was not an asset of Chevron, the Ecuadorian Judgment Debtor – see in particular paragraphs 64-77 of Chevron Canada's factum and paragraphs 101-115 of Chevron's factum.

> **Reference**: Excerpts from Chevron Canada Limited's Factum to the SCC, pp. 64 – 77, Responding MR of the Plaintiffs / Respondents, Volume 2, Tab 27, pp. 430 - 435
> Excerpts from Chevron Corporation's Factum to the SCC, pp. 101 – 115, Responding MR of the Plaintiffs / Respondents, Volume 2, Tab 226, pp. 424 - 429

38. The Supreme Court dismissed Chevron Canada's arguments and recognized that Chevron's assets included Chevron Canada, its shares and its assets.

> "In the recognition and enforcement context, it would hardly make sense to require that the carrying on of business in the province relate to the subject matter of the dispute. The subject matter of recognition and enforcement proceedings is the collection of a debt. A debt is enforceable against any and all assets of a given debtor, not merely those that may have a relationship to the claim."

> **Reference**: SCC Reasons, para. 92, Authorities of the Plaintiffs / Respondents, Tab 1

39. The Supreme Court also declared that Chevron Canada was a seizable asset and the direct object of the proceedings:

> "Second, one aspect of the plaintiffs' claim in this case is for enforcement of Chevron's obligation to pay the foreign judgment using the shares and assets of Chevron Canada to satisfy its parent corporation's debt obligation. In this respect, the subject matter of the claim is not the Ecuadorian events that led to the foreign judgment to which Chevron Canada is a stranger, but rather, at least arguably, the collection of a debt using shares and assets that are alleged to be available for enforcement purposes. In an enforcement process like this for the collection of a debt against a third party, assets in the jurisdiction through the carrying on of

> business activities are undoubtedly tied to the subject matter of the claim. From that standpoint, seizable assets are not merely the subject matter of the dispute, they are its core. In this regard, the third party is the direct object of the proceedings."

Reference: SCC Reasons, para. 93, Authorities of the Plaintiffs / Respondents, Tab 1

40. The Supreme Court had no difficulty in plainly recognizing that "in an enforcement process like this for the collection of a debt", the assets of Chevron Canada are "the core" of the dispute.

The *Execution Act* – Seizure and Exigibility

41. The Legislature enacted the *Execution Act* to authorize and empower the sheriff to execute against any interest of a judgment debtor.

42. It is a remedial statute. It operates after a judgment debtor has been found liable by a court. Its large and liberal application is trumpeted in the Supreme Court's statements that the enforcing court must lend "…its judicial assistance to the foreign litigant by allowing him or her to use its enforcement mechanisms…" and the Court of Appeal's statement: "this case cries out for assistance…".

Reference: SCC Reasons, para 37, Authorities of the Plaintiffs / Respondents, Tab 1
OCA Reasons, para. 72, Authorities of the Plaintiffs / Respondents, Tab 2

43. Consistent with the spirit of the legislation, the wording of the provisions of the *Execution Act* are broad. They entitle the sheriff to seize any interest of a judgment debtor. An interest encompasses a legal, beneficial, direct and indirect interest.

Reference: *Sistem Muhendislik Insaat Sanayi Ve Ticaret Anonim Sirketi v. Kyrgyz Republic*, [2014] O.J. No. 1815 (S.C.J.) at paras. 47-53, Authorities of the Plaintiffs / Respondents, Tab 4

44. Section 18 is broad and explicit: The sheriff may seize and sell any equitable or other right, property, interest or equity or redemption, in or in respect of any goods, chattels or personal property.

45. Section 14 provides for seizure of the interest of an execution debtor in a security or security entitlement.

46. Section 14(3) provides that every seizure shall include all dividends, distributions, interest and other rights to payment.

47. The Legislature quite clearly contemplated the exigibility of a beneficial interest. A beneficial interest in an asset is quite clearly captured by section 18(1) of the *Execution Act*. In *Banglar Progoti Ltd. v. Ranka Enterprises Inc.*, Madam Justice Pepall (as she then was) granted a declaration that the debtor had a 100% beneficial interest in certain real property, and that that interest could be seized pursuant to a writ of seizure and sale.

Reference: *Banglar Progoti Ltd. v. Ranka Enterprises Inc.*, [2009] O.J. No. 1470 (S.C.J.) at paras. 8 and 27-29, Authorities of the Plaintiffs / Respondents, Tab 5

48. In *Tracy v. Iranian Ministry of Information*, Brown J, as he then was, enforced writs of seizure against two real properties owned by Farhangenan Inc. and the Mabin Foundation which acquired title from Fatima Cultural Activities Inc. on the basis that Iran was the beneficial owner of both properties and, as a result, they were exigible and could be seized. In so doing, Brown J. cited Pepall J.'s decision in *Banglar Progotic* and concluded on the substance of ownership not on the form of ownership.

Reference: *Tracy v. Iranian Ministry of Information*, 2014 ONSC 1696 at paras 26, 29, Authorities of the Plaintiffs / Respondents, Tab 6

49. In *1454495 Ontario Inc. v. J=Systems Inc.*, the Court held that the debtor's residual rights in certain shares constituted an interest that could be seized and sold pursuant to section 18(1) of the *Execution Act*, notwithstanding that another party also had significant rights in the shares, including possession and the right to vote.

Reference: *1454495 Ontario Inc. v. J=Systems Inc.*, [2002] O.J. No. 486 (S.C.J.) at paras. 3-4 and 23-25, Authorities of the Plaintiffs / Respondents, Tab 7

50. The *Execution Act* is remedial in nature and is to be construed liberally, so as to ensure that the statute's objectives are attained according to the statute's true intent, meaning and spirit. The provisions of the *Execution Act*, including section 18(1), should therefore be interpreted in a manner that facilitates the process of enforcing judgments, not in a manner that would deny creditors a remedy.

51. Chevron Canada is a seventh level wholly-owned subsidiary of Chevron Corp. Chevron Corp. owns 100% of the shares of each descending subsidiary, which in turn owns 100% of the next descending subsidiary. None of the intermediary subsidiary companies carries on business. The directors of five of these six subsidiaries are all employees of either Chevron Corp. or of Chevron Global Downstream LLC, itself a wholly-owned subsidiary of Chevron Corp. The four directors of Chevron Canada are all employees. It is obvious that Chevron Canada is wholly-owned and controlled by Chevron Corp. for the sole benefit of Chevron Corp.'s shareholders. Chevron's Corporate Structure Chart, attached at Tab C herein, is illustrative.

52. Chevron itself does not carry on any business. Its revenue producing subsidiaries operate in approximately 60 countries in the world. The vast majority of its 1,500 subsidiaries, well over 90% are interposed, in layers, between Chevron and the operating subsidiaries. They carry on no business. As Chevron's witness Soler stated when asked how many subsidiaries there are in the Chevron group:

> "It varies literally on a daily basis. I mean, we create and dissolve companies constantly. But approximately, there are 1500 companies around the world".

53. As the Court of Appeal found:

> "… Chevron's income is wholly derived from dividends from indirect subsidiaries that carry out its actual business functions, which include Chevron Canada." … "Chevron guarantees the debt of its indirect subsidiaries which in turn furnish capital to Chevron Canada and [Chevron] has directly guaranteed certain performance obligations of Chevron Canada."

Reference: OCA Reasons, para. 38, Authorities of the Plaintiffs / Respondents, Tab 2

54. One hundred percent ownership by Chevron over the shares and assets of Chevron Canada means it has total control over the affairs of its subsidiary. It can mandate an investment, restrict an expenditure, change the officers and directors and veto any activity.

55. The shareholders, bondholders, bankers and other lenders to Chevron, consider that all the 1,500 subsidiaries, their shares operations and physical assets are all assets of the public company, Chevron (stock symbol CVX). Logically, no shareholder would buy a share of CVX at about USD 100 to only know that he/she owns only the California bank account of Chevron. No bondholder or other lender would lend to Chevron believing that, on default, it could only execute on the bank account.

56. Chevron's own Annual Reports, 10Ks and public pronouncements promote this belief and confirm its validity.

57. The agencies that rate its debt and its commercial paper program are in no doubt that the assets of this unified entity belong unequivocally to Chevron:

DBRS	Chevron Corporation (Chevron) is one of the world's largest integrated non-government-owned petroleum companies. CVX's ratings are supported by its very strong financial profile, the scale and diversity of the Company's integrated operations and its sizeable portfolio of upstream growth projects. **Strengths** 1. global diversification in core petroleum segments; 2. Good production growth prospects; 3. Increasingly focused Downstream operations; 4. Strong balance sheet and financial flexibility.
Moody's	The ratings upgrade recognizes Chevron's increasingly diversified upstream reserves and production portfolio, the sustainability of its strong financial profile ...

58. Chevron is the sole owner of the shares of Chevron Canada. It is the owner through the 100% ownership of cascading intermediary subsidiaries which carry on no business. If one asks the question: who has the beneficial, indirect ownership of Chevron Canada's shares, the answer must be Chevron. If one asks the corollary question: does anyone else have a beneficial right to those shares, the answer must be no.

59. By its complete dominion and control of the boards of directors of each intervening subsidiary, none of which has an independent director and all of which are populated by Chevron group employees, only Chevron can order a sale of all or substantially all of the assets.

60. This Court should declare that Chevron Canada's shares and assets are exigible for execution and seizure pursuant to the provisions of the *Execution Act*.

61. There is no need to resort to the alternative arguments that follow. These motions should be resolved on the basis of the execution of a judgment debt which encompasses all the assets of Chevron including all of its subsidiaries. The statute and the cases support this result.

ALTERNATIVE ARGUMENTS

Chevron Canada

62. The plaintiffs present alternative bases for this Court to declare that Chevron Canada's shares and assets are exigible to satisfy the judgment against Chevron and, also, to respond to the defendants' arguments on corporate separateness.

63. In the alternative, even if one were to apply the principles of piercing the corporate veil to the facts of this case, where the parent is the judgment debtor and the subsidiary represents its assets, the usual tests of dominion and control are met. Chevron owns 100% of Chevron Canada. The profits of Chevron are made up of the revenue generated by Chevron Canada and dividended up to it. Each of the large projects entered into in Canada by Chevron Canada received prior approval from the executive committee of Chevron. Progress on the business operations from these projects must be reported to the executive committee of Chevron. Annual business plans of Chevron Canada require the approval of Chevron. Chevron has guaranteed the financial and performance obligations of Chevron Canada with respect to its joint venture partners. Those partners are clearly not willing to engage in large projects without the parent guarantee.

