

PROVINCIAL COURT OF NOVA SCOTIA

Citation: *R. v. Reeve*, 2021 NSPC 38

Date: 20210705

Docket: 2793700 & 2793703

Registry: Dartmouth

Between:

Her Majesty the Queen

v.

Sheri Lee Reeve

Restriction on Publication: A Common Law Ban on Publication

Judge:	The Honourable Judge Theodore Tax,
Heard:	June 3, 4, 5, & 6, 2019, September 16 & 23, 2019, February 3, 2020, December 14, 2020 and January 25, 2021, in Dartmouth, Nova Scotia
Decision	July 5, 2021
Charge:	Application for compensation pursuant to section 24(5) of the Controlled Drugs and Substance Act
Counsel:	Jack Lloyd, for the Applicant Jan Jensen, for the Attorney General of Canada

A Ban on Publication of the contents of this file has been placed subject to the following conditions:

Pursuant to the Common Law and the Court inherent powers to control its own process, the Court grants the Attorney General's request for a ban on publication, which prohibits the publication in any document or broadcast, or transmission in any way of the identity of, or any information that could lead to the identification of two undercover police officers who were referred to in affidavits and other information previously filed with the Court. The officers may be referred to as "Undercover A" and "Undercover B".

By the Court:

Introduction:

[1] On September 5, 2014, police officers executed a search warrant in relation to allegations that Ms. Sherri Reeve and her husband, Mr. Christopher Enns were in possession of cannabis (marijuana) for the purpose of trafficking. Police officers executed searches and made seizures at three different locations, which included their residence located at 764 East Chezzetcook Road and a warehouse located at 2-30 Colford Dr. Marijuana plants were only seized at the warehouse location at 30 Colford Dr. located at the Head of Chezzetcook, Nova Scotia. Approximately 400 cannabis plants were seized pursuant to the warrants from the Colford Drive warehouse on September 5, 2014 and soon after, all of them were destroyed.

[2] Shortly after the execution of the search warrant, Ms. Reeve, Mr. Enns and a third person were charged with the offences of possession of cannabis (marijuana) not in excess of 3 kg for the purpose of trafficking contrary to section 5(2) of the **Controlled Drugs and Substances Act (CDSA)** and of the trafficking of cannabis (marijuana) not in excess of 3 kg, contrary to section 5(1) of the **CDSA**.

[3] In early November 2014, both Ms. Reeve and Mr. Enns filed and served a notice of application for the return of controlled substances that had been seized by the police officers. They each filed separate applications pursuant to section 24 of the **CDSA** within 60 days after the date of that seizure as required by section 24(1) of the **CDSA**. Since there were outstanding charges against Ms. Reeve and Mr. Enns at that time, the application for the return of the seized items or compensation in lieu was deferred or adjourned until the final conclusion of the charges before the court. Given the fact that the parties were aware that the plants were destroyed almost immediately after seizure, Ms. Reeve sought compensation pursuant to section 24(5) of the **CDSA**.

Section 24(5) of the **CDSA** reads as follows:

“Payment in compensation in lieu

24(5) Where, on the hearing of an application made under subsection (1), a justice is satisfied that an applicant is the lawful owner or is lawfully entitled to possession of the controlled substance, but an order has been made under subsection 26 (2) in respect of the substance, the justice shall make an order that an amount equal to the value of the substance be paid to the applicant.”

[4] On or about November 9, 2016, the two **CDSA** charges against Ms. Sherri Reeve and the third person were stayed by a Crown Attorney. At that time, and for some time thereafter, the two **CDSA** charges against Mr. Enns were still before the court and therefore, his application for the return of the seized items or compensation in lieu was adjourned or deferred until the final conclusion of his charges.

[5] Once the charges against Ms. Reeve were stayed by the Crown Attorney, Ms. Reeve returned before this court to pursue her application for compensation in lieu, pursuant to section 24 of the **CDSA**. The parties had appeared in court and time was scheduled for the presentation of affidavit and viva voce evidence in relation to the issues raised in Ms. Reeve's application.

[6] However, prior to proceeding with the hearing, on the merits, of Ms. Reeve's application pursuant to section 24 of the **CDSA**, the Atty. Gen. of Canada on behalf of Her Majesty the Queen (HMJ) filed a preliminary motion to contest the jurisdiction of the Provincial Court of Nova Scotia to hear and adjudicate Ms. Reeve's section 24 **CDSA** application.

[7] In Ms. Reeve's application for compensation in lieu pursuant to section 24 of the **CDSA**, she had also made a claim for compensation for grow equipment such as, tables, lighting, soil, fertilizer, etc. utilized in the growing of cannabis plants, which were damaged or destroyed during the search and seizure of the cannabis plants at the warehouse location on or about September 5, 2014.

[8] On June 29, 2018, the Court heard the submissions on jurisdictional issues by counsel for the Atty. Gen. of Canada, Ms. Reeve and on behalf of an intervenor, the Halifax Regional Municipality.

[9] The decision of the Court with respect to the preliminary jurisdictional question was delivered on August 31, 2018 and is reported as **R. v. Reeve**, 2018 NSPC 30. The Court held that the Provincial Court of Nova Scotia had jurisdiction to hear the claim for compensation in lieu in terms of the controlled substances, in this case cannabis plants, pursuant to the provisions of section 24 of the **CDSA**. The Court also concluded, being a court of statutory jurisdiction, that the Provincial Court of Nova Scotia did not have the jurisdiction to determine Ms. Reeve's claim for compensation for the personal property, that is, the items related to the growing of cannabis (marijuana) allegedly damaged or destroyed during the police search and seizure of the cannabis plants at the warehouse.

[10] Following that decision, the Court scheduled several days for the hearing of evidence on this application. The parties agreed that the application would proceed on the basis of affidavit evidence largely to replicate the witness's direct examination with the opportunity for the opposing counsel to cross-examine the affiant. Cross examinations on the affidavits filed by witnesses on this application were heard in court on June 3-6, 2019, September 16, 2019, September 23, 2019 and February 3, 2020.

[11] Given the passage of time from the filing of the application to the scheduled date for the closing submissions of counsel, transcripts of all evidence heard on this application were prepared. Written submissions on the application were submitted by the applicant on June 3, 2020 and the respondent's written submissions were forwarded to the court on June 26, 2020.

[12] Unfortunately, due to Covid-19 pandemic, public health concerns and travel restrictions, the dates for the hearing of closing submissions had to be rescheduled on a couple of occasions due to the onset of the Covid-19 pandemic and declarations of public health states of emergency. The closing submissions of counsel were made on December 14, 2020 and concluded on January 25, 2021.

[13] At the time when the closing submissions of counsel were made, the Court was only admitting very limited numbers of people into the courtroom itself and given the fact that Ms. Reeves counsel, Mr. Jack Lloyd was located in Toronto, Ontario, it was agreed that Mr. Lloyd would make his closing submissions by videoconference. Counsel for the Atty. Gen. of Canada, Mr. Jan Jensen, also made his closing submissions by videoconference, with Ms. Reeve, by agreement, attending via a telephone conference call.

[14] The decision of the Court was reserved until today's date.

The Issues to Determine on this Application:

1. Is Sherri Reeve the lawful owner of or legally entitled to possession of the cannabis (marijuana) seized pursuant to a search warrant and then destroyed and as such, is she entitled to compensation in lieu of the return of the controlled substance, in this case, 195 cannabis plants?
2. If the Court concludes that Sherri Reeve is the lawful owner of or legally entitled to the possession of the controlled substances destroyed by the police, what is the value of those destroyed materials

and what, if any, compensation should be provided to Ms. Reeve by the Crown?

Positions of the Parties:

[15] It is the position of the Applicant that Ms. Reeve complied with the 60-day timeline established in section 24(1) of the **CDSA** for the return of her seized cannabis plants. Since the cannabis plants were apparently destroyed very shortly after their seizure by police officers pursuant to sections 26(1) and (2) of the **CDSA**, it is not possible to return the plants. Therefore, the only remedy left for Ms. Reeve is to access a financial remedy pursuant to section 24 of the **CDSA**.

[16] Counsel for the Applicant draws the Court's attention to the specific wording of section 24(5) of the **CDSA** and, he notes that where, on hearing of an application made under subsection(1), a justice is satisfied that an applicant is "the lawful owner or is lawfully entitled to possession of the controlled substance", but an order has been made under subsection 26(2) in respect of the substance, the justice **shall** make an order that an amount equal to the value of the substance be paid to the applicant.

[17] It is the position of the Applicant that, at all material times to this application, Ms. Reeve held a valid a Personal Use Production Licence (PUPL) to grow 195 cannabis plants, issued by Health Canada. She grew those plants at 30 Colford Dr., Head of Chezzetcook, Nova Scotia. She also had permission to store 8775 g of dried cannabis at her home located at 764 E. Chezzetcook Road.

[18] Counsel for the Applicant submits that the basis upon which government officials destroyed the cannabis plants is unclear as no order was sought by Health Canada or paperwork signed by an official of Health Canada for those plants to be "destroyed" pursuant to the authority of the Minister of Health. During this application, a police officer called by the Respondent produced a signed section 29 – Emergency Destruction of Plants" report, but the form prepared for that purpose, which required a signature by representative of Health Canada, was not signed by a designated Health Canada official.

[19] Ms. Reeve made her application to the Provincial Court for the return of seized cannabis plants on or about November 3, 2014, but learned that on or about November 17, 2014, her plants had been destroyed.

[20] The Personal Use Production Licence (PUPL) issued by Health Canada, which was valid at all material times to this application, allowed Ms. Reeve to personally produce cannabis plants for herself and to produce medical cannabis for specific individuals. The PUPL set out specific numbers of plants and amounts of dried cannabis that Sherri Reeve was allowed to grow or have in her possession.

[21] Since Ms. Reeve's PUPL was valid at all material times to this application, that is, on or before September 5, 2014 when the cannabis plants were seized and subsequently destroyed, she was the lawful owner of or legally entitled to possess that medical cannabis in the form of 195 plants and being able to store 8775 g of dried cannabis at her storage location in her home at 764 E. Chezzetcook Road.

[22] The Applicant submits, in response to the Respondent's position that Ms. Reeve's involvement in the operation of a medical cannabis compassion club disentitled her to lawful ownership or possession of her medical cannabis, that it is factually unfounded, since the charges against Sherri Reeve were subsequently stayed by the Crown. As a result, there has been no finding of guilt in relation to the allegations of trafficking or possession for the purpose of trafficking cannabis (marijuana) contrary to subsections 5(1) and (2) of the **CDSA**.

[23] The Applicant submits that, even if the Court agrees with the Respondent that there is sufficient evidence of Ms. Reeve's involvement, knowledge and control of a medical cannabis compassion club, there is still no proof that her involvement in that compassion club should disentitle her to lawful possession of her PUPL and medical cannabis. Furthermore, the Applicant submits that there is no evidence to establish that the cannabis made available to medically qualified patients at the compassion club came from Ms. Reeve's PUPL.

[24] Furthermore, the Applicant submits that there is no link or evidence, even from the expert witness called by the Respondent to establish that the cannabis strains and varieties grown in the warehouse under Ms. Reeve's PUPL were the strains and varieties available at the compassion club. It is the position of the Applicant that even if Ms. Reeve worked at the compassion club, despite potentially being liable for breaking the law in another place and in another fashion, it is totally unrelated to her lawful possession of and legal entitlement to the PUPL cannabis plants.

[25] In terms of the valuation of the seized cannabis that was subsequently destroyed by the police, without lawful authority, the Applicant notes that Ms. Reeve had 195 cannabis plants which were to produce 8775 g of medical cannabis

and she also had lawful authority to possess 150 g of medical cannabis on her person. The 150 g of medical cannabis on her person was also to be sourced from her 195 cannabis plants. In total, the Applicant submits that Ms. Reeve was entitled to 8925 g of cannabis, when police officers destroyed her flowering medical cannabis plants.

[26] Based upon the report filed by RCMP Cpl. David Lane, who was called as an expert witness by the Respondent, cannabis was sold “on the street” at that time at prices of varying from \$10-\$15 per gram. Based upon that valuation, the value of the cannabis plants seized from Ms. Reeve and destroyed by the police would be somewhere between \$89,250 and \$133,875.

[27] In addition, the Applicant states that, after her cannabis plants were seized and destroyed, Ms. Reeve was not able to grow another crop of cannabis for some time. Due to the loss of the plants and equipment, the Applicant states that she was not able to cultivate a new cannabis garden for 578 days. Since Ms. Reeve was entitled, by license, to an amount of 40 g of cannabis per day, and could not grow cannabis because all of her plants and equipment were seized on or about September 5, 2014, she was unable to access 23,120 g of cannabis [comprised of 8925 g from the cannabis plants themselves plus being deprived of 40 g per day for 578 days coming to a total of 14,195 g]. Once again, the Applicant claims compensation for 23,120 g of cannabis, based upon the valuation provided by the RCMP expert, which would result in a compensation for Ms. Reeve somewhere in the range between \$231,200 and \$346,800.

[28] Finally, with respect to the Respondent’s position that Ms. Reeve is not entitled to compensation, based upon circumstantial evidence and reasonable inferences, that she was not in lawful possession of the cannabis grown by her under her PUPL, the Applicant submits that those inferences are not supported by the facts or the evidence in this case. While the Respondent relies on **R. v. Villaroman**, [2016] SCJ No.33 in support of his position, the Applicant submits that it is important that the Court to remember that in a criminal case, the burden never shifts from the Crown to an Accused Person to prove every element of an offence beyond a reasonable doubt. Simply stated, the Applicant submits that there is no proof that Sherri Reeve grew cannabis and provided her cannabis to others outside the scope of her PUPL.

[29] Counsel for the Applicant submits that the criminal charges were stayed as against Ms. Reeve, and that should be the end of the issue with respect to her being

the lawful owner or her legal entitlement. However, the Respondent's argument is that Ms. Reeve's lawful entitlement to the cannabis and compensation ends if she is proven beyond a reasonable doubt to have abused her medical license. If the Court agrees with the Respondent that an assessment of the evidence is required, then, the Applicant submits that the Court need not go further in its analysis than the fact that the charges against Ms. Reeve were stayed. The staying of the charges and that the fact that she held a valid PUPL. The combination of the charges being stayed, and a valid Health Canada PUPL provide sufficient proof that she had the lawful authority and a legal entitlement to possession of those cannabis plants and the cannabis produced by them.

[30] The Applicant notes that in **Villaroman**, *supra*, at paragraphs 37-43, Justice Cromwell noted that when assessing circumstantial evidence, the trier of fact should consider "other plausible theor[ies]" and "other reasonable possibilities" which are inconsistent with guilt. Justice Cromwell concluded by saying circumstantial evidence, should be assessed in the light of human experience and should be such that it excludes any other reasonable alternatives, which was a helpful way of describing the line between plausible theories and speculation.

[31] Counsel for the Applicant does acknowledge that Justice Cromwell's guidance to triers of fact in **Villaroman** may be useful in this case, even though guilt can no longer be in question as the charges have been stayed. Although the Applicant submits that, factually or by inference, the alleged misuse of Ms. Reeve's PUPL may require an assessment of the circumstantial evidence based on the comments of the Supreme Court of Canada in **Villaroman**.

[32] Here, the Applicant reiterates that there was no finding of guilt in the criminal prosecution, As such, the Respondent's position is "untenable" as the Court would have to conclude, beyond reasonable doubt, not that Ms. Reeve possessed cannabis for the purpose of trafficking it, but rather, that she grew the cannabis pursuant to her PUPL and then transported it to the Farm Assists store and sold it in violation of her PUPL conditions. The Applicant submits that the Respondent has not established that violation of Ms. Reeve's PUPL beyond a reasonable doubt and there is no direct or circumstantial evidence to support an inference that Ms. Reeve grew cannabis and sold it through the Farm Assists store.

[33] It is the position of the Applicant that the question then becomes whether the only reasonable inference available is that Sherri Reeve grew cannabis pursuant to her PUPL, which was later sold at the Farm Assists store. He submits that there are

numerous very plausible inferences that can be drawn from the evidence and from common sense applied to the evidence. In those circumstances, counsel for the Applicant submits that the Respondent's arguments should not be accepted and that the Court focus on the assessment of the value of what was seized and destroyed by the police.

[34] The Attorney General of Canada represents the Respondent, HMQ on this application and he submits that for Ms. Reeve to be successful and receive compensation for the destroyed cannabis plants pursuant to section 24(5) of the **CDSA**, it is her onus to establish on a balance of probabilities that she is the lawful owner of or legally entitled to possession of the controlled substance. The Respondent submits that it is not enough for Ms. Reeve to simply say that she had a PUPL to personally use and grow 195 cannabis plants without some evidence to establish that her possession of those plants was lawful and that her possession was in conformity with the legal requirements of that Health Canada **CDSA** licence.

[35] It is the position of the Respondent that Ms. Reeve presented no credible or reliable evidence to establish that she was either the "lawful owner" or "legally entitled" to possession of the controlled substance [cannabis plants] seized from the warehouse location and later destroyed. Based upon the evidence adduced by the Respondent, it appears that a numbered Corporation, 3247317 Nova Scotia Ltd, which did illegal business as Farm Assists, had the best claim to title in those plants. The Applicant, in her evidence, even raised the possibility that the cannabis plants in question were the property of other growers.

[36] The Respondent submits that while Ms. Reeve possessed a valid Personal Use Production Licence (PUPL), which was issued by Health Canada to grow 195 cannabis plants, but that licence only allowed her to legally grow cannabis for her own use and for the use of one another individual. She was well aware of the terms of that Licence and acknowledged that any sales of that cannabis to others or advertising her cannabis for sale to others through social media, would be in contravention of her Health Canada PUPL license.

[37] It is the position of the Respondent that the evidence established several different ways in which Ms. Reeve flagrantly disregarded her legal entitlement to possession of the disputed cannabis plants. Therefore, the Respondent submits that it would be contrary to public policy to compensate Ms. Reeve for flagrantly disregarding the parameters of her legal authority to grow and possess the disputed controlled substance. The Respondent submits that, at no time, neither the **CDSA**,

nor the regulations made under the **CDSA**, permitted people with a Personal Use Production Licence (PUPL) to sell their cannabis possessed even for the limited purpose of a sale through a compassionate club or a dispensary to patients.

[38] While Ms. Reeve simply points to the fact that Health Canada had authorized a PUPL for her to possess certain amounts of cannabis for her personal medical use and grow 195 cannabis plants at a warehouse located at 30 Colford Drive, Head of Chezzetcook, there is no credible evidence that she was the lawful owner of the 195 cannabis plants at issue. On the other hand, the Respondent submits that the evidence is overwhelming that the plants were being produced at the warehouse, in contravention of the licence for sale or trafficking to be done out of the Farm Assists storefront location.

[39] It is the position of the Respondent that there was, in the opinion of the RCMP expert witness, a very large and “sophisticated grow operation” which ultimately resulted in the seizure of approximately 400 cannabis plants. In his opinion, as supported by the “Colford Bill Review” document, the large grow operation in a rented “warehouse” required a significant amount of capital—especially for electricity, property taxes, insurance to keep it operating on an annual basis. Ledger pages seized from the Halifax Compassionate Club [THCC] documented payments or credits in specific dollar amounts for cannabis produced by “growers” from which it is reasonable to infer that several of those transactions relate to credits or payments to Ms. Reeve as well as her husband, Christopher Enns for the supply of cannabis to the THCC or Farm Assists storefront.

[40] Furthermore, the forensic accountant called by the Respondent estimated that the cost of running that “sophisticated” grow operation, out of a rented warehouse building would be quite significant. The Respondent submits that Ms. Reeve provided no evidence whatsoever to substantiate that she had paid any of those expenses or that she had the financial means to pay for her share of the rent for the building, power bills for heat lamps, “staff” and all the supplies needed to grow the cannabis plants. Moreover, the Respondent adduced evidence that others actually paid those expenses and the Respondent submits that those warehouse expenses were, in all likelihood, covered by the revenue generated from the sale of cannabis grown at the warehouse to the storefront location in downtown Halifax.

[41] The Respondent submits that, when all of the evidence is considered by the Court and reasonable inferences are drawn from the circumstantial evidence, based upon the Supreme Court of Canada decision in **R. v. Villaroman**, [2016] 1 SCR

1000, the evidence is overwhelming that the plants in the warehouse were not simply being produced for Ms. Reeve's personal use or the use by only one other person. Quite to the contrary, he submits that the evidence established that the cannabis which was being grown, harvested and packaged in Mason jars with labels identifying the strain and numbers indicating the cost per gram or in large "smelly proof" plastic bags at the warehouse actually provided the needed supply of cannabis for resale by the THCC or the Farm Assists store. At the storefront, the evidence established that cannabis purchased from several "Growers" including Ms. Reeve was then sold for a significant financial gain at that location to its clients, "patients" or the ultimate consumers.

[42] It is the position of the Respondent that, when all of the circumstantial evidence is viewed logically and in light of human experience, the only reasonable inference is that the "sophisticated warehouse grow operation" required significant capital to keep it operating and that the corporate structure of numbered companies and Storefront purchases for resale of the grown cannabis generated that revenue. When considered in totality, the Respondent submits that it certainly supports the reasonable inference drawn from all of the facts and circumstances of this application that Ms. Reeve was not legally complying with the terms and conditions of her PUPL.

[43] In the final analysis, the Respondent submits that providing compensation to the Applicant on the basis of the facts established in this case, would be contrary to public policy and the court's long-standing unwillingness to allow their processes to be used to further illegal acts. In support of this submission, counsel refers to the case of **R. v. Gombosh Estate**, [1986] 1 SCR 415 where the Supreme Court of Canada determined that a public policy defence of *ex turpi causa* can be applied to statutory claims only where turpitude was established.

[44] In **Gombosh Estate**, the applicant claimed restoration of seized monies under the **Narcotic Control Act** and in that case, the culpability of the owner of the seized property was proven at the antecedent criminal proceedings. However, the Supreme Court of Canada added that where, in a case where there was no prior finding, the rule could still operate to bar recovery: "in the absence of a specific finding at a trial of the requisite "tainted connection," the Crown may fill the evidentiary gap by proving taint on the reasonable doubt standard at the restoration hearing:" see **Gombosh Estate**, *supra*, at para. 44.

[45] Although the statute in issue in **Gombosh Estate** was different, the Respondent submits that the potential to become disentitled to an order of compensation is founded statutorily in the wording of section 24(5) of the **CDSA**, which requires the applicant to establish “lawful possession” or “lawful entitlement” and the legal principle encompassed by *ex turpi causa* could bar recovery. The Respondent submits that the basis of the *ex turpi causa maxim* as utilized in the Supreme Court of Canada case, stands for the proposition that the judicial process not be utilized for abusive, illegal purposes in order to maintain the integrity of the legal system.

[46] The Respondent submits that, if it was a requirement, they have met the burden to establish the moral turpitude, criminality or “taint” beyond a reasonable doubt for the doctrine of *ex turpi causa* to apply in the circumstances of this application. The Applicant, with the support of Mr. Enns, flagrantly abused the medical cannabis regulatory scheme through her deliberate actions to circumvent and blatantly flout the Health Canada PUPL which only legally permitted her to grow 195 cannabis plants and produce cannabis for her personal medical use and one other named individual. In those circumstances, the Court should refuse the Applicant’s attempt to use its processes in furtherance of abusive and illegal purposes and dismiss the application for compensation to maintain the integrity of the legal system.

