Public copy. Three passages are withheld pending investigation and are so marked. Corrections supported by evidence will be published.

For the record: the following was sent on 27 October 2026 to Premier Kinew, the named Ministers, and Mr. Moroz.

This letter supplements my recent letter to Premier Kinew and the named Ministers concerning Bill 56. That letter set out the core problems with the bill, including the absence of consultation with independent retailers, the owner-operator exemption required under The Workplace Safety and Health Act, the need for a risk-based approach limited to higher-risk evening hours, the dual role of Jeff Traeger, the cannabis-only scope of the bill, and the practical impossibility of the window-covering approach. Those points remain on the record. This letter adds specific operational, competitive, and regulatory issues that were not fully developed at the time of the earlier correspondence and that must be addressed before the LGCA exercises the regulation-making power created by Bill 56.

Any regulation must be store-specific. Square footage is a mandatory factor. Jupiter Cannabis is approximately 850 square feet. In more than five and a half years of operation it has had no robberies or violent incidents. The store has employed staff throughout that period, and at various points, because of the staffing realities of this sector, it has had to be run by one person, including by me as the owner. It was run safely every one of those times. A store of this size can be operated safely by one person. That is demonstrated fact, not theory. It is also on the government's own record: my store went through the Workplace Safety and Health working-alone process, with an improvement order issued on 10 April 2026 and closed on 23 April 2026 after we formalized the procedures we already had in place. As set out in my earlier letter, there is no indication that the roughly 250 licensed stores have been visited by Workplace Safety and Health or put through that same process. Larger locations, such as The Joint on Portage Avenue near the Perimeter (estimated 2,500 to 3,000 square feet), cannot reasonably be operated by one person. The LGCA, the Minister of Labour, the Minister responsible for Manitoba Liquor and Lotteries, and Workplace Safety and Health must jointly determine, after consultation with every licensed retailer, the criteria that will govern minimum staffing. Those criteria must include retail square footage, documented incident history, location risk, hours of operation, and whether the store is owner-operated. A one-size-fits-all rule is unworkable. The LGCA does not have the capacity to issue a defensible regulation within six months without this work. Formal applications under The Freedom of Information and Protection of Privacy Act will be filed for all records of meetings, briefings, drafts, and communications concerning the development of any staffing regulation under Bill 56.

Bill 56 provides almost no operational detail. Once the regulation-making power is used, practical contingencies will arise that have not been defined. These include what a store owner must do when an employee calls in sick 15 minutes before a shift, does not show up, quits without notice, cannot be replaced, or leaves mid-shift, and how breaks and meal periods are to be covered without locking the door. For example, if the minimum requirement for a shift is two people and one employee leaves mid-shift knowing the store may have to close, what are the rules? Does the store close? Is the owner forced to stay open alone and risk non-compliance? Is there a grace period? None of this has been defined. The current labour pool for cannabis store workers in Manitoba is limited, and many of these cannabis retail workers already communicate and coordinate with each other in a Telegram group. The workers themselves will understand the advantage the moment the rules are published. A minimum-staffing requirement makes every scheduled employee a condition of the store's legal right to operate. An employee who knows the store cannot open without them can demand a raise under threat of quitting, and an owner facing the choice between closing the store and giving in to unreasonable demands will be forced to give in. That leverage exists with or without a union, and a regulation that creates a hard minimum without defining what happens when the minimum cannot be met will be exploited. The contingencies are not limited to workers. The open-entry model and the saturation it produced have created pockets, particularly in Winnipeg neighbourhoods, where an abnormally high number of stores operate within a small geographic area. Once the staffing minimums are published, a store owner in one of those pockets could deliberately recruit workers away from a nearby competitor and push that competitor into breach of the minimum. A rule that converts hiring into a weapon between neighbouring licensees is a foreseeable consequence of this bill, and nothing in it or around it shows that anyone considered it. The framework must therefore also define how stores stand in relation to one another under a staffing mandate, including a safe harbour so that a store pushed into breach by a competitor's recruitment is not the party penalized, in a market this government chose to let saturate. The rules must proactively address this. There is also a required order of operations. The starting point, before the LGCA deploys any staffing rule, is that every one of the roughly 250 licensed stores has working-alone procedures in place and approved by Workplace Safety and Health, the same process my store completed in April 2026. A staffing regulation layered on top of stores that have never been through that baseline process is enforcement theatre, not safety. Only after that baseline exists, and after the consultation described below, should any regulation be considered. The LGCA and the government must consult every licensed cannabis retailer and produce a public list of contingencies that includes clear rules for mid-shift departures, no-shows, last-minute call-ins, and the consequences for both the store and the worker. Those rules must reduce, not increase, the ability

of workers to force a closure, extract concessions, or create a compliance violation by walking out. The LGCA and the Labour Board must also address, in a code of conduct for cannabis store workers, the handling of confidential and proprietary information about the stores where they work; nothing in this concerns workers' discussions of their own wages or working conditions. Consultation with store owners is required to identify and close these gaps before any regulation is finalized. Bill 56, as written, is air: a bare regulation-making power with no definitions, no contingencies, and no evidence that any of the scenarios described here were considered. It is our belief that this bill was advanced by interests beyond organized labour alone, and the consultation, meeting, and communications records we have demanded will establish who shaped it. A regulation that hands workers a new tool to disrupt operations without any corresponding accountability is not a safety measure. It is an unworkable transfer of control.

