

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

**B E T W E E N:**

**UNIVERSITY OF TORONTO GRADUATE STUDENTS' UNION**

**Plaintiff**

**and**

**CANADIAN FEDERATION OF STUDENTS and CANADIAN  
FEDERATION OF STUDENTS - ONTARIO**

**Defendants**

**AFFIDAVIT OF TERENCE JAMES HATHERELL  
(Sworn May 26, 2014)**

I, Terrence James Hatherell, of the City of Toronto, in the province of Ontario, MAKE  
OATH AND SAY:

1. I am a Partner with Deloitte LLP ("Deloitte") and the Internal Audit Leader for the Americas. Deloitte is the Canadian member firm of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee. Deloitte was retained by the CFS and by the CFS-O to conduct independent third party verifications of petitions submitted to the CFS and the CFS-O in 2013. As such, I have knowledge of the matters contained in this affidavit. Where my knowledge is based upon information obtained from another source, I have identified the source and verily believe the information to be true.
2. During the course of Deloitte's retainer by the CFS and the CFS-O, I worked on the file along with Mr. Yasser T. Youssef, Senior Manager for Deloitte. I was the

lead engagement partner responsible for the assignment and participated in all aspects of the retainer. Mr. Youssef supported me in this retainer and was responsible for the day-to-day planning and execution.

3. In making this affidavit, I have reviewed the affidavit of Bradley Evoy, affirmed on May 5, 2014.

### **My Experience and Background**

4. In 1989, I obtained a Bachelor of Arts in Finance and Economics from the University of Western Ontario.
5. In 1990, I obtained a Diploma in Accounting from Wilfred Laurier University.
6. I am a designated Chartered Professional Accountant, Chartered Accountant and I have a Certification in Risk Management Assurance.
7. From September 1991 to June 2002, I worked at Arthur Andersen, an accounting firm.
8. In June 2002, Arthur Andersen was acquired by Deloitte and I joined Deloitte as part of this transaction. Since that time, I have been a Partner in the Deloitte Canada member firm. In November 2011, I became the Americas Internal Audit Leader for Deloitte. I also currently serve as the National Leader, Business Risk within Deloitte Canada.

### **Deloitte's Retainer**

9. On January 20, 2014, Mr. Youssef and I met Vanessa Hunt, CFS, Ashkon Hashemi, CFS-O and Jeremy Salter, CFS-O, as part of an interview process conducted jointly by the CFS and the CFS-O, who were looking to retain a third party to verify the number of eligible names on two petitions.
10. On January 21, 2014, Mr. Youssef sent an email to Ms. Hunt, Mr. Hashemi and Mr. Salter, copying myself, indicating that Deloitte was in the process of putting together proposal options for the CFS and the CFS-O. He proposed a conference call to discuss. Attached as **Exhibit "A"** is a copy of Mr. Youssef's email dated January 21, 2014.
11. I am advised by Mr. Youssef that on January 22, 2014, he followed up with Ms. Hunt and Mr. Hashemi regarding Deloitte's possible retainer. At that time, he advised Ms. Hunt and Mr. Hashemi that Deloitte would be in a position to provide a proposal to them once conflict searches were cleared.
12. On January 31, 2014, Deloitte provided the CFS and the CFS-O with a preliminary proposal to validate the integrity and validity of the names and information on the petitions submitted. Attached as **Exhibit "B"** is a copy Mr. Youssef's email dated January 31, 2014 enclosing Deloitte's proposal.
13. In order to conduct our review, we estimated that it would be a four week process. We anticipated the following steps:

- (a) Converting the information on the petitions into an analytics-readable format (i.e. Excel);
- (b) Utilizing data analytics techniques to verify/cross-reference the names and information on the petitions submitted with the University of Toronto student records (student names, numbers and signatures);
- (c) Utilizing data analytics techniques to review the names on the petitions for duplicate student records (student names and numbers);
- (d) Contacting a random sample of students (approximately 100) to verify their participation in the petitions;
- (e) Validating participation of greater than 20% of the University of Toronto Graduate Students' Union ("UTGSU") in the petition (i.e. calculating percentage of valid petition participants against total Graduate Students' Union membership); and
- (f) Developing draft and final reports for CFS and CFS-O outlining procedures and results.

This process was set out in our proposal (**Exhibit "B"**).

14. On February 6, 2014, Mr. Youssef and I had a conference call with Ms. Hunt, Mr. Hashemi and Mr. Salter regarding the preliminary proposal provided to the CFS and the CFS-O on January 31, 2014.