[47] Finally, the Respondent submits that, in the alternative, if the Court decided to make an order to compensate the Applicant for the seized and destroyed plants, the Court should value each plant at \$180 based on the individual, statutorily presumed yield per plant of 30 g of dried cannabis product, multiplied by the price per gram of \$6 [based upon the testimony of the RCMP expert, Cpl. Lane].

[48] In those circumstances, the Respondent submits that the total value of the 195 plants based on the per gram price being charged for dried cannabis should be a maximum valuation for the controlled substance seized and destroyed at \$35,100 [195 plants x 30 g per plant x \$6 per gram]. The Respondent draws the Court’s attention to the fact that the assumption of a cannabis yield of 30 g per plant is spelled out in the *Medical Marijuana Access Regulations*, section 30(1)(2).

[49] The Respondent also rejects the notion advanced by the Applicant that she be compensated for the cannabis that she was not able to obtain from the plants while this matter was before the court. He submits that the market value of the controlled substance already accounts for the time, effort and resources that would

be required to replace the plants and those are accounted for by the price charged in a fair market.

Summary of the Applicant's evidence:

[50] As previously mentioned, the agreement between counsel was that the parties would provide affidavit evidence instead of conducting an oral direct examination. In that way, it would streamline proceedings during the direct examination and, also facilitate the entry of Exhibits by attaching them as an Exhibit to the Affidavit. This process certainly saved ample time as, in the final analysis, numerous other exhibits could be located at a tab of the Affidavit of the Affiant.

[51] It was also agreed that the Affiant would, if requested, be present in court for cross-examination on their affidavit and following that, there was an opportunity for counsel who tendered the witness's affidavit, to conduct a re-examination of that witness.

[52] Ms. Sherri Lee Reeve's Affidavit was filed as Exhibit 1 on this application. In her application, she stated that she has suffered from arthritis since childhood and it is severe in her back, hips and hands. Cannabis relieves her arthritic condition and she added that cannabis also helps relieve her post traumatic stress disorder [PTSD] symptoms. She also mentioned that she suffers from eczema and with the consent of her physician she uses cannabis mixed in with coconut oil to make a topical treatment which has managed to stop her eczema symptoms.

[53] Ms. Reeve stated that in approximately 2008, she became licensed by Health Canada to grow, store and use cannabis to treat her arthritis. The use of cannabis to treat her arthritis and other symptoms was first prescribed by Dr. William Vitale and soon after that, she became licensed by Health Canada to produce/grow cannabis for her own personal use.

[54] In her Affidavit, at para. 6, Ms. Reeve states that, under the *Marijuana Medical Access Regulations (MMAR)*, she was licensed by Health Canada to grow her own cannabis pursuant to a Personal Use Production Licence (PUPL) at unit #2, 30 Colford Dr., Head of Chezzetcook, Nova Scotia. Health Canada, through the PUPL, provided permission to Ms. Reeve to cultivate 195 cannabis plants at 30 Colford Drive, and to store 8775 g of dried cannabis harvested from those plants at her home located at 764 East Chezzetcook Road.

[55] Ms. Reeve states that her PUPL was “valid” at the time of the police raid on September 5, 2014 and that the police, confirmed in their notes, presumably notes disclosed after she was charged with offences under the **CDSA**, that they had also checked the validity of that PUPL with Health Canada.

[56] On September 5, 2014, Ms. Reeve states that police officers executed a search warrant at unit#2 - 30 Colford Drive, Head of Chezzetcook and seized all of her cannabis plants. She states that they also seized growing equipment and other items that are important for a cannabis garden. Ms. Reeve said that the 20 units of 1000 Watt digital ballasts, 20 Batwing Reflectors and cord/sockets, 20 ratchet light hangers and 20 Ushio/Hortilux 1000-Watt light bulbs were returned to her shortly thereafter. Many of the returned items were damaged and beyond repair and as she stated in para. 9 of her Affidavit [Exhibit 1], she “had to replace them herself which took some time and cost quite a lot of money.”

[57] Paragraphs 11 and 12 of Ms. Reeve’s Affidavit relate to her arrest and being held for 23.5 hours until she was released.

[58] In para. 13 of Ms. Reeve’s Affidavit, she states that shortly after she was released at the same time as Mr. Christopher Enns, she made an application under the **CDSA** within the requisite 60 days after the police seizure of the cannabis plants to indicate that she wished to have the seized cannabis returned to her after the case was resolved.

[59] Ms. Reeve states that, on or about October 5, 2017, the **CDSA** offences for which she was charged were stayed by the Crown. Since her charges had been resolved, she was then able to pursue this application. Since her seized cannabis plants had been destroyed by the police shortly after being seized, she now seeks compensation for the destroyed cannabis plants.

[60] In para. 15, Ms. Reeve stated that she was not able to start growing cannabis until sometime later, as it took time to get new equipment, supplies and genetic starting material organized in order to start her garden again. In addition, she states that it takes about five months for her to grow cannabis from seed to usable cannabis flowers. As a result, she went without any cannabis medicine from approximately mid October 2014 until mid-May 2016 when her next crop was ready, totaling 578 days.

[61] In addition, Ms. Reeve stated that she also had a license to use 40 g of cannabis per day and that as result of the police seizure and then the subsequent

staying of the charges against her, she was not able to access 23,120 g of cannabis, until she could grow a new crop.

[62] Ms. Reeve states that her 195 cannabis plants were to produce 8775 g of cannabis for her to store at her storage location. She was also authorized, in 2014 to possess 150 g of cannabis on her person at all times and that the 195 plants were to produce those 150 g for her. Since the police seized both her storage limit and her personal limit, the total grams seized is equal to the total grams she was authorized to possess, namely, 8925 g.

[63] In her Affidavit at para. 21, Ms. Reeve states that, based upon the RCMP expert report, which was filed by the Respondent on this application, cannabis is valued at anywhere from \$10-\$15 per gram. Based on that valuation, she states that the value of the cannabis seized from her would range from \$89,250-\$133,875.

[64] Coming back to the 40 g of cannabis that she was not able to utilize for 578 days, which amounts to 23,120 g of cannabis, she claims that she should be compensated for an amount somewhere between \$231,200 and \$346,800, again, based upon the RCMP expert valuation.

[65] The Exhibits attached to Ms. Reeve's Affidavit [Exhibit 1] were:

- (a) A copy of her Personal Use Production Licence (PUPL) with a date of issue being 24- May-2013 with an expiry date of 24-May-2014. The terms and conditions of the licensee are that the "Production Site" will be 2-30 Colford Drive, Head of Chezzetcook, NS, the mode of production will be indoor and that the maximum number of marijuana plants that she may have under production at the "production site" is 195 plants (indoor). The storage site is listed as her home address 764 E. Chezzetcook Rd, Head of Chezzetcook, NS and that the maximum quantity of dried marijuana that may be kept at the storage site, at any time under the PUPL is 8775 g and must be stored indoors.
- (b) A copy of the Crown Brief Report which was received as part of the disclosure in the prosecution. As she states in her Affidavit, the Crown Brief notes that the PUPL license for 195 plants was valid on the date of the seizure.
- (c) This Exhibit relates to photographs of the damage to a door which is not part of this application.

- (d) This Exhibit has a portion of the transcript of Ms. Reeve's appearance in the court on November 17, 2014 wherein Mr. Enns, on behalf of Ms. Reeve and himself made the application to be reimbursed, but were advised that the cannabis plants, which were her medicine, had already been destroyed by the police.
- (e) This Exhibit is a copy of Cpl. David Lane's "can say evidence" regarding the value of cannabis and cannabis growing equipment.
- (f) With respect to the street value of cannabis marijuana [sold in the illegal drug trade] Cpl. Lane stated that at the gram level it would be \$10-\$15 per gram. The report also refers to the information from the police files with respect to the seizures at 30 Colford Drive being approximately 300 cannabis marijuana plants in different stages of growth, approximately 30 pounds of marijuana, a bucket of cannabis resin (oil), digital scales, bulk packaging, \$59,095 in Canadian cash currency, which was located downstairs in a knapsack in bundles and loose and miscellaneous marijuana growing equipment. The report also notes that different strains of a marijuana have different characteristics and a section on pricing and plant yields concluding with his summary opinion, based on the information reviewed by him.

[66] During the extensive, detailed and very thorough cross-examination of Ms. Reeve by counsel for the Respondent, for example, it took several questions to finally confirm that Ms. Reeve was either the President or Vice President of The Halifax Compassionate Club, although stating in many different ways she was not sure of the exact date. Even after taking breaks to refresh her memory by viewing a video of her interview with the police officer on September 5, 2014, her answer was that she occupied those roles "at some point."

[67] After finally establishing that point, counsel confirmed that the Halifax Compassionate Club went by its initials at that time, THCC and that was the acronym for the club. Ms. Reeve agreed that she and Mr. Christopher Enns were two of the five people who started that nonprofit society and that she was initially registered as a director and Vice President of that organization. She said that there was a business located at 2320 Gottingen Street in Halifax called Farm Assists Cannabis – Medical Cannabis Resource Centre which operated as a "dispensary" to only serve medical patients.

[68] Counsel noted that Ms. Reeve's affidavit in support of this application was silent with respect to what she did for a living. Her response to that question on June 3, 2019 was "I don't .. Anything right now except I volunteer my help to cancer patients." Counsel repeated the question and noted that there was no mention of what she did "for a living" to which she asked the question "when was it?" Once she was advised that she had signed her affidavit in October 2017, Ms. Reeve stated: "yeah, so in October I was doing nothing, yes, except helping cancer patients voluntarily."

[69] Ms. Reeve confirmed that she and Mr. Christopher Enns were married and that they had first met in about 2008 or 2009. She had "no idea" of the year when they were married but recalled that they had stayed together before being married and suggested that counsel check the public records. She agreed that, after meeting Mr. Enns, the two of them have been long time cannabis activists and she added that she became an activist after finding out that cannabis helped her walk and after that she obtained a medical license. Ms. Reeve also confirmed that she and Mr. Enns were a couple when the Halifax Compassionate Club was founded.

[70] With respect to her name, Ms. Reeve agreed with the suggestion that Mr. Enns and others frequently use the name Jess or Jesse Jane in referring to her and she agreed that those were a couple of her aliases. With respect to a press release following a police raid of a previous location in Porter's Lake, counsel confirmed with Ms. Reeve that she was listed as the President of the Halifax Compassionate Club's store in Porter's Lake and that the article mentioned that she was "also known as marijuana activist "420jes."

[71] In addition, looking at tab P in the Affidavit of Madeleine Maclellan [Exhibit 9], she agreed that her "professional profile" homepage on LinkedIn also had another alias by which she often referred to herself as Jess James and beneath that "you grow girl!" In that LinkedIn "profile" page, Ms. Reeve was also identified as the Vice President of The Halifax Compassionate Club from "June 1999- Present (18 years 3 months)" and that one of her specialties was "Canadian cannabis consultant."

[72] With respect to applications for membership in the THCC Society which were contained in the Affidavit of Det/Const. Duane Stanley [Exhibit 11] at tab 4, Ms. Reeve agreed that the applications of various people in 2012 and 2013 were witnessed by her and that she had signed as a "THCC member" to witness their applications as "Jes." Interestingly, those applications for membership also

required the person seeking membership to confirm that they were not a member of a police force or a government official.

[73] Counsel for the Respondent asked further questions with respect to Det/Const. Stanley's Affidavit [Exhibit 11] at tab 4 with respect to the ledger sheets seized from the storefront on Gottingen Street. The top of the numbered ledger sheets listed "Product Purchased," the initials of the "Grower," amount and the amount paid with initials to confirm the payment. Ledger #05 lists "Grower CPK- L", Ledger #09 is headed "Grower (JJ)", Ledger #11 "Grower C #Company" and Ledgers numbered 14, 20, 27, 28, 38 confirm transactions with "C.E."

[74] With respect to those 2012 and 2013 ledger sheets, Counsel questioned Ms. Reeve on names listed under the heading "description" and she agreed that it described a certain strain of cannabis. Then, with respect to the stylized "S" at the top of ledger #10 with respect to strains of cannabis listed as "Kush", "Russian" and "incredible," she agreed that the stylized "S" was her signature on ledger pages #10 and #11. Ms. Reeve agreed, in looking at those ledger sheets, that she had written and signed things on those pages which confirmed payments to growers for cannabis supplied to the storefront.

[75] With respect to the ledger pages which listed payments to "Grower C.E." or "Grower C # Company", Counsel for the Respondent suggested that all of those references were to Christopher Enns, or a numbered company registered by Mr. Enns, to which Ms. Reeve answered: "I have no idea. It could be anybody." When pressed whether her reference to "anybody" could include Mr. Enns, Ms. Reeve repeated "it could be anybody" and that each time Counsel asked that question, she added: "I am going to give you the same answer every time." After several questions, she finally agreed that "anybody" could include her husband.

[76] Further questions were asked with respect to the ledgers contained in Det/Const. Stanley's Affidavit [Exhibit 11] at tab 8 to confirm that they listed the amounts of "Product" received from and paid to growers by the storefront, with some of those amounts and payments having been initialed by Ms. Reeve. Counsel suggested that, at the top of several pages, there was the word "Grower" and beside that, there were either first names or initials listed and then, below that, the ledger contained a description of various strains of cannabis, purchased by the store. Ms. Reeve stated that the word "Grower" could be accurate, or it could also refer to a person dropping off cannabis for a grower as a "distributor" or supplier to the storefront.

[77] When asked about what strains of cannabis she grew, after saying that several of the ones listed under the ledger page “Grower” were never ones grown by her, there was the following exchange at page 117 lines 12 to 14:

“Q. You still – you grew other strains?”

A. I’ve a medical cannabis license that allows me to grow for myself and grow for a patient to which I sell legally to.”

[78] Several questions were asked with respect to ledger page #44 in Exhibit 11 which has a stylized “S” at the top of the page with a couple of circles around it. Of course, previous pages in that same ledger had the word “Grower” at the top and Ms. Reeve stated that the stylized “S” at the top of that page was not her signature. However, she did agree that the letter did look like an “S” with a several circles around it. Moments later, she confirmed that the stylized “S” with the circle around it beside the “balance” column listed on lines 17 and 22, were, in fact, her stylized signature “S.”

[79] Based on the numbers on ledger page #44, it is apparent that at the top of the page the stylized “S” with two circles around it, in Ms. Reeve’s words could possibly identify the “Grower” or “supplier” to the storefront, who then had an opening balance on January 22, 2013 [based upon the dates listed on earlier pages in that ledger] of being owed \$7738.50 by the THCC “storefront” on Gottingen Street. According to the ledger#44, on January 22. the Grower/supplier identified by the stylized “S” received a payment of \$2000.

[80] The same day, on January 22nd, 2013. the Grower/supplier listed under the stylized “S” provided, according to the “amount” column, 450 g of “Green Lizzy” purchased by the THCC storefront at \$7 per gram which resulted in a total under the “amount” column of \$3150. On January 24, 2013, that same person supplied 161 g of “Moby Dick” at \$6.75 per gram to the THCC storefront which resulted in a total under the “amount” column of \$1086.75. With those transactions, the balance as of January 24, 2013, that is identified on that ledger sheet owing to that “Grower” or supplier with the stylized “S” was a total amount of \$9916.75. Ms. Reeve also agreed that “Moby Dick” is a strain of cannabis.

[81] Once again, according to the information written on ledger #44 on January 24, 2013, the person listed as grower/supplier “S” on that ledger at tab 8 of Exhibit 11 was paid \$5000 to reduce that person’s outstanding balance owing to them from the amount of \$9916.75 to \$4916.75. The ledger also confirms that a further payment was made to a person identified as “S” listed on ledger #44 on January

26, 2013, in the amount of \$2417, which reduced the outstanding amount owed to that "Grower/Supplier" to \$2500. I also note that several different strains of cannabis were provided to the THCC by the Grower/supplier identified by the stylized "S" totaling \$10,109 under the "amount" column to raise the outstanding balance, owed to that person, as of January 26, 2013, to \$12,609.50. According to the ledger, the total amounts paid to the "Grower" or Supplier who was listed as "S" on ledger #44 between January 22 and February 6, 2013, came to a total of over \$32,780.

[82] After reviewing the foregoing transactions with Ms. Reeve, Counsel for the Respondent suggested that THCC Farm Assists had advertised production of cannabis and Ms. Reeve initially agreed that they had done that but then changed their approach and tried to find growers for sick patients. She said that the growers "gave" THCC their excess cannabis and then they (THCC) "gave" that excess to the cancer patients. Ms. Reeve maintained that there was no way she could grow the amount of "weed" that had been reviewed in the previous questions and she went on to say that "my weed went to me. It was for me and me only" and "the same with my patient's weed. It went to him and him only."

[83] Ms. Reeve confirmed that, in 2014, she had a Personal Use Production Licence for the warehouse [PUPL] and she also had an authorization to possess [ATP]. She maintained that the PUPL allowed her to sell cannabis to her patient. She also said that she had a Designated Production Licence that allowed her to sell to her patient, "whom I grow for legally." Then, there was an exchange where counsel asked whether Ms. Reeve knew that the PUPL did not permit her to sell to anyone, which was not answered but she then added that her Designated Production Licence did.

[84] After asking the question in relation to the PUPL, once again, Ms. Reeve then said: "no, that permits me to grow for myself." Then, she added that the Designated Person Production Licence did permit her to grow and sell for one person, namely, David Holding who buys the cannabis "for cash."

[85] Then, Counsel for the Respondent questioned what she believed that she was permitted to do under the Designated Person Production Licence for Mr. Holding and whether she was permitted to sell to anyone else, other than Mr. Holding. After several questions to get an answer to the question, Ms. Reeve agreed that the Designated Person Production Licence only allowed her to sell to Mr. Holding and she maintained that: "none of the cannabis that I grew ever was sold to anybody

other than Mr. Holding.” In addition, after several questions, Ms. Reeve agreed that the Designated Person Production Licence did not list 2320 Gottingen Street as a location where she could sell the cannabis that she produced.

[86] Once again, Counsel for the Respondent asked Ms. Reeve to look at tab 2 of Det/Const. Stanley’s Affidavit [Exhibit 11] which has a handwritten note dated December 12, 12, with a printed heading in the middle of the page “End Float” and immediately below that “Management Take” – \$2000 with the name “Jes” circled beside that amount. Ms. Reeve maintained that she had no idea what the words “End Float” or “management take” meant. In terms of the name “Jes,” she stated “obviously that is my name” but it was not her signature.

[87] As the cross-examination of Ms. Reeve continued, Counsel for the Respondent asked questions about her comments in an opinion piece published in “The Coast” newspaper on March 1, 2012, which was entitled “Is medical marijuana going to pot?” In that article, the journalist, Miles Howe conducted an interview with “Jes James,” co-founder of The Halifax Compassionate Club and he stated that he went with her to deliver “an indeterminate quantity of medical marijuana, to as many patients as they could schedule” and added that Ms. James stated that “we have about 100 clients in active files.”

[88] Ms. Reeve stated that she did not really recall the interview but categorically stated that she does not sell cannabis to cancer patients and still never has. The cannabis is given to them. Following that, Ms. Reeve was asked if she ever did sell cannabis for money to someone who did not have cancer. Ms. Reeve answered that she did not know and could not remember everybody anyway and that “I am not going to incriminate myself.” After some clarification of her **Charter** protections by Counsel for the Applicant and a confirmation that it is not a defence to the questions asked by the Counsel for the Respondent today, Ms. Reeve stated, three times, that she has never taken money from a cancer patient.

[89] Ms. Reeve was questioned in relation to certain comments attributed to her in March 2014 at Mount Allison University. Initially, she did not recall the specific date in 2014 but agreed that she had made two speeches there that year. It was suggested that the speech was encouraging people to open dispensaries during the first speech. When it was suggested that during the second speech, she had told the audience as part of The Halifax Compassionate Club’s activities, they would teach people how to break the law and not get caught, Ms. Reeve had no recollection of making that statement.

[90] After stating that she had no recollection of making a speech to that effect at Mount Allison University in 2014, Counsel for the Respondent refreshed Ms. Reeve's memory by playing a portion of a CD-ROM attached at Tab 6 of Det/Const. Stanley's Affidavit [Exhibit 11]. The YouTube video recorded on that CD-ROM was played in court to refresh her memory of that event, which involved Sherri Reeve speaking about "hempology 101" at Mount Allison University on March 27, 2014. After the video clip was played in court, Ms. Reeve was asked whether she remembered making the statement and answered: "no, I don't, but I can see it."

[91] There were several questions as to whether Ms. Reeve had told the police on September 5, 2014, after their raid at her house and the warehouse that The Farm Assists store located at 2320 Gottingen Street, THC Club Farm Assists at 5106 Highway #7, Porter's Lake and The Halifax Compassionate Club at 764 East Chezzetcook Road, Head of Chezzetcook, all used the same telephone number (902) 495- 0420. In fact, business cards contained in Det/Const. Stanley's Affidavit [Exhibit 11] at tab 17 contained business cards with that one telephone number for those three entities. The Halifax Compassionate Club card also had the words "Sherri Reeve President" printed above its email address.

[92] After more questions on this issue, Counsel prepared an agreed statement of fact which was filed as Exhibit 2. With respect to the phone number for those businesses, the parties agreed that Ms. Reeve answered calls at that phone number and would tell people who called that phone number where to find safe access and/or a dispensary. A second agreed fact was that, on September 5, 2014, Sherri Reeve told the police that she would sometimes come to "watch the shop" – in other words, take over for someone else who was working at the Farm Assists at 2300 Gottingen Street.

[93] After reaching that agreement, Counsel for the Respondent drew Ms. Reeve's attention to Det/Const. Stanley's Affidavit [Exhibit 11] at tab #1 which is a copy of receipt #33 from the "Sales Book" with the name of the vendor stamped at the top being "THCC Farm Assists, (902) 495-0420." dated March 13, 2013. The receipt, which is dated March 13, 2013, confirms that the person, who was named on that receipt, had purchased several different cannabis strains, including: 10 g of "Jack Herer" at a total cost of \$80, 5 g of "G13" at a total cost of \$36.25, 5 g of "White Russian" at a total cost of \$40, 5 g of "Ultimate Indica" at a total cost of \$40, 5 g of "LSD" at a total cost of \$35 and finally 5 g of "Durga Mata" at a total cost of \$40. The grand total for those purchases was \$291.25.

[94] Following that, Counsel for the Respondent asked Ms. Reeve to turn to the Affidavit of Sgt. Mike Strickland [Exhibit 10, at tab 1] which had a series of photographs taken during the search of the Farm Assists “storefront” located at 2320 Gottingen Street in Halifax. He drew Ms. Reeve’s attention to photographs numbered 27- 29 which show a table in a back room of the store with a tray on the table with a label entitled “The Farm Assists” and beneath those words, the label reads “Production – Dispensary – Delivery (902) 495-0420.” Ms. Reeve stated that it is the same tray from the Porters Lake store, and she identified it by the label as well as the tray itself. Ms. Reeve also agreed that the phone number on that label was the one that she would sometimes answer and provide advice.