Bill 56 imposes staffing obligations built on a category of worker the province has never defined or verified. Becoming a certified cannabis store worker in Manitoba requires only this: go to the LGCA's Smart Choices website, pay the $25 fee, watch the videos, and pass the online test, delivered entirely online through a third-party learning platform and valid for five years. That is where validation ends. There is no identity verification step; nothing confirms that the person who sat the test is the person presenting the certificate, or that the certificate holder is who they claim to be. There is no register of active cannabis store workers. There is no record connecting certificates to misconduct, rule breaches, or terminations, and no way for a store hiring a certified worker to learn anything about that worker's history in the sector. The LGCA cannot say how many of its certificates are held by people who are not who they say they are, because nothing in the process would reveal it. A government cannot mandate minimum numbers of a category of worker it has never defined, in an industry it has regulated for eight years, without first building the framework those workers operate in. Before any staffing regulation is deployed, we require: a definition of cannabis store worker in the cannabis legislation, with a clear statement of how it interacts with The Workplace Safety and Health Act; identity-verified certification and an LGCA register of active certificate holders; a documented conduct process so that breaches and terminations are recorded and a problematic worker cannot move to the next store with a clean slate; and a defined statement of the mutual obligations between licensed stores and certified workers, what the store must provide and what the worker must provide. We also recommend the LGCA consider a cooling-off period of two to four weeks between cannabis retail positions, administered through the certification system, to reduce the turnover churn that makes staffing minimums unworkable in the first place. None of this requires a union. It requires a regulator that knows who its

certificate holders are. The LGCA cannot do any of this at its current resourcing, which is one more reason the government must fund the regulator before it burdens the regulated. If the LGCA is to sit down with stores and stakeholders to set staffing hours under Bill 56, it must first be able to say who the workers are, what they owe, and what they are owed. Today it can say none of those things. This framework is also needed because the coordination channel already exists. As noted above, many cannabis retail workers congregate in a Telegram group. Today it is informal. Under a minimum-staffing regime it becomes a ready-made venue in which strategies that disrupt stores, coordinated absences, synchronized resignations, targeted pressure on a single location, could be organized in minutes, among an anonymous, unregistered workforce, with no conduct process and no accountability attaching to anyone involved. We are not alleging that this has happened. We are stating the obvious: a regulation that makes staffing a legal condition of operating, imposed on a workforce the regulator cannot identify, with an established coordination channel, is an incident waiting to happen.

[Section withheld from the public copy pending investigation.]

Employees at independent beer stores, including one in St. Vital and another located inside a hotel, routinely work alone. These are not Manitoba Liquor and Lotteries locations. They are private retail outlets that sell products regulated by the LGCA and MBLL. Bill 56 creates cannabis-only minimum-staffing rules and does not address liquor or beer retail, even though those locations fall under the same regulatory bodies and operate in environments that are at equal or higher risk. A cannabis-only rule does not fix the broader problem. It simply tells anyone looking for an easier target to go somewhere else. If the justification is worker safety, the same rules must apply to liquor and beer retail or the cannabis-only approach is arbitrary. As stated in my earlier letter, the honest fix is to scrap Bill 56 entirely and draft working-alone legislation that covers every sector and occupation in which a person works alone, built on actual consultation with the stakeholders in each of them. The example from my earlier letter bears repeating. On Sherbrook Street in Winnipeg, Fiddler's Green Cannabis is open until midnight some nights. Across the street, a Subway is open until 4 a.m. on those same nights, in a neighbourhood known for a high level of crime. I drive past that Subway regularly on my way home from work and have seen its glass shattered at various points in time. After Bill 56 passes and the LGCA issues its regulations, the cannabis store worker at Fiddler's Green will be protected and the hospitality worker at Subway, alone until 4 a.m., will not be. That is not a worker-safety policy. It is a policy about one industry, written for the people who asked for it.