64. One of the features of corporate law is the principle of limited liability, which insulates a corporation's owners (its shareholders) from the debts of the corporation beyond the amount of

their investment. The alternative, however, is not true. It does not apply to insulate the corporation from the debt of its shareholder. Piercing the corporate veil is an exception to the limited liability principle. It evolved at common law to mitigate the harsh results of applying the limited liability principle.

65. Traditional corporate veil piercing theory does not apply where to do so prejudices innocent third parties. It definitely does not apply where there is no attempt being made to affix liability against a parent for the tortious acts of the subsidiary. All of the established authorities that apply the principles of corporate veil piercing concern the appropriateness of naming a parent company as a party defendant in a lawsuit being brought against the subsidiary for its tortious acts. That is not this case.

66. An analysis of the purpose behind corporate separateness and its application results in a number of principles.

67. First, and foremost, corporate separateness has not been applied where to apply it would result in an injustice or to a default in a legal obligation.

68. Second, a line of cases has emerged over the last 30 years where the separateness of parent and subsidiaries has not been followed where "there exists a sufficient degree of relationship between the different legal entities", where there is "an economically significant relationship", and where the "true commercial and practical nature" is of one enterprise.

69. Third, corporate separateness has not been applied to the issue of ownership.

70. Fourth, in many cases, the courts have "pierced the corporate veil", i.e., ignored the parent-subsidiary relationship. The courts, in Canada and in the U.K., have stated over and over

again that there is “no consistent principle” that has been applied to ignoring the separate entities principle.

71. The facts of this case make all three principles applicable:

(a) To declare that the shares and assets of Chevron Canada are so separate by virtue only of its incorporation as a 100% subsidiary, so as to make them unavailable to satisfy the legitimate judgment debt of Chevron, would be an injustice to the 30,000 indigenous people whose way of life has been ruined by Chevron’s polluting activities. Such a declaration would undermine the legal obligation they fought for more than 20 years to achieve in both Ecuador and Ontario. It would undermine the whole process of reciprocity and comity;

(b) As the facts amply demonstrate, Chevron has total effective control over Chevron Canada and immerses itself intimately in the affairs of Chevron Canada. None of Chevron Canada’s major projects was accomplished without approval from Chevron for each step from initiation of exploration to drilling, to operation to transportation;

(c) Ownership is not a corporate separateness issue. Incorporation prevents a plaintiff from joining in an action, as a defendant, the uninvolved, innocent parent of a contract breaking or tortfeasing subsidiary. Corporate separateness has always been an issue answering the question: who is liable?. But once judgment ensues against the guilty party, in this case Chevron, there is then no room for the application of corporate separateness.

IGNORING THE CORPORATE STRUCTURE TO DO JUSTICE

72. The courts, including this Court, have not applied corporate separateness as a strict, inflexible rule. The courts have looked at the substance of the issue and determined an appropriate just result to right the wrong.

73. In 1987, the Supreme Court laid out the principle that "those who have chosen the benefit of incorporation must bear the corresponding burdens ...". Corporate separateness will not be contemplated where its application will be to the detriment of third parties:

> "As a general rule a corporation is a legal entity distinct from its shareholders: Salomon v. Salomon & Co., [1897] A.C. 22 (H.L.). The law on when a court may disregard this principle by 'lifting the corporate veil' and regarding the company as a mere 'agent' or 'puppet' of its control-ling shareholder or parent corporation follows no consistent principle. The best that can be said is that the 'separate entities' principle is not enforced when it would yield a result 'too flagrantly opposed to justice, convenience or the interests of the Revenue': L.C.B. Gower, Modern Company Law (4th ed. 1979) at p. 112....
>
> There is a persuasive argument that 'those who have chosen the benefits of incorporation must bear the corresponding burdens, so that if the veil is to be lifted at all that should only be done in the interests of third parties who would otherwise suffer as a result of that choice': Gower, supra, at p. 138. …"

Reference: *Kosmopoulos v. Constitution Insurance Co. of Canada,* [1987] 1 S.C.R. 2, at paras. 12 and 13, Authorities of the Plaintiffs / Respondents, Tab 8

74. In 2006, the Court of Appeal for Ontario stated that the *Salomon v. Salomon* principle was an important one, but not an absolute one:

> "The well-known corporate law principle, first enunciated in Salomon v. Salomon & Co., [1897] A.C. 22, [1985-9] All E.R. 33 (H.L.), that the shareholders of a corporation are separate and [page652] distinct from the corporate legal entity is -- as MacPherson J.A. recently noted in Wildman v. Wildman, [2006] O.J. No. 3966, 151 A.C.W.S. (3d) 666 (C.A.), at para. 23 – 'an important one' but not, however, 'an absolute principle'. There is

> a line of jurisprudence establishing in very general terms that the courts will not enforce the 'separate entities' notion where 'it would yield a result 'too flagrantly opposed to justice, convenience or the interests of the Revenue'' : *Kosmopoulos v. Constitution Insurance Co. of Canada*, 1987] 1 S.C.R. 2, [1987] S.C.J. No. 2, at p. 10 S.C.R., citing L.C.B. Gower, Gower's Principles of Modern Company Law, 4th ed. (London: Stevens & Sons, 1979) at 112. See also *Debora v. Debora*, [2006] O.J. No. 4826 (C.A.), at para. 24; *Transamerica Life Insurance Co. of Canada v. Canada Life Assurance Co.* (1996), 28 O.R. (3d) 423, [1996] O.J. No. 1568 (Gen. Div.), at pp. 432-34 O.R., affd [1997] O.J. No. 3754, 74 A.C.W.S. (3d) 207 (C.A.); and *642947 Ontario Ltd. v. Fleischer* (2001), 56 O.R. (3d) 417, [2001] O.J. No. 4771 (C.A.), at paras. 67-69."

Reference: *Lynch v. Segal*, 2006 82 OR 641, at para. 35, Authorities of the Plaintiffs / Respondents, Tab 9

75. In *Parkland Plumbing*, the Court of Appeal for Ontario in 2009 reiterated the Supreme Court's principle in *Kosmopoulos*:

> "49 While a corporation is a legal entity distinct from its shareholders, this principle may be disregarded by 'lifting the corporate veil' and regarding the company as the agent or vehicle of its controlling shareholder or parent corporation where enforcing the 'separate entities' principle would yield a result 'too flagrantly opposed to justice': Kosmopoulos v. Constitution Ins. Co. of Canada, [1987] 1 S.C.R. 2, at para. 12, citing L.C.B. Gower, Modern Company Law 4th ed. (London: Stevens, 1979), at p. 112.3"

Reference: *Parkland Plumbing & Heating Ltd. v. Minaki Lodge Resort 2002 Inc*., [2009] O.J. No. 1195 (C.A.), at para. 49, Authorities of the Plaintiffs / Respondents, Tab 10

THE SECOND AND FOURTH CATEGORIES – INTERCORPORATE RELATIONSHIP

76. In Canada and the U.K., case after case has stated that ignoring the corporate structure in liability situations "follows no consistent principle". It is not applied where it ignores the commercial realities.

Reference: *Kosmopoulos v. Constitution Insurance Co. of Canada, supra*, at paras. 12 and 13, Authorities of the Plaintiffs / Respondents, Tab 8
642947 Ontario Ltd. v. Fleisher et al, OCA, Tab 1, Chevron Authorities
Degenstein (Guardian ad item of) v. McDiarmid, [1993] A.J. No. 778 (Alta. Q.B.) at para. 7, Authorities of the Plaintiffs / Respondents, Tab 11
Anil Hargovan and Jason Harris, "Piercing the Corporate Veil in Canada: A comparative analysis" (20007) 28:2 Company Lawyer 58 at 58, Authorities of the Plaintiffs / Respondents, Tab 12
Christopher Nicolls, "Piercing the Corporate Veil and the 'Pure Form' of the Corporation as Financial Innovation"(2008) 46 Can. Bus LJ 33 at 236, Authorities of the Plaintiffs / Respondents, Tab 13
Shillingford v. Dalbridge Group Inc., [1996] A.J. No. 1063 (Alta. Q.B.) at para. 29, Authorities of the Plaintiffs / Respondents, Tab 14
VTB Capital Plc v. Nutritek International Corp. & Ors (Rev 1), [2013] UKSC 5 at para. 123, Authorities of the Plaintiffs / Respondents, Tab 15

77. The Court of Appeal, in this very case, offered a unifying theme for commercial companies in the modern world. It described how, in a liability situation, an economically significant relationship would permit the court to ignore corporate separateness to do justice. The principle is not new and has much support in the cases. The nomenclature differs from case to case but the unifying theme behind the results is the unity of purpose between parent and subsidiary.

Reference: OCA Reasons, para. 38, Authorities of the Plaintiffs / Respondents, Tab 2

78. There have been a number of cases where courts have concluded that the common employer doctrine applies and that an employee may be employed by more than one company at the same time:

> "1 In his valuable text, Canadian Employment Law (Aurora: Canada Law Book, 1999), Stacey Ball states, at p. 4-1:
>
> > The courts now recognize that, for purposes of determining the contractual and fiduciary obligations which are owed by employers and employees, an individual can have more than one employer. The

> courts now regard the employment relationship as more than a matter of form and technical corporate structure. Consequently, the present law states that an individual may be employed by a number of different companies at the same time."