15. On February 11, 2014, Mr. Youssef provided the CFS-O and the CFS with a copy of the draft engagement letter for the CFS-O. Attached as **Exhibit "C"** is a copy of Mr. Youssef's email dated February 11, 2014 and enclosed draft engagement letter.
16. The engagement letters were finalized by February 18, 2014 and sent to the CFS and the CFS-O by Mr. Youssef. Attached as **Exhibit "D"** is a copy of Mr. Youssef's email dated February 18, 2014 and enclosed engagement letters.
17. On February 19, 2014, the CFS-O provided Deloitte with a signed copy of the engagement letter. Attached as **Exhibit "E"** is a copy of Mr. Hashemi's email to Mr. Youssef, copying myself, enclosing the engagement letter executed by the CFS-O.
18. At the same time, Mr. Hashemi provided us with Mike LeSage's contact information, from the University of Toronto. He explained that Mr. LeSage would be able to provide us with a copy of the University of Toronto Graduate Student Association's ("**UTGSU**") membership list. See **Exhibit "E"**.
19. Also on February 19, 2014, Mr. Hashemi sent an email to Mr. Youssef confirming that he had couriered a copy of the petitions and the CFS and the CFS-O Bylaws to Deloitte. Attached as **Exhibit "F"** is a copy of Mr. Hashemi's e-mail.
20. On February 20, 2014, Mr. Youssef sent an email to Mr. LeSage requesting the membership list. Attached as **Exhibit "G"** is a copy of Mr. Youssef's email dated February 20, 2014.

21. Also on February 20, 2014, Ms. Hunt sent Mr. Youssef an email with a revised copy of a portion of the engagement letter. Her revisions served only to more accurately reflect that only the National Executive of the CFS has the authority to determine whether a petition is in order. It did not, in any way, change the scope of work requested of Deloitte. Attached as **Exhibit "H"** is a copy of Ms. Hunt's email dated February 20, 2014.
22. On February 25, 2014, as Deloitte had not heard from Mr. LeSage, we followed up with another request for the membership list. Attached as **Exhibit "I"** is a copy of Mr. Youssef's email dated February 25, 2014.
23. I am advised by Mr. Youssef that he received the membership list from Mr. LeSage on February 26, 2014.
24. Also on February 26, 2014, Mr. Youssef provided confirmation of receipt of the membership list to the CFS and the CFS-O. Attached as **Exhibit "J"** is a copy of Mr. Youssef's email dated February 26, 2014.
25. On February 26, 2014, after various edits and revisions to the engagement letter, the CFS provided Deloitte with a signed engagement letter. Attached as **Exhibit "K"** is a copy of the engagement letter signed by the CFS.

### **The Review Process**

26. As set out in the engagement letters, our review of the petitions and membership list included the following:

- (a) Verification / cross-referencing of the names and student numbers on the petitions with the University of Toronto's student records (student names and numbers);
- (b) Review of the names on the petitions for duplication of student records (student names and numbers);
- (c) Validation that greater than 20% of the individual members of UTGSU signed the petitions; and
- (d) Reporting on the specific procedures performed and related results.

Please see **Exhibits "E" and "K"**.

- 27. The preliminary work on the verification of the petitions was conducted by a Deloitte off-shore team based in India. This team input the petitions information into analytics readable format (Excel). This portion of the retainer was started before we had even received the membership list from the University of Toronto.
- 28. Once the petitions were input into Excel the team was able to sort the names and student numbers on the petitions to identify duplicates. The team was also able to utilize the "VLOOKUP" functionalities within Excel to cross-reference the student numbers on the petitions with the University of Toronto Student records (referred to as data analytics techniques).
- 29. We considered randomly selecting a sample group of 100 students listed on the petitions to ask them whether they had participated in the petitions. To do so, we

prepared an email to send to the sample group. Our intention was then to call the people who did not respond to the email. The wording of the email was reviewed and approved by the CFS and the CFS-O. However, we decided not to proceed with the confirmation email and advised the CFS and the CFS-O of our decision on March 6, 2013. This decision was based on our preliminary work, which indicated that the petition did not meet the 20% threshold outlined in the CFS and the CFS-O Bylaws. Performing this additional procedure would not have impacted the outcome of the 20% threshold validation because the 20% threshold had already not been achieved. Attached as **Exhibit "L"** is a copy of the email exchange between Mr. Youssef, Mr. Hashemi and Ms. Hunt dated March 5, 2014 regarding the wording of the email and as **Exhibit "M"** is a copy of the email from Mr. Youssef to Mr. Hashemi, Mr. Salter and Ms. Hunt dated March 6, 2013.

30. On March 6, 2014, we advised the CFS and the CFS-O of our team's preliminary results. Based upon the work of the off-shore team, the preliminary findings were such that the petitions may not have met the 20% threshold due to invalid student names/numbers and/or illegible student names/numbers. Upon receipt of these results, Mr. Youssef began a detailed review of the work performed by the off-shore team. Mr. Youssef's report to the CFS regarding the preliminary results is in **Exhibit "M"**.
31. In order to ensure accuracy of results, Mr. Youssef continued his review of the petitions. He advised the CFS and the CFS-O that he found almost 70 entries where the student name on the petitions were found within the membership list



provided by the University of Toronto; however, the student number was entered incorrectly. Given that these entries could not be confirmed as being accurate, we sought guidance from the CFS and the CFS-O as to whether they should be considered valid or invalid. Attached as **Exhibit "N"** is a copy of Mr. Youssef's email to Mr. Hashemi, Ms. Hunt and Mr. Salter, dated March 7, 2014.