FIKA Cannabis is the largest cannabis retailer in Manitoba under a single ownership group. It owns Open Fields, one of only three distributors authorized by Manitoba Liquor and Lotteries, and, by my count of the LGCA store list, roughly 32 retail stores in the province under various banners. Corporate filings show Thor Richardson as the sole active director of the FIKA entity, and the court record in the Fire & Flower proceedings shows a Thor Richardson signing for the FIKA entity as its President. The Government of Canada's public beneficial-ownership registry goes further: the federal corporation behind Open Fields Distribution lists exactly one individual with significant control, Thor Richardson, recorded as indirectly owning or controlling at least 25 percent and up to 50 percent of its shares, through intermediaries the record does not name, confirmed current as of August 25, 2026. He ceased to be a director of that corporation in July 2025; the registry still names him as its controlling individual. Thor R. Richardson is the President of James Richardson & Sons, Limited, the parent company of Richardson International, appointed in August 2025, and the Richardson family's net worth is estimated at $10.3 billion by the Maclean's 2025 Rich List. We are confirming through the corporate registries that these are one and the same person. MBLL and the LGCA deal with these companies directly and can confirm it immediately, and if the Thor Richardson in the cannabis filings is not the President of James Richardson & Sons, FIKA can say so in one sentence. FIKA Cannabis's own recruiting materials describe a national retail footprint of more than 250 stores. MBLL's own current product availability list (October 2026) contains 4,244 items. Open Fields houses 1,983 of them, 46.7 percent of the entire menu, and 1,983 of the 2,621 items fulfilled through the three authorized distributors, 75.7 percent. The remainder of the distributor-fulfilled items are split between Lynx (539) and Maqabim (99), with 1,623 items shipped direct from suppliers. These figures are calculated directly from MBLL's list and I can provide the source file and the arithmetic on request. Suppliers who want their products on FIKA Cannabis shelves across Canada are effectively required to place inventory with Open Fields in Manitoba and Saskatchewan. If they do not, FIKA Cannabis does not order their products for its locations across Canada. Multiple suppliers have described a 15 percent monthly commission on product sold through FIKA Cannabis stores. For example, if FIKA Cannabis sells $1,000 worth of a supplier's product in a month, the supplier must pay FIKA Cannabis an additional $150. Open Fields is also understood to receive approximately 5 percent from suppliers for housing inventory. If those accounts are accurate, neither commission reduces the wholesale price, and both are additional revenue streams that improve FIKA Cannabis's net profit on the same products every other retailer sells. This is an unlevel playing field.

The arithmetic of that advantage deserves to be spelled out, because it is the part of this model no one has examined. Every retailer in Manitoba buys the same

product at the same MBLL wholesale price, and on paper every retailer earns a similar retail margin, roughly a third of the selling price. But if the supplier accounts are accurate, on a product housed at Open Fields and sold in a FIKA Cannabis store, the FIKA group collects up to three streams on the same unit: the ordinary retail margin, a 15 percent commission on the retail sales of that product paid by the supplier, and approximately 5 percent paid to Open Fields for housing the inventory. As an illustration, on a product with a $10 wholesale cost selling at $15, an independent store earns $5. The FIKA group earns the same $5, plus roughly $2.25 in shelf commission on that sale, plus the housing fee. An effective margin of about one third becomes one half or more. The posted prices look identical; the economics are not. Worse, suppliers do not absorb a combined commission of this size out of charity. If they recover those commissions in the wholesale prices they submit to MBLL, then every other retailer in Manitoba is paying a higher wholesale price in order to fund FIKA Cannabis's additional margin. We demand that MBLL quantify this, product by product: the total per-unit compensation flowing to the FIKA group on products housed at Open Fields, compared with the margin available to an unaffiliated store on the same item. We further demand a levelling mechanism built on that calculation: a rebate or wholesale price adjustment to unaffiliated retailers equal to the verified advantage, or the incorporation of those revenue streams into the wholesale price itself, so that every store buys and competes on the same effective terms. And there is a structural answer. A vertically integrated operator holding both the dominant distribution position and the largest retail network is a standing conflict of interest inside a Crown-administered wholesale monopoly. The government should adopt the rule that resolves it: an entity may be a retailer or a distributor in Manitoba, but not both. That separation is also the only honest answer to the contingency problem this letter raises, because a channel this concentrated fails together with its owner.