Reference: *Downtown Eatery (1993) Ltd. v. Ontario*, [2001] O.J. 1879 (C.A.) at para. 1, Authorities of the Plaintiffs / Respondents, Tab 16

79. In *Downtown Eatery,* the Court of Appeal for Ontario adopted the principles of the Supreme Court:

> "I see no reason why such an inflexible notion of contract must necessarily be imposed upon the modern employment relationship. Recognizing the situation for what it was, I see no reason, in fact or in law, why both Dover and Cyril should not be regarded jointly as the plaintiff's employer. The old-fashioned notion that no man can serve two masters fails to recognize the realities of modern-day business, accounting and tax considerations.
>
> There is nothing sinister or irregular about the apparently complex intercorporate relationship existing between Cyril and Dover. It is, in fact, a perfectly normal arrangement frequently encountered in the business world in one form or another. Similar arrangements may result from corporate take-overs, from tax planning considerations, or from other legitimate business motives too numerous to catalogue.
>
> As long as there exists a sufficient degree of relationship between the different legal entities who apparently compete for the role of employer, there is no reason in law or in equity why they ought not all to be regarded as one for the purpose of determining liability for obligations owed to those employees who, in effect, have served all without regard for any precise notion of to whom they were bound in contract. What will constitute a sufficient degree of relationship will depend, in each case, on the details of such relationship, including such factors as individual shareholdings, corporate shareholdings, and interlocking directorships. The essence of that relationship will be the element of common control.
>
> See also: *Bagby v. Gustavson International Drilling Co.* (1980), 24 A.R. 181 (C.A.); *Olson v. Sprung Instant Greenhouses Ltd*. (1985), 64 A.R. 321 (Q.B.); *Johnston v. Topolinski* (1988), 23 C.C.E.L. 285 (Ont. Dist. Ct.); *MacPhail v. Tackama Forest Products Ltd*. (1993), 50 C.C.E.L. 136 (B.C.S.C.); and *Jacobs v. Harbour Canoe Club Inc*., [1999] B.C.J. No. 2188 (S.C.)" [emphasis added]

Reference: *Downtown Eatery (1993) Ltd. v. Ontario*, [2001] O.J. 1879 (C.A.) at paras. 30, 31 and 32, Authorities of the Plaintiffs / Respondents, Tab 16

80. In that case, the Court of Appeal for Ontario formulated principles that take into account the realities of the modern world and avoid an injustice. Those principles apply with even greater force to the situation where a final Judgment has been obtained after a robust, well defended eight year trial. Form will not be permitted to trump substance:

> "36 However, although an employer is entitled to establish complex corporate structures and relationships, the law should be vigilant to ensure that permissible complexity in corporate arrangements does not work an injustice in the realm of employment law. At the end of the day, Alouche's situation is a simple, common and important one - he is a man who had a job, with a salary, benefits and duties. He was fired - wrongfully. His employer must meet its legal responsibility to compensate him for its unlawful conduct. The definition of 'employer' in this simple and common scenario should be one that recognizes the complexity of modern corporate structures, but does not permit that complexity to defeat the legitimate entitlements of wrongfully dismissed employees."

Reference: *Downtown Eatery (1993) Ltd. v. Ontario*, [2001] O.J. 1879 (C.A.) at para. 36, Authorities of the Plaintiffs / Respondents, Tab 16

81. In tax cases, it has long been established that the courts look to the true commercial nature of the tax payer's transactions and pierce the corporate veil when necessary:

> "That having been said, this Court must select from the principles set out above the one which is most likely to aid it in disposing of the case before it. I refer to the recognition by the courts of the true commercial nature of the taxpayer's transactions when doing so in appropriate cases makes it possible to attain the purposes of the legislation in question. This rule was developed by Dickson C.J. in *Bronfman Trust v. The Queen*, [1987] 1 S.C.R. 32, at pp. 52-53. I reproduce the following passage for the sake of convenience:
>
>> I acknowledge, however, that just as there has been a recent trend away from strict construction of taxation statutes . . . so too has the recent trend in tax cases been towards attempting to ascertain the true commercial and practical nature of the taxpayer's transactions. There has been, in this country and elsewhere, a

> movement away from tests based on the form of transactions and towards tests based on what Lord Pearce has referred to as a 'common sense appreciation of all the guiding features' of the events in question…

This is, I believe, a laudable trend provided it is consistent with the text and purposes of the taxation statute."

Reference: *Buanderie centrale de Montréal Inc. v. Montreal (City); Conseil de la santé et des services sociaux de la région de Montréal métropolitain v. Montreal (City)*, [1994] 3 S.C.R. 29 (QL) at para. 27, Authorities of the Plaintiffs / Respondents, Tab 17

82. The Supreme Court in *Bazley v. Curry* articulated the policy considerations of the liability of an entire enterprise. Although considered in the context of imposing vicarious liability on a non-negligent employer for the tortious acts of an employee, the overriding factors motivating the Court were: compensation for innocent victims, loss internalization, a just and practical remedy and deterrents:

"[25] To return to the approach suggested earlier, precedent does not resolve the issue before us....

[28] ... La Forest J., quoting Fridman (at p. 315), went on to note, however, that 'neither of the logical bases for vicarious liability succeeds completely in explaining the operation of the doctrine . . . `express[ing] not so much the true rationale of vicarious liability but an attempt by the law to give some formal, technical explanation of why the law imposes vicarious liability' (p. 336). Faced with the absence in the existing law of a coherent principle to explain vicarious liability, La Forest J. found its basis in policy (at p. 336): 'the vicarious liability regime is best seen as a response to a number of policy concerns. In its traditional domain, these are primarily linked to compensation, deterrence and loss internalization.'

[29] Fleming has identified similar policies lying at the heart of vicarious liability. In his view, two fundamental concerns underlie the imposition of vicarious liability: (1) provision of a just and practical remedy for the harm; and (2) deterrence of future harm. While different formulations of the policy interests at stake may be made (for example, loss internalization is a hybrid of the two), I believe that these two ideas usefully embrace the main policy considerations that have been advanced.

[30] First and foremost is the concern to provide a just and practical remedy to people who suffer as a consequence of wrongs perpetrated by

> an employee. Fleming expresses this succinctly (at p. 410): ‘a person who employs others to advance his own economic interest should in fairness be placed under a corresponding liability for losses incurred in the course of the enterprise’. The idea that the person who introduces a risk incurs a duty to those who may be injured lies at the heart of tort law....
>
> [31] However, effective compensation must also be fair, in the sense that it must seem just to place liability for the wrong on the employer. Vicarious liability is arguably fair in this sense. The employer puts in the community an enterprise which carries with it certain risks. When those risks materialize and cause injury to a member of the public despite the employer's reasonable efforts, it is fair that the person or organization that creates the enterprise and hence the risk should bear the loss. This accords with the notion that it is right and just that the person who creates a risk bear the loss when the risk ripens into harm. While the fairness of this proposition is capable of standing alone, it is buttressed by the fact that the employer is often in the best position to spread the losses through mechanisms like insurance and higher prices, thus minimizing the dislocative effect of the tort within society. "Vicarious liability has the broader function of transferring to the enterprise itself the risks created by the activity performed by its agents" (*London Drugs*, per La Forest J., at p. 339).
>
> [32] The second major policy consideration underlying vicarious liability is deterrence of future harm. Fixing the employer with responsibility for the employee's wrongful act, even where the employer is not negligent, may have a deterrent effect. Employers are often in a position to reduce accidents and intentional wrongs by efficient organization and supervision....
>
> [36] ... I conclude that a meaningful articulation of when vicarious liability should follow in new situations ought to be animated by the twin policy goals of fair compensation and deterrence that underlie the doctrine, rather than by artificial or semantic distinctions.”

Reference: *Bazley v. Curry*, [1999] 2 S.C.R. 534 at pp. 550, 552, 553, 554, 556, Authorities of the Plaintiffs / Respondents, Tab 18

83. In *Teti v. Mueller Water Products Inc.*, Belobaba J. in 2015 held that the group enterprise concept was an exception to the separate entities principle:

> “[19] …The best explanation of the cases that have considered the ‘group enterprise’ or ‘single business entity’ concept can be found in the 1994 decision of Spence J. in MacKenzie Trust:
>
> > These decisions [*Manley* and others] do not support a claim that the test in *Salomon v. Salomon* has been superseded by a new ‘business

> entity' or 'single business entity' test. They merely illustrate the principle that, in particular fact situations where the nature of the legal issue in dispute makes it appropriate to have regard to the larger business entity, the court is not precluded by *Salomon* from doing so. In a few cases, there are statements that the court will lift the corporate veil 'where injustice would otherwise result'. I am not able to conclude that such statements are intended to remove the authority of the Salomon principle. I think they may be more in the nature of a shorthand formulation reflecting the approach of the courts in the cases discussed above.

[20] Spence J.'s analysis was recently cited with approval by Strathy J., as he then was, in *Fairview Donut* and by Horkins J. in *Durling*.

[21] I therefore conclude that the 'group enterprise' or 'single business entity' theory does exist in Canadian law but only as a carefully limited exception to the well-established proposition set out in *Salomon*. As Spence J. noted in *MacKenzie Trust*, 'in particular fact situations where the nature of the legal issue in dispute makes it appropriate to have regard to the larger business entity, the court is not precluded by Salomon from doing so.'"

Reference: *Teti v. Mueller Water Products Inc.*, [2015] O.J. No. 3864 (S.C.J.), at paras. 19 to 21, Authorities of the Plaintiffs / Respondents, Tab 19

84. In the U.K., a number of cases have ignored the separate entities principle. In *DHN Food Distributors*, the English Court of Appeal held that a wholly owned subsidiary of DHN had a sufficient interest in the land owned by the subsidiary to entitle DHN to compensation for disturbance:

Lord Denning:

"…We all know that in many respects a group of companies are treated together for the purpose of general accounts, balance sheet and profit and loss account. They are treated as one concern. Professor Gower in his book on company law says: 'there is evidence of a general tendency to ignore the separate legal entities of various companies within a group, and to look instead at the economic entity of the whole group'. This is especially the case when a parent company owns all the shares of the subsidiaries, so much so that it can control every movement of the subsidiaries. These subsidiaries are bound hand and foot to the parent company and must do just what the parent company says. A striking instance is the decision of the House of Lords in *Harold Holdworth & Co (Wakefield) Ltd v Caddies*. So here. This group is virtually the same as a partnership in which all the three companies are partners. They should not be treated separately so as

to be defeated on a technical point. They should not be deprived of the compensation which should justly be payable for disturbance. The three companies should, for present purposes, be treated as one, and the parent company, DHN, should be treated as that one. So that DHN are entitled to claim compensation accordingly."

Lord Goff

"Secondly, on the footing that that is not in itself sufficient, still, in my judgment, this is a case in which one is entitled to look at the realities of the situation and to pierce the corporate veil. I wish to safeguard myself by saying that so far as this ground is concerned, I am relying on the facts of this particular case. I would not at this juncture accept that in every case where one has a group of companies one is entitled to pierce the veil, but in this case the two subsidiaries were both wholly owned; further, they had no separate business operations whatsoever; thirdly, in my judgment, the nature of the question involved is highly relevant, namely whether the owners of this business have been disturbed in their possession and enjoyment of it. I find support for this view in a number of cases, from which I would make a few brief citations, first from *Harold Holdworth & Co (Wakefield) Ltd v Caddies* ([1955] 1 All ER 725 at 737, 738, [1955] 1 WLR 352 at 367) where Lord Reid said:

> 'It was argued that the subsidiary companies were separate legal entities, each under the control of its own board of directors, that in law the board of the appellant company could not assign any duties to anyone in relation to the management of the subsidiary companies, and that, therefore, the agreement cannot be construed as entitling them to assign any such duties to the respondent. My Lords, in my judgment, this is too technical an argument. This is an agreement in re mercatoria, and it must be construed in the light of the facts and realities of the situation. The appellant company owned the whole share capital of British Textile Manufacturing Co., and, under the agreement of 1947, the directors of this company were to be the nominees of the appellant company. So, in fact, the appellant company could control the internal management of their subsidiary companies, and, in the unlikely event of there being any difficulty, it was only necessary to go through formal procedure in order to make the decision of the appellant company's board fully effective.'"