[95] In addition. those photographs show two Mason jars containing cannabis strains – one half full with a label “Purple Kush” and the other jar essentially full with a label “Black Diamond.” In front of the tray with those two Mason jars of cannabis strains, there are clear empty plastic bags in the tray and a digital scale with what appears to be a measuring scoop right beside it.

[96] With respect to questions about the warehouse located at 30 Colford Drive in Head of Chezzetcook, Nova Scotia, Ms. Reeve confirmed that Mr. Enns had a Designated Person Production Licence (DPPL) to grow cannabis plants at the warehouse for two people.

[97] Ms. Reeve was then asked to review the corporate business filings from the Registry of Joint Stock Companies of Nova Scotia for two numbered business organizations, at tab H of Madeleine Maclellan’s Affidavit [Exhibit 9]. The first one is 3247317 Nova Scotia Limited for which Mr. Christopher Enns is listed as the President, Director, and Recognized Agent with his civic address being 764 E. Chezzetcook Road, with a related registration being The Farm Assists Cannabis Resource Centre. The copy of the information indicates that the company was incorporated and registered on July 29, 2010.

[98] The other numbered company is 3259147 Nova Scotia Limited which was incorporated and registered with the Registry of Joint Stock Companies on December 12, 2011. For this second company, Mr. Chris Enns is also listed as the President, Director and Recognized Agent with Mr. Tyler Julien being listed as the Secretary and as a Director. The related company registration to this numbered company is the Grow-Op Shop Indoor Gardening and Hydroponic Supplies.

[99] Ms. Reeve was then asked to turn to Det/Const. Stanley’s Affidavit [Exhibit 11] at tab 20 where there is a document entitled “Colford Bill Review”, which lists

the total amounts paid for services provided at the Colford warehouse. Ms. Reeve said that she had “no clue” with respect to the holding company for the Colford warehouse, but the document lists the total annual costs for that building being \$115,815. The largest amounts relate to \$37,120 for HRM property taxes, \$45,000 for NSPI’s power bill and building insurance in the amount of \$14,500.

[100] In his Affidavit, Det/Const. Stanley stated that “Colford Bill Review” and the Registry of Joint Stock Companies registrations were found in the house occupied by Ms. Reeve and Mr. Enns located at 764 E. Chezzetcook Road, Head of Chezzetcook. The document also indicates that those annual bills for the Colford warehouse are divided three ways between a shareholder advance, Chris Enns and Mark, last name unknown.

[101] As the cross examination continued, Counsel for the Respondent posed a question based upon para. 3 of Ms. Reeve’s Affidavit [Exhibit 1] that about nine years ago, she became licensed by Health Canada to grow, store, and use cannabis to treat her arthritis. Since this question was posed in court in June 2019, Counsel asked if her cannabis plants had been grown since 2009 or 2010 at the warehouse located at 30 Colford. Ms. Reeve was not sure of the exact date when she first got the Health Canada licence, but stated that her personal cannabis plants were grown at the warehouse at 30 Colford and her patient’s plants were grown “somewhere else.”

[102] Moving forward to 2014, Counsel for the Respondent asked if there were other persons at the 30 Colford Drive warehouse who would have been tending to the plants and equipment. Ms. Reeve replied “probably” and when asked whether they were employees, she said no, but there were other people who had “grows” there. Ms. Reeve stated that she had “no idea” if there were other persons with “grows” at the Colford Drive warehouse in previous years to 2011- 2013.

[103] Counsel then showed Ms. Reeve the supplementary Affidavit of Gordon Giffin, who was the Exhibit Officer at the search of the warehouse located at unit 2-30 Colford Dr. in East Chezzetcook, Nova Scotia and took a video of the search. Const. Giffin’s Supplementary Affidavit was marked as Exhibit 13 and contained several printouts of screen captures from the video that he had taken at the time of the search by police officers at the warehouse. The more detailed documenting of items located during the search including photographs of those items was in Const. Giffin’s affidavit marked as Exhibit 12.

[104] With respect to Exhibit 13, Counsel asked Ms. Reeve to look at the photograph at page 9, which has columns listed as Date, Name, Task, and Hours, with the names of Jesse, Sonia, Chris, Steve on it. The dates listed on that sheet start at August 23 and the last entry appears to be on September 4. She agreed that the sheet does contain various names, the tasks performed, the hours it took and in many cases the time when the tasks were performed but stated that it is not her handwriting. Ms. Reeve added that she did not remember seeing the document and then stated: "I've never – I don't think I've ever seen this."

[105] Following that, Counsel asked Ms. Reeve to look at the receipts photocopied at tab 12 of Det/Const. Stanley's affidavit [Exhibit 11]. With respect to the receipt dated April 22, 2014 in the amount of \$3000 with the word "paid" and then after the word "for" on the receipt form, the words "growing services and medical herb for 2013" are printed above her signature and the printed name "Sherri Reeve" below that signature. Ms. Reeve was asked whether the words "medical herb" was a reference to cannabis and her response was that it could be clones or it could be anything. When asked if clones meant marijuana cannabis plants, she replied: "it could be seeds, it could be anything."

[106] Prior to Counsel for the Respondent asking a further question about that receipt contained in Exhibit 11 at tab 12, Ms. Reeve pointed out that it does not have a name on it, so she did not know who it was to and she asked herself a rhetorical question: "is this something that was paid to me, or I paid to someone else? Received from who?" She then added that there was no name on it and that she was trying to figure it out. However, she did confirm that she sees her signature, but it was five years ago. Once again, she confirmed that it was her signature but could not tell more about it because the "received from" line of the receipt is empty. Once again, although she saw her signature on the receipt, she had "no clue" what it is for because there was no name on it. But, when Counsel asked whether "medical herb" refers to something with respect to cannabis, her answer was "it could be, well, probably."

[107] Following those questions with respect to that receipt dated April 22, 2014, Counsel asked Ms. Reeve to turn to tab 14 in Exhibit 11 on the second page which also has copies of receipts in the amount of \$3000 on each receipt, marked "paid" both appearing to be dated April 25, 2014. Following the word "for", one of the receipts reads "growing services and medical herb for 2011" and the other one has "growing services and medical herb for 2012."

[108] At the bottom of each one of those two receipts is the printed word “Sherri Reeve” with a stylized signature just above her name. Ms. Reeve looked at those two receipts, and stated, once again, that those receipts were definitely signed by her with her printed name below the signature and because it is the same amount “I would assume it might be the same person every time.” However, once again, Ms. Reeve stated that she either had “no idea what they’re for” and when asked again, she had “no clue.”

[109] On re-examination, Ms. Reeve confirmed that her Personal Use Production Licence-Dried Marijuana For Medical Purposes issued pursuant to section 29 of the *Marijuana Medical Access Regulations (MMAR)* attached as Exhibit A to her Affidavit [Exhibit 1] was the licence that was in effect in 2014. She had previously had other PUPL’s. The licence confirmed that the production site is 2-30 Colford Dr., Head of Chezzetcook, Nova Scotia, the production is indoor and that the maximum number of marijuana plants that she may have under her production at the production site pursuant to the PUPL was 195 plants (indoor) and 0 plants (outdoor).

[110] She also confirmed that her PUPL storage site was identified in that licence which was issued on May 24, 2013 as being 764 E. Chezzetcook Rd., Head of Chezzetcook, Nova Scotia. The storage quantities listed on the PUPL allowed her to store the maximum quantity of dried marijuana at the storage site, indoors, as being 8775 g. Ms. Reeve confirmed that the address mentioned for the storage site was where she stored her harvested cannabis.

[111] She confirmed that the cannabis harvested was used by herself medically and that she understood that the PUPL only allowed her to grow and use it for herself. Ms. Reeve confirmed that she could not share the cannabis from those 195 plants with anyone else. Ms. Reeve stated that she complied with those rules.

[112] After some discussions relating to the scope of re-examination, the parties agreed that, notwithstanding the fact that Exhibit A to Ms. Reeve’s Affidavit stated that its expiry date was May 24, 2014, her PUPL was still valid on September 5, 2014 when the police conducted the raid and seized the cannabis plants from the Colford Drive warehouse.

[113] The parties agreed that, based upon the **Allard** decision, an injunction was issued that allowed the PUPL’s then, in existence, to continue forward. Counsel for the Applicant confirmed that, as the result of the **Allard** decision, the licence providing that an individual could have a 30 day supply of their cannabis in storage

continued, but was shifted to a maximum of 150 g on your person unless the person transporting it from the place where it was grown to the place where it would be stored.

Summary of the Respondent's Evidence:

[114] Undercover officer "A" attended on four occasions at the Farm Assists storefront located at 2320 Gottingen Street to purchase marijuana. On the first occasion, August 21, 2014, the officer went to the Farm Assists store, and they mentioned that they had seen the store's advertisement in Leafly, that if you mentioned seeing that ad, the purchaser would get 1 g of "bud" for free. The male behind the counter said that was still the deal and asked the officer if they had a licence. The officer said yes, I have one and then, the man at the counter said the owner would be out shortly.

[115] Soon after, a tall man about 6'3" tall with long brown hair came out of the back area and introduced himself as Chris and invited the officer to come to the back area. The officer showed him the license, Chris glanced at it for two or three seconds, handed it back to the officer and then he took the officer back to what he called the "lounge area" at the back of the store.

[116] At the back of the store, there was a little table and on it there were four large Mason jars with different types of marijuana bud in them. Chris opened them up and let the officer smell them. The officer picked 2 g from one jar and 1 g from another jar and was told that they could pick another one as the free gram. The bill came to \$18, so the officer gave Chris a \$20 bill and received two dollars change and left the building. After leaving the building, the cannabis was turned over to an Exhibit Officer.

[117] On the second occasion which was the next day, undercover officer "A" had the same instructions, go to the Farm Assists store on Gottingen Street and purchase a couple of grams of cannabis. On this occasion, the officer recalled that Chris had said "thanks Jason" the previous day, when he came out of the back and so, on this second occasion, the officer said hello to Jason and asked if Chris was around. Jason said yes, but there are a couple of people ahead of you.

[118] While the officer was buying a T-shirt at the front of the store, Chris came out of the back area and motioned the officer to come to the back area. There were now five Mason jars of weed in the back room. Chris said it is still the same amount but "two are the purple Kush." The officer said that they liked the ones that

were purchased the previous day. Initially, Chris did not recall seeing the officer the previous day but did not ask to see any licence on this occasion.

[119] Like the previous day, the officer purchased 2 g of marijuana at \$6 per gram from Chris and gave him a \$20 bill for the \$12 cost. The purchase was turned over to the Exhibit Officer.

[120] On the third occasion (Wednesday, August 27, 2014), the officer went to the Farm Assists store at 2320 Gottingen Street to purchase 10 g of marijuana. On this occasion, Jason was behind the counter and the officer asked if Chris was around. The officer was told that Chris would be in later and went with Jason to the back area. Jason asked if the officer had their card with them. The officer said yes and went to pull it out, but Jason said there was no need to see it, if the purchaser had it with them. On this occasion, Jason said that they only had two types of cannabis in the Mason jars and so, the officer purchased 7 g of Chocolope and 3 g of CBD Sharp. The total cost was \$60, the officer paid Jason, left the store, and gave the cannabis to an Exhibit Officer.

[121] The officer confirmed that there were no questions asked or any suggestion made by the officer that they were a cancer patient on any of those purchases.

[122] On a fourth occasion, on August 28, 2014, undercover officer "A", went again to the Farm Assists store on Gottingen Street, to purchase one ounce of marijuana. For this purchase, the officer was given \$200 and then went to the store and asked if Chris was around. Jason told the officer that Chris was with someone but would be available shortly. A few minutes later, Chris, referring to Christopher Enns, came out and the two of them went into the back room. The officer said that they would like to purchase an ounce. Chris said it would be \$180 for 30 g and did not ask to see the licence. Chris put the marijuana in a measuring cup and weighed 30 g on a scale on the table and then put the cannabis purchased in a "smelly proof bag." The officer paid cash, left and gave the cannabis to the Exhibit Officer.

[123] On cross-examination, the officer confirmed that they had been trained on how to safely purchase cannabis and that cannabis is a plant and different strains have different smells. The officer was aware, from their training, that there are medical exemptions to purchase cannabis and confirmed that they had a Health Canada Medical Cannabis licence which was prepared for this investigation.

[124] When the officer went into the Farm Assists Store, they were looking to see if Mr. Enns was there in order to interact with him as part of the investigation. The

officer stated that they did not know Sherri Reeve and that, on the four occasions that they bought cannabis from the storefront, they never saw a woman in the store behind the counter.

[125] The officer confirmed that, on their first occasion in the Farm Assists storefront, they did show the Health Canada license to Mr. Enns. The officer confirmed that in the backroom there was a card table with Mason jars on the shelf, but they could not estimate how many grams were in each one of them, although the four or five jars were either full or half full. There were also other things to purchase in the front area such as bongs, papers and other stuff. The officer confirmed that there was a very strong smell of “fresh marijuana” when you walked in the store.

[126] The officer confirmed that, on none of the four occasions when they purchased cannabis, they did not recall seeing Sherri Reeve at the Farm Assists Store. In addition, there was no mention in their notes that she was present.

[127] A second undercover officer “B” was called by the Respondent to answer questions on cross-examination. The undercover officer had previously provided an affidavit [Exhibit 3] in accordance with the agreement of counsel that the affidavit would essentially replace direct examination. For this officer, as well as undercover officer “A”, for their safety and security, the Court put a publication ban on any communications that would name or identify them.

[128] Undercover officer “B” was tasked, on September 3 and 4, 2014, to purchase 2 to 3 g of each kind of marijuana available. The objective on the second visit was to purchase 30 g of marijuana. In the officer’s affidavit, it was confirmed that the officer had a document that appeared to be a Health Canada “Authorization to Possess” dried marijuana for medical purposes. It was made out in a false name with an expiry date for that licence being May 28, 2014. Prior to going to the Farm Assists Store, the officer was provided with \$20 bills and the serial numbers of those bills were recorded in the officer’s notebook.

[129] On September 3, 2014, the officer went to the Farm Assists store at 2320 Gottingen Street and recognized Ms. Reeve as she came from the back area to the front of the store. She asked how she could help. The officer told Ms. Reeve that a friend had said that they could get their prescription filled there. Ms. Reeve asked if the officer had a licence, the response was “yes” and after that Ms. Reeve asked the officer to follow her behind a wall to the “smoking area.”

[130] The officer was asked to wait until Jason was finished with another customer and while waiting, they saw three persons in the smoking area. The officer overheard the comments of a female and a male in the smoking area who were talking with Sherri Reeve about business that they had with the store and the payment they were going to make in the amount of \$170.

[131] A few moments later, the officer explained to Jason that they wanted to buy a couple of grams of each strain and whether the store was still offering the free gram promotion from the webpage. Jason agreed, proceeded to weigh out and explain each of the four strains of marijuana available. Jason told the officer that it was \$48 for the 4 g. The officer paid with three \$20 bills and received \$12 change. The officer said that they would return after trying the strains. After leaving the store the officer turned over the bag of marijuana to the Exhibit Officer.

[132] The next day on September 4, 2014, the officer went back to the store with ten \$20 bills whose serial numbers had been previously recorded. A different person was at the counter and the officer explained that they were back after having made a purchase the previous day. The officer was escorted to the “smoking area” by Jason.

[133] On the way to the back of the store, the officer told Jason that the “Pink Elephant” that had been purchased the previous day was great, but Jason said that he was out of that and would not have any more until “Chris” came back. Jason suggested “Purple Kush” and pulled out a Mason jar labelled “Purple Kush.” The officer told Jason that they wanted to purchase 30 g. Jason replied that it was \$6 a gram, weighed out 30 g and then placed it into a “smelly proof” bag.

[134] The officer placed \$180 in cash on the table and left the store. The officer was not asked to show any ID at any point, during this visit to the Farm Assists store on September 4, 2014. The “smelly proof” bag with the marijuana was turned over to the Exhibit Officer, Const. Gordon Giffin.

[135] On cross-examination, undercover officer “B” confirmed that they had been provided with a “false licence” which was an Authorization to Possess Cannabis issued by Health Canada in a false name and that the officer had a false ID to match the name on the licence. On September 3, 2014, the officer arrived at the Farm Assists store on Gottingen Street around 3 o’clock. At no time did the officer feel unsafe and stated that the people inside were “absolutely friendly.”

[136] The officer confirmed that, on the first occasion in the storefront, that it was Sherri Reeve who came to the front counter from the back area and added that she was “very accommodating” during their brief exchange. She took the officer into the back “smoking” room behind the counter and that is where the officer overheard the male and a female speaking with Ms. Reeve. Once the officer was seated in that back area with Jason, Ms. Reeve went back to the front of the store and never provided any cannabis to the officer or offered any cannabis to the officer.

[137] The officer did confirm that upon entering the store, Ms. Reeve did ask if they had a licence and they had answered “yes”, but she did not ask to see it. When the officer met with Jason, he did ask to see the licence, then briefly looked at it and the officer’s ID card and then sold the cannabis to the officer.

[138] On September 4, 2014, undercover officer “B” made a second visit to the Farm Assists Store around 1:30 PM. The purpose of the visit was to purchase 30 g of cannabis. Jason remembered that the officer had been in the store the day before and after a female left in the back area, they went into the back area of the store. The odour in the building was of fresh cannabis as well as stale smoked cannabis. The previous day, Jason had introduced the officer to the “Pink Elephant” strain of marijuana, but Jason said that none was available that day until Chris returned from BC. As a result, Jason recommended that the officer purchase the “Purple Kush” strain and the officer left with 30 g of it, as recommended by Jason.

[139] The next witness called by the Respondent was Mr. Mark Grenon. Mr. Grenon’s curriculum vitae was filed as Exhibit 4 on this application.

[140] Mr. Grenon’s CV confirmed that he has several professional designations, which include being a Chartered Accountant, a Chartered Professional Accountant, a Chartered Accountant specialist designation in Investigative and Forensic Accounting [a CA*IFA designation], Certified in Financial Forensic [CFF] designation and a Certified Fraud Examiner [CFE] designation. Mr. Grenon had been previously qualified as and provided testimony as an expert witness in several different Ontario and Québec courts. He understood that his responsibility was to provide fair, objective and impartial information and opinions in response to questions posed by counsel or the Court.

[141] Following questions by both counsel and the Court, Mr. Grenon’s qualifications to provide expert evidence with respect to forensic accounting and accounting generally, with respect to the financial activities of Mr. Christopher

Enns and certain other related companies between January 1, 2012 and March 31, 2013. In particular, he had analyzed the sales receipts from the Halifax Compassionate Club (THCC) also known as “Farm Assists” during that period, which were the areas for which the Respondent had sought to have Mr Grenon qualified as an expert witness. Those areas were set out and filed in Exhibit 5.

[142] In addition, prior to Mr. Grenon testifying in court, two reports which had been prepared by him were filed in court as Exhibit 6, entitled “Project Enns”, dated June 30, 2016 and a second report entitled “Sherri Reeve – Cannabis Market Price Analysis”, dated July 20, 2017, which was filed in court as Exhibit 7.

[143] At the outset of his examination, Mr. Grenon confirmed that he analysed each one of the receipts that were in booklets as shown in Det/Const. Stanley’s Affidavit [Exhibit 11 at tab 1] which shows the cover of a sales book and a couple of examples from a sales book on March 13, 2013. He noted that one receipt listed the product purchased, its cost and the name of the purchaser. A second receipt had the same information plus a stamp at the top of it, which indicated that the vendor was THCC Farm Assists.

[144] Counsel for the Respondent then asked Mr. Grenon to look at tab 5 in Det/Const. Stanley’s Affidavit, which is a photograph of numerous sales books bundled up, which contained the same pages as the examples that he had just viewed in the other affidavit. Det/Const. Stanley’s Affidavit at para. 32 refers to those sales books and there, he stated that the sales books were seized during the September 5, 2014 search of the residence of Mr. Enns and Ms. Reeve, located at 764 E.Chezzetcook Road. Det/Const. Stanley states in para. 33 that based upon information provided to him by another officer, a total of 78 similar sales books were seized from that residence.

[145] Mr. Grenon confirmed that each page of those sales books was photocopied and placed in binders and that he conducted an analysis of each one of those sales receipts, which has been summarized in the spreadsheet attached to his report [Exhibit 6]. The summary of the analysis of the sales receipts for the period between January 6, 2012 and March 13, 2013, is listed on 356 pages, numbered from 152/508 to 508/508, in Schedule 13.0 of his report [Exhibit 6]. Mr. Grenon explained that, although he was asked in his mandate letter to examine the period between January 1, 2012 and March 31, 2013, the first invoice that he could analyze was dated January 6, 2012 and he only had copies of sales receipts up to March 13, 2013 to review.

[146] Mr. Grenon stated that his summary of the sales receipts from The Halifax Compassionate Club, also known as Farm Assists during the period between January 1, 2012 and March 31, 2013 was done based upon a review of 5269 invoices from those sales books. The methodology for the examination of those sale receipts was set out at page 10 of his report. The examination of each sales invoice involved listing the date, name of the customer, the name of the product sold, the quantity (in grams if noted) of the product sold, the price per gram (if noted on the invoice or calculated based upon the quantity sold and the total price), the total invoice amount, any other applicable exhibit information and finally, where noted, the stamped name of the seller of the products.

[147] Mr. Grenon also noted that there was a column on the summary of the sales receipts contained in Schedule 13.0 of his report which listed a column for a “yes/no” answer (based upon Cpl. David Lane’s opinion) as to whether the transaction was consistent with the drug sale. Mr. Grenon stated that when he sent the spreadsheet information to Cpl. Lane for his opinion whether the transaction was consistent with the drug sale, the only thing Cpl. Lane could add to the spreadsheet was a “yes” or “no” as all of the other information on the spreadsheets were locked down by Mr. Grenon. He added that the Introduction to his report at 2.4 on page 3 refers to his “reliance on the use of an expert” in this case, Cpl. Lane to determine if a transaction was consistent with the drug sale.

[148] On page 5 of Mr. Grenon’s report, he provides his “**Summary of Findings.**” During the 15-month period of his review, he states that the THCC sales receipts totalled \$843,274. Sales specifically identified by the drug expert (Cpl. David Lane) were consistent with drug sales totaling \$821,513 and included 105,402 g of product sales. The chart immediately below that introduction shows that there was relatively little sales activity between January 2012 and May 2012, but sales rapidly increased between May and August 2012, slowed for a short period and then rapidly increased again between October 2012 and January 2013.

[149] In that summary at page 6 of Mr. Grenon’s report under the heading “**Product purchases,**” he has concluded based upon the available information from handwritten purchasing records that Mr. Enns purchased \$707,096 worth of products, or 111,418.7 g from various individuals or companies between June 25, 2012 and March 13, 2013. He notes that the average price paid per gram for product purchased was \$6.35. Mr. Grenon states that “many of the names identified on the product purchasing ledgers match those in the sales receipt books summarized in this report.”