FIKA Cannabis is the sharpest example, but not the only one. Suppliers have described the same shelf-commission model at other large chains operating in Manitoba, including Canna Cabana, where maintaining the retail relationship is reported to cost 15 percent or more of monthly sales, and we are told variations of these arrangements exist at other multi-store banners. Whatever the label, the effect is the same: for the largest operators, supplier-funded commissions and allowances reduce the true net cost of goods below the MBLL wholesale price every store nominally pays. By our estimate, roughly two thirds of Manitoba's licensed stores belong to operators with four or fewer locations. Those stores have no buying power to extract such arrangements and no access to this model. The result is a market in which the posted wholesale price is real for small operators and notional for large ones. There is also a basic fact about this market that remains unknown to the retailers who depend on it: who actually sets the

posted wholesale price of a product housed at Open Fields, the supplier, Open Fields, or MBLL? We require a written answer. It matters because if a distributor owned by the province's largest retailer has any role in setting or influencing the wholesale prices its retail competitors must pay, then FIKA Cannabis is not merely advantaged in this market; it participates in setting its competitors' costs. MBLL administers and invoices that wholesale price. It therefore has both the data and the duty to examine these models: determine, for each major banner, how supplier compensation reduces the effective wholesale cost of goods; publish the average advantage; and make the unaffiliated stores whole through a rebate funded from the 13 percent markup MBLL collects on every one of those transactions. The principle is a lowest-effective-price guarantee from the Crown wholesaler: if any retailer's true net cost on a product is lower than the posted wholesale price because of supplier-funded arrangements, every other licensee is compensated for the difference. A Crown monopoly that requires every store to buy at its price while permitting a parallel system of private discounts for the largest chains is not administering a market. It is administering an advantage. This rebate is distinct from, and in addition to, the markup-share demand made later in this letter: one corrects a competitive distortion, the other returns to the stores a share of the revenue they generate.

FIKA Cannabis acquired Fire & Flower in 2023, and HiFyre Analytics was Fire & Flower's wholly owned technology subsidiary. It is our position that retailer-specific data generated by independent stores in Manitoba (ordering patterns, sales volumes, and product performance) is being collected and monetized by Open Fields and HiFyre without the consent of the retailers who generate the data. We demand that Manitoba Liquor and Lotteries, the Liquor, Gaming and Cannabis Authority, the Minister responsible for Manitoba Liquor and Lotteries, and the Justice Minister investigate whether Open Fields, HiFyre, Fire & Flower, or any related entity has sold, rented, or otherwise monetized data relating to Manitoba cannabis retailers. We require disclosure of the total revenue generated from that data and the date the practice began. We demand that the practice stop immediately. We further demand that the Liquor, Gaming and Cannabis Authority amend its regulations and the distribution agreements to prohibit any authorized distributor or related entity from monetizing or exporting retailer data generated in Manitoba. Independent retailers are entitled to a percentage of the revenue generated from their data, retroactive to the date the practice began. Continued participation in the distribution system must be conditioned on cessation of any such data monetization and on payment of the retailers' share. Sanction or removal from the sector is appropriate if the practice continues.

It is no longer clear who is actually running the cannabis supply chain in Manitoba. Open Fields, owned by FIKA Cannabis, houses the majority of

limited-distribution inventory and effectively controls access for suppliers who want their products on FIKA Cannabis shelves. [Section withheld from the public copy pending investigation.] We demand an investigation into how many suppliers have contacted Open Fields and declined to enter the Manitoba market because they could not agree to Open Fields' terms, and how many of those same suppliers first applied through Manitoba Liquor and Lotteries or were referred by licensed cannabis stores. It is our belief that Open Fields is imposing predatory conditions, including the 15 percent shelf commission and related housing requirements, that prevent suppliers from entering Manitoba. Licensed retailers have the right to know which companies have been excluded and on what terms. Suppliers must be allowed to enter the Manitoba market unencumbered, whether or not they house inventory with Open Fields or list products in FIKA Cannabis stores. In our view the current arrangement constitutes an abuse of dominance under the Competition Act. We are in the process of filing a complaint under the Competition Act and are gathering the required six signatures. There must be clearly defined rules in the distribution agreements and in Liquor, Gaming and Cannabis Authority regulations that prevent a distributor from using its position to block or condition market entry by suppliers who do not wish to participate in its retail or commission arrangements.

In support of the matters above, we require production of the following records: the distribution agreement between MBLL and Open Fields and every amendment since the 2023 Fire & Flower transaction; the current shareholders of FIKA Cannabis and Open Fields as known to MBLL and the LGCA; the contingency plan for an Open Fields failure referred to by Dan Eliasson, Director of Cannabis Operations at MBLL, in correspondence I hold; all compensation arrangements between FIKA Cannabis, Open Fields, and suppliers, including the housing and shelf commissions described above; the Joint acquisition agreement as it relates to Maqabim Distribution; and the records of the decision not to renew 1CM's distribution licence and of the other distributor departures from MBLL's list.