Reference: *DHN Food Distributors Ltd. and others v. London Borough of Tower Hamlets*, [1976] 3 All ER 462 at pp. 8 and 10-11, Authorities of the Plaintiffs / Respondents, Tab 20

85. In *Revlon Inc.*, the Court of Appeal held Revlon Inc. liable together with its wholly owned subsidiary, Revlon Suisse S.A. for passing off.

> " … Since, however, all the relevant companies are wholly owned subsidiaries of Revlon, it is undoubted that the mark is, albeit remotely, an asset of Revlon and its exploitation is for the ultimate benefit of no one but Revlon. It therefore seems to me to be realistic and wholly justifiable to regard Suisse as holding the mark at the disposal of Revlon and for Revlon's benefit. The mark is an asset of the Revlon Group of companies regarded as a whole, which all belongs to Revlon. This view does not, in my opinion, constitute what is sometimes called 'piercing the corporate veil'; it recognises the legal and factual position resulting from the mutual relationships of the various companies. …
>
> . . .
>
> … Although as a matter of policy Revlon allows the managers of its subsidiary companies in countries outside the United States a measure of autonomy in deciding marketing policy in their respective spheres of activity, the company structure of the Revlon Group is such that Revlon could at any moment, and at its own violation, alter that policy in any way it chose and impose its will upon any company in the Group. …
>
> . . .
>
> It appears from the Revlon 1978 Annual Report that the affairs of the Revlon group are directed from New York by the American parent company Revlon Inc. Directors and officers of Revlon Inc. include directors and officers of Revlon International. A Mr. Sol Levine, for example, is a director of Revlon Inc., an executive vice-president of Revlon Inc. and president of the cosmetics and fragrances division of Revlon International. The American parent Revlon Inc. can thus enforce instructions on all its subsidiaries. …"

Reference: *Revlon Inc. et al and Cripps & Lee Limited et al*, [1980] FSR 85 (C.A. 1979), at pp. 12, 14 and 20, Authorities of the Plaintiffs / Respondents, Tab 21

CORPORATE SEPARATENESS DOES NOT OPERATE AS TO OWNERSHIP

86. In the case of *Christian Brothers*, which involved, like this case, exigibility after judgment, the Court of Appeal held the subsidiaries liable to pay the debt of the parent. Judgment had been rendered against Christian Brothers In Canada, a corporation.

87. The most valuable assets were two British Columbia schools that were legally owned by subsidiary corporations and which subsidiary corporations had raised monies for charitable purposes to build and operate the schools. The issue in the case was whether the trustee of the

parent company could sell the assets of the subsidiaries to pay for the Judgment that had been rendered against the parent. The Court of Appeal for Ontario had little difficulty in determining that the assets held for the purposes of the corporation are answerable for the obligation of the corporation as a whole to tort claimants.

> "10 Vancouver College Limited is a Catholic private school in Vancouver. It is itself a registered charity under the *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.). Since the incorporation of the school in 1927, the shares of the corporation have been held from time to time by four individual Brothers in trust for 'the Christian Brothers of Ireland.' The assets of the school are valued at approximately $31,500,000. The liquidator submits that the CBIC owns the shares of the college beneficially. The college submits that its shares are held by the individual Brothers on trust 'for the purposes of operating Vancouver College as a Catholic independent school committed to the Congregation's mission to educate young people in British Columbia'.
>
> 11 St. Thomas More Collegiate Ltd. is a Catholic high school in Burnaby, British Columbia. It is also a registered charity under the *Income Tax Act*. It was incorporated in 1962. There are three shares of the company, two of which are in the name of The Christian Brothers of Ireland in Canada, while the third is held by John Burnell as Trustee for The Christian Brothers of Ireland in Canada. Mr. Burnell is a teacher at the school but not a Brother. The assets of the school are valued at approximately $7,000,000. The original funding for the school was a gift from the Archdiocese of Vancouver under an agreement that the Brothers would administer the school. The liquidator submits that the CBIC is the beneficial owner of the shares of the company. The position of the school and of Mr. Burnell is that the shares are held in trust 'for the charitable purpose of establishing and carrying on a Roman Catholic high school at 7450 - 12th Avenue, Burnaby, British Columbia'.
>
> . . .
>
> 13 The three specific questions were stated by the motions judge and answered in the following way:
>
> > (i) Whether, because of its charitable objects, The Christian Brothers of Ireland in Canada is immune from liability to persons with tort claims ("the charitable immunity issue")?
>
> A.: No, the corporation is not immune from liability.
>
> > (ii) If The Christian Brothers of Ireland in Canada is not so immune from liability, whether any or all of its assets are exigible to satisfy any

> judgments which may be entered against the Corporation by those persons ("the exigibility issue")?
>
> A.: All of the assets are exigible to pay the tort claims. However, if any assets are held as a special purpose trust, then such assets are only exigible to pay tort claims when the wrong was perpetrated within the framework of the particular charitable purpose.
>
> …
>
> 91 Because assets held for charitable purposes are not immune from execution on the 'trust theory', assets held for one or more than one of the charitable purposes of the corporation are answerable for the obligation of the corporation as a whole to tort claimants, once that obligation is established.
>
> . . .
>
> CONCLUSION ON THE EXIGIBILITY ISSUE
>
> 94 For the purposes of this winding-up procedure, all assets of the CBIC, whether owned beneficially or on trust for one or more charitable purposes, are exigible and may be used by the liquidator to pay the claims of the tort victims."

Reference: *Christian Brothers of Ireland in Canada (Re)*, [2000] O.J. No. 1117 (C.A.) at paras. 10, 11, 12, 13(i) and 13(ii), 91 and 94, Authorities of the Plaintiffs / Respondents, Tab 22

88. As in *Christian Brothers*, the Supreme Court has characterized this case as being one of collection of a debt owed by Chevron to the plaintiffs.

89. All the assets and interests, direct and indirect, of Chevron are exigible. Neither an individual nor a company can shield its assets from judicial collection merely by incorporating a company or 1,500 subsidiaries.

90. Postulate a scenario where Watson has been found by a final court in Canada to owe a plaintiff $15 million. Watson has incorporated Watson Ltd., an investment holding company. Watson Ltd. has two wholly-owned subsidiaries: Watson Investment Ltd. and Watson Racing Stables Ltd. Watson has a bank account in his own name – which, at the time of judgment, has

$23,000. Can the plaintiff seize the shares and assets of Watson Ltd. to satisfy the judgment? Yes. Does the fact of the incorporation of Watson Ltd. and its two subsidiaries immunize the shares and racing assets within them? No. Is the judgment creditor – plaintiff – only able to collect the $23,000? No. Has corporate separateness any application in the collection of a judgment debt owed by the ultimate parent? No. Does corporate separateness injunct ownership? No.

91. It is incorrect to raise the principle of corporate separateness when applying it to a debt of an owner. The courts have never applied corporate separateness to questions of ownership.

92. Corporate Separateness had its own origin in 1897 in *Salomon v. Salomon*. The principle that emerged from that case was that an individual could incorporate a company (Mr. Salomon incorporated Salomon Inc.), capitalize the company and prevent his personal assets, house, farm, buggy from answering for the actions of that company. All he was risking was his capital in Salomon Inc. The principle of that case that carried forward was that there was no ascending liability from a contract breaching company or a tortious company to the individual shareholder. The parallel in this case is that the shareholders of Chevron cannot be called upon to satisfy Chevron's debt. And nobody is asking them to do so.

93. In 1897, there was no concept of operating subsidiaries and parent holding companies. There were no subsidiaries in the United Kingdom, let alone seven layers of shell companies. The principle is only applied where a party attempts, in a first instance case, to extend liability to the parent of the contract breaker or tortfeasor.

94. It is important to note that the Court of Appeal has in 2003 and 2009 broadened the circumstances when the corporate structure will be ignored. No longer is the narrow formulation of the 1996 Transamerica Superior Court decision to be slavishly adhered to.

INDICIA OF EFFECTIVE CONTROL AND INTERRELATIONSHIP

Board of Directors

95. Not one independent, outside director. All directors are, in each subsidiary either directors of Chevron or of a wholly owned subsidiary or an employee of Chevron Canada.

1st Subsidiary	Chevron Investments Inc. All Chevron Employees from the Corporate governance and Secretary's office
2nd Subsidiary	Texaco Inc. All Chevron employees same people as in 1st subsidiary
3rd Subsidiary	Texaco Overseas Holdings Inc. All Chevron employees same people as in 1st and 2nd subsidiaries
4th Subsidiary	Chevron Global Energy Inc. 2 Chevron direct employees 2 employees of another subsidiary – Chevron Global Downstream Inc.
5th Subsidiary	Chevron Standard Ltd. 2 Chevron employees 1 Chevron Canada employee
6th Subsidiary	Chevron Canada Capital Company 1 director only Jeff Jehrman – the President of Chevron Canada Ltd.
7th Subsidiary	Chevron Canada Ltd. 4 director – all employees of Chevron Canada

The Boards have no independence. Chevron has total effective control over Chevron Canada

REVENUE GENERATION AND DIVIDEND FLOW

96. Chevron has been for decades a public company that has raised substantial funds from shareholders and debt holders. Chevron consolidates its results and presents one financial

statement of earnings and balance sheet. These owners receive Annual Reports from Chevron and have access to the mandated 10Qs and 10Ks, filed with the SEC.

97. Of the 1,500 companies in the Chevron Group, 73 are listed in Schedule A to Chevron's 10K, a required annual filing with the SEC (equivalent to the Canadian MDA – Management Discussion Analysis). They are the main subsidiaries and a number of those subsidiaries are not revenue generating. Chevron Canada is a significant contributor to the revenue of Chevron.

98. The requirement of the Annual Reports, 10Qs and 10Ks is that they accurately describe the business, operations, financial condition, etc. of Chevron and that no statement contained therein is untrue or misleading. Chevron's shareholder owners are entitled to rely fully on Chevron's published documents to understand the business, operations and capital deployment of their company. These filings are not merely a matter of corporate governance, as Chevron suggests, but are ongoing truthful representations of the assets, liabilities and business operations of the company.

