



April 25, 2018

Hon. John A. McQuaid  
Conflict of Interest Commissioner  
PO Box 2000  
Charlottetown, PE C1A 7K7

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Dear Commissioner,

I write in response to the letter tabled in the Legislative Assembly on April 12, 2018 by Brad Trivers, MLA for Rustico-Emerald. The letter suggests a conflict of interest between my involvement as a blind-trust shareholder in the PEI company Discovery Garden and the visit by Mr. Sheldon Levy, who was at the time President of Ryerson University, to Charlottetown in late October 2015.

In this letter, I will address three points: (i) my involvement with Discovery Garden, (ii) my relationship with Mr. Sheldon Levy and his 2015 visit to Charlottetown, and (iii) the follow-up to that visit.

#### **Discovery Garden**

As you are aware in your role as Commissioner, I have filed an annual disclosure report since 2015, as is required of all elected officials under the Conflict of Interest Act. Pursuant to s. 18(3) of the Act, as of early April 2015, I transferred any shares I hold in companies to a blind trust.

One of the investments in the blind trust is my shares in the Island company Discovery Garden. As with my other assets and investments, they are held by a trustee to whom I have relinquished all control. I have had no involvement in Discovery Garden since my initial disclosure and transfer of shares in April 2015.

Over and above the fact that my interest in Discovery Garden is in a blind trust, to the best of my knowledge, Discovery Garden did not stand to benefit from the October 2015 visit of Mr. Sheldon Levy or the follow-up to that visit.

#### **The visit by Sheldon Levy to Charlottetown; October 30-31, 2015**

Sheldon Levy served as President of Ryerson University from August 1, 2005 to December 1, 2015. This included an overlap of six years with my time as President of the University of Prince Edward Island. Prior to his tenure at Ryerson, Mr. Levy served with distinction as President of Sheridan College and as Vice-President at various times of the University of Toronto, York University and the University of Ontario Institute of Technology. In these several roles and principally while he served as President at Ryerson, Mr. Levy and I got to know each other and had a mutually respectful collegial relationship. During the time that Mr. Levy served at Ryerson, there were several productive partnerships between Ryerson and UPEI, one of which extended to Holland College.

Sheldon Levy is a national leader in his field, notably in advancing innovation. Following his tenure as President at Ryerson, Mr. Levy served from December 1, 2015 to September 30, 2017 as Deputy Minister of Training, Colleges and Universities for the Province of Ontario. He is currently CEO of Next Canada, a not-for-profit organization that aims to develop Canada's next generation of entrepreneurs.

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While he was President at Ryerson, Mr. Levy was the driving force behind the establishment of the Digital Media Zone [DMZ], an innovative program of mentorship and incubation for entrepreneurial leaders of start-up technology businesses. DMZ was first opened in April 2010. In a short period of time, DMZ became well-known in Canada and internationally as a leading incubator for technology start-ups. In 2015, DMZ was rated North America's top university incubator.

On February 22, 2015, the day prior to my being sworn in as Premier, Sheldon Levy wrote me an e-mail as follows:

*Monday is a special day!*

*I have done a lot in growing the digital economy, I don't know if you have been following the Digital Media Zone story but in short a great job creator in start ups. We have opened a number including in Mumbai India and as close as Niagara Fall.*

*I am also helping Cape Breton do the same.*

*Here to help you as well.*

*All the best.*

*Sheldon*

Due to time-pressures related to my new roles and responsibilities, including as Minister of Finance and Energy as well as Premier and Minister responsible for Francophone Affairs, Aboriginal Affairs and Intergovernmental Affairs, I did not respond to the e-mail. Approximately a month later, I spent 1.5 days in Toronto promoting Prince Edward Island, including meetings with various businesses and institutions and an invited talk at a luncheon hosted by Frank McKenna, Deputy Chair of TD Bank. Sheldon Levy was among those invited to the luncheon but was unable to attend. By chance, I bumped into Sheldon Levy and his wife Tracy at a Toronto restaurant. We spoke about his e-mail offer but did not pursue the matter further until early September of 2015, when it was announced that Mr. Levy would become Deputy Minister of Training, Colleges and Universities for the Province of Ontario and that he would conclude his mandate as President at Ryerson on December 1, 2015. This prompted me to write a note of congratulations and to ask whether we could have a chat about the potential to establish a counterpart of the DMZ in Prince Edward Island, as initially suggested by Mr. Levy in February. The impetus to do so was framed by the knowledge that Mr. Levy would be leaving Ryerson on December 1.

Mr. Levy and I had a telephone conversation several days after he received my note of congratulations. I followed up with a message to Hon. Richard Brown, Minister of Workforce and Advanced Learning and Hon. Heath MacDonald, Minister of Economic Development and Tourism. This led to a conference call with Valerie Fox, who was one of the leading players in the establishment and growth of DMZ. These discussions resulted in Sheldon Levy visiting Charlottetown on October 30 and 31, 2015. The purpose of the visit was to talk to people in government, in the technology sector and in post-secondary sector about DMZ and what would be involved in establishing a similar business incubator for technology start-ups in Charlottetown.