The ownership question deserves its own answer. The FIKA Company is a business name of 2759054 Ontario Inc., a numbered Ontario corporation incorporated on June 5, 2020. Its Ontario corporate profile lists exactly one active director, Thor Richardson, and records Mark Vasey as chief executive officer from March 15, 2024. Its shareholders are not disclosed in any public record. Ontario corporations keep their beneficial-ownership registers private, and no Manitoba rule fills the gap. The one window that does exist is federal, and it confirms the concentration: Open Fields' federal corporation discloses a single individual with significant control, Thor Richardson, at 25 to 50 percent held indirectly, with the intermediate holders unnamed. The result is that a numbered

Ontario corporation with one listed director and undisclosed owners controls one of Manitoba's three authorized cannabis distributors, the warehouse holding 75.7 percent of distributor-fulfilled SKUs, and, by our count, roughly 32 Manitoba retail stores. Every licensed retailer in this province is compelled by the structure MBLL administers to move product through a channel that company dominates, and neither the retailers nor the citizens of Manitoba can find out who actually owns it. We have a right to know, and so does MBLL. Its own application criteria cap direct or indirect ownership or control by associated individuals or organizations at 15 percent of stores. That cap cannot be calculated, let alone enforced, without knowing FIKA's beneficial owners and their associations. Conflict screening is impossible without the same knowledge: whether any owner of FIKA is connected to MBLL personnel, board members, licensed producers, or other market participants is precisely what a diligent Crown wholesaler must establish before concentrating the supply chain in that company's warehouse. Parliament created a public beneficial-ownership registry for federally incorporated companies because opaque ownership is a recognized vector for abuse; the company at the centre of Manitoba's cannabis supply chain sits outside it. We therefore require written answers to the following. Does MBLL know the current beneficial owners of FIKA and Open Fields? Did it know them when the distribution arrangements were entered into and when they were amended? What ownership due diligence was performed, when, by whom, and against what standard? Does the LGCA screen the beneficial owners of distribution licensees as it screens retail licence applicants? If the answer to any of these questions is no, then MBLL has placed the dominant position in Manitoba's cannabis supply chain with a company whose owners it never identified, and no minister should be prepared to defend that as diligence.

Manitoba Liquor and Lotteries application criteria state that no individual or organization, or associated individuals or organizations, may maintain direct or indirect ownership or control of more than 15 percent of the cannabis retail stores operating in Manitoba. The percentage is calculated on the current number of LGCA-issued Age-Restricted Licences multiplied by 0.15 and rounded to the nearest whole number. FIKA Cannabis is at or near that threshold. If independent stores close because they cannot absorb the fixed payroll costs of a minimum-staffing regulation, the total number of stores declines and FIKA's percentage of the remaining stores rises. A reduction of 20 to 25 stores could push FIKA above the 15 percent cap. We require written answers on the current calculation of the cap, FIKA's current percentage, the legal consequences if a retailer exceeds 15 percent as a result of other stores closing, and whether MBLL will require divestiture.

Getting a new product onto Manitoba shelves requires a request through an outdated MBLL portal that goes to a single point of decision. [Section withheld

from the public copy pending investigation.] I have used that process twice. The first request was approved. The second, submitted this year for a product with demonstrated demand, produced no acknowledgment and no response of any kind, and the product was never added. We also want to know whether every retailer and operator submits new products through the same portal and the same process that I do, or whether some have another door. Manitoba has fixed exactly this problem before. Years ago, MBLL's lottery application form stated that an application could be denied if lottery was not considered necessary in the area. After I complained, the application was changed: submissions are acknowledged, a named employee in the lottery department responds, and a contact address is provided. The cannabis product-submission process needs the same reform and more: every submission acknowledged with a reference number, a published decision standard, a named responsible contact, a response either way within a defined time, and a record that cannot be quietly ignored. One unaccountable decision point, with no published criteria, no acknowledgment, and no appeal, after eight years of operation, is part of why we demand an independent investigation into the allegations of preferential treatment, information leakage, and concentration of control described in this letter.

The tool MBLL gives retailers to work with is the Cannabis Customer Self Service portal, and we have examined it in technical detail. Behind a basic login page sits an Oracle JD Edwards EnterpriseOne ERP web client, legacy enterprise back-office software whose design lineage dates to the late 1990s, rendered through nine nested browser frames. Orders are typed cell by cell into an unlabelled grid; prices and descriptions do not resolve until a separate button is pressed; the order form times out mid-session; and the purchase order number a store actually needs appears only afterward, in a separate, slow-loading history screen. The product catalogue is not live data. It is a spreadsheet download. That spreadsheet lists THC and CBD ranges but no tested potency by lot, no packaged-on dates, and no terpene information, which are exactly the attributes customers ask about at the counter, and there is no live inventory visibility. Jupiter Cannabis spent months building its own software platform simply to automate ordering against this portal and to present the catalogue in a form that supports curated purchasing decisions. A single-store independent should not have to build in-house software to compensate for a Crown corporation's systems. Small alterations to the portal take months. The system needs a complete rebuild by a capable development team: live inventory, lot-level potency, packaged-on dates, terpene data, and supplier self-service, so that suppliers can log in and curate and verify their own listings under MBLL oversight. Today, suppliers email spreadsheets to MBLL and cannot even confirm whether their products were ever added to the menu retailers order from,