32. On March 7, 2014, Mr. Youssef contacted Mr. Hashemi (CFS-O), Ms. Hunt (CFS) and Mr. Slater (CFS-O) to discuss instances where student names on the petition were found within the membership records provided by the University of Toronto but where the student numbers did not agree. Based on that conversation, we were instructed to apply our judgement in these situations to determine validity.
33. On March 11, 2014, we delivered our report to the CFS, titled "Canadian Federation of Students (National) – Petition Validation Procedures". We found that 17.6% - 18.3% of the individual members of the UTGSU had signed the CFS petition in compliance with the Bylaw. Attached as **Exhibit "O"** is a copy of the CFS Final Report.
34. Also on March 11, 2014, we delivered our report to the CFS-O, titled "Canadian Federation of Students – Ontario – Petition Validation Procedures". We found that 18.5% - 19.3% of the individual members of the UTGSU had signed the CFS-O petition in compliance with the Bylaw. Attached as **Exhibit "P"** is a copy of the CFS-O Final Report.

35. In our final report pertaining to the CFS, we confirmed that the validation procedures requested of Deloitte were designed to assess the validity and integrity of the petitions submitted in accordance with:

- (a) CFS Bylaw I, Section 6.a, which stipulates that in order to be valid, a name on a petition must be reasonably legible, include proper full name, be accompanied by a valid and corresponding student identification number and a unique signature; and
- (b) CFS Bylaw I, Section 6a.iii: which establishes that a petition calling for a vote on decertification must be signed by no less than twenty percent (20%) of the individual members of the member local association.

We included this information in our CFS final report (**Exhibit "O"**).

36. In our final report pertaining to the CFS-O, we confirmed that the validation procedures requested of Deloitte were designed to assess the validity and integrity of the petitions submitted in accordance with:

- (a) CFS-O Bylaw II, Section 5.a.vi, which stipulates that in order to be valid, a name on a petition must be reasonably legible, include proper full name, be accompanied by a valid and corresponding student identification number and a unique signature; and
- (b) CFS Bylaw II, Section 1.f: which establishes that a petition calling for a vote on decertification must be signed by no less than twenty percent (20%) of the individual members of the member local association.


We included this information in our CFS-O final report (**Exhibit "P"**).

37. On April 2, 2014, after our final reports had been submitted, Mr. Youssef received an email from Ms. Hunt from the CFS. Ms. Hunt indicated that it had been brought to her attention that there was a discrepancy in the number of signatures reviewed for the CFS. She thought this may be due to human error in photocopying the petition. She therefore asked that we verify that the petition we had reviewed matched the original. Ms. Hunt stated "(w)e want to be as thorough as possible and ensure that the results provided to the membership are completely accurate."
38. We conducted additional verification of the CFS petition at an added cost of \$2,000. As a result of the supplementary verification, we determined that 19.53% of the members of the UTGSU had provided valid signatures on the petition. Attached as **Exhibit "Q"** is a copy of Mr. Youssef's email regarding the supplementary verification conducted on the petition pertaining to the CFS.
39. I confirm that at no time was Deloitte asked to carry out an audit. An audit involves the conduct of procedures using an audit standard to express an opinion on the subject matter. Our retainers were limited to conducting agreed-to procedures to verify the petitions entries as compared to the membership list provided to us by the University of Toronto.
40. With respect to paragraph 99 of Mr. Evoy's affidavit, as part of Deloitte's independent review pertaining to both the CFS and the CFS-O, I can confirm that

we performed a manual review of the signatures and, in fact, that we did so three times.

41. With respect to paragraph 100 of Mr. Evoy's affidavit, as part of Deloitte's independent review pertaining to both the CFS and the CFS-O, I can confirm that when we reviewed names, we accepted recognized variations in the full name (i.e. Ed versus Edouard) so long as the student number matched.
42. With respect to paragraph 101 of Mr. Evoy's affidavit, I can confirm that the reason that we did not append a copy of the data from which we based our findings to the reports was because we were advised by the CFS, the CFS-O and the University that the membership list was to be kept confidential.
43. I make this affidavit in response to the UTGSU's application and for no improper purpose.

**SWORN BEFORE ME** at the City of  
Ottawa, in the Province of Ontario on  
May 26, 2014

  
\_\_\_\_\_  
Commissioner for Taking Affidavits  
(or as may be)

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**TERRENCE JAMES HATHERELL**

UNIVERSITY OF TORONTO GRADUATE STUDENTS' UNION - and - CANADIAN FEDERATION OF STUDENTS et al.  
Plaintiff Defendants

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**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
PROCEEDING COMMENCED AT  
TORONTO

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**AFFIDAVIT**

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