99. In its Annual Reports, Chevron represents to the outside world that it is a leading integrated company whose primary objective is to create value for its shareholders. It does so by restructuring its operations, replenishing its reserves, enhancing its production and delivering sustained performance from all its operating subsidiaries:

> Chevron is a global energy company with substantial business activities in the following countries: Angola, Argentina, Australia … Brazil … Canada … the United Kingdom.
>
> …
>
> Earnings of the company depend mostly on the profitability of its upstream and downstream business segments.
>
> …

> To sustain its long-term competitive position in the upstream business, the company must develop and replenish an inventory of projects that offer attractive financial returns for the investment required.
>
> …
>
> Chevron Texaco is the world's fourth-largest publicly traded, integrated energy company based on oil-equivalent reserves and production. (emphasis added)
>
> Becoming the world's top-performing energy company requires the ability to produce sustainable long-term results.
>
> Not only was 2003 one of our best years ever, but we also built a solid foundation that should enable us to deliver sustained, strong performance into the future and continue to achieve our long-stated goal to be No. 1 in total stockholder return among our peer groups.

Reference: Annual Report (2011), page 10 Responding MR of the Plaintiffs / Respondents, Volume 1, Tab 16, p. 172-E

100. Under the heading "Sustained Results":

> Chevron Texaco is committed to creating long-term stockholder value while delivering new energy supplies to meet growing worldwide demand. In 2004, we achieved milestones in our two main business – upstream and downstream – that are delivering strong results now and for the future.
>
> 2006 was an exceptional year for our company. We continue to deliver value to our stockholders and to make strategic investments that will drive sustained, superior performance over the long-term.
>
> As one of the world's leading integrated energy companies, Chevron holds crude oil and natural gas assets in the key energy basins of the world.
>
> Chevron is one of the world's leading integrated energy companies. We have approximately 56,000 employees, and our subsidiaries conduct business in more than 180 countries.
>
> 2007 was a year of significant achievement for our company. We reported record earnings, led our peer group in total stockholder return, and advanced our robust queue of major capital projects, which are creating a strong foundation for long-term growth.
>
> To build upon our organizational capability, in 2007 we restructured the upstream business into four operating companies – North America; Asia-Pacific; Africa and Latin America; and Eurasia; Europe and Middle East. This new structure will strengthen our focus on long-term growth, enhance business partnerships, and drive more efficiency, standardization and collaboration across the organization.

> To our stockholders:
>
> 2008 was a momentuous year for Chevron. We report our fifth consecutive year of record earnings. We had exceptional success finding new sources of crude oil and natural gas. We started up five major capital projects, with more to follow.
>
> Our financial performance for 2009 contributed to a strong balance sheet and returns for investors. Total stockholder return – a critical measure of our performance – was No. I among our top competitors over the past five years. We increased our annual dividend in 2009 for the 22nd consecutive year.
>
> A significant majority of Chevron's upstream investment is made outside of the United States. [emphasis added]

101. In its annual 10K, Chevron tells its owners under the heading "Chevron's Strategic Direction":

> Chevron's primary objective is to create shareholder value and achieve sustained financial results from its operations that will enable it to outperform its competitors. In the upstream, the company's strategies are to grow profitably in core areas, build new legacy positions and commercialize the company's equity natural gas resource base while growing a high impact natural gas business. In the downstream, the strategies are to improve returns and grow earnings across the value chain. [emphasis added]

Reference: Annual 10K (2011), p. 9 of 199, Responding MR of the Plaintiffs / Respondents, Volume 1, Tab 17, p. 186

CONSOLIDATED FINANCIAL STATEMENTS

102. Chevron earns no revenue directly and has no direct earnings. All of its money comes from indirect subsidiaries that carry out its extractive business functions. It does not own its own head office building or the buildings in Chevron Park that house the offices of many of its subsidiaries.

103. Chevron has and continues to use the earnings of its indirect subsidiaries to reward its shareholders. In 2008, it paid out as dividends to its shareholders $5.162 billion; in 2009, $5.302

billion; in 2010, $5.674 billion; in 2011, $6.139 billion. In four years, a total of $22.275 billion has been paid to Chevron shareholders from revenue earned by Chevron subsidiaries.

104. Additionally, Chevron utilized dividends to repurchase its shares on the market. Between September 2007 and July 2010, it bought back 118,996,749 shares at a cost of $10.16 billion; and from July 1, 2010 to December 31, 2011, a further $5 billion worth; totalling over $15 billion.

INVESTMENTS

105. The Annual Reports detail the billions of dollars of annual investments made by Chevron in upstream and downstream operations.

106. In the 2004 Annual Report, it is stated:

> In 2004, Chevron Texaco's capital and exploratory budget is estimated to be $8.5 billion. We follow a <u>disciplined</u> approach to ensure that these funds are directed towards the highest-quality opportunities with the greatest potential for enabling growth and increasing stockholder value. [emphasis added]

107. In the 2006 Annual Report, it is stated:

> In 2006, we invested almost $13 billion in our exploration and production operations.
>
> Of that $13 billion, $2 billion <u>was approved</u> for investments in Canada's Athabasca Oil Sands. [emphasis added]

The $2 billion was a net additional $2 billion to expand the original project. Although the initial investment in the Athabasca Oil Sands was made in 1999-2000, the defendants refuse to disclose how much was invested in this project between 1999-2006.

108. In 2007, the Annual Report states:

> Capital and exploratory expenditures for the year were $20 billion, and return on capital employed was 23.1 percent.

The $20 billion was spent in various projects in many different countries.

109. Chevron's 10K for 2011 indicates that Capital and Exploratory Expenditures were $29 billion, with $26.5 billion for investment in new projects and expansion of existing projects. In 2009 and 2010, Capital Expenditures were $19.843 billion and $19.612 billion respectively.

110. The capital that is invested, year upon year, either comes from the Consolidated Statement of Operations and Cashflows, i.e. from the indirect subsidiaries, or from the capital markets, i.e. shares issued by Chevron, or from various debt instruments. Chevron, which controls the balance sheet and cash flows, guarantees the debt instruments.

BORROWINGS, FINANCIAL AND PERFORMANCE GUARANTEES

111. For more than a decade, Chevron has issued debt securities in the public markets. If for a direct or indirect subsidiary, the debt is unconditionally guaranteed by Chevron. In 2010, Chevron had short and long term debt of $11 billion, and $9.684 billion as of December 31, 2011. These debts are represented by 13 interest bearing notes and debentures with varying maturity dates. The monies raised pursuant to consecutive shelf registration statements are used for general corporate purposes including for new and expanding capex projects. In 2013, Chevron had debt of $19.96 billion represented by 16 interest bearing notes and debentures.

112. Chevron currently has an automatic shelf registration statement filed with the SEC for an unspecified amount of nonconvertible debt securities issued or guaranteed by the company.

113. The major debt rating agencies routinely evaluate the company's debt. The rating is entirely dependent on the earnings and operations of the subsidiaries.

114. In June 2002, a number of indirect subsidiaries filed a Registration Statement with the SEC and raised $4 billion of debt in the public markets. Chevron unconditionally guaranteed the borrowing. Of that amount, $3 billion was provided to Chevron Canada.

115. In July 2002, by virtue of a bond issue of Chevron Texaco Capital Company, an indirect subsidiary of Chevron and unconditionally guaranteed by it, Chevron Canada received a further $1 billion.

116. In addition, Chevron Canada received a further $2.7 billion from another financing guaranteed by Chevron.

117. By 2007, as indicated on its financial statements Chevron Canada had borrowed . One borrowing of . Further borrowings of were secured as to principal and interest by the issue of .

118. The monies lent to Chevron Canada, year after year, were provided by Chevron either directly or indirectly; indirectly by guaranteeing to the third parties who provided the funds, the repayment of such borrowings.

119. There can be no doubt that Chevron Canada is financed directly or indirectly by Chevron or from its other subsidiaries. It operates in every respect as a single entity with unified and coordinated purpose.

120. These Guarantees, both financial and performance, are illustrative of both the commitment and control of Chevron in the investments of its subsidiaries and the requirement by third parties that the purse-holding parent make available its balance sheet for the duration of the project.

MORE INDICIA PARTICULAR TO CHEVRON CANADA

121. One hundred percent ownership by Chevron over the shares and assets of Chevron Canada means it has total effective control over the affairs of its subsidiary. It can mandate an investment, restrict an expenditure, change the officers and directors and veto any activity.

122. Chevron Canada's assets include:

(a) a lubricant business in Ontario;

(b) a large crude oil refinery in British Columbia;

(c) a network of retail gasoline and diesel fuel stations in British Columbia operating under the Chevron brand;

(d) a 20 percent interest in the Athabasca Oil Sands Project in Alberta;

(e) a 26.9 percent interest in the Hibernia Field and 23.6 percent interest in Hibernia South Expansion — offshore Newfoundland and Labrador;

(f) a 26.6 percent interest in the Hebron Field — Newfoundland;

(g) leases in the Northwest Territories;

(h) an interest in the Duvernay Shale Field; and

(i) an interest in the Kitimat LNG Project.

123. Chevron Canada markets and distributes Chevron-branded anti-freezes, automotive oils, greases and gear oils, industrial oils, passenger motor car oils and specialty products. These Chevron-branded products are also sold in the U.S.A. and in other countries, as well as B.C., Alberta, Saskatchewan and Ontario.

124. With respect to the Athabasca Oil Sands Project, Chevron refuses to disclose the investment made between 1999 and 2006. The 2006 Annual Report discloses an additional net investment of $2 billion for the Project Expansion. Chevron Canada has indicated that it has expended a further [redacted] in the project between 2006-2011. Total investment, unknown.

125. Chevron's 1995 10 K reveals that Chevron's capitalized investment in Hibernia was $806 million. By 1996, it had risen to $941 million and, by 1997, the investment had mounted to $1.3 billion. The defendants refuse to disclose how much more has been invested in Hibernia.

126. Similarly, with respect to Hebron, the total investment is unknown because the defendants refuse to disclose it.

127. What is known is that Chevron Canada was indebted to [redacted] and [redacted] in the aggregate amount of [redacted]. These monies provided to Chevron Canada for Capital Expenditures and/or working capital originated either

from the treasury of Chevron or from borrowings from third parties, re-payment of which was guaranteed by Chevron.

OTHER GUARANTEES

128. Chevron Corp. has provided many guarantees and renewals of guarantees on behalf of Chevron Canada respecting its funding and performance and indemnity obligations to third parties. Only a few will be referred to.