because they have no access to it. The deficiencies extend to basics a provincial wholesale platform should be embarrassed to lack. There is no API and no machine-readable integration of any kind: nothing a modern point-of-sale or inventory system can connect to. Downloading the product list takes multiple clicks and can then take several minutes to generate a spreadsheet of a few thousand rows, data that should be instantly available at all times. There is no help desk: no system where a retailer can file a complaint or a request, receive a ticket number, and track it to resolution. I proposed exactly that to MBLL in writing; nothing changed. At the quarterly retailer meetings, platform changes as trivial as a formatting adjustment are presented as achievements, questions the chair does not want to answer are deflected to private follow-up the room never hears, and retailers are given no way to place items on the agenda. There is not even a published, consolidated set of the rules and procedures a retailer is expected to follow; beyond the signed retailer agreement itself, no such document exists on the portal. A real provincial platform would have a documented API, live machine-readable catalogue and inventory data, acknowledged and trackable support tickets, published rules, procedures and FAQs, posted service standards, and release notes. MBLL collects a 13 percent markup on every wholesale cannabis transaction in this province and visibly reinvests none of it in the infrastructure the sector runs on. Better systems and better support mean more sales, and more sales mean more markup revenue for the province. The underinvestment is not saving money. It is leaving it on the table.

The same institutional neglect is visible on the lottery side of MBLL's business, and I can speak to it directly because Jupiter Cannabis operates an MBLL lottery terminal. Every two weeks, MBLL debits my bank account for the terminal's sales. In the year and a half I have operated it, I have never received an invoice for any of those debits. When I asked for one, I was told it is not possible. The only record I can produce is a sales report printed on the terminal itself, on lottery ticket paper, and it covers only the last week. There is no online portal, no statement, and no reporting of any kind. A Crown corporation that withdraws money from a private business's bank account every two weeks and cannot produce an invoice for it would not survive a day as a private vendor, and I would like the responsible minister to explain, in writing, why an invoice is impossible in 2026. The neglected business line is shrinking while it is neglected: MBLL's own most recent annual report shows lottery net income fell 22.5 percent in fiscal 2025-26, from $39.0 million to $30.2 million. The pattern is the same as cannabis: ancient systems, no reporting, no accountability, and no reinvestment.

The province's own answer on oversight is on the record. On January 20, 2026, at the Standing Committee on Crown Corporations, MLA Colleen Robbins asked whether MBLL had assessed whether the cannabis retail market is approaching

saturation. Gerry Sul, MBLL's President and CEO, answered that the market was established as an open market and that "it'll be the consumer that polices the growth of the cannabis industry in Manitoba." Minister Simard attributed a 26.7 percent increase in operating expenses to a new market that "continues to grow." The CEO's opening statement claimed 18.9 percent year-over-year growth; the annual report before the committee shows cannabis revenue growth of 10.7 percent. The transcript is public. A Crown wholesaler that answers a saturation question by pointing to the consumer is not measuring whether the independent stores that generate its revenue remain viable, and a government preparing to impose new fixed costs on those stores is obliged to do that measurement first.

Mr. Sul told the committee this is an open market. For suppliers, it is not. Suppliers cannot see the catalogue in which their own products compete, cannot verify their own retailer-facing listings, and price blind. The result is visible in the catalogue itself: wide gaps in wholesale prices for directly comparable products, because suppliers must guess at what competing products sell for. We believe this opacity also serves MBLL's revenue interest. A percentage markup collects more dollars per unit when the price base stays high, and transparency that pushed wholesale prices toward competitive levels would reduce the markup collected on each unit. Whether or not that is the intent, the effect is a centrally administered market in which the Crown wholesaler profits from pricing opacity, while its CEO describes the result as an open market. We demand that MBLL state in writing: the actual supplier access and notification rules and the rationale for any restriction; whether any supplier or related entity currently has catalogue access that others do not; and a decision, with reasons, on providing every approved supplier with verified access to its own listings (submission status, the retailer-facing entry, effective price, and corrections) and equal access to the same complete current catalogue that retailers already receive. MBLL is a Crown agent exercising an exclusive statutory wholesale power. Its decisions about who may see the catalogue are exercises of public power; they must be reasonable and justified, and they are subject to judicial review. A supplier's ability to verify its own listing is basic administrative fairness from a statutory monopoly. If these access rules cannot be justified in writing, we will pursue the available remedies, including judicial review and a complaint to the Competition Bureau of Canada, whose statute exists to provide consumers with competitive prices and product choices.

