

Culver & Co.

CHARTERED ACCOUNTANTS

#205 – 1095 West Pender Street Vancouver, BC V6E 2M6

Telephone 604-685-1321

Facsimile 604-689-9695

1 October 2014

Canadian Merchant Service Guild
310-218 Blue Mountain Street
Coquitlam, BC

Re: Scrutiny of Election of Western Branch President on September 30, 2014

Background

The CMSG is holding elections for positions on the Executive Board. Several positions were filled by acclamation, with 5 positions having multiple candidates. It was decided that the ballots for the position of President would be returned to our office for collection prior to the count.

Summary of vote procedures

The nomination process ended July 16, 2004, and resulted in three candidates for the position of President:

Mark Chambers
Roland Gerak
Ian Lightman

A total of approximately 1,200 ballots were mailed to active Members per the current Membership list, along with a ballot envelope and a return envelope bearing our address. All envelopes received were placed by us in a lock box provided by the Guild.

The ballot return deadline was September 29, 2014, and counting took place at the Guild offices on September 30, 2014, with results announced on October 1, 2014 at a General Meeting at the Legion in Coquitlam.

Summary of count procedures

I took the lock box containing the ballots to the Guild offices at around 9:00 am on September 30, 2014.

At the Guild office I met with the trustees who were going to perform the vote count:

Rick McGarvie
Sam Williams

They were assisted by 3 Retiree Members ["Pioneers"] appointed by the Board as Ballot Committee:

George Hunter
Ed Winter
James Hannigan

The count proceeded as follows:

- Trustees received a listing of the active Members entitled to vote, updated from the list used to mail ballots in the event a member was in dues arrears during the interim.
- Trustees unlocked the ballot box and we counted the total number of envelopes received [this came to 348 envelopes]. During the count, Rick McGarvie, who was supervising the counts for the other positions, gave us envelopes for the election of President returned in error with ballots for the other positions, and we gave him some non-Presidential ballots returned in our envelopes. This brought the final total number of received ballots for President to 345.
- The return envelopes were sorted into piles in alphabetical order based on the last name of the Member.
- The trustees then went through the piles to agree Members' information per the return envelope to the Membership list. This was done in pairs [Sam Williams and Ed Winter did A-L while George Hunter and I did M-Z].
- Where information was missing, or illegible, or could not be found on the list or there were other questions, a separate pile was made for later follow up. Where an address on the envelope differed from the membership list, we ensured it was the correct Member by agreeing name and rotation number. Where all information was the same but the rotation number was missing, we identified the Member by name and address as shown on the membership list.
- We then opened the return envelopes to remove the sealed ballot envelopes, which are white with SECRET BALLOT in red on the front; no other information appears on the ballot envelope.
- The ballot envelopes were put into piles of 20 which were counted and agreed to the total determined by the earlier count.
- The white ballot envelopes were sliced open and the ballots for President were put into three separate piles for each of the three candidates. Spoiled or uncertain ballots/envelopes were separated, as discussed below.
- The ballots were put in piles of 20 and then recounted and the total agreed to the earlier counts. The ballot piles were then counted by each of the counters; this resulted in the ballots being counted four times, and I ensured that the total for each counter was the same. To be completely clear, all four of us counted the piles and all four of us got the same count total. We then recorded the final vote tallies on the pre-printed count summary sheets.

Spoiled ballots

We noted a total of 4 such items:

Member in arrears and not eligible to vote	1
Ballots sent by people not found on list or in database	<u>3</u>
Total	<u><u>4</u></u>

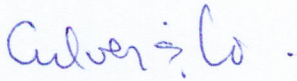
After the count was complete, I explicitly asked the other 3 counters if they were completely satisfied that a complete and accurate count had been done and they all agreed that this was the case.

Supplementary note on spoiled ballots

We re-examined the 4 invalid ballots for greater certainty, to determine if they could possibly have any effect on the outcome. One member was in arrears so should have no effect. I opened the ballots from the names who could not be found on the list of Members, and their votes were split among the candidates. In short, these invalid ballots could not have an impact on the outcome.

These four ballots/envelopes were returned along with the count sheets.

Yours truly,

A handwritten signature in blue ink, appearing to read "Culver Co." with a stylized flourish at the end.

Lyle Brown
LCB/