[150] Still under the heading “**Product purchases**” at page 6, Mr. Grenon states that according to the purchasing information, the suppliers of those products were paid \$673,228, leaving approximately \$33,868 as a balance still owing to suppliers. He also observed and stated that, from his review and analysis, there were no transactions that were summarized in the purchasing ledgers which he could link to any payments or withdrawals from any financial accounts. Therefore, he stated that “it’s not known, how the suppliers/vendors were paid the \$673,228 in product purchases”.

[151] Mr. Grenon’s summary of products purchased for the period from July 4, 2012 to February 6, 2013 were set out in Schedule 1.2 starting at page 33 of his report. He stated that, obviously, if a person is selling an inventory item, you have to purchase the inventory from somewhere to have the product available for sale. Mr. Grenon stated that, what was unique from the handwritten ledgers that he reviewed relating to the purchasing of products, was that many of those pages made him believe that they were an “inventory reconciliation” and also an “accounts payable” ledger as there was a balance that was carried forward. In other words, there would be transactions showing the payment of amounts to the vendor and a balance that was still owing to that particular “customer.”

[152] The data compiled in Schedule 1.2 (listed from p.33 to p. 64 of his report), provides some context to those statements. Counsel for the Respondent asked Mr. Grenon to comment on these points by looking at his summary of ledger sheets which listed the vendor at the top of the ledger page as being “S” starting on page 39/508 at line 137. There are, in Mr. Grenon’s report, several transactions for the vendor who was identified at the top of the ledger page as “S” starting on February 12, 2013, at Line 137 and continuing to line 165 on page 40/508.

[153] Mr. Grenon stated that the first transaction identified at line 137 is listed under the heading “brought forward,” since there was no sale of product by that vendor on that date, but the entry indicates that there were prior sales, or an outstanding amount owed to that person. The spreadsheet notes that there was a “carry forward” of the “balance owing” to that vendor (“S”), which was listed under the “balance owing” column as being the sum of \$8000. The next entry at line 138 of Schedule 1.2 is a transaction for “S” which involved the sale of “Bubba 225 g x 7.5” for an amount of \$1684.50, which resulted in the balance owing to vendor “S” now being increased by that amount, to \$9684.50.

[154] Looking at pages 39 and 40, transactions involving sales and payments to the vendor identified by the ledger sheets seized by the police as “S” go from line 137 to line 165 and cover the period from February 12, 2013 to March 5, 2013.

[155] Then, Counsel for the Respondent asked Mr. Grenon to refer to a different vendor starting at line 166 of page 40 which identified the vendor on the top of the ledger sheets as being “C.E.” Transactions involving product purchases from “C.E.” start at line 166 and go to line 195 for the period between February 13, 2013 with a “brought forward” amount of a balance owing of \$9180 and concluding on March 7, 2013, at line 195 with the payment to “C.E.” of \$2200, leaving a “balance owing” at that point of \$6381.50.

[156] Since Mr. Grenon was referring to his summary of product purchases in Schedule 1.2 and he had referred to handwritten ledger sheets with the name or other means of identifying the specific vendor being handwritten at the top of the page, Counsel asked Mr. Grenon to refer to Det/Const. Stanley’s Affidavit [Exhibit 11] at tab 8 to see whether his review was of those same ledgers. According to Det/Const. Stanley’s Affidavit at para. 37, the copies of the ledger pages contained at tab 8, were seized by the police from the Residence of Mr. Enn’s and Ms. Reeve located at 764 East Chezzetcook Road.

[157] Mr. Grenon looked at several of the numbered pages which had the handwritten names or initials at the top, for example – “Product Purchased/Grower, “Grower (JJ)”, “Grower C #Company” and “C.E.” as well as the column headings of Date, Description, Amount, Paid and Balance Owing. He confirmed that the column headings which he had used in his “Summary of Product Purchases” in Schedule 1.2 utilized the same headings as the handwritten ledger sheets seized by the police.

[158] In fact, Mr. Grenon pointed out, for completeness, that the first handwritten ledger page, numbered 05 in Det/Const. Stanley’s Affidavit which has the handwritten notes at the top “Product Purchased/Grower CPK – L)” has the identical information at lines 338 and 339 for the transactions on June 28, 2012. In Mr. Grenon’s summary, he has noted that where “PK” was handwritten on the ledger, it meant that the product purchased was “purple Kush” which is listed at line 338 on page 48 of his report. Mr. Grenon also pointed out that, based upon the quantity and the cost of Purple Kush, the vendor had sold \$1300 worth of that product, but on line 339, that vendor was only paid \$1100, which left a “balance owing” of \$200 which is noted on the actual ledger and in Mr. Grenon’s summary.

[159] Going back to Det/Const. Stanley's Affidavit [Exhibit 11] at tab 8, Counsel asked Mr. Grenon to review page 14 which has the initials "C. E." printed at the top and he confirmed that he did the same process as just described with that vendor. Next, he was asked to turn to the handwritten ledger page 44 and Mr. Grenon stated that the vendor is identified by what looks like an "S". He looked at other handwritten ledger pages with that same letter and he stated that he recorded those transactions under the description "S" on his summary of product purchases.

[160] Before concluding this area of questions, Mr. Grenon stated that his basic conclusions are set out at page 29 of his report [Exhibit 6]. During the period of approximately 15 months, there were 5269 sales receipts summarized for a total value of \$843,274. Cpl. Lane, the RCMP drug expert, had advised him and he included in his report that 5117 sales receipts totaling \$721,513 or 105,401 g of product were "consistent with the drug sale." Mr. Grenon calculated that over that 15-month period, the average sale price for the product per gram was \$7.45.

[161] In addition, another conclusion reached by Mr. Grenon, after conducting his detailed and very comprehensive forensic accounting analysis of the books and records seized by the police when search warrants were executed on September 5, 2014, was that those purchasing ledgers indicated that 111,418.7 g were purchased at a total cost of \$707,096. Mr. Grenon calculated that the average price paid was \$6.35 per gram to vendors for products purchased.

[162] The second part of Mr. Grenon's analysis and testimony related to his report marked as Exhibit 7 which was titled "Sherri Reeve – Cannabis Market Price Analysis" – July 20, 2017. For this analysis, Mr. Grenon was asked to determine a Canadian market price of cannabis (marijuana) per gram paid from January 1, 2013 to July 19, 2017. The methodology of his work was set out in the report as well as his summary of findings. Mr. Grenon also included the price paid by the undercover officers when they purchased cannabis at the Farm Assists Store in late August and early September 2014. Finally, he conducted a survey of market price of cannabis by contacting producers listed as Authorized License Producers of cannabis for Medical Purposes and summarized the sales price of cannabis per gram in his detailed report, which was filed as Exhibit 6.

[163] Based upon the sale price paid by the undercover officers, the price per gram, on average, was \$6, and from the 5 licensed producers who provided an average selling price per gram of cannabis, it was \$7.61 in September 2014 rising to \$9.03 in July 2017. Mr. Grenon's conclusions in the report at page 11 [Exhibit

7] were based on the analysis of information that he had obtained as of July 20, 2017. In order to get a combined average price at different points in time, Mr. Grenon took the average retail price determined earlier (\$7.61) and the average of price range from survey respondents (\$8.75) and determined that the combined average price per gram in September 2014 was \$8.11.

[164] Looking at his analysis of the sales and purchases made by The Halifax Compassionate Club which Mr. Grenon analysed in his report [Exhibit 6], the average retail sale price in March 2013 was \$8.07 per gram. During that same time period, the average purchase price was \$6.10 per gram. The difference between the two being \$1.93 per gram would essentially be the “markup” difference from the vendor’s purchase price to the sale price paid by the consumer. Mr. Grenon referred to that “markup” in total dollars by multiplying the \$1.93 difference by the total sales of 105,401.8 g of cannabis, which equaled \$200,425.86. He referred to that total as the “contribution margin or gross profit” because there may have been other associated costs to deduct and determine the net profit.

[165] Mr. Grenon also explained that, with respect to the average prices used by him for the Farm Assists analysis conducted in Exhibit 6, he noted that during the period of time analysed, like many business cycles, the beginning selling price for a business may be less to attract customers, so they are earning less “contribution margin.” In the case of the Farm Assists storefront study, Mr. Grenon pointed out that, for the first seven months, they were selling cannabis for, on average, \$6.99 per gram, whereas during the last eight months, they were selling it for \$7.85 a gram.

[166] On cross-examination by Counsel for the Applicant, Mr. Grenon confirmed that the report was made with three general “assumptions” in mind: (1) the product information was as written on the sales receipts and extra care had to be taken in making certain assumptions about names, products or amounts; (2) in order to standardize the report, since many of the product names written on the sales receipts and purchase records, only had abbreviations and for those sales, Cpl. Lane assisted in identifying the product. This had no impact on the report’s findings or conclusions; and (3) all information relating to withdrawals from the bank were either made from a bank teller or an ATM as a cash withdrawal.

[167] In addition to those three basic assumptions, Mr. Grenon also indicated that there are assumptions in different Schedules which are spelled out in that Schedule. As an example, he said that there were assumptions made by him that if the name

had been slightly misspelled, for example if somebody spells the last name “Reeves” with an “s” at the end, he has made the assumption that it was Reeve without the “s” at the end.

[168] Although Mr. Grenon stated that he had made that assumption, I find, from my review, of the pages in Schedule 13.0, there are only a few references to the customer being “Sherry Reeves.” The very large majority of references in the summary of sales receipts listed in Schedule 13.0 are obviously referring to the Applicant as she is listed in that summary under the “customer name” as Sherri Reeve, Sherry Reeve or S Reeve, Sherri R or Sherri. I have no doubt and find that Mr. Grenon’s stated assumptions were both reasonable and correctly made and that all of those names referred to the Applicant, Sherri Reeve.

[169] Counsel for the Applicant also asked questions with respect to the type of analysis done by Mr. Grenon for his Exhibit 6 report. Mr. Grenon said that there were no “presentation issues” because all copies of the sales receipts were provided to him. As a result, he did a direct analysis summarizing those receipts to do an “assertion of existence” (that he knew that all of them existed). Therefore, he could categorically state that the “floor” of the sales was \$821,000 based on those receipts, but he does not know the “ceiling” because there could be more receipts that were not seized by the police and provided to him. Mr. Grenon stated that, essentially the only thing that might affect the so-called “floor” would be customers returning the product and asking for refund in cash or in exchange of product, but otherwise nothing else affects the “floor.”

[170] With respect to the summary of product purchases for the period July 4, 2012 to February 26, 2013 listed in Schedule 1.2 at page 33 of Exhibit 6, Mr. Grenon agreed that it was possible, as suggested, that there were 31 individual vendors who sold product to the store as described. Mr. Grenon stated that because he was not able to talk to the people who had made the handwritten entries, but based upon what he reviewed, he agrees that, during that period of time, 31 individuals or businesses sold product to THCC. He added that it is likely that the summaries are complete because there is a starting point and endpoint for each one of them, but he agreed that there may be some missing ledger sheets.

[171] Looking at Schedule 1.2 on page 33 entitled “Summary of Product Purchases,” Counsel for the Applicant asked if that page and the ones following are consistent with inventory being purchased from vendors. Mr. Grenon agreed that it was, and he was then asked to define what he meant by the term - “vendor.”

In the context of “inventory,” in his opinion, a “vendor” is an individual or a business from whom someone purchases a product which an individual or business intends to resell to somebody else. Once again, he confirmed that there were 31 different vendors in that Schedule, but Mr. Grenon agreed that it was possible there were other vendors for whom the purchaser never kept any records of their interactions on the premises.

[172] Given the fact that Mr. Grenon had reviewed copies of all of the sales receipts, Counsel for the Applicant asked if he saw many different notes or what he referred to as a single “organizing mind” making those entries. While Mr. Grenon stated that he is definitely not a handwriting expert, he did notice that the handwriting for many of the documents was “consistent,” and in his opinion, it appeared that the same person had been writing on most of the documents. He did, however, agree that in many businesses numerous people do the bookkeeping and might have different styles of bookkeeping.

[173] Sgt. Mike Strickland was the next witness called by the Respondent to answer questions on cross-examination of his Affidavit [Exhibit 10] sworn on August 9, 2017. By agreement, the Affidavit represented Sgt. Strickland’s direct examination, which essentially outlined his role as the Exhibit Officer of the items seized when the search warrant was executed at the 2320 Gottingen Street “storefront” on September 5, 2014. As the Exhibit Officer, he took possession of all exhibits, processed them for weights and obtained samples for analysis.

[174] In addition, at tab 1 of Sgt. Strickland’s Affidavit is a disc and printed photographs and at tab 2 are screenshots taken from a video filmed by Sgt. Strickland during the search at the “storefront.” At tab 3 there is an Exhibit Log, completed at the “storefront” of the items seized. The Evidence Processing Sheet with Health Canada envelope numbers and other information to provide greater detail about the items seized is at tab 4 of the Affidavit.

[175] In para. 25 of his Affidavit, Sgt. Strickland summarized the marijuana and cannabis products seized at the “storefront” according to his Evidence Processing Sheet which included: [E2] 325.4 g of marijuana in 2 plastic bags; [E6] 26.4 g of marijuana “shake”; [E 16] 76.2 g of marijuana in a Mason jar (“Purple Kush”); [E 17] 104.9 g “Black Diamond” marijuana in a Mason jar; [E 29] 39 hash brownies; and finally, [E 30]28 hash brownies.

[176] Furthermore, in para. 25 of his Affidavit, Const. Strickland lists the cash seized at the “storefront” on September 5, 2014, as being: [E 45] \$105 in coins; [E

46] 3 x \$100; [E 47] \$10 in coin; [E 48] \$83 in rolled coins; [E 49] \$751 in Canadian currency; [E 49A] \$21 American money; and finally, [E 51] \$379.10 seized from “Ibrahm” [E 51].

[177] The first photograph attached to the Affidavit is a picture of the search warrant which was executed on September 5, 2014. Photo #2 is of the exterior of the storefront with the sign “Farm Assists” above the door. Photos #4-13 show the front area after entering the store and products for sale in glass cabinets. Photos #14-25 are of the middle area of the store, with a lounge. Photos #26-32 are of a room at the back of the building, which show a table, upon which there is a tray with 2 Mason jars - labelled “Purple Kush” and “Black Diamond.” The wooden tray has a label on it reading: “The Farm Assists-production-dispensary-delivery (902) 495-0420.” There is also “smelly proof” plastic packaging in that tray and an electronic scale and a plastic weigh cup beside the scale. Photo #32 shows 10 additional Mason jars, with labels: “Black Diamond”, “Pink ES Elephant” and “Vanilla Haze,” and others behind those Mason jars for which a label, if present, is not visible or legible and packaged hash brownies in a glass display.

[178] There also photographs of various documents in or on shelving in photos #39-42, which include the Nova Scotia Certificate of the Business Names Registration for The Farm Assists Cannabis Resource Centre dated June 20, 2014. Photos #44- 46 show the cash seized by the police and photo #52 shows a sales book and a receipt book showing a receipt dated April 25, 2014 which reads: “three thousand and \$3000” beneath that “for growing services and medical herb for 2012” with a signature and beneath the signature the printed words “Sherri Reeve.”

[179] On cross-examination, Sgt. Strickland was questioned about his training with respect to cannabis. drug legislation and his prior enforcement activities. He confirmed that he had interacted with Health Canada with respect to form 3515 as the Exhibit Officer and that he was required to send samples of the seized substance to Health Canada for analysis. He also confirmed that, on previous occasions, prior to a search of a grow operation, he has contacted Health Canada to see whether there was a Medical Marijuana Licence for the residence or location for the purpose of growing cannabis at that residence or was assigned to an occupant of that residence.

[180] Sgt. Strickland also outlined his role and responsibilities as Exhibit Officer on the execution of the search warrant at 2320 Gottingen Street and confirmed that

he took photographs and a video of the search and then described the areas of the building. He recalled seeing labels on the jars which included “Blueberry” and “Purple Kush” which are two common strains of marijuana. He recalled that there were edibles in a cooler that were “brownie types” and that there were two different varieties. He did not notice any Health Canada issued documents during the search of the Farm Assists storefront.

[181] Det/Const. Duane Stanley’s Affidavit had been marked as Exhibit 11 which attached various documents and photographs a 25 tabs. During a brief direct examination by Counsel for the Respondent, Det/Const. Stanley referred to para. 20 of his Affidavit for the purpose of correcting what appears to have been a drafting error. Para. 20 of the affidavit as corrected reads as follows:

20. I contacted Health Canada and I believe them, that between January 1, 2012 and September 5, 2014 that Christopher Enns and Sherri Reeve were not “licensed producers” of marijuana in Nova Scotia as that term is used in the *Marijuana for Medical Purposes Regulations (MMPR)*.

[182] However, following that amendment, Counsel for the Applicant drew the Court’s attention to the fact that, in the **Allard** case, the Federal Court of Canada had granted an injunction to those people holding licenses pursuant to the *Medical Marijuana Access Regulations (MMAR)*, which remained valid, despite being past a renewal date, based upon the injunction in the Federal Court. Furthermore, it was agreed that the term “licensed producer” is not a term in the *MMAR*, but rather, the person would be referred to as a “license holder” or an “Authorization to Produce.”

[183] Det/Const. Stanley stated that, since 2013, he had become familiar with Sherri Reeve and Christopher Enns through his work on the Integrated Drug Unit of the Halifax Regional Police. He understood that, at various times, Mr. Enns and Ms. Reeve were Directors and had also identified themselves as President or Vice President of The Halifax Compassionate Club (THCC). From his review of the file, he also believed that Sherri Reeve uses the names or aliases of “420jes, Jesse James, Jesse and Jes.”

[184] In his Affidavit at para. 8, Det/Const. Stanley referred to information that he obtained by a file review with respect to a search warrant executed at a business called “Grow Op Shop” located at 5106 Highway #7 and at 764 E. Chezzetcook Road on March 13, 2013. The shop specialized in hydroponics equipment and appeared to be marketed to persons growing marijuana with the upper level of the building being a store selling marijuana under the name THCC Farm Assists. In

March 2013, he states that the building on 5106 Highway #7 was operated by Christopher Enns and Sherri Reeve. The search executed at that building on March 13, 2013, resulted in the seizure of Mason jars containing various amounts of marijuana, sorted by strain and priced by gram along with scales, packaging and receipts totaling over \$100,000 in sales.

[185] In para. 18, he states that on August 12, 2014, he read a newspaper article in the Halifax Chronicle Herald dated July 18, 2014, which featured an interview with Christopher Enns, who stated that he co-owned the Farm Assists Cannabis Resource Centre on Gottingen Street in Halifax and that he was co-owner with Sherri Reeve. The article also stated that the Farm Assists store sold various marijuana paraphernalia and 12 strains of marijuana. Det/Const. Stanley believed those statements.

[186] Det/Const. Stanley states, in para. 19, that in late August, 2014, he reviewed a webpage from the website called “Leafly” which is attached at tab 3 of his affidavit. The webpage announces that The Farm Assists Cannabis Resource Centre is back open for business, now in Halifax with the grand opening being July 19, 2014 and that people can call for an appointment by phoning 902-495-0420. The Leafly webpage announcement also mentioned a “special” that, if a person mentions that they saw the webpage, they will receive a free gram. I note here that when one of the undercover officers made a purchase of cannabis at the Farm Assists storefront in late August 2014, they had mentioned that they had seen the Leafly announcement. The officer confirmed that they received a free gram of cannabis.

[187] Det/Const. Stanley notes, in paragraphs 24-26, that he had checked with Health Canada and was aware that Sherri Reeve and Christopher Enns had listed a warehouse located at 2-30 Colford Dr. as the location where their marijuana plants were being grown. On September 5, 2014, he confirms that there were searches and seizures in respect of offences under the **CDSA** at the warehouse located at 2-30 Colford Dr. (the “warehouse”) with the Exhibit Officer being Const. Gordon Giffin. Searches and seizures were also conducted at the store located at 2320 Gottingen Street in Halifax (the “storefront”) with the Exhibit Officer being Sgt. Mike Strickland. The third location searched was the residence of Ms. Reeve and Mr. Enns located at 764 E. Chezzetcook (the “residence”) with the Exhibit Officer being Det/Const. Winnell Jackson.

[188] The balance of Det/Const. Stanley's Affidavit are paragraphs referring to the documents attached at tabs 4-25. Most of the attachments to Det/Const. Stanley's Affidavit were previously referred to in the evidence of other witnesses on this application. For example, paras 32-34, referred to the sales books seized from the residence, a bundle of them being shown in a colour photo with a total of 78 sales books being seized from the residence. The sales books were of a kind that left a carbon copy imprinted on the receipt below the original, so that what was written on the original top copy of the receipt was transferred and created a "true copy" in the sales book.

[189] At tab 8 of Det/Const. Stanley's Affidavit are copies of ledger pages seized from the residence with "product purchased/grower" or some initials to identify the person at the top of the ledger page with columns to enter the additional details of the date, description and amount of what was purchased, the amount in dollars, the amount paid, the balance, if any, owing and presumably the signature of the person who made the entry. I note here that the sampling of ledger pages attached in this Affidavit were identical to all the other ledger pages, which were utilized by Mr. Grenon to conduct his forensic accounting of the cannabis purchased and then sold at the storefront during a 15-month period of time.

[190] Det/Const. Stanley's Affidavit at tab 10 attaches a receipt seized from the residence dated December 17, 2013, which states: "Received from David Holding three thousand dollars bartered for service from designated grower S Reeve" and in the space for writing the dollar amount, it is noted as "\$-3000.00/xx" and below the stylized "S" signature are printed the words "from February 24, '11 to December 24, '13." Similarly, he attached at tab 12, copies of receipts seized from the residence. The receipt dated April 22, 2014 is for \$3000 "Paid for growing services and medical herb for 2013" with a cursive signature which appears to be "SR" and underneath that, the name "Sherri Reeve" is printed. However, this receipt does not indicate from whom the \$3000 was received for "growing services and medical herb for 2013."

[191] I note here that this receipt had already been discussed by earlier witnesses on this application, and although, David Holding's name is not mentioned on this receipt, it had been on other receipts from him. In addition, Ms. Reeve had stated in her evidence that the only other person for whom she could "legally" grow cannabis was Mr. David Holding. I find that these receipts confirm payments or equivalent bartered service of Mr. Holding to Sherri Reeve.

[192] In para. 42, Det/Const. Stanley states that, because serial numbers on the \$20 bills had been recorded by undercover officer “B” when they made purchases in early September, 2014, he believes that three of the \$20 bills used by that officer at the storefront to purchase cannabis were recovered during the search of the residence, the next day, on September 5, 2014. At tab 13A are photocopies of the five \$20 bills used for the purchase on September 4, 2014 which clearly shows their serial numbers. At tab 13 B, the police seized three of those \$20 bills with the serial numbers AUA3932112, FIG2044898 and AUW1874887 at the residence.