Supplier payment terms complete the picture of how MBLL treats the businesses it depends on. Cannabis suppliers, both those selling in Manitoba and those who have chosen not to, have told us that MBLL takes 30 days to pay them, and our understanding is that the clock runs from the order; MBLL should state the actual terms. On the retail side I can speak from five years of direct experience: when a store places an order, MBLL takes the money from the retailer's bank

account the same night or the next day, and product housed in Manitoba is typically delivered within one to three days. Put those together and the arrangement is this: the retailer has paid in full, the product has been delivered, and the supplier who made the product waits up to a month for money that has been sitting in MBLL's account the entire time. There is no financing problem to solve. The cash is in hand on day one. Paying suppliers within 10 days, 14 at the outside, is an accounting decision, nothing more. The consequences of not making that decision are predictable. Slow payment punishes exactly the suppliers with the least cash-flow cushion, the independent producers. Suppliers allocate their best products to the provinces that pay fastest, and we have heard Manitoba described as a dumping ground for product that could not earn shelf space in faster-paying provinces. Legitimate brands decline to enter this market at all. Every strong product that skips Manitoba is lost sales for every retailer here, lost markup revenue for MBLL, and lost revenue for the province and its taxpayers. The 30-day terms are not saving the province money; they are costing it revenue. A Crown corporation that describes itself as a supply-chain expert while holding, for a month, money its retailers paid on day one is not running a supply chain. It is running a float. We demand that MBLL disclose its actual supplier payment terms and its actual average days-to-pay over the past three years, explain the rationale, provide a comparison with the payment terms of the other provincial cannabis boards, and commit to paying suppliers within 10 to 14 days of delivery. After eight years, there is no excuse left for this.

MBLL's attitude to all of this is captured in its own correspondence. When I raised distribution lead-time concerns directly with MBLL, its Director of Cannabis Operations replied in writing that the cross-dock distributors are "simply an option available to the Licensed Producers," that it is "the responsibility of the LP" to fix fulfillment, and that retailers should voice their concerns to the producers because "your retail dollars have the ability to speak loudly to them." A Crown monopoly that takes the retailer's money the day an order is placed, controls the only channel the product may legally move through, and then advises the retailer to go advocate with its wallet has abdicated the function it exists to perform. The same email promised "more prescriptive performance measures for the long term distribution partners" in the near future. We request, in writing, what those measures are, who they will bind, and the date they will be published. I hold that email and will produce it.

Transparency inside the distribution layer itself is the final structural gap. Our understanding is that MBLL operates the distributor model hands-off: it has no direct digital access to live inventory levels at Open Fields, Lynx, or Maqabim, no shared system of record, and no mechanism that prevents a listed item from being oversold. Products are oversold until someone removes them from the menu after the fact, and retailers order and pay against a catalogue that nobody

reconciles to the shelves. We demand a single mandatory platform, used by MBLL and all three distributors, in which every unit of cannabis inventory in the province is visible to MBLL from receipt to delivery, with the catalogue showing live availability. We further demand enforceable delivery standards. Today, MBLL will not act on a delayed order until the escalation window described earlier in this letter has expired, even for product sitting in a Manitoba warehouse; after that, the retailer's options are to keep waiting or to keep waiting, and MBLL sometimes tracks the order and sometimes does not. Every shipment, in-province or out, same-day courier or Canada Post, UPS, FedEx, or Purolator, must be entered into that platform with tracking by the shipper. That is not an unreasonable request. It is the baseline of modern logistics. The standards matter because of what the current vacuum permits. We have placed orders early in a month for product housed in Manitoba and received it at the end of the month, with no explanation available from anyone because the escalation window had not yet run. And the system's design leaves open a question no retailer can currently answer: if I order and pay for an item on a Monday, and the distributor's affiliated retail chain wants that same item on Wednesday, what prevents my paid order from being cancelled and the inventory redirected to the affiliate's store? If controls exist, publish them. If they do not, that is precisely the kind of conduct the investigation we have demanded must examine. None of this is exotic. It is inventory visibility, tracking numbers, and delivery standards, the basics of a functioning supply chain, absent from a Crown monopoly nine years in. Finally, the scale of this file deserves to be stated plainly. MBLL is a Crown corporation with well over a billion dollars in annual revenue and $724 million in net income last year. A file of that size, carrying a monopoly supply chain, a regulated retail sector, and the structural failures described in this letter, requires oversight with deep professional experience in distribution, supply chain, and retail. We ask the Premier to ensure that expertise is present on this file, in the minister's office, on the board, or in a dedicated secretariat, because the results described in this letter are the measure of its absence.

The roughly 250 licensed stores (the LGCA list currently shows about 251) generate the cannabis revenue. MBLL applies a 13 percent wholesale markup, raised from 11 percent on 1 June 2026. The stores that generate the revenue have no seat and no share of it. We are seeking a defined share of that markup for the stores that generate it: half of the 13 percent allocated across the stores, or at minimum the staffing subsidy funded from the markup described in my earlier letter. Those are alternative forms of the same demand, not two demands.

