



No. S199802  
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

BETWEEN:

STEPHEN HANKINSON

PLAINTIFF

AND:

VANCOUVER AIRPORT AUTHORITY

DEFENDANT

**Response to Civil Claim**

FILED BY: Vancouver Airport Authority (the "Defendant" or "VAA")

**Part 1: RESPONSE TO NOTICE OF CIVIL CLAIM FACTS**

**Division 1 – Defendant's Response to Facts**

1. The facts alleged in paragraphs 2, 3, 4 (a-d) and 4(f), 5 of Part 1 of the Notice of Civil Claim are admitted.
2. The facts alleged in paragraphs 4(e), 6-22 of Part 1 of the Notice of Civil Claim are denied.
3. The facts alleged in paragraphs 1 of Part 1 of the Notice of Civil Claim are outside the knowledge of the Defendant.

## Division 2 – Defendant's Version of Facts

### The Parties

1. The Defendant, Vancouver Airport Authority (“VAA”), operates Vancouver International Airport.
2. The Plaintiff, Stephen Hankinson (“Hankinson”), is a former employee of VAA.
3. Contrary to the allegation at Part 1, paragraph 7 of the Notice of Civil Claim, Hankinson did not provide effective and faithful service throughout his employment, particulars of which are as follows:
  - a. In 2015, there was a complaint of harassment by one of Hankinson’s subordinates;
  - b. The complaint was investigated externally and found to be valid;
  - c. Hankinson was disciplined for the harassment and breach of VAA’s Code of Conduct and policy to uphold a culture of professionalism, integrity and respect;
  - d. Hankinson was put on notice in writing by VAA that any future incidents of misconduct will jeopardize his continued employment with VAA.
4. Moreover, since Hankinson’s termination, additional information has come to light that establishes that Hankinson was engaging in similar patterns of behaviour contrary to VAA’s Core Values and Code of Ethics during the years preceding his termination.

### Employment Contract

5. On or about August 20, 2007, Hankinson commenced employment with VAA.

6. His remuneration at the time of his termination is as set out in paragraph 4 of the Notice of Civil Claim except that the pension plan was different than described in paragraph 4(e) in that, as an Executive, Hankinson no longer participated in an RRSP.
7. Hankinson was employed by VAA pursuant to an employment contract (“Employment Contract”) which contained the following material implied or express terms:
  - a. Hankinson was employed as the Vice-President, Planning and Innovation;
  - b. Hankinson was required to act and conduct himself in accordance with VAA’s Core Values;
  - c. Hankinson was required to comply with all policies applying to VAA’s employees, including the VAA Code of Ethics;
  - d. VAA could terminate Hankinson’s employment at any time summarily and without notice for cause.
8. At all material times, Hankinson was employed by VAA in a position of trust and owed VAA a fiduciary duty, a duty of good faith, and a duty of fidelity. Particulars of such duties include that at all material times Hankinson was employed in a position where he had the authority and ability to act independently and to significantly affect VAA’s reputation and financial well being.

### **Termination for Cause**

9. On or about July 5, 2019, VAA terminated Hankinson’s employment for cause.
10. The particulars of cause are that VAA received a complaint about Hankinson under the VAA’s Whistleblower Policy relating to a pattern of behaviour primarily related to or arising from a

confidential project undertaken by his department (the "Project"). Hankinson engaged in conduct contrary to VAA's Core Values and Code of Ethics, including but not limited to:

- a. minimizing or failing to disclose serious risks relating to the Project to VAA's internal steering committee and to the department's advisory board;
- b. instructing other employees not to report risks or other key information regarding the Project to the steering committee and the advisory board, including a legal report previously requested by the President & CEO;
- c. providing false information to VAA's Chief Financial Officer when Hankinson was questioned about what was said in an advisory board meeting;
- d. avoiding taking into account potentially serious safety hazards about the Project, and refusing to inquire into obtaining insurance for the potential safety hazards;
- e. instructing employees that they should not communicate with members of the executive team or the Board without going through Hankinson, and otherwise adopting an approach which attempted to segregate Hankinson and his team from other executives and departments within VAA's organization, particularly Finance and Legal;
- f. ceasing to involve the in-house legal representative in meetings and discussions where they previously participated in the ordinary course and performed a function of (among other things) identifying and mitigating risks and ensuring appropriate protocols are being followed;
- g. allowing a consultant hired by Hankinson (the "Consultant") to behave aggressively and inappropriately towards members of the VAA team; and