129. In December 1999, the Board of Directors of Chevron approved Chevron Canada acquiring a 20 percent interest in the Athabasca Oil Sands. Chevron guaranteed all the obligations of Chevron Canada:

> **Section 3.1 Guaranty**. Subject to the limitations set forth in this Section 3.1, Chevron hereby unconditionally guarantees to [redacted] the full and prompt payment by Chevron Canada of all of its payment obligations under
>
> (a) the [redacted] Agreement, including, but not limited to:
>
> (i) payment obligations with respect to its share of all costs incurred for any Joint Account in accordance with Section 7.2 of the [redacted] Agreement (including without limitation, costs charged to the Joint Account pursuant to Section 7.2 (Costs, Expenses and Liabilities) of the [redacted] Agreement, Section 7.2 (Costs, Expenses and Liabilities) of the [redacted] Agreement and Sections 6.2(a) and (b) (Costs and Revenues) of the [redacted] Agreement) and
>
> (ii) any other payment obligations of Chevron Canada under Sections 2.l(g), 7.3(b), 10.1, 10.2, 10.3, 15.3, 16.2, 18.2, 23.1, 23.2 and 23.3 and Exhibit C of the [redacted] Agreement.

130. This Guarantee has been re-affirmed, and amended to expand its scope six times since 1999.

131. In addition, Chevron guaranteed Chevron Canada's obligations to [redacted] [redacted] in December 1999:

> **Section 3.1. Guaranty.** Chevron hereby unconditionally guarantees to [redacted] the full and prompt payment by Chevron Canada of all of its payment obligations under the [redacted] Agreement, including, but not limited to its: (a) payment obligations with respect to its proportional share of the full [redacted] and other amounts payable under Section 3.1 and Article 7 of the [redacted] Agreement and (b) indemnification obligations under Article 21 of the [redacted] Agreement (collectively, the "Guaranteed Obligations") when and as the same shall become due and payable. All payments by Chevron hereunder shall be made in the lawful money of Canada. All demands for payment of any of the Guaranteed Obligations may be made by [redacted] [redacted], as representative of the parties constituting Corridor as provided in Section 4.5 hereof. All payments by Chevron of any Guaranteed Obligations shall be made to [redacted] account as may be specified in such demand.
>
> [redacted] hereby agrees to give Chevron prompt written notice of any failure by Chevron Canada to pay any of the Guaranteed Obligations.

132. This Guarantee was re-affirmed and amended on three occasions.

133. Chevron also guaranteed Chevron Canada's obligations to [redacted] and re-affirmed and amended that Guarantee on three occasions.

134. These and other Guarantees, both financial and performance, are illustrative of both the determinative involvement of Chevron in the investments of its subsidiaries and the requirement by third parties that the purse-holding parent make available its balance sheet for the duration of the project.

PROJECT AND OPERATIONS CONTROLS

135. The detailed, comprehensive Policies of Chevron control virtually every aspect of each project engaged in by a subsidiary. An examination of these Policies demonstrate the approvals that Chevron Canada has and had to obtain to engage in exploration for approximately 8 large

projects in Canada that it is involved in, to drill wells, to enter into transportation agreements, to enter into leases and to agree to joint ventures, to make agreements with aboriginal groups and to even enter into an office lease for limited space in British Columbia. Multiple approvals are required, sometimes from the Reporting Officer at Chevron, George Kirkland, Chevron's Vice Chairman, sometimes from the entire board of Chevron, sometimes from CNAEP (Chevron North America Exploration and Production), a group of more than 1,000 persons located in Houston, Texas, often requiring the approval of the Treasurer of Chevron or the Vice President of Exploration of Chevron. The stark point is that hardly any significant activity or progress can or could be initiated on these large multi-billion dollar projects without the requirement of an approval of a person or group outside Chevron Canada.

136. This stark point is amply demonstrated by the over 7,000 pages of documentation that Chevron has produced with regard to Chevron Canada's projects. This documentation shows the application of the requirements of the Policies on more than 100 occasions. Over and over and over Chevron Canada comes hat in hand asking to be allowed to go forward with a phase of a project, asking to participate up to its 20% or 26% commitment with a request that its operating joint venture partner wishes to pursue, reporting on the results in each of 5 phases known as CPDEP, reporting on look-backs as the policies require to demonstrate whether the execution of a phase was successful and what lessons can be learned.

POLICIES

137. Policy 190 sets out the Reporting Units and its Officers. Global Upstream, which includes Africa, Latin America, Asia Pacific, Europe, Middle East and North America, all report to the Vice-Chairman of the Board and Executive Vice-President, George Kirkland.

138. Policy 190 clearly demonstrates the over-arching power and authority of the Board of Directors:

> The Board of Directors possesses all powers necessary to manage the business and affairs of the corporation. The Executive Committee receives authority from the Board of Directors and is charged with responsibility to carry out Board policy in the management of the Corporation's business and affairs. This policy sets forth the expressed delegations of commitment, expenditure and human resources authorities from the Executive Committee to the Reporting Units. Under these delegations the Reporting Units implement their business plans in a manner consistent with the strategic direction and allocation of capital and human resources established by the Executive Committee. 11
>
> Roles and Responsibilities
>
> The Executive Committee has primary responsibility for oversight and management of this Policy. The Executive Committee, acting either directly or through corporation committees and staffs:
>
> 1. Reviews and concurs in Reporting Unit's multi-year business plan. See Business Plans and Capital Expenditure Budgets.
>
> 2. Establishes systems and procedures for assessing the progress of approved Reporting Unit plans, projects and programs to allow the Corporation to effectively carry out its strategic planning and oversight responsibilities. See Policy 190B - Appropriations and Capital Stewardship.
>
> 3. Recommends level of capital spending (reviewed annually with the Board) and allocates human and other resources to allow effective implementation of Reporting Unit plans. See Business Plans and Capital Expenditure Budgets.
>
> 4. Monitors Reporting Unit year-end business performance and the application of human resource policy.
>
> The Executive Committee also establishes corporate-wide policies and, in conjunction with subcommittees, provides broad corporate strategic planning, and direction.
>
> 190A - Business Plans and Capital Expenditure Budgets
>
> Business plans shall be updated, coordinated and reviewed annually with Reporting Officers, the Strategy & Planning Committee and the Executive Committee. During Executive Committee review, acceptable portions of the business plans will be endorsed and can be executed without further Executive Committee review except as outlined below or as specified in the Table of Commitment Authority or the Table of Human Resources Authority. The following items are to be reported to Executive Committee prior to Implementation:

1. Items Previously Identified for Review - Reporting Units are to report all items in their approved business plans that have been identified by Executive Committee or in the Table of Commitment Authority as warranting further review before proceeding.

2. Significant Change - Reporting Units must report to the Executive Committee any significant change to their approved business plans. This includes major acquisitions, joint venture formations and divestitures, significant change in objectives, strategies, business environment, capital and exploratory commitments, operating costs, financial performance, and the human resource plan. Refer to Policy 110 for specific guidelines and requirements for C&E expenditure reporting.

3. Changes to Capital Expenditures Budget - Reporting Units are subject to capital and exploratory expenditure controls such as the first year's total expenditures and the first year's plan commitments. Any change that increases a Reporting Unit's authorized first year total capital expenditures must be reported to the Executive Committee before the facts or as soon as it is known; however, if the substitutions, additions, transfers or movements would not result in a significant change in the objectives and strategies of approved business plans:

   1. Reporting Units may substitute or add new capital expenditures without before the fact Executive Committee review as long as the total first year expenditures and commitments do not exceed approved budgets.

   2. Reporting Units may transfer up to [redacted] in capital budget authorities annually between Production budgets and Exploration budgets, and among strategic business units within the same Reporting Unit, without before the fact reporting to the Executive Committee; however, the Reporting Officer must concur to any such transfers of capital budget authorities in excess of [redacted].

   3. Each Reporting Officer is authorized to move up to a cumulative [redacted] annually between reporting units under his or her area of responsibility, or to another Reporting Officer's reporting unit (if each affected Reporting Officer concurs), without first reporting the movement to the Executive Committee.

Capital and exploratory expenditures by strategic business units and reporting units in excess of first-year plan commitments will be reviewed by the Executive Committee at year-end. (See Policy 110).

Reference: Policy 190 – Delegation of Commitment, Expenditure and Human Resources Authority, Responding MR of the Plaintiffs / Respondents, Volume 1, Tab 3, pp. 9 - 13

139. Policy 190B provides for reporting and approvals:

A. Phase Gate Reporting Process

(1) The purpose of phase-gate reporting is to inform the Strategy and Planning Committee (SPC) of significant projects, new business opportunities or operating commitments being considered that require a confirmation of strategic alignment before ultimately requiring Excom reporting.

(2) Phase-gate reporting is not required for routine company projects, commitments and E&P wells when such items are in approved Business Plans, except as noted below.

(3) Phase-gate reporting is required for:

(5) Phase-gate report, submission timing and SPC feedback:

Reference: Policy 190 – Delegation of Commitment, Expenditure and Human Resources Authority, Responding MR of the Plaintiffs / Respondents, Volume 1, Tab 3, pp. 9 - 13

140. Policy 190C provides a Table of Authority, approval requirements and persons or groups involved in 5 categories:

A. Appropriations

B. Operating Commitments

C. Financial Commitments

D. Legal Commitments

E. Social Investments and Business Membership

Reference: Policy 190C – Table of Commitment Authority (TOCA) 2011, Responding MR of the Plaintiffs / Respondents, Volume 1, Tab **7**, pp. 25 - 32

141. References in the policies to:

(a) A Reporting officer – means to a Vice Chairman of Chevron Corporation;

(b) Excom – means the Executive Committee of the Board of Chevron Corporation;

(c) Vice President Exploration – a Chevron Corporate officer;

(d) Treasurer – a Chevron Corporate officer;

(e) Vice President – Corporate Business Development a Chevron Corporate officer;

(f) President of Gas and Midstream – an officer of Chevron USA Inc. a subsidiary of Chevron Corporation.

142. Policy 190 also provides a list of definitions which are necessary to understand the full meaning of every approval:

(a) Appropriation means an approved allocation of funds for a capital or exploratory project or evaluation authorized through an Appropriations Request;

(b) C2E refers to expenditures for capital and upstream exploratory expense;

(c) Commitment Authority: The authority delegated by the Executive Committee to Reporting Unit Heads and their delegates to obligate the company to a course of action requiring subsequent "expenditure approval" and "payment approval". Commitment authority is exercised by approving business plans, capital and expenditure budgets, appropriation requests and commitments characterized in the TOCA;

(d) Concurrence: Complete agreement to the proposed course of action where such agreement is required before proceedings either further up the authority chain or with the action.