[193] In Det/Const. Stanley’s para. 43, he refers to copies of receipts from the receipt book seized at the storefront on September 5, 2014, like the earlier receipts signed by Sherri Reeve acknowledging receipt of \$3000 for “growing services and medical herb for 2012” as well as Sherri Reeve acknowledging receipt of \$3000 for “growing services and medical herb for 2011.” Of course, these have been mentioned before and like the earlier receipt for different year, there is no name mentioned but, given the evidence of Sherri Reeve that David Holding was “the only person” for whom she could “legally” grow cannabis, I certainly find that this \$3000 came from Mr. Holding and that it is Mr. Reeve’s signature.

[194] Most of the remaining attachments to Det/Const. Stanley’s Affidavit refer to business letters and bills seized from the residence. The document referred to in para. 49 of his Affidavit at tab 20 is a copy of a document titled “Colford Bill Review” which was seized from the residence. The Colford Bill Review indicates that the annual total cost for the Colford “warehouse” is \$115,815 which appears to be shared three ways, between a shareholder advance and “Chris” with Mark contributing about 50% of the amount paid by a shareholder advance. The handwritten note at the bottom of the Colford Bill Review dated January 2, has beside it an amount of \$3700 which is the amount attributed to Chris monthly. In the typewritten line for the monthly payments for Colford by Chris, the amount is \$3730.39, with his share of the annual cost being \$44,764.63.

[195] Finally, at tab 23 of Det/Const. Stanley’s Affidavit, there are several photographs of Mason jars either used, filled or with some cannabis. Some of those jars had labels to identify the strain of cannabis that was inside them at one time or was still there. Strains were “Lemon Skunk. Critica, Durga Mata, Chololope, Choc Chunk, Black Diamond, Pink ES Elephant, Cod Shark, and Jack Herer.”

[196] On cross-examination by Counsel for the Applicant, Det/Const. Stanley confirmed that he has been involved as a member of the Integrated Drug Unit in

many grow operation cases. With respect to those grow op cases, he has contacted Health Canada to see if the person was licensed to grow in a residence or outdoors. Very few investigations involved a grow operation at an industrial warehouse, or in other words, a non-residential location. Det/Const. Stanley stated that he has dealt with cases where Health Canada had confirmed that the person involved had a Personal Use Production Licence (PUPL).

[197] With respect to Sherri Reeve, Health Canada did confirm that she had a PUPL and an Authorization to Possess (ATP) at two different locations. She also had another license to produce for a patient. Health Canada also said that the warehouse at 30 Colford was listed as the grow site for Sherri Reeve and Chris Enns. Det/Const. Stanley confirmed that he did not have any conversations with Health Canada relating to the disposition for any of the items seized.

[198] With respect to the photographs attached to his Affidavit, Det/Const. Stanley stated that the Exhibit Officer probably took the photos and videos themselves and that he got them from the exhibits when they came back to the drug office. In terms of his Affidavit, Counsel for the Applicant asked if any of those photographs related to the evidence gathered at the Colford Drive warehouse address. Det/Const. Stanley said that those photographs are mentioned in para. 52 and that tab 23(c) are photographs of the items seized at the warehouse. He also confirmed that he did not personally take any photographs of the cannabis plants at 30 Colford Dr. adding, that the plants were destroyed after the drug searches.

[199] Const. Gordon Giffin was the next witness called by the Respondent, whose Affidavit was filed as Exhibit 12. He confirmed that he had been a cover officer to assist the undercover police officer who purchased cannabis from the storefront located at 2320 Gottingen Street on August 21, 2014. He also received the bag of marijuana from undercover officer B who purchased a bag of cannabis which was photographed and attached as tab 3 to his Affidavit.

[200] With respect to the September 5, 2014 searches and seizures at three different locations, Const. Giffin stated that he was the Exhibit Officer at the warehouse location. He described the warehouse as being a multi-floor commercial/industrial building which included a warehouse, a multilevel office area and several areas where cannabis marijuana cultivation was ongoing.

[201] Const. Giffin took photographs of the scene of the search which were attached to his Affidavit at tab 4, with a list identifying each numbered photograph and a description of what is shown on that photograph. At tab 5 of his Affidavit,

Const. Giffin drew diagrams of different areas and levels in the Colford Drive warehouse as well as where product was being stored, he made a note of the storage room and the number of plants located therein. For the large storage area #1, there were eight rows of lights, with a total of 29 grow lights set up on a grid layout. For storage room #4, he had drawn six tables and a total of 71 plants. For storage room #5, there were 70 plants on six tables. In storage room #7, there were four tables with 96 plants on them.

[202] In addition, at tab #5 of his Affidavit, Const. Giffin drew diagrams and numbered rooms, noting the location and number of plants or clones in that area. In room #3, there were three different areas for tables, but only two of them had tables with 10 x 5 trays on them for clones. Const. Giffin noted that there were two tables in each of the areas and he noted the number of clones on each table. In room #5, there was one big table with 26 pots with one plant per pot.

[203] In terms of the photographs taken by him on September 5, 2014 at the warehouse, they are found in Exhibit 12 at tab 4. The photographs start with the exterior pictures of the warehouse, its address, entry locations, photographs of switchable ballasts in boxes, large pails of can filters, several bags of pro mix, empty trays, storage areas and shelving. Then, he made signs to indicate that he had moved into room #11, and the stairs to an upper-level office, which had cannabis on a table in Mason jars and in Mason jars in a drawer. He also photographed a sign which read: "STAFF - Top up res before you leave! Don't forget the heaters."

[204] In photograph #35, he has made a sign to indicate that it was room #1, which are photographs #36 and 37. There are plants in small trays sitting in a big tray as well as small trays with plants on a shelf. Then, he photographed the sign for room #2 which appears to be an office with clothes in it. The next room was room #3 with 4 trays on two shelves. After that, he photographed room #5, where plants are on a table under a grow light. Next is room #6 which is vacant. Room #7 appears to be getting ready for plants and the area is tightly secured by taped off plastic on the walls. Room #10 is the washroom and there are a couple of empty Mason jars on the table in a very dirty room.

[205] After going upstairs, Const. Giffin prepared a sign and photographed it and then took photographs of that room or area. Storage room #4 shows quite mature plants under heat lamps. Photographs in the upper area show an office area and several documents. Photo #115 shows a Designated Person Production Licence of

Dried Marijuana for Medical Purposes with the holder of the license being Christopher Enns and the “authorized person” being John Rogers. The production site is 2-30 Colford Dr., Head of Chezzetcook and the maximum number of plants allowed is 49 plants indoor with the storage site being at a house, located at 764 E. Chezzetcook Rd.

[206] In Const. Giffin’s supplementary Affidavit [Exhibit 13], at tab 1, there is a disc of a video that he took during the search of the warehouse on September 5, 2014, with a few printed screenshots. The first screenshot shows several Mason jars ready to be filled, photo #2 shows boxes of Mason jars ready for filling, photo #3 is of Mason jars filled with cannabis, photo #7 shows a Mason jar full of cannabis with the label “Blueberry” as the strain and an amount of \$6, which appears to be crossed out and then, faintly written below amount, is written is \$3.50. Photo #8 is a bag which appears to be called “Tangerine” with what appears to be two amounts written on it, being \$7 and \$24.75. Photo #9 is of a document previously attached to another Affidavit and commented upon by other witnesses with information filled in under columns for the Date, Name, Task and Hours recorded. The final photograph shows a note on the wall which reads: “Staff – top up res before you leave! Don’t forget the heaters.”

[207] On cross-examination by Counsel for the Applicant, Const. Giffin confirmed that he had been involved in investigating a large number of cannabis grow operations and the execution of search warrants in relation to section 7 **CDSA** offences. Based on his training and experience, he confirmed that he could certainly recognize a cannabis plant when he saw one and that he could recognize a cannabis grow operation when he attended one. He confirmed that he was the Exhibit Officer when the warrant was executed at 30 Colford Dr. and he described walking through the building, documenting how items were found and in what condition, videotaping and photographing various areas.

[208] Const. Giffin confirmed that some of the rooms with the plants had doors which were closed to separate that room from other parts the building. He agreed that it would be normal to see that in any grow operation, which he had previously encountered. There were cannabis plants in flower and others that did not have flowers and he estimated that, in total, they located approximately 400 plants. He did not recall if there was a medical cannabis license at that location.

[209] Const. Giffin also confirmed that police officers found about 3000 g of dried cannabis flower at the 30 Colford Dr. address. He saw several pails of cannabis

derivative products like hash or cannabis oil in pails that were in the process of being stripped using alcohol or a derivative of that to create hash. With respect to whether he had seen any medical cannabis licenses at the warehouse, after reviewing the detailed index of the photographs in his Affidavit, Const. Giffin confirmed that photo #115 was a picture of a Designated Person Production Licence issued by Health Canada.

[210] Counsel for the Applicant also posed questions with respect to Const. Giffin's familiarity with Health Canada's form 3515, since he was the Exhibit Officer for the seizures made at the 30 Colford Dr warehouse. Const. Giffin stated that the document exists to advise Health Canada that controlled drugs and substances have been seized, with or without a warrant and to request destruction. He did not recall filling out the form himself and he indicated that it was typically done by the RCMP officer in charge of the investigation, who would pass on the documentation received from Health Canada to the Exhibit Officer who would do the destruction.

[211] Const. Giffin added that the destruction order is usually for plants, but police may request an emergency destruction order because once the plants have been harvested, they begin to rot and die very quickly. Const. Giffin believed that a document requesting emergency destruction of the plants was given to an admin person to process and that person would send the request to Health Canada. He did not personally know if the request had been sent to Health Canada. Then, Counsel asked Const. Giffin to refer to an attached document in Det/Const. Stanley's Affidavit [Exhibit 11] at tab #27. Const. Giffin confirmed that the document was the form 3515, which he had signed on September 5, 2014 with the request for Section 29 **CDSA** emergency destruction of plants.

[212] The next witness called on this application by the Respondent was Det/Const. Winnell Jackson whose Affidavit was filed as Exhibit 14. In the Affidavit, Det/Const. Jackson stated that they were a member of the Halifax Regional Police Integrated Drug Unit. The officer acted as a cover person for the undercover police officers who made buys of cannabis at the store located at 2320 Gottingen Street in late August and early September 2014.

[213] Det/Const. Jackson also stated that they were the Exhibit Officer at the search of the residence of Sherri Reeve and Christopher Enns located at 764 E. Chezzetcook Road when the warrant was executed on September 5, 2014. Ms. Reeve and Mr. Enns were both present at that time.

[214] As Exhibit Officer, Det/Const. Jackson recorded the particulars of each item seized and assigned an exhibit number. As an officer located an item, exhibits were placed in a bag, if possible, and the Exhibit Officer would typically write information on the bag with the marker to indicate the date, time, and location where the item was found and any description of it. The listing of the exhibits seized at the residence is attached at tab #1 of Det/Const. Jackson's Affidavit. Photos taken by Det/Const. Jackson during the search are at tab #2 of the Affidavit, which were photographs of locations that the officer believed to be significant.

[215] Det/Const. Const. Jackson's Exhibit Log is found at tab #1 of the affidavit which lists the property and location where it was seized. There is also an Evidence Processing Sheet attached at tab #3 of the Affidavit, which provides greater details about the items seized, for example a serial number, specific amounts of the substance or the physical condition of an item.

[216] As an example, Det/Const. Jackson's Affidavit at para. 24 explains the difference between the brief details listed with respect to Exhibit 25 (a)-(f) of the Evidence Log. However, in para. 24 of the Affidavit, Det/Const. Jackson points out some additional details found in the Evidence Processing Sheet with respect to those same items, as follows: Ex 25 (b) black digital scale; Ex 25 (c) cash in \$20 Canadian bills at \$20 x 141 (\$2820); Ex 25 (d) marijuana -17.9 g; Ex 25 (e) marijuana - 9.8 g and finally Ex 25 (f) - Xpresspost envelope - \$100 x 4, \$50 x 28, \$20 x 226, \$10 x 15 and \$5 x 25 = \$6595.

[217] In para. 27 of Det/Const. Jackson's Affidavit, the officer has totalled the amount of cash seized at the residence, not including coins, based upon the cash recorded in the Evidence Processing Sheet which is attached to the affidavit at tab #3. The amounts listed by Det/Const. Jackson were as follows: EX 6 – \$70, EX 12- \$930, EX 14- \$1010, EX 20 - \$5900, EX 21- \$20, EX 23- \$47, EX 24- \$20, EX 25(c) - \$2820, EX 25(f) - \$6595 which comes to a total amount of Canadian cash currency located in the residence of \$17,412.

[218] On cross-examination, Counsel for the Applicant posed several questions with respect to the officer's general training and whether they had any specific training on dealing with cannabis. Det/Const. Jackson stated that they had not had specific training on cannabis investigations but had dealt with other drug investigations. As the Exhibit Officer, all items seized were processed at the house by the officer and Det/Const. Jackson confirmed that Mr. Enns and Ms. Reeve, were present when the search warrant was executed.

[219] The final witness on this application was Cpl. David Lane of the RCMP who Counsel for the Respondent sought to qualify as an expert in relation to unlawful production of cannabis marijuana, types of cannabis marijuana production labs, the unlawful possession of cannabis marijuana for the purpose of trafficking, current trends related to the abuse of medical marijuana grow operations, methods used by growers to protect their crop and to avoid police detection, harvesting techniques, yields, pricing, jargon, coded drug talk, growing apparatus as well as drying and packaging methods.

[220] The parties had not agreed to Cpl. Lane being qualified as an expert in the specific areas, based upon the earlier provision of his curriculum vitae and can say evidence document. Therefore, the Court confirmed that there should be a *voir dire* to determine Cpl. Lane's qualifications and determine whether he would be qualified as an expert to provide opinion evidence in certain areas. Cpl. Lane stated that he was prepared to be an independent and impartial expert to provide opinion evidence on the facts presented to him and to alter, add or develop an opinion if presented with further evidence not previously seen.

[221] Counsel for the Respondent and the Applicant conducted a detailed and very thorough examination of Cpl. Lane's prior training, experience in all relevant areas to this application, which were set out in his curriculum vitae which was filed as Exhibit 15. Cpl. Lane has been qualified as an expert to provide opinion evidence in matters of this nature on 27 prior occasions in Nova Scotia, NL and Prince Edward Island. He has also been qualified as an expert 56 times in drug trafficking generally and questions were asked about many of those cases.

[222] After hearing submissions from Counsel for the Respondent and the Applicant, the Court noted that the parties had essentially come to the agreement that Cpl. Lane had the necessary qualifications through education, training and experience and that the Court was satisfied that he met the **Mohan** criteria of relevance and necessity. As a result, Cpl. Lane was qualified to provide expert opinion evidence in the areas previously outlined, with the exception of opinion evidence on compassion clubs and dispensaries as he acknowledged that he did not have significant prior knowledge, training and experience in that area.

[223] Cpl. Lane testified that he had reviewed the videos and photographs taken by police officers during the various searches of the three locations to prepare his "can say" as well as for his testimony on the application. He had also obtained a copy of all sales receipts that Mark Grenon had reviewed for his forensic accounting report

and provided Mr. Grenon with his opinion as to whether the receipt was consistent with being a drug sale.

[224] As an example of what he had examined, Counsel for the Respondent asked Cpl. Lane to refer to the receipts attached to Det/Const. Stanley's Affidavit [Exhibit 11] at tab #1. He confirmed that Mr. Grenon had provided him with eight binders of receipts, which involved several hundreds of similar receipts to the two attached in Det/Const. Stanley's Affidavit. Cpl. Lane stated that he would look for names or initials, prices, noting that the letter "G" was a universal way to designate a gram of marijuana and that was consistent with the sale. He also determined the price involved, so that if the total cost, for example, of 3 g of a particular strain of marijuana was \$21, but no amount was listed as a price per gram, the mathematics confirmed that the price was \$7 per gram. He would also look for names such as "juicy bud, pineapple express, outdoor and PPP" as being consistent with different strains of marijuana, since marijuana is marketed in different names depending on the strain and look of the product.

[225] Counsel for the Respondent then asked Cpl. Lane to look at Schedule 13 in Mr. Mark Grenon's forensic accounting report which contains a summary of sales receipts for the period between January 6, 2012 and March 13, 2013. Cpl. Lane confirmed that he had looked at all copies of the receipts in the binders that had been provided to him by Mr. Grenon.

[226] Cpl. Lane explained that people who sell or traffic drugs, from his experience as a drug investigator are usually doing that for financial gain. In his opinion, cannabis is no different and some people can make good money in the distribution chain.

[227] With respect to the distribution chain, Cpl. Lane stated that, from his experience, the one thing that makes cannabis or marijuana different than most other drugs, unlike cocaine which has to come for a source country or prescription pills that have come from a pharmaceutical company, marijuana can actually be grown in Nova Scotia. There are two ways to do that – a person could have an outdoor grow in the summer months and there are indoor grows. Indoor grows will depend on the sophistication of the grower, which may involve a small tent in the house, an attic or even a full house. In addition, if the cannabis is grown indoors, the environment can be controlled to provide the necessary heat and lighting to grow the plants. On the other hand, an outdoor grow is weather dependent, has less control over pests and there is the possibility of police detection from helicopters.

[228] “Growers” is a street term as well as a regular term, but the fact that the person is a grower, does not necessarily mean they are selling. There are people who grow for themselves, who grow cannabis to address their illness or people who grow for financial gain. Those who grow for financial gain may be based upon different levels of sophistication. Cpl. Lane explained that a grower can either be a high-level trafficker if they sell their entire crop to a high-level person in the form of multiple pounds at a wholesale price, leaving it to that high-level person to provide amounts to others to sell at the street-level by the gram.

[229] He noted that there is certainly less risk to the grower who sells their cannabis to a high-level person at a wholesale price. However, in doing so, they will make less money than if they sold at the street-level, but they avoid the greater risk of detection. Sometimes, growers will sell to mid-level traffickers by multiple pounds and that person may, in turn, sell portions of that amount to a street-level trafficker for sale to a consumer.

[230] If someone is just buying 1g or 2 g on the black market at the street-level, it is usually \$10 a gram. In his opinion, that price is “pretty standard”, but he has seen sales at \$15 a gram if the seller had a very good strain of cannabis that everyone liked. As an example, he mentioned that a strain called “Green Crack” was really liked and that strain which was selling for \$15 a gram. If an ounce of cannabis is sold, it is usually weighed as being 28 g.

[231] As a street-level trafficker sells their supply to the end-users, that person will go to the mid-level person in the supply chain to resupply their cannabis for sale. When the mid-level person needs to resupply, they go to the person who sold the cannabis, to them, and it works like that for multiple levels in the illicit drug trade – “the money goes up and the drugs flow down”.

[232] Cpl. Lane explained that there are common tools utilized by the trafficker and the most common one is that these are transactions for cash, which is then separated and hidden from potential robbers and the police. A trafficker requires digital scales to weigh out the drug, as the drug may be sold as pounds, half pounds, ounces, or grams. He indicated that packaging is also a good indicator of the level of the trafficker, as a high-level person selling in pounds would use big Ziploc bags for vacuum sealing. The mid-level trafficker would likely use freezer bags for ounces or quarter pounds while sandwich bags are usually for an ounce while street-level traffickers would likely use “dime baggies” just big enough to hold a gram.

[233] Cpl. Lane also explained the importance of a “stash house” to keep the substance being trafficked secure from a police raid or a possible “drug rip” by a competitor. The “stash house” may be run by a “nominee” who is a trusted person to the trafficker as well as a trusted courier. Cpl. Lane also explained how a “dial-a-dope” transaction is arranged with cell phones, which can facilitate easy changes in location where the transaction can be made.

[234] After providing his opinion on the sales, Cpl. Lane was asked to provide an opinion on growing cannabis and the different types of growers. He stated that there are people growing just for their personal use, usually in small amounts in small locations. Then, there are people trying to make a little extra money who are growing cannabis but not necessarily a sophisticated operation. The “sophisticated” grows, in his opinion, are usually for profit.

[235] Cpl. Lane stated that the “sophisticated” grows are for-profit, since they usually involve a larger facility like a house or a building to rent and of course, that is the first major cost of a grow. For an indoor grow, a person must utilize very expensive equipment, which require a significant amount of power or electricity to provide the heating and lighting for the plants, which generate very high electricity bills. If plants are indoors, especially in the winter, the grower must replicate summertime to grow the cannabis and pay for the heating at the grow location. For that reason, Cpl. Lane opined that, if a person was involved in a “sophisticated” grow for-profit, they would have had to invest a great deal of money in order to have continuous crops at that level, and there would have to be some financial gains to cover their expenses.

[236] Cpl. Lane then explained that another technique to have a “sophisticated” grow operation which eliminates the issue of police intervention, but not necessarily robbers, is to have a legal permit to grow cannabis. I note here that Cpl. Lane specifically stated that “I am not saying it’s this case” but he has seen a “sophisticated grow” where the person had a Health Canada permit to grow marijuana for medical purposes, which allowed them to pay for the power, the equipment and so on. If that person was engaged in trafficking of their cannabis, they would not need a nominee or need to move the product to a “stash house” because they had been authorized to possess a bulk amount of marijuana at their location. In that way, a person running a “sophisticated grow op” could bypass the need for a middleman and sell directly to a consumer at a black-market price to increase their profit.

[237] Cpl. Lane drew a diagram of the distribution chain which he had just described, was then marked as Exhibit 16. While that was being done, based upon a sidebar comment made by Ms. Reeve that Cpl. Lane had forgot to mention that someone might grow for a cancer patient, he agreed that it was possible to sell to cancer patients. He also stated that, a sale to a cancer patient, would also be consistent with the distribution chain that he had just described.

[238] Cpl. Lane was then asked to estimate the costs involved in a “sophisticated grow operation.” He stated that the equipment is very expensive, walls have to be wrapped with mylar tarp, there is the cost of the heat, lighting and ventilation. Cpl. Lane has seen several grow operations and the estimated cost is, in his opinion, “several thousands of dollars to set up a grow.” The power requirement for running the equipment is very high with Nova Scotia Power, but some grow operations avoid that cost by stealing the electricity.

[239] Cpl. Lane added that the nutrients are very expensive and if there is a very large marijuana grow, there may be employees who are tending the grow, or nominees, and the grower would have to compensate those people. With respect to ventilation, mylar tarp is needed for the room, but there must also be ventilation both inside and outside the grow by using charcoal filters to counteract the smell. The grower must have a ballast which runs the high-powered lights which replicate the sun, usually being 1000 Watts and they require a lot of electricity to run. In addition, an indoor grow requires water flowing through a reservoir, and oscillating fans for the plants and often, certain measures to defeat pests, such as spider mites. All of those steps are required for a “grower” to ensure that they have good crops, as a bad crop will not generate a good financial return.

[240] On February 3, 2020, when the hearing of this application continued, Cpl. Lane continued his direct examination by viewing the video filmed by Sgt. Strickland when the search was conducted at the Farm Assists storefront located at 2320 Gottingen Street in Halifax. At the same time, Cpl. Lane was able to look at the photographs taken by Sgt. Strickland which are attached to his Affidavit [Exhibit 10] at tab #1. Cpl. Lane pointed out that, on shelving shown on photo #24, there is a red dot on the bulk unused packaging which is consistent with someone trafficking in smaller amounts of marijuana. On the table at the back area of the storefront, the video and photo #28 show two Mason jars with labels to indicate “Purple Kush” and “Black Diamond” which are strains of cannabis. The strains relate to personal preferences and their impact on the buyer. Cpl. Lane stated that the Mason jars appear to contain cannabis marijuana.