- h. hiding or alternatively, failing to take appropriate action to report and address, a significant conflict of interest involving the Consultant, thus preventing the VAA's Conflicts Officer from knowing about the conflict and being in a position to address it.
11. Hankinson's misconduct as set out in paragraph 10 of the Response to Civil Claim created a tense, stressful and uncertain environment for the senior employees in his department; resulted in a fundamental breakdown of the trust and confidence VAA required of a senior executive.
  12. Hankinson's conduct as described in paragraph 10 cumulatively amounts to cause for summary dismissal, especially taking into account the previous written notice he had received as described in paragraph 3 above and the additional conduct described in paragraph 4 above.
  13. Additionally, Hankinson's misconduct described in paragraph 10 above constituted a breach of his fiduciary duty and duty of fidelity and good faith. The misconduct also revealed a character incompatible with continued employment given his senior position with VAA.
  14. VAA thoroughly considered all relevant facts before the decision was made to terminate Hankinson's employment for cause.

## **Part 2: RESPONSE TO RELIEF SOUGHT**

1. The Defendant opposes the granting of all of the relief sought in paragraphs 1-5 of Part 2 of the Notice of Civil Claim.

## **Part 3: LEGAL BASIS**

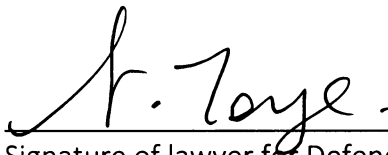
1. VAA denies that it breached the Employment Contract, or wrongfully dismissed Hankinson, as alleged or at all.

2. The facts outlined in paragraphs 3, 4, and 10 of Part 1, Division 2 of the Response to Civil Claim reveal a character of untrustworthiness, incompatible with continued employment and constitute cause for Hankinson's summary dismissal. Hankinson had no entitlement to reasonable notice or compensation in lieu of reasonable notice.
3. VAA denies that it acted in bad faith in the manner of terminating Hankinson's employment. VAA specifically denies that the manner of dismissal was unduly insensitive or callous, as alleged.
4. In the alternative, if VAA has breached the Employment Contract, or has acted in bad faith in the manner of terminating Hankinson's employment, which is not admitted but expressly denied, he has suffered no compensable loss or damage arising therefrom.
5. In the alternative, if Hankinson has suffered any loss, damage or expense, which is not admitted but expressly denied, he has failed to take reasonable steps to mitigate that loss, damage or expense.
6. There is no basis for an award of aggravated damages because:
  - a. VAA has not committed any independent actionable wrong against Hankinson, as alleged or at all;
  - b. VAA denies that Hankinson has suffered any compensable loss or damage arising from the alleged bad faith conduct, or any other independent actionable wrong, as alleged or at all.
7. Hankinson's pleadings at paragraphs 13 and 14 and 17 of Part 1 of the Notice of Civil Claim are inconsistent and should be struck. At paragraphs 13 and 14, Hankinson admits to wrongdoing in the course of his employment and pleads that any wrongdoing was because he suffered from PTSD. On the other hand, at paragraph 17 Hankinson denies any wrongdoing. These are inconsistent allegations and should be struck.

Defendant's address for service: Harris & Company LLP  
Barristers and Solicitors  
1400 - 550 Burrard Street  
Vancouver, BC V6C 2B5  
Attention: Nazeer T. Mitha and Nicole C. M. Toye

Fax number address for service: 604. 684 6632

Dated: 17 December 2019

  
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Signature of lawyer for Defendant  
Nazeer T. Mitha and Nicole C. M. Toye

Rule 7-1(1) of the Supreme Court Civil Rules states:

- (1) Unless all parties of record consent or the court otherwise orders, each party of record to an action must, within 35 days after the end of the pleading period,
  - (a) prepare a list of documents in Form 22 that lists
    - (i) all documents that are or have been in the party's possession or control and that could, if available, be used by any party at trial to prove or disprove material fact, and
    - (ii) all other documents to which the party intends to refer at trial, and
  - (b) serve the list on all parties of record.