Reference: Policy 190 – Definitions, Responding MR of the Plaintiffs, Volume 1, Tab 2, pp. 2 - 8

143. Interposed between the Business Unit (Chevron Canada) and the Reporting Officer is the requirement to report to and gain the approval of CNAEP, a division with offices in Houston, Texas comprising thousands of employees most of them employed by Chevron USA Inc. CNAEP is a reporting unit.

Reference: Transcript of the Cross-Examination of F. Solar of May 17, 2016, pp. 13 & 14, Responding MR of the Plaintiffs / Respondents, Volume 2, Tab 28, pp. 436-438

144. Certain types of projects, exploration, drilling, etc., depending on characteristics, length of agreement or level of necessary commitment or expenditure must be reported to CNAEP and gain its approval.

145. Thus the hierarchy is as follows:

(a) Business Unit reports to CNAEP and obtains authority and approval from it to proceed;

(b) Business Unit reports to CNAEP which then must report to the Reporting Officer at Chevron Corporation and gain his approval;

(c) Or the matter needs to be further reported to ExComm and its approval;

(d) Or the matter needs to go one step further to the whole Board and obtain that approval. One example is the Business Unit annual budget;

(e) At many of these levels the strategy and Planning Committee (SPC) of Chevron Corporation must be reported to and its approval gained; and

(f) At many of these levels the Vice President Exploration and/or the Treasurer must approve the project and the expenditure of funds.

146. A review of the 2006 Table of Commitment Authority is instructive and illustrative of the commanding control Chevron Corporation has over Chevron Canada:

(a) Any appropriation over [redacted] has to gain approval from the Vice Chairman of Chevron Corporation;

(b) [redacted] the approval of the President of CNAEP was necessary and if the cost exceeded [redacted], the approval of the Vice Chairman of Chevron Corporation was necessary;

(c) [redacted] at a cost of [redacted], the approval of the Vice Chairman of Chevron Corporation was required;

(d) [redacted] where the commitment would exceed [redacted], the approval of the Vice Chairman was required;

(e) [redacted] [redacted] where the total lease cost exceeded [redacted] there was a requirement to consult with the President of Business and Real Estate Services (BRES) a Chevron Corporation employee and where the total cost was more than [redacted] the approval of the Vice Chairman was necessary;

(f) Etc., etc.

Reference: Policy 190C- Table of Commitment Authority (TOCA) 2006, Responding MR of the Plaintiffs / Respondents, Volume 1, Tab 6, pp. 17 - 24

147. In Canada in 2006 and following, the activities, the projects and phases of the large projects, Athabasca Oil Sands, Hibernia, Hebron etc. involved sums of money that far surpassed the thresholds of the business unit. Chevron Canada regularly required approvals beyond its personnel and its authorities.

148. Even though in years subsequent to 2006, the threshold levels expanded, they never rose to the level whereby Chevron Canada could implement or progress any step or phase of the Athabasca Oil Sands, Hibernia, Hebron, Duvernay Shale Gas etc. projects without requiring one or more multiple approvals from persons and groups within the Chevron group but outside the confines of Chevron Canada personnel. The more than 7,000 pages of documents Chevron Corporation produced are vivid testimony of the communication Chevron Canada to CNAEP to Vice Chairman of Chevron Corporation to ExComm to Strategic and Planning Committee to Board of Chevron Corporation.

149. By 2015 Chevron Corporation required, in addition, reporting and approval for five phases of CPDEP 1 (Chevron Project Development and Execution Process). CPDEP 1 required approval of Chevron Corporation's Vice President of Exploration prior to the approval of the Reporting Officer with regard to

Since Chevron Canada is heavily into in virtually all its projects, CPDEP 1 is always triggered.

150. CPDEP 2 required reporting and approval for capital and exploration expenditures where the total commitment would exceed . This requirement affected virtually all of Chevron Canada's projects.

151. CPDEP 3 required reporting and approval for expenditures, exceeding , for

Every operating project of Chevron Canada triggered this approval requirement, as no project proceeded without . A similar requirement of approval was necessary

152. CPDEP 4, often referred to as FID (the Final Investment Decision), required approval where the total commitment exceeded . Chevron Canada's projects all exceeded this threshold and triggered this external approval.

153. FEED and FID decisions made by Chevron are proudly vaunted in the 10Ks to impress on shareholders how Chevron is giving its stamp of approval to new projects.

154. In Policy 190C B14 – the Operating Commitments – there is a requirement for approval for . Many of Chevron Canada's projects required Policy 190C B14 approvals.

155. In Policy 190 F2 – Social Investments – there is a requirement for approval for expenditures of Chevron Canada's funding of projects for triggered this requirement.

156. Even with respect to the procurement of goods and services, there is an integrated Procurement/Supply Chain Management Group, with employees, comprised of Chevron USA Inc. employees and employees of other subsidiaries of Chevron. Master Supply Agreements of 95 pages each between Chevron USA Inc. and third party suppliers govern drilling and outfield services, purchase of turbines and motors, purchase of steel pipe, pipeline parts and valves, geophysical, seismic, and surveying services, environmental and engineering services and information technology services for the benefit of Chevrons operating subsidiaries.

Reference: Master Supply Agreement, Responding MR of the Plaintiffs / Respondents, Volume 2, Tab 29, pp. 439 - 531

157. The full impact of the controls imposed on Chevron Canada's activities at every step and phase of its development and operation of its projects can only be appreciated by reviewing the volume, breadth and variety of the written requests that it made, in each case, expressly indicating that it was doing so because of a specific policy number that required it to seek approval before proceeding. That is what pervades the more than 7,000 pages of Chevron's productions. Only a smattering will now to be referred to.

158. The annual 10K, the equivalent to the Canadian Management Discussion and Analysis, required as a corporate document to be filed with the SEC details the Executive Committee control over decisions regarding capital and exploratory budgets and funding:

> ...'chief operating decision maker' (CODM). The CODM is the company's Executive Committee (EXCOM), a committee of senior officers that includes the Chief Executive Officer, and EXCOM reports to the Board of Directors of Chevron Corporation.
>
> The operating segments represent components of the company, as described in accounting standards for segment reporting (ASC 280), that engage in activities (a) from which revenues are earned and expenses are incurred; (b) whose operating results are regularly reviewed by the CODM, which makes decisions about resources to be allocated to the segments and assesses their performance; and (c) for which discrete financial information is available.
>
> Segment managers for reportable segments are directly accountable to and maintain regular contact with the company's CODM to discuss the segment's operating activities and financial performance. The CODM approves annual capital and exploratory budgets at the reportable segment level as well as reviews capital and exploratory funding for major projects and approves major changes to the annual capital and exploratory budgets. [emphasis added]

159. To attempt to suggest, as Chevron has done, that its Policies and the expenditure and operational controls are there because of Sarbanes Oxley ("SOX") is fiction. The *Sarbones Oxley*

Act of 2002 was concerned with fraudulent financial statements and this required that each SEC company have an audit committee, made up of independent members (ie. not members of management, etc.). that the audit engage the outside auditor and that it review the quarterly financial statements. The *SOX Act* also required the CEO and CFO to establish controls to insure that revenues and expenditures are properly recorded with the objective that the signing officers of the company's financial statements can certify that "the financial statements … fairly present in all material respects the financial condition and results of the issuer for the periods presented in the report". The granular comprehensive Policies and their application are the effective control that the non-operating parent Chevron Corp. exercises over its approximately 60 operating, revenue generating subsidiaries through the maze of 1,500 other subsidiaries.

OTHER INDICIA OF THE INTEGRATED OPERATIONS

160. Other indicia of the interrelationship between Chevron and its subsidiaries include the secondment for a period of years of employees from their home subsidiary to other subsidiaries within the group, the remuneration of officers and division managers within the subsidiaries with Chevron Corp shares under a Long Term Incentive Program, and the continuation of home subsidiary pension arrangements regardless of the country where the employee is working.

161. These types of interchange and remunerative arrangements are typical in a group endeavour which has a single objective across the globe. As Chevron says annually to shareholders, 61,000 employees, bankers, other lenders and communities: "Chevron's primary objective is to create shareholder value and achieve sustained financial results from its operations …". The shareholder spoken of is the one who has Chevron stock on the NYSE or another exchange.

162. In every annual statement issued to the public, Chevron describes itself as a "publically traded, integrated energy company", "one of the world's leading integrated energy companies", and "a global energy company" employing a "disciplined approach "to capital and exploratory" budgets. "Integrated" it certainly is. "Global" it certainly is. "Controlling and disciplined" it certainly is.

163. Of the employees working for Chevron Canada, 62 (or nine percent) are employees of another Chevron entity and seconded to Chevron Canada (Host Company). These 62 persons are, as expected, higher ranked managers and supervisors. These secondees remain employees of the foreign subsidiary and their "Home Company shall determine and set Secondee's salary, wages, allowances, and bonuses… and will be responsible for their payment or provision to or for the benefit of the Secondee. Home Company shall continue to include Secondee in all of its applicable benefit plans". "Home Company shall pay or provide for any income, employment or social security taxes payable… and any overhead expenses associated with the assignment."

Reference: Secondment Agreement, Responding MR of the Plaintiffs / Respondents, Volume 2, Tab 30, pp. 532 - 538

164. A Long Term Incentive Plan (LTIP) is a portion of a senior manager's or officer's remuneration. It is remuneration which is tied to and aligned with the performance of the issued shares of Chevron. LTIP awards are granted in various forms, options to acquire stock or restricted shares (RSUs). Whatever the form, the objective is to incentivise the individual to work for the benefit of the top company, Chevron because his benefit in either options or RSUs will grow over the vesting period if the share price appreciates.

165. At Chevron Canada, the top █ people are in the LTIP plan and receive as part of their annual remuneration Chevron stock as part of an option award or as part of an RSU. The LTIP plan is a shining example of the integration of employees in Chevron Canada into the fortunes of the holding company that is Chevron. Overall, there are hundreds if not thousands of Chevron Group employees that receive LTIP, annual remuneration. LTIP remuneration is another example of integration, interrelationship of a group of companies for a common purpose and objective.

166. LTIP awards do not exist for employees of multiple separate companies.

167. The 2011 10K states that 93 million LTIP units have been granted. Since the value of the Chevron shares were approximately $100 per share, the value of the LTIP units granted approximate USD 9.3 billion.