Following the September discussions, the carriage of the initiative was picked up by the Department of Economic Development and Tourism. It was taken up with enthusiasm by Hon. Heath MacDonald as minister of EDT. I remained involved as the one who knew Sheldon Levy and would be the "host" for his end-of-October visit. Looking back, it is remarkable, with only a month remaining in his mandate as President at Ryerson, that Sheldon Levy took two days, including a Saturday, to travel to Prince Edward Island to share his experience in the creation and success of DMZ.

Mr. Levy was not scheduled to arrive in Charlottetown until Friday afternoon. There were discussions about organizing a visit to some of the existing technology firms and meeting some of the local players involved in business start-ups. In the

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end, the Friday afternoon tour did not take place. The first event was a supper at Local 343. No one from Discovery Garden was involved in Mr. Levy's visit.

#### **Follow-up**

Following the October 30-31 visit by Sheldon Levy, during which I was his host and counterpart, I had no further direct involvement with the file. The initiative was led by the Department of Economic Development and Tourism and Hon. Heath MacDonald. The October visit by Mr. Levy laid the foundation for the creation of the Start-Up Zone on Prince Edward Island. The Start-Up Zone was opened in June 2016 and has graduated 22 businesses since its creation. The Start-Up Zone is a separate business entity with an independent board of directors, chaired by Alex MacBeath.

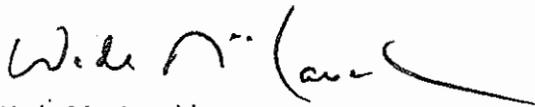
It is important to note that Mr. Levy's schedule ultimately did not include a tour of private sector businesses, including Discovery Garden, and that Discovery Garden was at no time a potential tenant of the Start-Up Zone or beneficiary of its establishment.

The sole intent and outcome of Sheldon Levy's visit was to create a new incubator environment for Prince Edward Island technology start-ups and entrepreneurs. My role was to translate a long-standing relationship and a generous offer on the part of Sheldon Levy for the benefit of our province. There was not at any point an intent or prospect that Discovery Garden would benefit. I am proud of the fact that our province's entrepreneurial culture has benefited and that the Start-Up Zone has graduated 22 businesses. There was absolutely no personal gain, nor a prospect of such.

Prior to entering public life, I had a personal preference to invest in Prince Edward Island businesses. This was an extension of my pride in our province and my belief that Islanders should support each other. When my assets were placed in a blind trust, those involvements ended. I did not place in a blind trust my passion for the positive development of our province. From experience, I believe strongly that committed leadership and good relationships are essential ingredients of growth and success. As Premier, I am proud to do my part to promote opportunities for our province, with no interest whatsoever in personal profit or gain.

Thank you for your consideration.

Sincerely,



Wade MacLauchlan  
Premier of Prince Edward Island



Prince Edward Island    Île-du-Prince-Édouard  
Legislative Assembly    Assemblée législative

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of Interest Commissioner  
PO Box 2000, Charlottetown PE  
Canada C1A 7N8

Bureau du commissaire  
aux conflits d'intérêts  
C.P. 2000, Charlottetown PE  
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May 8, 2018

Hon. Wade MacLauchlan, MLA  
Premier of Prince Edward Island  
5<sup>th</sup> Floor, Shaw Building

Dear Premier,

Re: Discovery Garden - Letter of Mr. Trivers

I acknowledge receipt of your letter of April 25, 2018 written in response to a letter I received from Mr. Brad Trivers, MLA for Rustico - Emerald, dated April 12, 2018.

In his letter Mr. Trivers expressed a concern surrounding your involvement, or that of your Office, in arranging a tour by "... a University President from Ontario..." of the operations of a private company, Discovery Garden, in which you held shares. Mr. Trivers expressed the belief your involvement constituted a violation of the *Conflict of Interest Act* R.S.P.E.I. 1988 Cap. C-17.1 (the *Act*).

I acknowledge you placed your shares in a blind trust established on April 12, 2015.

In your letter you chronicle facts intended to address the concerns raised by Mr. Trivers.

On April 17, 2018 I replied to Mr. Trivers. I advised Mr. Trivers I did not have authority to comment on the concerns expressed in his letter.

Upon the request of a Member, the Conflict of Interest Commissioner has authority to undertake an investigation and provide an opinion to Speaker of the Legislative Assembly regarding the conduct of another Member. The request from the Member must: (i) be in writing; (ii) set out the grounds for the belief there has been a contravention of the *Act* and (iii) be supported by affidavit evidence. See: ss. 28(1) & (2).

It is only upon the receipt of a request that complies with the above requirements of the *Act* do I have the authority to conduct an inquiry and deliver an opinion to the Speaker. See: ss 29(1) & (2).

Mr. Trivers did not request my opinion, he expressed a concern. Furthermore his request, when made, must be supported by affidavit evidence. He did not provide such evidence.

As I do not have the authority to respond to Mr. Trivers concerns or to commence an inquiry into those concerns, I will not comment on the contents of your letter.

Yours very truly,

A handwritten signature in black ink, appearing to read "John A. McQuaid". The signature is stylized with a large initial "J" and a long, sweeping underline.

John A. McQuaid  
Commissioner