The markup share comes with a governance demand. The stores that generate this revenue have no voice anywhere in MBLL. The president of the union that represents two chains chairs the board; the independent stores that by our estimate make up roughly two thirds of all licences have no one. We demand that

independent cannabis retailers, operators with fewer than five locations that are not corporately affiliated with any chain or distributor, be entitled to nominate one of their own to a seat on the Manitoba Liquor and Lotteries board of directors. Publish how much of MBLL's cannabis revenue the independent stores generate, and then explain why the people who generate it are the only participants in this system with no representation at the table where it is governed. These are Manitoba family businesses. The government said it would protect small business. A board seat is what that protection looks like in practice; the current arrangement is what the opposite looks like.

Below-cost selling has been on the government's record for four years and nothing has been done. At the Standing Committee on Crown Corporations on December 13, 2022, MLA Mark Wasyliw raised large out-of-province companies "selling below wholesale prices" as predatory pricing and asked whether MBLL would respond. The then President and CEO, Manny Atwal, answered: "Prices are set by the private sector at the end of the day and, at this point, MB-L does not set legislation, rules, price fix. That's not who we are; that's not what we do." That answer was an admission that the tool does not exist, not an argument that it should not. The tool does not exist because the legislation was never written. For liquor, Manitoba has exactly this tool, twice over. Section 157(2)(a) of The Liquor, Gaming and Cannabis Control Act empowers the board to make regulations "establishing minimum prices for liquor"; the Liquor Licensing Regulation, M.R. 61/2014, section 6, sets dollar minimums; and MBLL's own pricing manual administers Social Reference Pricing, which it describes as "the minimum retail price, before taxes, that liquor must be sold at" in every liquor outlet in Manitoba, a social responsibility measure. For cannabis, no equivalent power exists anywhere in the Act or its regulations. Other provinces have already acted: British Columbia's Cannabis Licensing Regulation, B.C. Reg. 202/2018, section 26, prohibits a licensee from selling cannabis below the price it paid government for it, and Ontario's statute expressly contemplates a prescribed minimum retail price. We are observing multiple brands in Manitoba selling product below cost today. An independent store cannot compete with below-cost selling, and the structural beneficiaries are the operators who can absorb losses the longest. We demand that the government amend the legislation to extend the social responsibility pricing principle it already applies to liquor to cannabis: a minimum-price power, with below-wholesale-cost selling prohibited as in British Columbia. This is not a novel idea. It is Manitoba's own liquor policy, applied to the other product MBLL wholesales.

Every investigation this letter demands has a ready-made legal home. Section 17 of The Manitoba Liquor and Lotteries Corporation Act provides that the Lieutenant Governor in Council or the Auditor General may, at any time, order "an investigation of the corporation's business and activities," and section 18

makes the corporation bear the cost. Separately, section 15(1)(c) of The Crown Corporations Governance and Accountability Act allows the responsible minister, acting alone, to request any person to investigate and report to the minister on any matter with respect to a corporation to which that Act applies, and section 2(c) applies it to MBLL by name. We formally demand that Cabinet order an investigation of MBLL's business and activities under section 17(b), or that the responsible minister commission one under section 15(1)(c), covering the matters set out in this letter: the information-leakage allegation, supplier compensation arrangements and effective pricing, catalogue access, product-entry decisions, distributor concentration and ownership diligence, supplier payment terms, and the state of the platforms. The investigator must be independent of MBLL, and the investigation must be conducted in the open: terms of reference, evidence as it is gathered, and findings published online in full, in real time, in an immutable, timestamped public record, so that retailers, suppliers, and the citizens of Manitoba can see what is found as it is found. The power exists. It costs the government nothing, because the Act makes MBLL pay. The only question this demand poses is whether the government wants to know the answers.

Finally, a word about speed. Bill 56 received first reading on October 5, 2026, second reading on October 6, was reported from committee on October 13, and passed concurrence and third reading on October 15, with Royal Assent scheduled before the end of the month. Ten days from introduction to third reading, for a bill produced by consultation with one union. The matters in this letter, supplier access and catalogue transparency, ownership due diligence, the pricing power the Act already contains for liquor, and a staffing framework that does not close independent stores, affect the entire industry and the public. We expect them to move with the same speed the government has just demonstrated it possesses. The amendments this framework actually needs are the ones described here, not the ones organized labour drafted.

I request a detailed written response that addresses every new point raised in this letter. A templated reply is not an adequate response. We reserve the right to seek judicial review after Royal Assent and after the government has had a reasonable opportunity to respond to both this letter and the earlier correspondence. This letter and the earlier correspondence are intended to form part of the record in any judicial review or other proceeding that follows.

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