[241] Based upon that same photo, Cpl. Lane stated that there are quite of number of tools of a trafficker present there. He pointed out that, at the right of the picture, there is a digital scale to weigh amounts for resale, a cup to put the marijuana in and then weigh it on the scale. Since marijuana is crumbly, depending on the strain, a person would want to put it in the vessel for weighing. The fact that the “Purple Kush” and “Black Diamond” are in Mason jars is the best way to store and to preserve the marijuana and they also allow for storing bulk amounts. He noted that the bag to the right of the “Black Diamond” jar in the wooden tray is a “smelly proof” bag which is often used in the illicit drug trade to transport drugs and, in his experience, a way to avoid detection of the smell of fresh marijuana. Cpl. Lane pointed out that if you look closely at photo #28, there are the words printed in green “smelly proof” on the bag.

[242] In his opinion, looking at the digital scales, the weighing cup, the bulk packaging, he believed that this would be going to an end-user especially with the small bag seen in photo #29, since it could probably only hold a couple of grams. In addition, he noted that the digital scale is very small so if there were going to be sales of larger amounts like quarter pounds or pounds of marijuana, you would need a bigger scale and a bigger cup to weigh the product.

[243] With respect to photo #31 attached to the Strickland Affidavit at tab #1, Cpl. Lane pointed out that there are Mason jars which appeared to have the labels “CBD Shark” on the left, “Vanilla Haze” in the middle, “Pink Elephant 6.5,” and “Black Diamond” on the right. The Mason jars appear to have been used as it looks like there is some residue which could be consistent with previously having had cannabis marijuana in them at some point. He added that he did not have the chance to analyze that himself. However, he confirmed that the names are certainly consistent with strains of marijuana and the “6.5” on the label would likely be the price per gram, based upon the totality of the scenario. He added that only the person who wrote that information on the label knows exactly what it meant.

[244] As the video continued, Counsel for the Respondent stopped at a certain point where the image on the screen was the same as photo #36 in the Strickland Affidavit. Cpl. Lane stated that the image appears to be a large bulk amount of cannabis marijuana in a vacuum sealed bag large enough to hold a pound, multi-pound or half pound level. At the back of the box shown in the photograph, he pointed that there is a large Ziploc bag which is another popular way to deal with bulk amounts and seeing those bags, Cpl. Lane, was of the opinion that it would

not be consistent with someone having those amounts for personal use. In his opinion, it was consistent with being a mid-level supplier.

[245] Counsel for the Respondent then asked Cpl. Lane to view Sgt. Strickland's four-page Evidence Processing Sheet at tab#4 of Exhibit 10 and provide comments on the items that were seized. With respect to E 9 which is a bundle of Canadian currency (uncounted) and E 45- \$105 in coin from cash drawer, E 46 which is three \$100 bills and receipts, E 47 - \$10 in coin, E 48 - \$83 in rolled coin, E 49 - \$751 in Canadian currency and E 51 - \$379 seized from "Ibrahm," Cpl. Lane commented that cash is another tool of a trafficker. It is very common in drug sales to expect to see a large amount of cash currency, as it is harder for police to detect cash as opposed to banking records. Cpl. Lane also stated that, by separating the money, a trafficker would know what was needed as a float to purchase a resupply, as well as keeping the profit separate.

[246] Counsel then asked Const. Lane to comment on photo #44 in Sgt. Strickland's Affidavit at tab #1 which is a photograph of a cash drawer. Cpl. Lane stated that a lot of the currency used in trafficking is smaller denominations primarily \$20 bills and \$10 bills, but when you start seeing \$50 and \$100 bills, that would usually be more consistent with higher levels of dealing. Looking at the photograph, and the bills in the drawer, Cpl. Lane stated that it would be highly indicative of street-level trafficking of cannabis marijuana but, in fairness, he added that it was a store that was selling things other than cannabis at the front.

[247] However, based on the cash at the back and other factors that he had mentioned, he was of the opinion it would be consistent with somebody selling cannabis to users. He pointed out that in photo #45, there is another drawer with a couple of \$100 bills and some handwritten notes and other receipts. Looking again at photo #44, Cpl. Lane was of the opinion that it would be rare for a drug trafficker to go around with the cash register, but the main rationale for his opinion was that the drugs, the scales, the packaging, the bulk cash bundled were more consistent with trafficking of cannabis marijuana.

[248] At this point, Counsel for the Respondent played the video taken by Const. Giffin who was the Exhibit Officer during the search on September 5, 2014 at the warehouse located at unit 2-30 Colford Dr., Head of Chezzetcook, which was attached to Const. Giffin the supplementary Affidavit [Exhibit 13]. With respect to the search generally, Cpl. Lane stated that he has seen marijuana grows in small rooms like a closet and a slightly larger one in a house or in a basement of the

house or for that matter the whole house itself. However, when you are talking about a warehouse grow, in his opinion, it would be a “highly sophisticated” grow operation due to its large-scale and the financial commitment to pay for rent and heat. In the first images, Cpl. Lane said that it looks like there are grow lights with hoods and shrouds and expensive equipment involved.

[249] Advancing the video forward, Cpl. Lane noticed eight stacked boxes of Mason jars and funnels, which presumably would be used to put crumbly cannabis more easily into the jars. The Mason jars themselves do not lead to the conclusion that this is a marijuana grow, but Cpl. Lane pointed out that he looks at the totality of the situation and the jars were no different than bulk packaging.

[250] With respect to the sign seen on the wall which reads: “Staff top up res before you leave! Don’t forget the heaters,” Cpl. Lane stated that, in reality, only the person who wrote that message would know what it meant for sure, but it appears to be talking about the reservoir for nutrients and the heaters for the grow in the whole warehouse. He pointed out that the actual grow rooms are simulated environments, and it makes sense to keep the heat on, but he could not tell if that was the heaters for the warehouse itself or for the grow.

[251] Further, with respect to the word “staff” on the sign, Cpl. Lane stated that while there may be variation in small to large grow operations, it is very common to see a “grow calendar” which is a reminder of the times that it is necessary to feed the plants, trim the plants and when they are ready to go to the flowering stage. “Staff” could indicate people working on the grow which would be more consistent with a grow for profit, especially given the size of the grow being in a warehouse. Once again, if a person was compensating others to work at their grow, it would have to be a “sophisticated” operation.

[252] As the video continued, Cpl. Lane commented that nutrients are fairly expensive and for a hydroponic grow, they would have to be put in water. He would also expect to see pesticides to defeat things such as spiders, but pointed out that he did not want overstep his expertise, as he is not a botanist, but these are the things that he finds at grows. Moving into another room, Cpl. Lane noted that there were green mesh drying racks hanging from the ceiling where you would dry the harvest before it is ready for use. As the video progressed, Cpl. Lane pointed out that he saw vacuum packaging which was like the packaging at the store at 2320 Gottingen Street with this one being labelled “Tangerine Dream 45 g”. He pointed out that the bag also has \$7 written on it, which to him would indicate that the cost

would be \$7 per gram. In addition, since he noted that the number 245 was also written on the bag, Cpl. Lane commented that a pound of marijuana is 454 g, so in his opinion, this bag was consistent with being ½ pound of marijuana.

[253] As the video moved into another room, Cpl. Lane noted the Mason jars with what appeared to be dried cannabis in them - one being labelled “Blueberry” with “6.00” written beneath that name, but it was crossed out and at the very bottom was written “3.50”. Cpl. Lane was then asked to compare that label with those numbers to the other Mason jars with labels that he had seen at the storefront. He stated that they are almost identical types of Mason jars with a label to indicate the strain and the price per gram.

[254] After viewing the video of the warehouse and the photographs, Counsel for the Respondent asked Cpl. Lane whether the warehouse had the potential to be used as a stash house. Cpl. Lane explained that people could abuse their medical permits to grow and store, but then move some to the street level for sale. He stated that a person could make it appear that they were following their Health Canada limits by having a grow room for their plants, but also have extra plants, over their limit, perhaps in another room in order to have a continual supply for themselves and possibly trafficking on the black market.

[255] While the video of the warehouse search continued, Cpl. Lane noted from his experience investigating marijuana grows, that usually a ballast is connected to a light to simulate the summer and autumn sun. Each ballast that is connected to a light costs about \$350 and there could be as many as 12 lights to simulate the environment for the plants. He had also counted 12 black boxes that were visible on the video as ballasts and said that it is very expensive to run them. The grower wants to keep the plants at a pretty high temperature and that is why he pointed out in some of photographs you see a tarp with red tape on the walls. Cpl. Lane had approached Nova Scotia Power to estimate a power cost based upon there being eight rooms each with a light. He was advised that the cost of running those lights would be about \$2200 every two months, for each light in a grow room, which would obviously be a very expensive cost to maintain.

[256] As the video continued, Cpl. Lane pointed out that the plants in the room are obviously younger and not fully grown. He pointed out that the flowering stage is when the Bud, the cola and the flowers are all being produced as the money product. Rooms may have vegetative plants where they are basically just growing, but in “sophisticated” grows it would be common to see young seedlings or clones,

then vegetative rooms and then flowering rooms, so that you keep your product going every couple of weeks.

[257] Moving into another room, Cpl. Lane noted that when the plant is in the vegetative state, from his experience, the lights are on 18 hours a day as opposed to about 12 hours a day in the flowering stage. Cpl. Lane noted that the lights, the ballasts, the power requirements are all very expensive, staff would be an expense, other equipment would be an expense. In his opinion, this grow showed a certain level of sophistication in the sense that the amount of the product has to be worth the amount of effort and if you are going to put in all that front-end effort and expense, the expectation is that long-term profit would be beneficial because you could keep producing marijuana on a regular basis. In Cpl. Lane's opinion, looking at all the videos and the exhibits, the warehouse at 30 Colford was certainly consistent with or highly indicative of a grower for profit by trafficking.

[258] Next, with respect to the Affidavit of Winnell Jackson [Exhibit 14], Counsel asked his opinion with respect to what the officer had located in a backpack which included a digital scale, 141 Canadian \$20 bills for a sum of \$2820, two smaller amounts of marijuana and finally an Xpress post envelope with various denominations totaling \$6595 in cash.

[259] Cpl. Lane stated that he had already previously spoken about a digital scale being a tool of a trafficker. Looking at this situation, seeing a backpack with a digital scale and not a significant amount of marijuana, but in a bulk amounts with one bag containing 17.9 g of marijuana and the other 9.8 g, on that basis, with an amount of about 30 g of cannabis, his opinion was that this could be at the upper limit for personal use. However, the presence of those amounts of marijuana with a digital scale, then \$2820 in Canadian cash currency, mostly \$20 bills and almost \$7000 in an Xpress post envelope would, in his opinion, be consistent with someone who is trafficking that cannabis.

[260] In addition, with respect to all of the cash located at the residence, almost \$17,412, Cpl. Lane stated it is not illegal to have that much cash in your possession. However, with respect to the drug trade, where people are selling drugs for financial gain, they do not want to use financial institutions, credit or debit machines in order to avoid electronic tracking or detection by the police. So, large sums of cash currency are often found near drugs, scales and other indicia of trafficking.

[261] With respect to photo #35 in Det/Const. Jackson's Affidavit [Exhibit 14] at tab #2, there is a bag with three Mason jars in it and a large Ziploc baggie. Based upon the picture, Cpl. Lane said that it looks like the bulk bag has the letters "BD" written on it and it appears to be cannabis marijuana in the Mason jars. Looking at the totality of the exhibits seized at the residence, Cpl. Lane believed, based upon the totality of the evidence, that it would be consistent with the trafficking of marijuana. He also concluded that the storefront at 2320 Gottingen Street as well as the grow location at the warehouse were, in his opinion, consistent with the totality of the evidence as, trafficking for profit.

[262] On cross-examination by the Counsel for the Applicant, Cpl. Lane confirmed that two big concerns for traffickers are police and robbers. A stash house would allow the trafficker to hide their product from both the police and robbers but also a nominee could be used to avoid police detection by having someone else do the trafficking for you through dial-in open or delivering products. Cpl. Lane indicated that he has provided expert evidence in the case of cocaine trafficking, but he stated that he is never seen a case in which a store opened up and described itself as a cocaine store. He also confirmed that he has never seen a cocaine trafficker use a cash register or people being allowed to consume cocaine on the premises.

[263] Cpl. Lane was asked about the concept of "turf" and he stated that there is often sometimes violence between traffickers over "turf" issues, especially if a trafficker is trying to find the best spot to avoid being detected. He agreed that if someone was to open up a store for the purpose of openly selling a drug and allowing people to congregate there, Cpl. Lane agreed that it would probably increase scrutiny from both robbers and the police.

[264] Cpl. Lane also commented that the so-called "Holy Grail" of stash houses would be a Health Canada licenced storage facility. In that regard, he stated that if a person had obtained a permit through their medical doctor and Health Canada to grow marijuana, much of the worry from police intervention would be gone because they had been authorized by Health Canada to legally grow "X" number of plants and store "Y" amount of cannabis, which permit could be shown to the police if they happen to arrive at their door. In that way, a person could point to the permits and demonstrate their compliance with the permitted number of plants or products that they had stored. However, Cpl. Lane added that, just because a "grower" has a permit on the door, it does not mean that they were not abusing what had been authorized by Health Canada. In addition, he added that robbers

could also find out that a “grower” has a Health Canada permit and that would not protect that “grower” from a potentially violent intervention.

[265] When questioned about charcoal filters, Cpl. Lane said that they are utilized by a grower to mask the smell and that a perfectly legal authorized grow would use charcoal filters to mask the smell for themselves, their neighbours and from the robbers. At the time of the search and seizures on September 5, 2014, Cpl. Lane agreed that Health Canada was issuing licenses for legal cannabis gardens and that Health Canada had a database of those properties. Cpl. Lane agreed that the police would call to determine if a place was licensed before they went there, but regardless of whether it was licensed, the police might do some research to determine whether the person was abusing their license.

[266] Cpl. Lane confirmed that he has been involved in several alleged abuses of medical cannabis licenses where charges ensued, adding that it was probably more than five and likely between 10 and 20 from his memory. He could not recall if anyone was ever convicted. On reflection, he believed that there was one conviction involved in Operation “Tort”, where he provided expert opinion evidence and it involved a wiretap operation by the police into a medical permit abuse and selling cannabis. Cpl. Lane believed there were convictions in **R. v. Greer**.

[267] Cpl. Lane did not necessarily agree with the suggestion that a “stash house” for a licensed grower would be more exposed to the police than someone who was very discrete with no footprint. He stated that he did not recall Health Canada releasing that information to the police and that if it came to their attention, it was usually by virtue of a complaint first. However, Cpl. Lane did agree that it would be helpful to the police to determine if a person had a grow permit or not and they often rely on Crimestoppers tips to provide information to pursue an investigation.

[268] Once again, with respect to the issue of a person selling a controlled substance and smoking it on the premises, Cpl. Lane agreed with the suggestion that there is probably some rule that you cannot do drugs where you are selling drugs. However, he did say that some places might require the person to smoke some crack on site to know that the person was not an undercover officer and the other rationale might be to avoid lots of traffic coming in and out of the house. That scenario probably involves a crack house and not a storefront.

[269] Cpl. Lane was asked to describe the various objects at the front of the Farm Assists store by looking at various photographs in Sgt. Strickland’s Affidavit

[Exhibit 10] at tab #1. He said that in photo #4, there are books, guides with reference to marijuana, monopoly style game called “stoner city” and other items such as Frisbees, plates, novelty paraphernalia and cups. In photo #6, he pointed out that there were bong. more literature and other items for sale including a vaporizer. Photo #7 shows a smaller glass display which contains bong and similar items in photos #8 and # 9 as well as T-shirts shown in photo #10 and more bong in the background.

[270] With respect to the presence of a scale, Cpl. Lane agreed that someone other than a drug trafficker could possess a scale, perhaps for weighing their food or if there were on very strict rules about how much cannabis they can have on their person. They may also want to make sure that they were following the limits of their license which authorized them to possess a certain amount of cannabis.

[271] In terms of the different strains of cannabis, Cpl. Lane stated that they are often used to describe not only the visual description of the marijuana but also the experience or high that the person might expect from its usage. He added that some strains of cannabis are more intense with higher levels of THC in them. Cpl. Lane agreed with Counsel for the Applicant that sellers may have a variety of motivations for selling specific strains of cannabis as would purchasers for purchasing different strains and similar motivations may be considered by a medical cannabis patient.

[272] In relation to the storage of cannabis, Cpl. Lane stated that, if not properly stored, it would only last for approximately six months and that the best vessel for storage is a glass Mason jar as it keeps out air and moisture. He agreed with Counsel for the Applicant that whether cannabis is grown legally or otherwise, for the most part, people would probably store it in glass Mason jars.

[273] Looking at photos #20, #21 and #22, Cpl. Lane agreed that these would be implements that could be used to consume medical cannabis and that he sees that there is rolling papers which could be used for cannabis as well as tobacco. As for the photograph of the baggies, Cpl. Lane stated that smaller bags could be used for a small amount of marijuana but, for that matter, almost anything could be put in them.

[274] In terms of the photo #31 of the Strickland Affidavit at tab #1, there is a steel counter with several empty and almost empty Mason jars. Cpl. Lane agreed that Mason jars can be washed and that there was really nothing to distinguish one Mason jar from another. Cpl. Lane had earlier described Photo #32 as being a

fridge with edible cannabis products, and since he was not aware of any testing to determine whether they contained any cannabis, he stated that he was guessing that they were probably edibles.

[275] Turning to photo #36, Cpl. Lane had previously described one of the bags as being vacuum sealed and stated that the reason for doing so would be to keep the product fresh for a longer in bulk amounts. The vacuum seal prevents moisture or air from getting at the cannabis and it can be transported easier. He added that he has never seen less than half a pound vacuum sealed and that, it is usually bulk amounts that are vacuum sealed, not a couple of grams. For that reason, Cpl. Lane estimated that the vacuum sealed bag was either ½ pound or ¼ pound and would certainly not give off a great deal of odor. On the other hand, the Ziploc bag next to it would be less effective at preventing odours.

[276] Cpl. Lane stated, after looking at photo #28, that the odour of the “Black Diamond” and “Purple Kush” in the Mason jars would be sealed, but when it was opened, there would be a smell. Once placed in a “smelly proof” bag and sealed, Cpl. Lane said that the odour would remain inside the bag. He stated that it would be logical for a medical cannabis patient to place the medical cannabis into one of those bags to avoid police scrutiny and robbers. For that reason, Cpl. Lane agreed with Counsel that someone could possess those bags for that reason as well as for selling it.

[277] Cpl. Lane was then asked to explain how a person would start a cannabis garden and he stated that it could start with seeds to plant or you could get clones. The problem with seeds is that when you want to use the marijuana for profit or use, even if it was for medical purposes, you would only want the female plant. So a person would plant a bunch of seeds and would remove the male plants to allow the females to grow and produce the flowers which are the colas that actually produce the “good” marijuana.

[278] As for the clones, a grower would have to find a “mother plant”, for example, of “Purple Kush” if they really liked that strain and clone that plant by cutting a node off, dipping it in a cloning formula, putting it in a growing pot to let it get roots. The benefit of cloning is that a person will repeatedly get the same genetic plant. In addition, a grower could keep the “mother plant” for a couple of years, but they do have a lifecycle and that is why cloning is a good first stage to start.

[279] Cpl. Lane also explained the three stages of a “grow” - the “vegetative” stage where the last part is the flowering or budding, when the lights are turned down to 12 hours a day and the plant thinks it is autumn. Then, the cannabis plant starts producing flowers or colas in its “flowering” stage which is what everybody likes to have. Finally, there is the “harvesting and drying” stage. Cpl. Lane added that to replicate the outdoor environment, it is important to maintain a constant temperature of between 72 and 76° Fahrenheit.

[280] Coming back to some questions about seedlings and a “mother plant”, Cpl. Lane explained that the “mother plant” is when you want to copy the genetic code and have the same plants. The “mother plant” is never allowed to go into flower or the flowering mode, so that is why they are usually placed in a separate room, and they can look quite sickly.

[281] If a cannabis patient identified a strain of cannabis that really worked well for them, they would probably keep the “mother plant” so they could clone a genetic replica. However, Cpl. Lane repeated that “mother plant” would have to be kept in a separate room, away from the flowering plants. He agreed that if someone had a medical cannabis licence authorized by Health Canada, they would probably have separate rooms for “mother plants” and for the clones of that plant.

[282] Looking at the Giffin Affidavit, and his discussion of the various rooms at the warehouse, Cpl. Lane agreed with Counsel for the Applicant that a cannabis garden will likely involve multiple rooms and that there is nothing untoward going on, simply because there were multiple rooms that had lights, ballasts, etc. which would be used to help vegetative and flowering plants. Nutrient systems, electric bills, mylar covering and different sealed rooms would all be reasonable ways to grow marijuana.

[283] So, given the fact that electricity is fairly expensive, costing as much as \$2200 every two months for eight lights, and someone had a license for 195 plants, Cpl. Lane agreed that it would be logical for them to reduce their fixed costs by growing together with some other person who had a similar license. In addition, Cpl. Lane agreed that by using ballasts in a cannabis garden a person could regulate the electricity required. In terms of the cost of nutrients being \$1000 to perhaps \$2200, Cpl. Lane agreed that a group of medical cannabis patients growing together might be able to pool resources to reduce each one’s expenses.

[284] In concluding his cross examination of Cpl. Lane, Counsel asked him to confirm a few points, first, dealing with photo #115 in the Affidavit of Gordon

Giffin [Exhibit 12] that it was a Designated Person Production Licence for Christopher Enns and the Authorized Person Information of Mr. Rogers. Cpl. Lane agreed that the document stated the production site was at 2-30 Colford Dr. to have 49 plants indoors and the storage site being at 764 E. Chezzetcook Road.

[285] Turning to the Affidavit of Winnell Jackson [Exhibit 14] at photo #41, Cpl. Lane confirmed that there was an Authorization to Possess Dried Marijuana for Medical Purposes renewal form signed by Dr. Richard Vitale which allowed Ms. Reeve to possess 300 g, which apparently expired in December 2011.

[286] Finally, with respect to the “staff” sign at the warehouse, Cpl. Lane agreed that it is possible that a group of medical cannabis patients had the garden and that they were working to help each other out. However, he added that, the only person who would know that, would be the person who wrote the note.

ANALYSIS:

[287] As the parties have both noted, the issue before the Court on this application pursuant to section 24(5) of the **Controlled Drugs and Substances Act (CDSA)** by Ms. Sherri Reeve is whether the Court is satisfied that Ms. Reeve, as Applicant, is the lawful owner or is lawfully entitled to possession of the controlled substance, namely 195 cannabis plants, which were seized by the police when they executed search warrants on September 5, 2014 and very shortly thereafter, destroyed those cannabis plants. If so, what is the value of those destroyed materials and what, if any, compensation should be provided to Ms. Reeve by the Crown.