168. A review of the CVs of the senior management of Chevron illustrates the mobility of managers and executives through the subsidiary organizations as they rise within the group:

- John Watson – CEO of Chevron – was President of Chevron Canada in 1996. In 2005, he was President of Chevron International Exploration and Production.
- Mary Francis – Corporate Secretary and Chief Governance Officer – was previously managing counsel of Chevron Shipping Company and then general counsel of Chevron Asia Pacific Exploration and Production Company.
- James (Jay) Johnston – Executive VP Upstream at Chevron – was previously managing director of Chevron's Australasia Business Unit and then managing director of Chevron's Eurasia Business responsible for exploration and production activities in Kazakhstan, Azerbaijan, Russia and Turkey.
- Wesley Lohec – Vice President, Health, Environment and Safety at Chevron – was previously managing director of Chevron Africa and then managing director of the Latin America Strategic Business Unit.
- Mark Nelson – Vice President of Strategic Planning for Chevron – was previously President of Chevron Canada and then President of International Products for the refining and marketing businesses in Europe, Africa and the Middle East.

- Michael Wirth – Executive VP Midstream and Development for Chevron – was previously President of Marketing for Chevron's Asia/Middle East/Africa.
- Jay Pryor – Vice President Business Development for Chevron – was previously managing director of Chevron Nigeria and before that at Chevron offshore (Thailand) and before that manger of petroleum engineering, Tengizchevroil, Chevron Overseas Petroleum.
- Patricia Yarrington – VP and Chief Financial Officer – was previously President of Chevron Canada and before that, Comptroller at Chevron Products Company.

Reference: Exhibit 2 from the Cross-Examination of Frank Soler, May 17, 2016, Responding MR of the Plaintiffs / Respondents, Volume 1, Tab 8, pps. 33 - 54

169. The very same mobility between subsidiaries of the Chevron group can be seen in the personnel of Chevron Canada:

- Jeff Gustavson – President
- Louis Alvarado – Manager based business operations
- Alan Dunlop – General Manager Kitimat, LNG
- Eduardo Fernandez – Manager Finance
- Stan Franklin – Manager, Exploration
- Ramesh Gupta – Manager, Drilling and Completions
- Greg Hild – General Manager, Asset Development
- Nick Kunze – Manager, Strategy and Planning

Each one of these individuals and many more were employed by and held increasing positions of responsibility at other Chevron subsidiaries prior to coming to Chevron Canada.

Reference: Exhibit 4 from the Cross-Examination of Beverley Keyes, May 18, 2016, Responding MR of the Plaintiffs / Respondents, Volume 1, Tab 9, pp. 55 - 64

170. All of the facts and factors enumerated in the many paragraphs *supra* demonstrate that Chevron Corp. is a corporate enterprise—a conglomerate group, as it describes itself, of parent and subsidiary corporations and subsidiary groups operating for a common purpose. The enterprise behaves as a unified whole from an economic perspective. Thus, in this context, the fiction of the corporation's personhood becomes pure legal formalism at its costliest: the structure that may force society to pay for the harms caused by negligent subsidiary behaviours. This result is especially expensive when the potential harms are greatest, for example, in industries involving hazardous activities or those that potentially impose large human rights or environmental costs on the public.

171. When limited liability was a rising norm, it focussed primarily on contract and not on tort. The first modern negligence case, *Donoghue v. Stevenson*, was decided in 1932.

172. Unlike contract creditors, who may make independent and informed choices about their risks before they loan to or contract with corporations, tort creditors have no opportunity to make choices. Tort creditors do not have an opportunity to bargain for guarantees from a debtor's parent or subsidiaries before they suffer a wrong.

173. Tort-based concerns are at their sharpest when mass personal injury torts, environmental harms, and human rights' violations are at issue. These harms carry the most normative weight and impose the greatest costs on society. In addition, they are the most likely causes of bankruptcy for a subsidiary as it is usually not insured against nor adequately capitalized for harms of this magnitude. If a subsidiary cannot pay for the damages caused by the tort, the tort victims only option is to proceed against the corporate shareholder—the parent corporation. This is

economically and normatively preferable to the status quo because, in most cases, the corporate parent is both the cheapest cost-avoider and the most efficient risk-bearer.

CONCLUSION

174. These motions should be determined in favour of the plaintiffs on the basis of the enforcement of a judgment debt against Chevron as owner of all the shares and assets of all of its subsidiaries, including Chevron Canada.

175. Both statutory law, the *Execution Act*, and Canadian common law authorize and endorse the seizure and exigibility of all interests, including beneficial interests of a judgment debtor to the shares and assets of its subsidiaries.

176. There is no case that applies the separate entities principle to a judgment debt. The issue of ownership is not determined based on that principle.

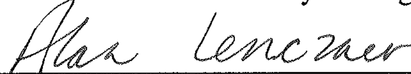
177. The cases that address corporate separateness are cases where the plaintiff is seeking to extend liability from a wrong doing subsidiary corporation in an ascendant manner to its innocent parent in order to obtain the judgment against the parent. In this case, the parent is the guilty party and has been so adjudged by the Court. Its assets are available to pay its debts.

178. The fallacy of Chevron's argument is revealed when one recognizes that the shares of Chevron's direct subsidiary are plainly available for seizure. There is no policy or public interest that is advanced by restricting the chain or exigibility there, and precluding the plaintiffs from proceeding more directly to the well and seizing the shares of the indirect operating subsidiary, when all of the intervening links are likewise wholly owned.

179. Even in cases of corporate separateness liability, the principle is not applied uniformly and not followed in a number of instances. There is "no consistent principle" to guide the Court when the separate entities principle will be ignored. But it is always ignored when its application would be unjust, "opposed to justice", or would result in harm and detriment to innocent third parties.

180. Further, the principle is not applied where the substance of the interrelationship between a complex web of intertwined subsidiaries have a common goal and a common objective being to enhance value for the shareholders of the stock.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 19th day of August, 2016.



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SCHEDULE A

LIST OF AUTHORITIES

1. *Chevron Corp. v. Yaiguaje,* 2015 SCC 42

2. *Yaiguaje v. Chevron Corporation*, 2013 ONCA 758

3. *Chevron Corporation v. Naranjo*, 667 F.3d 232 (2d Cir. January 26, 2012)

4. *Sistem Muhendislik Insaat Sanayi Ve Ticaret Anonim Sirketi v. Kyrgyz Republic*, [2014] O.J. No. 1815 (S.C.J.)

5. *Banglar Progoti Ltd. v. Ranka Enterprises Inc.*, [2009] O.J. No. 1470 (S.C.J.)

6. *Tracy v. Iranian Ministry of Information*, 2014 ONSC 1696

7. *1454495 Ontario Inc. v. J=Systems Inc.*, [2002] O.J. No. 486 (S.C.J.)

8. *Kosmopoulos v. Constitution Insurance Co. of Canada,* [1987] 1 S.C.R. 2

9. *Lynch v. Segal*, 2006 82 OR 641

10. *Parkland Plumbing & Heating Ltd. v. Minaki Lodge Resort 2002 Inc.*, [2009] O.J. No. 1195 (C.A.)

11. *Degenstein (Guardian ad item of) v. McDiarmid*, [1993] A.J. No. 778 (Alta. Q.B.)

12. Anil Hargovan and Jason Harris, "Piercing the Corporate Veil in Canada: A comparative analysis" (20007) 28:2 Company Lawyer 58

13. Christopher Nicolls, "Piercing the Corporate Veil and the 'Pure Form' of the Corporation as Financial Innovation"(2008) 46 Can. Bus LJ 33

14. *Shillingford v. Dalbridge Group Inc.*, [1996] A.J. No. 1063 (Alta. Q.B.)

15. *VTB Capital Plc v. Nutritek International Corp. & Ors (Rev 1)*, [2013] UKSC 5

16. *Downtown Eatery (1993) Ltd. v. Ontario*, [2001] O.J. 1879 (C.A.)

17. *Buanderie centrale de Montréal Inc. v. Montreal (City); Conseil de la santé et des services sociaux de la région de Montréal métropolitain v. Montreal (City)*, [1994] 3 S.C.R. 29

18. *Bazley v. Curry*, [1999] 2 S.C.R. 534

19. *Teti v. Mueller Water Products Inc.*, [2015] O.J. No. 3864 (S.C.J.)

20. *DHN Food Distributors Ltd. and others v. London Borough of Tower Hamlets*, [1976] 3 All ER 462

21. *Revlon Inc. et al and Cripps & Lee Limited et al*, [1980] FSR 85 (C.A. 1979)

22. *Christian Brothers of Ireland in Canada (Re)*, [2000] O.J. No. 1117 (C.A.)

SCHEDULE B

TEXT OF STATUTES, REGULATIONS & BY - LAWS

***Execution Act*, R.S.O. 1990, c. E.24, ss. 18(1) and 14(1) and (3)**

Seizure of execution debtor's interest in security, security entitlement

14. (1) The interest of an execution debtor in a security or security entitlement may be seized by the sheriff in accordance with sections 47 to 51 of the Securities Transfer Act, 2006. 2006, c. 8, s. 143 (1).

. . .

Seizure includes dividends, other rights to payment

(3) Every seizure and sale made by the sheriff shall include all dividends, distributions, interest and other rights to payment in respect of the security, if issued by an issuer incorporated or otherwise organized under Ontario law, or in respect of the security entitlement and, after the seizure becomes effective, the issuer or securities intermediary shall not pay the dividends, distributions or interest or give effect to other rights to payment to or on behalf of anyone except the sheriff or a person who acquires or takes the security or security entitlement from the sheriff. 2006, c. 8, s. 143 (1).

Seizure and sale of rights in chattels, etc.

18. (1) The sheriff may seize and sell any equitable or other right, property, interest or equity of redemption in or in respect of any goods, chattels or personal property, including leasehold interests in any land of the execution debtor, and, except where the sale is under an execution against goods issued out of the Small Claims Court, the sale conveys whatever equitable or other right, property, interest or equity of redemption the debtor had or was entitled to in or in respect of the goods, chattels or personal property at the time of the delivery of the execution to the sheriff for execution, and, where the sale is under an execution against goods issued out of the Small Claims Court, the sale conveys whatever equitable or other right, property, interest or equity of redemption the debtor had or was entitled to in or in respect of the goods, chattels or personal property at the time of the seizure. R.S.O. 1990, c. E.24, s. 18; 2010, c. 16, Sched. 2, s. 3 (26).

DANIEL CARLOS LUSITANDE YAIGUAJE et al. -and- CHEVRON CORPORATION et al.
Plaintiffs Defendants

Court File No. CV-12-9808-00CL

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