[288] Ms. Reeve made her application for the return of those seized plants within the timelines required by section 24(1) of the **CDSA** for the return of the seized cannabis plants, but at that time and for some time thereafter, there were outstanding **CDSA** charges. As a result, the determination of whether she would be able to advance a claim for restoration of the plants or compensation in lieu, had to be postponed until the criminal prosecution was resolved one way or another.

[289] In this case, on or about November 9, 2016, the two **CDSA** charges against Ms. Sherri Reeve were stayed by the Crown Attorney. Once those charges were no longer before the Court, Ms. Reeve returned before this Court to pursue her application for compensation in lieu, pursuant to section 24(5) of the **CDSA**.

[290] Section 24(5) of the **CDSA** reads as follows:

“Payment in compensation in lieu

24(5) Where, on the hearing of an application made under subsection (1), a justice is satisfied that an applicant is the lawful owner or is lawfully entitled to possession of the controlled substance, but an order has been made under subsection 26 (2) in respect of the substance, the justice shall make an order that an amount equal to the value of the substance be paid to the applicant.”

[291] Because of the necessity for the Applicant to prove lawful possession, it is unlikely that applications of this nature will be brought in respect of illicit substances or in situations where a conviction has been entered with respect to the controlled drug or substance. However, in this case, as mentioned, the charges against Ms. Reeve were stayed and therefore, that bar to “lawful ownership or being “lawfully entitled” to the cannabis plants in question, is no longer a factor.

[292] However, in my opinion, notwithstanding the stay of proceedings which ended the criminal charges that have been mentioned in this Application, the onus is on the Applicant to establish that she was the lawful owner or was lawfully entitled to possession of the controlled substance on a balance of probabilities.

[293] As the Supreme Court of Canada stated in **R. v. Fleming**, [1986] 1 SCR 415, in order to satisfy a magistrate at a restoration hearing under what was then section 10(6) of the **Narcotic Control Act**, which legislated a similar standard for compensation, that is, that the “applicant is **entitled** to possession of the narcotic or other thing seized,” the Supreme Court of Canada held that the claimant must show on a balance of probabilities that he or she was in possession of the property. As the Supreme Court of Canada noted in **Fleming**, *supra*, at para. 43, that “entitlement” as utilized in that statutory application meant “lawful entitlement.”

[294] Of course, the current legislation in the **CDSA**, unlike the provision in the **Narcotic Control Act** actually employs the concepts of “lawful ownership” or “lawful entitlement” to the controlled substance. However, since this application is, in reality, a statutory claim for compensation in lieu of an order to return the cannabis plants, I find that the onus on this application rests on the Applicant to establish, on a balance of probabilities that she was in “lawful ownership” of or “lawfully entitled to possession” to the seized and subsequently destroyed cannabis plants.

[295] Although we use the term “lawful ownership or lawfully entitled to possession” on a daily basis in court, this application and the competing viewpoints

brought forward by the Applicant and the Respondent require some further consideration as to exactly what those terms encompass.

[296] When I consider the dictionary definitions of those words as mentioned in the *Canadian Oxford Dictionary*, Oxford University Press 2001, the term “lawful” is an adjective to indicate “conforming with, permitted by or recognized by the law, not illegal.” In other words, the possession or entitlement to possession must be in accordance with the law.

[297] In my opinion, the issue of being in “lawful ownership” or “lawfully entitled” to possession is not necessarily established by the simple statement that: (a) I had a *Personal Use Production Licence (PUPL)* to grow 195 cannabis plants, (b) I was able to store 8775 g of dried cannabis at my storage location and (c) I have not been convicted of a criminal offence. Therefore, I should be compensated.

[298] For those reasons, during the presentation of evidence and the submissions of Counsel, the Court reminded the parties that, since there are no longer criminal charges before the court, the issue is not whether Ms. Reeve possessed cannabis for the purpose of trafficking or trafficked the cannabis that she possessed. The key question to determine on the facts of this application, going back to the definition of “lawful ownership” or “lawfully entitled to possession” is whether she has met the onus on a balance of probabilities that she had conformed with the requirements of the PUPL which permitted her to have legal possession of the cannabis plants and a quantity of dried cannabis, as recognized by the law.

[299] In many respects, using another substance under the **CDSA** regime to perhaps clarify the issue with respect to the onus on the Applicant. If, for example, a medical practitioner had prescribed oxycodone for a patient and the patient was in possession and utilized that controlled substance himself as directed, there is no question that the patient would be in lawful ownership and lawfully entitled to possess that controlled substance.

[300] However, if that patient decided to sell or give those oxycodone pills to other people for financial gain, then, the patient would no longer be in legal possession of that oxycodone and could face charges of possession for the purpose of trafficking that controlled substance under the **CDSA**. Since the prescription for those oxycodone pills was exclusively for the patient’s treatment as prescribed by a medical practitioner, the key issue to legal possession is not simply answered by the patient having a valid prescription from the Doctor, but whether the patient

intentionally abused that legal possession for example, and sold those pills to others for their personal financial gain. [See s. 2 of **CDSA** definition of “traffic”]

[301] At the same time, the Respondent has submitted that Ms. Reeve’s application must fail on a proper interpretation of section 24(5) of the **CDSA** because the section cannot be interpreted to allow compensation to a person whose activities in respect of the substance are unlawful. The Respondent’s position is that the word “lawful” cannot be read or interpreted in such a manner to allow compensation to a person who has not complied with the legal requirements to possess the controlled substance. It is the position of the Respondent that, if that was the case, it would lead to an abusive result and be contrary to public policy to use the court’s processes to compensate that person in those circumstances.

[302] In advancing this proposition, the Respondent relies on the comments in **Fleming [Gombosh Estate]**, *supra*, at para. 20 that it would be abhorrent to public perception if the actual wrongdoer reaped the benefits of his or her wrongdoing with the assistance of the courts: see **B.C. v. Zastowny**, [2008] 1 SCR 27 at p.36.

[303] The Supreme Court of Canada ruled in **Fleming [Gombosh Estate]**, *supra*, that a public policy defence of *ex turpi causa* could be applied in statutory claims under the **Narcotic Control Act**, to bar recovery where there was “turpitude”. Where culpability of the owner of the seized property was proven at the antecedent criminal proceedings, the turpitude was satisfied and, in any event, codified in that section. However, for cases where there was no prior finding, the Supreme Court of Canada held that the rule could still operate to bar recovery in the absence of a specific finding at trial of the requisite “tainted connection” and that the Crown may fill the evidentiary gap by proving taint on the reasonable doubt standard at the restoration hearing.

[304] I note here that the statute at issue on this application differs from the statute that was in force at the time of the **Fleming [Gombosh Estate]** decision. However, notwithstanding the differences in the wording of the legislation, I find that the potential for being disentitled to an order for compensation is, in fact, founded statutorily in the wording of “lawful possession” or “lawful entitlement.”

[305] Similarly, and more recently, in **Baird v. British Columbia**, [1992] BCJ no.2053 at para. 23, the British Columbia Court of Appeal held that it would be manifestly unacceptable to fair-minded, or right-thinking, people that a court should lend assistance to a plaintiff who has defied the law. Furthermore, the BC Court of Appeal, in **Baird**, *supra*, at para. 22, stated that they did not accept that

the Crown could only raise an *ex turpi causa* defence if the “turpitude” was proved beyond a reasonable doubt.

[306] So, in conducting this analysis as to whether Ms. Reeve should be awarded compensation, based upon the case law, I conclude that the Applicant has the onus to show, on a balance of probabilities that she was the lawful owner or lawfully entitled to possession of the controlled substance. Having come to that conclusion, I do not agree with the Applicant’s submission which, put simply, is that they have met that onus based upon the fact that the Crown entered a stay of the criminal prosecution and that, at all relevant times, Ms. Reeve had a Personal Use Production Licence (PUPL). Furthermore, based upon the case law, I do not necessarily agree with the Applicant that the Respondent has the onus to establish, beyond a reasonable doubt, that Ms. Reeve grew the cannabis and then sold to the Farm Assists store and/or THCC and thereby contravened of the terms and conditions of the PUPL issued to her by Health Canada.

[307] As I mentioned previously, in the **Baird** case, *supra*, the British Columbia Court of Appeal concluded, at para. 22, that they did not accept that the defendant who raises an *ex turpi causa* defence labours under such a high onus to establish it beyond a reasonable doubt. However, the Court of Appeal concluded that, even if that were the case, the Crown had rebutted the presumption beyond a reasonable doubt through the evidence submitted on the application.

[308] In many respects, the onus on Ms. Reeve to establish on a balance of probabilities the lawful ownership or lawful entitlement to possession in this case is considered when the court weighs all of the evidence, without necessarily deciding that the Respondent had to establish an *ex turpi causa* defence on a standard of beyond a reasonable doubt. In other words, if the Court was to conclude that evidence led by the Respondent met a persuasive burden, then it is fair to say that the Court could not conclude, at the same time, that the Applicant had met her onus on a balance of probabilities

[309] At the outset of this analysis of the evidence on this application, in her Affidavit, Ms. Reeve attested to having been licensed by Health Canada since 2008 or 2009 to grow, store and use cannabis to treat her arthritis. The prescription was for the use of medical cannabis or marijuana, which was first prescribed by Dr. William Vitale at that time and since then she had been licensed by Health Canada to produce her own cannabis for her personal use.

[310] I should note here that based upon the issuance of the Personal Use Production Licence (PUPL) to Mr. Reeve at an earlier date, there is no real dispute between the parties that, as result of the **Allard** decision and an injunction, the PUPL which had been issued but would have expired prior to the search and seizure of the cannabis on September 5, 2014, was still valid and in effect.

[311] In those circumstances, the analysis of the evidence and whether Ms. Reeve is entitled to compensation in lieu of the return of the destroyed cannabis plants, must be considered on the basis that she still held a properly issued and valid PUPL for her to produce, grow and store the prescribed limits of her cannabis plants and dried medical marijuana, for her personal use.

[312] In terms of the credibility and reliability of Ms. Reeve's testimony, there were many occasions when she provided nonresponsive answers to legitimate questions, was not certain or had "no clue" with respect to things for which she was and had been in a leadership roles for some time. As an example, it took several questions to finally confirm that Ms. Reeve was either the President or the Vice President of The Halifax Compassionate Club, otherwise known by its THCC acronym. After taking breaks to refresh her memory, sometimes answering questions with further questions, she finally answered that she occupied those roles "at some point."

[313] In analysing the extensive documentation introduced by the Respondent during this application, which included Mr. Mark Grenon's very thorough forensic accounting and analysis report, I note that he had assumed that there were several ways in which Ms. Reeve had been identified in his report [Exhibit 6]. As I indicated previously, I find that his assumptions were reasonably stated, fully supported by reasonable inferences based upon the circumstantial evidence and ultimately confirmed by Ms. Reeve during her cross examination. I find that the evidence established that Ms. Reeve was also referred to or known by several other aliases in her social media posts or on The Farm Assists Store/THCC receipts or ledger documents which were reviewed by Mr. Grenon. I find that those social media posts, newspaper articles, store receipts and ledger documents which had been referred to in several Affidavits filed by the Respondent as well as by Ms. Reeve's own acknowledgement, all established that she regularly used several aliases and was also known as "Jess, Jesse Jane, Jesse James or 420jes."

[314] In addition, given the extensive documentation brought forward by the Respondent during this application with respect to the activities of THCC and the

Farm Assists store located at 2320 Gottingen Street in Halifax, there were several occasions where Ms. Reeve was questioned whether she had signed certain documents or the stylized cursive “S” at the top of ledger pages were references to her. In relation to some documents, she confirmed that it was her signature while on others, she was not as certain and only conceded that it looked like her signature. I do not accept Ms. Reeve’s equivocal and less than forthright evidence, given the obvious similarities in the signatures and the other circumstantial evidence in relation to her significant role in the Farm Assists Store and the THCC. In those circumstances, I find that those documents which had a stylized cursive “S” which was sometimes surrounded by circles, were all references to Ms. Reeve or represented the stylized cursive signature of Ms. Sherri Reeve.

[315] Ms. Reeve had received money and signed receipts for having received the money from Mr. Holding, who was the only other person for whom she had the legal authority, through a personal designation to grow cannabis for him. The designation had been issued by Health Canada and was valid at the time of the search and seizure by the police of cannabis on September 5, 2014. It appears that Ms. Reeve issued a receipt to Mr. Holding to acknowledge receipt of \$3000 paid for “growing services and medical herb” for 2013, 2012 and 2011. On those documents, I find that Ms. Reeve signed the document with what appears to be a cursive “S” and an “R” and printed “Sherri Reeve” underneath that signature.

[316] With respect to other documents that were attached to Affidavits filed by the Respondent, Ms. Reeve acknowledged, after looking at a few of the documents in the Affidavits, that the stylized cursive “S”, often with a circle around it, was her signature. As an example, in the ledger cards of product purchased from growers or suppliers by THCC or Farm Assists store, she did acknowledge that the stylized “S” on the ledger contained in Det/Const. Stanley’s Affidavit [Exhibit 11] at tab #8, pages 10 and 11 as well as ledger # 44 at line 18 and 23 on the very right-hand side of the page were, in fact, her stylized, cursive signatures.

[317] When Counsel for the Respondent drew Ms. Reeve’s attention to the headings of several of the ledger pages in Det/Const. Stanley’s Affidavit [Exhibit 11] at tab 8, for example, the ledger page with the heading “Product Purchased / Grower CPK – L” and columns where additional information with respect to the Date, Description, Amount, Paid, Balance Owing were inserted as well as a space for someone at THCC or Farm Assists Store to confirm that transaction by inserting their initial(s), Ms. Reeve did not necessarily agree that those documents confirmed transactions where THCC or the Farm Assists storefront was purchasing

cannabis from a grower. She did, however, acknowledge that she had signed to confirm that some “transactions” had taken place, as she had acknowledged that it was her signature confirming the details of the “transaction” on several lines in that column on ledger pages #10, 11, 29 and 44, [with her cursive, stylized “S” signature].

[318] Notwithstanding the fact that several of those ledger sheets had the word “Grower” written at the top, Ms. Reeve did not agree that these were “transactions” where THCC or the Farm Assists storefront was purchasing cannabis from a “grower” and instead she referred to that group as being “suppliers.” Regardless of the name that Ms. Reeve wishes to attribute to those ledger pages which were the subject of the very detailed examination and analysis by the forensic accountant, Mr. Grenon, I find that those ledger pages do actually document numerous “transactions” which involved the sale by a “grower or supplier” of cannabis and the purchase of that cannabis by the Farm Assists store or THCC. Given the plain and ordinary meaning of the headings and the other details handwritten and inserted on the ledger, which included the name of the “grower or supplier” of the cannabis product, the quantity purchased by the store and the amount to be paid to the “grower or supplier” of that product, based upon a cost per gram, I find that there can be no doubt that those “transactions” actually documented sales and purchases of cannabis.

[319] As Mr. Grenon pointed out in his report, the purchase of cannabis by the Farm Assists Store or THCC from certain identified “Growers” or “Suppliers” as documented on those ledger pages was needed to supply the storefront with cannabis “inventory.” The available “inventory” of cannabis in the store could, in turn, be sold by the storefront for the financial gain, which was identified by Mr. Grenon, to an end user/consumer. In addition, I find that it was clearly established in Mr. Grenon’s report and analysis of the over 5100 sales receipts from the store, that the sales to the end users/consumers of the cannabis generated the revenue to “resupply” cannabis “inventory” and generated the significant financial gain during the 15-month period which was analysed by the forensic accountant.

[320] I find that those ledger documents in Det/Const. Stanley’s Affidavit [Exhibit 11] at tab 8, speak for themselves that, for example, “Grower CPK – L” referred to on ledger page #05 either grew or supplied product, in that case, 200 g of “PK or Purple Kush” at 6.5, which was purchased at the Farm Assists store on June 28. In Cpl. Lane’s opinion, the number 6.5 represented the price per gram by the purchaser and that opinion with respect to the purchase/sale “transaction” is

supported by the mathematics [6.5×200] which equaled the stated amount of \$1300 for that purchase. Since there was no amount written under the “paid” column to that “grower or supplier,” it is logical that the \$1300 amount was listed under the “balance owing” column for that “grower or supplier.” I find that the next entry on that ledger page, also on June 28, has written in an amount of \$1100 under the “paid” column, which clearly indicates that Grower or supplier of that “Purple Kush” cannabis strain was paid \$1100, thereby reducing the “Balance Owing” column to \$200. There can be no doubt, from that ledger page and many others, that they document “transactions” where people listed as “growers or suppliers” have sold cannabis “products” which were purchased by THCC or the Farm Assists storefront for the purpose of resale to end users/consumers.

[321] Moreover, I find that the lack of credibility and reliability of many parts of Ms. Reeve’s testimony was also evident when Counsel for the Respondent cross-examined her on those products purchased from “growers/suppliers.” When, for example, she was questioned about ledger page #11 that has written “Grower C # Company” at the top of the page, and Counsel suggested that page was a reference to “transactions” with Mr. Enns or one of the numbered company’s registered to Mr. Enns, Ms. Reeve’s initial answer was that she had “no idea” and that “it could be anybody.” Finally, after repeating a few times that it could be anybody, Ms. Reeve finally conceded that “anybody could include her husband, Christopher Enns.” I note here that the Respondent had established in their the Affidavit materials that Mr. Enns was listed in the Registry of the Joint Stock Companies as the President of a couple of numbered companies.

[322] Given the prominent roles as President and Vice President in THCC occupied by Ms. Reeve and Mr. Enns at all relevant times, Ms. Reeve’s answers are disingenuous at best to suggest it could be “anybody” as opposed to being a reference to her husband. The lack of sincerity and credibility of those answers that the “grower” could have been “anybody” are even more apparent by other ledger pages which, in my opinion, based upon the totality of the circumstantial evidence, are even more obvious references to her husband, Christopher Enns, for example, on ledger page #14 which has at the top “C. E.” as well as “grower: C.E.” on ledger pages #27 and #28 as well as what certainly appears to be a cursive “CE” at the top of ledger pages #20 and #38, where other “growers” were identified.

[323] I also find that the stylized “S” at the top of ledger page #44 is the stylized cursive signature of Ms. Reeve and I find that ledger page #44 reflects the fact that she was one of the people who were listed as a “Grower/supplier” of cannabis to

THCC or the Farm Assists store located on Gottingen Street in Halifax. In looking at ledger page #44, although the columns for the dates and product “description” are not actually handwritten on that page, the other columns are headed “amount”, “paid” and “balance.” I find that ledger page #44 starts with the balance owing of \$7738.50 and that the first entry with a date is January 22 confirms a payment to that Grower/supplier of cannabis of \$2000, which reduced the balance outstanding to \$5738.50. I also find that the ledger page is making obvious references to the purchase of certain strains of cannabis, for example, the next entry on January 22 is “450 x Green Lizzy x \$7” equals \$3150, which was not paid at that time, therefore increasing the “Balance Owing” by that amount.

[324] Based upon these documents and the other circumstantial evidence which I have accepted, I find that Ms. Sherri Reeve was the Grower or the supplier who sold 450 g of “Green Lizzy” strain cannabis to THCC at price of \$7 per gram, and according to the information written on that ledger page, as of January 22, Ms. Reeve was owed \$8839.50 for cannabis products that she had previously sold to and were purchased by the Farm Assists store or THCC on the dates and times noted on that ledger page. Given the “balance owing” amount, I find that it is reasonable to infer from the totality of this evidence that she had sold a significant quantity of cannabis to THCC or the Farm Assists to be owed at that point almost \$9000

[325] In addition, in looking at ledger page # 09 in tab 8 in Det/Const. Stanley’s Affidavit [Exhibit 11], which is entitled at the top of the page “Grower (J J),” there are several “transactions” listed during that July/August timeframe. Based upon the more detailed information on the other ledger pages located at tab 8 of the Det/Const. Stanley’s Affidavit, I find that the top half describes 8 sales of cannabis with the cost per gram being \$7 with the last transaction being for \$7.50 per gram, which were made by “Grower (JJ)” to the Farm Assists store or THCC. In addition, ledger page # 09 also confirms that “Grower (J J)” received 8 Payments in that same timeframe for cannabis products supplied to the storefront, which paid all outstanding amounts, resulting in no balance owing as of August 14.

[326] As I mentioned previously, a couple of the aliases that Ms. Reeve acknowledged that she went by was “Jesse Jane” or “Jesse James,” I find it is reasonable to infer from the circumstantial evidence that she had the opportunity to grow cannabis at the warehouse pursuant to her PUPL and that she had a significant role as either the President or Vice President of THCC and when I consider the initials as being an obvious reference to one of Ms. Reeve’s aliases, I

find that ledger page #09 which is headed “Grower (J J)” does, in fact, refer to Ms. Reeve. In those circumstances, I find that this ledger page documents several sales of cannabis products by her as the “Grower” which were purchased by the Farm Assists store or THCC, for which Ms. Reeve received several payments, which left, at that time, no outstanding balance of money owing to her by the store or THCC.

[327] With respect to the opinion evidence of Cpl. David Lane with respect to running a “sophisticated” grow operation in an indoor facility as large as a rented warehouse, he talked of the significant expenses involved in the payment of rent, nutrients, especially heating and lights to simulate summer conditions which were very expensive. In terms of Ms. Reeve’s own ability to finance those expenses, she had stated in response to the question on cross-examination as to “what she did for a living?” that she did not earn a living and had been doing “nothing” for an unspecified period of time “except helping cancer patients voluntarily.”

[328] As a result of those responses with respect to her financial means and ability to legitimately finance a “sophisticated” indoor grow operation, I find that Ms. Reeve did not identify any personal financial means or any other sources of legitimate income over the last several years, given her focus on volunteer work, which could possibly support the significant expenses associated with running what has been described as a “sophisticated” grow operation pursuant to her PUPL in a large indoor facility, in this case, a rented warehouse. While the Respondent located 3 receipts which were signed by Ms. Reeve in Affidavits filed by police officers, which confirmed that she received \$3000 each year from Mr. Holding for her to provide “growing services and medical herb” for him, that amount clearly would only represent a very small percentage of what Cpl. Lane referred to as the “fixed costs” of running an indoor grow operation.

[329] In addition, it appears that for one year’s compensation to Ms. Reeve, Mr. Holding did not actually pay Ms. Reeve \$3000, but rather, as confirmed on a receipt dated on December 17, 2013 (Det/Const. Stanley Affidavit [Exhibit 11] at tab 10) he “Bartered for service from Designated Grower S. Reeve in the amount of \$ - 3000.00” which would appear to indicate that he did some work for Ms. Reeve, presumably at the warehouse for certain number of hours, based on an hourly rate of pay to the equivalent of \$3000. Therefore, for that year, Ms. Reeve would not have even received an amount of \$3000 from Mr. Holding to offset some of the costs of running her “sophisticated” indoor grow operation in a large warehouse.

[330] Furthermore, Ms. Reeve was questioned about the “task” list that has the names of individuals and hours in the warehouse, which was posted in the warehouse and photographed by Const. Giffin [see photo #9 in Exhibit 13]. The task list contains dates and duration of tasks performed in late August to early September, presumably 2014 by certain people. I find that there are references to Ms. Reeve under the name “Jesse” as well as Mr. Enns under the name “Chris” but the document also has two other names - Sonia and Steve. Ms. Reeve never really indicated whether any of the others were compensated by hourly wages or in some other fashion for being “employees” or “staff” [as noted at the top of a reminder with respect to the heaters, which was attached as photo #32 in the Affidavit of Gordon Giffin – Exhibit 12]. If they were “staff” or “employees,” whether paid wages or compensated in some other fashion, I find that they certainly would have added to the “fixed costs” of running this “sophisticated” indoor grow operation for which Ms. Reeve did not appear to have any legitimate financial means to cover its significant fixed costs, nor did she ever state how those expenses were covered by her.

[331] In Det/Const. Stanley’s affidavit [Exhibit 11] at tab #20, there is a document entitled “Colford Bill Review” which lists the annual total cost to run the grow operations at the warehouse where both Ms. Reeve and Mr. Enns grew their cannabis plants. According to their valid Health Canada licences, they were able to grow a limited number of plants for their personal use and the authority, in Ms. Reeve’s case for only one other person (Mr. Holding). The Colford Bill Review listed total annual expenses as \$115,815 with Mr. Enn’s share being \$44,764.63. During her testimony, Ms. Reeve never stated that she had the financial means to pay for her fixed costs of the indoor grow operation, leaving open the question how or what arrangements she had made to cover her expenses of that “sophisticated” indoor grow operation.

[332] During the cross-examination of Cpl. Lane, Counsel for the Applicant had suggested, as a hypothetical question and Cpl. Lane agreed, that it was possible that the people growing their cannabis plants in the warehouse could have pooled their resources. However, in these circumstances, rather than speculating upon theoretical or hypothetical possibilities as to who and how the fixed costs of Ms. Reeve’s “sophisticated” grow operation were paid, I find that she was the only witness before the Court who could have stated how her fixed costs were covered but did not do so. In those circumstances, given the fact that Ms. Reeve had a PURL to grow her own cannabis plants from her personal use and for another person for several years in an indoor warehouse environment, it defies credulity

that she could not accurately recall and relate to the Court any details of her financial arrangements to cover the fixed costs of her “sophisticated” grow operation.

[333] But perhaps the most important and impressive evidence presented during this application was the expert opinion evidence prepared by the forensic accountant, Mr. Mark Grenon, and his report [Exhibit 6]. Mr. Grenon examined 5269 sales receipts to show that over a 15-month period, the Farm Assists Store or THCC made sales of marijuana in a total value of \$843,274. In Cpl. Lane’s opinion, 5117 sales receipts totaling \$721,513 or 105,401.8 g of cannabis products were considered by Cpl. Lane to be consistent with a drug sale. Mr. Grenon calculated that the average price per gram of the cannabis products sold by the store was \$7.45.

[334] I have already made several references to the ledger pages for cannabis products purchased from growers/suppliers/distributors by The Farm Assists Store or THCC. In his overall summary of findings, based upon the ledger pages and sales receipts that he had reviewed and put in the Schedule to his report, Mr. Grenon determined, from his review of all the ledger pages between June 25, 2012 and March 13, 2013, that the Farm Assists Store or THCC in Halifax purchased 111,418 grams of cannabis from growers/suppliers/distributors at a total cost of \$707,096. Mr. Grenon also noted in his summary report that, at the end of the 15-month period that he reviewed, those growers, suppliers/distributors were paid \$673,228 by the Farm Assists store or THCC with the average price for those cannabis products being \$6.35 per gram. He also noted that many of the names identified as the grower/supplier on the product purchasing ledger pages matched many of those names listed in the sales receipt books that he also reviewed.

[335] Moreover, Mr. Grenon noted that none of the “transactions” summarized in the purchasing ledgers could be linked to payments/withdrawals from any of the financial accounts to document and confirm how the vendors/suppliers were paid \$673,228 for product purchases. In those circumstances, I find that Mr. Grenon was stating that there was no apparent traceable or identifiable financial documentation which could be obtained from any banking records which could verify that there were, in fact, \$843,000 in cannabis sales and that the Farm Assists store or THCC had paid growers/suppliers that amount to provide the cannabis “inventory” to the store or THCC for sale.

[336] I find that Cpl. Lane provided the most logical answer to this enigma, when he stated that almost every “transaction” in the trafficking of controlled drugs and other substances, involves a cash transaction. In those circumstances and given the significant roles played by Ms. Reeve and Mr. Enns, it is certainly reasonable to infer that the large amount of over \$17,000 in cash, comprised primarily by \$20 and \$50 bills, which was seized during the search of the residence of Ms. Reeve and Mr. Enns, came from the numerous cash sales of cannabis by the storefront or by THCC being made in cash, which were documented by Mr. Grenon in his forensic accounting report. In addition, I find that the inference is also supported by the fact that three of the \$20 bills used by the undercover officer “B” who had had noted the serial numbers of the \$20 bills that he had used to purchase \$180 of cannabis products at the storefront on September 4, 2014, were seized from the residence of Ms. Reeve and Mr. Enns the next day, on September 5, 2014.

[337] In Mr. Grenon’s report [Exhibit 6] at Schedule 1.2, he has summarized all of the “**Product Purchases**” of the Farm Assists store or THCC between July 4, 2012 and February 6, 2013. His report of the summary of Product Purchases is based upon his review of every ledger page or card, which were located by the police and had the columns which he replicated being the Date, Description, Product name, Grams, Amount, Paid, Balance Owing.

[338] In reviewing his summary of those Product Purchases, I note that the product purchases starting at line 137 on page 39/508 has a “brought forward” amount of \$8000 for producer “S.” As I indicated previously with respect to the actual handwritten copy of the product purchases and ledger page #44 in Det/Const. Stanley’s Affidavit [Exhibit 11] at tab #8, I am satisfied and do find that the stylized, cursive “S” on that ledger page, is, in fact, a reference to the same person who was identified by that same stylized, cursive “S” which Mr. Grenon listed from line 137 to 165 in Schedule 1.2 of his report.

[339] Based upon my review of the comparisons of the signature as well as Ms. Reeve identifying her own signature in certain locations, but not in others, when I consider that the stylized, cursive “S” at the top of ledger page #44 is practically identical in all respects, I reject her statement that the stylized “S” at the top of that sheet or on any other ledger page or receipt reviewed by Mr. Grenon where that stylized “S” is handwritten, was not her. Furthermore, having found that the stylized, cursive “S” is in fact, in all locations, a reference to Ms. Sherri Reeve, I also find that she was the supplier/vendor of cannabis in several “transactions” referred to on pages 39/508 and 40/508 of Mr. Grenon’s Schedule 1.2 which lists

the cannabis “**Products Purchased**” by the Farm Assists store or THCC between February 12, 2013 and March 5, 2013 from a “grower or supplier.”

[340] Having made those findings of fact, I find that Ms. Sherri Reeve, did on several occasions during that February/March 2013 period, sell cannabis grown by her to the Farm Assists Store or THCC and in doing so, she flagrantly contravened the legal authorization provided by her PUPL which only allowed her to legally grow cannabis plants for herself and by virtue of an authorization issued by Health Canada only for Mr. Holding. Furthermore, Ms. Reeve had acknowledged in cross-examination that she was only legally authorized by the PUPL to grow cannabis for herself and to be able to store a certain amount of dried cannabis for herself and that her Health Canada issued PUPL did not authorize to grow cannabis and sell it to anyone else.

[341] However, in addition to her own PUPL, Ms. Reeve also had a Designated Person Production Licence, which allowed her to legally grow cannabis and sell that product to the one “designated person” who was identified as Mr. David Holding in that Health Canada licence. Although Ms. Reeve herself did not provide any details with respect to the arrangements made with Mr. Holding pursuant to that Designated Person Production Licence, the Respondent obtained copies of receipts issued by Ms. Reeve, which confirmed that she had received \$3000 from Mr. Holding for her services in growing “medical herb” for him. In one year, the receipt issued by Ms. Reeve to Mr. Holding for growing is “medical herb” acknowledged that she had received “bartered services” from Mr. Holding equivalent to the sum of \$3000. Ms. Reeve provided no details as to what those “bartered services” involved or how she calculated that his “services” were equivalent to \$3000.

[342] From my own review of Mr. Grenon’s report starting at line 137 to 165 on page 39/508, which lists 28 “transactions” for “**Product Purchases**” by the Farm Assists store or THCC from a specified “grower or supplier” who was identified by the stylized “S”, I have found that these “transactions” were, in fact, made with Ms. Sherri Reeve. Of those 28 “transactions,” Mr. Grenon’s Schedule documents 16 sales of cannabis products for a value ranging between, \$1406 and \$2762, with her total sales to the Farm Assists store or THCC being valued at \$27,121 for the period between February 12, 2013 and March 5, 2013.

[343] Once again, by my own review of Mr. Grenon’s report in relation to lines 137 to 165 starting on page 39/508 of Schedule 1.2, he has listed 12 payments

made to grower/supplier “S” which I have found to be a reference to Ms. Sherri Reeve during that same February/March 2013 period. Looking at that list, there were some payments to her in relatively small amounts, but most others were in various amounts between \$2464 and \$5671, with the grand total of payments made during that 3-week period for the cannabis “products purchased” by the purchaser to Ms. Reeve being \$26,346. I also find that there were obviously many other prior sales “transactions” by Ms. Reeve to the Farm Assists or THCC, as it was noted on her ledger page that there was still a significant balance outstanding and owed to her, in the amount carried forward of \$8779.

[344] In addition to those “transactions” where I have concluded that Ms. Reeve sold cannabis products, which were purchased by the Farm Assists store or THCC from the “grower or supplier” identified by the stylized “S,” I find that the store or THCC also purchased cannabis products, from Ms. Reeve where she was identified on the ledger by one of her other aliases as “Grower (JJ).” As I mentioned previously, Ms. Reeve has acknowledged that she also went by aliases of “Jesse Jane” or “Jesse James” or “Jes” and I find that “Grower (JJ)” on the ledger pages of “**Product Purchases**” was, in fact, a reference to Ms. Sherri Reeve.

[345] In Mr. Grenon’s summary of “Product Purchases” of cannabis by the Farm Assists store or THCC from the “Grower (JJ)” during the time period of July 13, 2012 to February 12, 2013 are listed in Mr. Grenon’s Schedule 1.2 at pages 50/508 and 51/508 on lines 372 to 393. The copy of the ledger page #09, which contains the handwritten information documenting these sale and purchase “transactions” which are summarized in Mr. Grenon’s report for “Grower (JJ)” are attached to Det/Const. Stanley’s Affidavit [Exhibit 11] at tab 8.

[346] The “transactions” transferred from the copy of ledger page “Grower (JJ)” ledger page #09 to Mr. Grenon’s report on the 22 lines [line 372 to 393] document 14 sales of cannabis product by that “grower or supplier” to the Farm Assists store or THCC as the purchaser and on the other 8 lines, payments being made by the purchaser to “Grower (JJ)”. The cannabis products purchased were only described on six of those 14 “transactions” and they were identified as being sales by “Grower (JJ)” of the “White Russian, Jean Guy, White Widow and Burga Mata” strains. The total number of grams listed in the sales by that “grower or supplier” to the store or THCC was 2984.5 g with the purchase price for all but two of those strains being \$7 per gram. Based upon the information summarized by Mr. Grenon and my review of the payments listed on the ledger page itself, I find that Ms.

Reeve was paid a total of \$16,597 for the supply of those 2984.5 g of cannabis to the Farm Assists store or THCC.

[347] In addition to the above noted “transactions” which were summarized in Mr. Grenon’s **“Summary of Product Purchases”** at Schedule 1.2, Mr. Grenon has summarized a second series of “transactions” between the purchaser [the Farm Assists store or THCC] and the “grower or supplier” being identified by the stylized “S” who I have found to be Ms. Sherri Reeve. The transactions of sale and purchase as well as payments made are listed from page 62/508 to page 64/508 at lines 645 to 671 of Mr. Grenon’s report. Mr. Grenon noted that these “transactions” took place during the period of time between January 22, 2013 and February 6, 2013.

[348] With respect to these sales of various cannabis strains, which were described on the ledger pages and in Mr. Grenon’s **“Summary of Product Purchases”** in Schedule 1.2 of his report, the 27 lines started with a “brought forward” amount at line 645 owed to Ms. Reeve of \$7738.50 and thereafter, Mr. Grenon has listed 26 “transactions” in Schedule 1.2 of his report. The 26 “transactions” listed by Mr. Grenon during the period between January 22, 2013 and February 6, 2013 involved Ms. Reeve making 14 sales of various cannabis strains to the purchaser and Ms. Reeve receiving 12 payments from the purchaser. Mr. Grenon has listed in his report that the “cannabis strains, were described as: “Purple Kush, Diesel Kush, Moby Dick, Outdoor, Skunk, Green Lizzy, Sensi, S.S., Bubba, Sweet Tooth and Lemon Shake.”

[349] In terms of Mr. Grenon’s listing of these “transactions” in his report, the source of the information for this “Summary of Product Purchases” was obtained from a copy of ledger page #44 [see Exhibit 11, Det/Const. Stanley Affidavit at tab 8] with the stylized, cursive “S” circled at the top of that ledger page to identify the “grower or supplier.” Based upon the very thorough cross-examination of Ms. Reeve by Counsel for the Respondent, relating to this ledger page and other circumstantial evidence, the Court concluded that the “grower or supplier” identified by that stylized, cursive “S” was in fact, Sherri Reeve for those sale/purchase “transactions” listed between January 22, 2013 and February 6, 2013.

[350] According to Mr. Grenon’s summary, the 14 sales of various cannabis strains by Ms. Reeve which were purchased by the Farm Assists store or THCC involved a total of 3504.5 g of cannabis products. For the most part, the purchase

price paid to Ms. Reeve for the supply of those cannabis products was \$7 per gram, with the “outdoor” strain being sold at \$4.75 per gram with “Diesel Kush” being sold at \$7.50 per gram. The total value of the 14 sale “transactions” of 3504.5 g of cannabis products sold by Ms. Reeve to the Farm Assists store or THCC was \$23,309.12.

[351] According to both ledger page #44 as well as Mr. Grenon’s summary of those product purchases, the “brought forward” balance of the amount owing by the purchaser to the “grower or supplier” identified by the stylized, cursive “S”, who I found to be Ms. Reeve, as of January 22, 2013, was \$7738.50. The ledger page and Mr. Grenon summary lists 12 payments being made to Ms. Reeve between January 22, 2013 and February 6, 2013. The 12 payments made by the purchaser, the Farm Assists store or THCC to Ms. Reeve totalled \$28,773.50.

[352] In the final analysis with respect to the purchase and sale transactions between Ms. Reeve and the Farm Assists store or THCC for the period between January 22, 2013 and February 6, 2013, when Mr. Grenon calculated the opening balance outstanding of \$7738.50 to Ms. Reeve, added the amount of the sales and subtracted the payments made to her by the purchaser, as February 6, 2013, the “balance owing” to Ms. Reeve by the purchasers was \$4689.62. Mr. Grenon did note in his forensic accounting analysis that there was an apparently unaccounted for variance in that “balance owing” of \$3310.38.

[353] As Cpl. David Lane stated in providing his opinion, which was fully supported by the opinion of Mr. Grenon in his forensic accounting report, that in order to have such a large volume of sales that were recorded by Mr. Grenon during the 15-month period, which he documented in Schedule 13.0 of his report, the Farm Assists storefront or THCC located on Gottingen Street in Halifax had to have a continuous replenishment of its cannabis in “inventory” from “growers or suppliers.” Mr. Grenon’s report confirms that there were continuous sales of cannabis to end users/consumers of that product and at the same time, the Farm Assists store or THCC was constantly purchasing new “inventory” of cannabis strains to be able to sell the total of 105,402 g of cannabis over a 15-month period of time, which was meticulously documented by Mr. Grenon.

[354] In reviewing the final section of Mr. Grenon’s report entitled “**Summaries of Sales Receipts**” which is found in Schedule 13.0, the forensic accountant has transferred the data from thousands of sales receipts seized by the police into that schedule. The data compiled in Schedule 13.0 of Mr. Grenon’s report lists the date

of a sale, the customers name, the cannabis product purchased, the quantity in grams of the product purchased and the price paid, also calculating a price per gram. The large majority of the “customer names” were blacked out, but information related to purchases from the Farm Assists store or THCC made by “Sherri Reeve”, “Sherri R”, “Sherry Reeves” or “S Reeve” were able to be identified as Mr. Grenon left references to her visible in that Schedule. As indicated previously, I have found that Mr. Grenon had made a logical and very reasonable assumption that all of those names were references to the Applicant, Ms. Sherri Reeve.

[355] Based upon Mr. Grenon’s assumptions, it was obvious from my brief review of his “**Summary of the Sales Receipts**” for the period between January 6, 2012 and March 13, 2013, in Schedule 13.0 of Exhibit 6 from page 152 to page 508, that there were many occasions when Ms. Reeve purchased cannabis from the Farm Assists store or THCC, at the same time that she had, as a “grower or supplier” sold cannabis to the store or THCC.

[356] Without reviewing every month for which Mr. Grenon documented a sale of cannabis by the Farm Assists store or THCC to Ms. Reeve, I did note that during the month of December 2012, Mr. Grenon entered and documented 23 purchases of cannabis being made by Ms. Reeve for a minimum total of 360 g of cannabis, since Mr. Grenon noted that some receipts did not record the number of grams purchased. The total cost of the cannabis purchased by Ms. Reeve in December 2012, was \$2819.

[357] According to Mr. Grenon’s data in Schedule 13.0, for the month of January 2013, I found that Ms. Reeve made 23 purchases with the total amount of cannabis for that month being 461 grams. The total cost of the cannabis purchased by Ms. Reeve in January 2013, was \$3130.

[358] Once again, according to Mr. Grenon’s data in Schedule 13.0, the summary of sales receipts for February 2013, confirmed that Ms. Reeve made 23 purchases of cannabis from the storefront totaling 404 g of cannabis. The total cost of the cannabis purchased by Ms. Reeve in February 2013 was \$3014.

[359] Finally, for the month of March 2013, Mr. Grenon noted in Schedule 13 that the police had only been able to obtain and provide him with records which had been maintained and reviewed by him up to March 12 or 13, 2013. During the first two weeks of March 2013, Mr. Grenon documented that there were sales receipts to confirm that Ms. Reeve had made 14 purchases during that period of time to

acquire a total of 226 g of cannabis. The total cost of the cannabis purchased by Ms. Reeve during the first two weeks of March 2013 was \$1851.

[360] Looking at the data compiled by Mr. Grenon which documented Ms. Reeve's significant purchases of cannabis totaling over \$10,800 for a four-month period and having made other findings of fact with respect to Ms. Reeve, during the same time period, selling significant quantities of cannabis to the Farm Assists store or THCC, I find that it is completely inconsistent with someone having the ability to grow their own cannabis (195 plants) and to keep in storage at her house a total of 8775 g of dried cannabis exclusively for her personal use.

[361] Firstly, if Ms. Reeve had actually complied with the terms and conditions of her PUPL license, which was of course the reason why she got that licence in the first place, one would reasonably assume that she could supply all of her own medicinal cannabis needs through the Health Canada license and the Health Canada authorization to store almost 9 kgs of dried marijuana at her house. Given the parameters of the PUPL and the ability to store almost 9 kg of dried cannabis or marijuana at her house, one could reasonably assume that there would be no need to purchase any additional cannabis in those circumstances.

[362] Secondly, I find that Mr. Grenon's documentation that Ms. Reeve spent almost \$11,000 purchasing cannabis during that 3 ½ month period of time is also completely inconsistent with Ms. Reeve's testimony that she did not have any particular sources of income at that time. In fact, she basically said that she had no income because she was essentially dedicating herself to doing volunteer work with cancer patients. In those circumstances, it certainly raises the question as to how someone without any stated identifiable and legitimate sources of income, was able to spend over \$10,800 in 3 ½ months to purchase over 1450 grams of cannabis from the Farm Assists store or THCC.

[363] However, considering the evidence which I have accepted that, during the same time periods, I find that Ms. Reeve had obtained significant amounts of cash by contravening the terms of her Health Canada PUPL by selling significant quantities of cannabis to the Farm Assists store or THCC. In those circumstances, I find it reasonable to infer that is how she was able to finance her significant purchases of cannabis as documented by Mr. Grenon in his report. I also find that this inference is amply supported by the fact that thousands of dollars in Canadian currency were bundled in various places in the residence of Ms. Reeve and Mr. Enns, and that Ms. Reeve provided no credible answer or explanation for how that

very significant amount of cash found its way into their house, from legitimate source for those funds, rather than Mr. Grenon's well documented sales of cannabis to the Farm Assists store or THCC.

[364] Having considered the totality of the evidence that has been presented on this application for compensation in lieu of the cannabis plants that were destroyed by the police shortly after they were seized in September, 2014, I find that Ms. Reeve, intentionally and repeatedly over an extended period of time, flouted the Health Canada legal authorization which only allowed her to grow 195 cannabis plants for her own use pursuant to a Personal Use Production Licence and to be able to store up to 8775 g of dried cannabis at her home, again only for her personal use.

[365] Having come to those conclusions, I find that Ms. Reeve was not in compliance with the only document that allowed her to, at that time, legally produce and grow her own cannabis exclusively for her own use and store significant amounts at her residence, for her own personal use.

[366] Since I have concluded that Ms. Reeve was not legally complying with the terms and conditions of her Personal Use Production Licence [PUPL], based upon all of the facts and circumstances that I have accepted as well as reasonable inferences from those proven facts, I find that she has not satisfied the onus on a balance of probabilities that she was, in fact, the "lawful owner" or "legally entitled to the possession" of the controlled substances at all material times to this application.

[367] Furthermore, I also find that the evidence tendered by the Respondent was such that, even if there was a burden on the Respondent to establish that Ms. Reeve was not the "lawful owner" of or "legally entitled to possession" of the controlled substance, beyond a reasonable doubt on the basis of the "*ex turpi causa*" defence as submitted by Counsel for the Applicant, I would have found that the Respondent had met that onus given the very cogent and compelling evidence tendered by the Respondent on this application.

[368] After having considered the totality of the evidence which I have accepted on this application, I conclude that it would be contrary to public policy and manifestly unacceptable to fair-minded or right-thinking people that a court would compensate the Applicant based upon the facts and circumstances of her application for compensation.

[369] In concluding that Ms. Reeve's application for compensation should be dismissed, I find that she has not met the onus to establish that she lawfully owned or was legally entitled to possession of the cannabis seized and destroyed by the police in September 2014. For the reasons outlined above, I have found that she had, over an extended period of time, deliberately, repeatedly and blatantly flouted the terms and conditions of her Personal Use Production Licence [PUPL] issued by Health Canada, which provided the only basis for her lawful ownership of or legal entitlement to produce and possess cannabis grown by her at all material times to this application.

[370] Having come to those conclusions, I hereby dismiss Ms. Reeve's application for compensation in lieu pursuant to section 24(5) of the **CDSA**.

Theodore K. Tax, JPC