

3 May 2019

Re: Bruno Manser Fonds – Annual general meeting 11 May 2019

Dear Bruno Manser Fund Board Members:

This letter is addressed to you as a Board member and supporter of the Swiss NGO Bruno Manser Fonds, and we are writing to you in the context of the upcoming annual general meeting on 11 May 2019.

As with any organisation, be it an NGO or corporation, Board members have the legal and fiduciary responsibility for steering the organisation and ensuring that its resources are used prudently, activities are conducted according to applicable laws in a transparent and accountable manner, and the stated mission is adhered to.

Since 2010, BMF have invested inordinate amounts of donors' money into a misguided campaign against Sakto Corporation and its founders, directors, employees, and the founders' children in Ottawa, Canada. They filed and sent eleven complaints and letters across six different jurisdictions with various authorities and promoted each action aggressively. In spite of the extraordinary efforts and amounts BMF have invested into that campaign, none of the numerous government agencies BMF tried to engage has ever taken action against Sakto.

BMF and Executive Director Lukas Straumann themselves have acknowledged, and the Ontario Superior Court of Justice has confirmed, that BMF's dossier against Sakto and its founders in actual truth consists of information based on rumours, hearsay, media articles and reports, many of which were created by BMF themselves.

BMF and Lukas Straumann have repeatedly stated that Sakto and its founders have committed criminal acts, including money laundering. Lukas Straumann's cross-examination in the Canadian court case proved that many of his beliefs, assertions, and allegations are not supported, or are contradicted, by the facts. Importantly, BMF has already admitted, in writing, to not having reasonable grounds to believe the allegations are true. Those admissions are included in the attached excerpts from the BMF court filings and the decision.

Sakto has brought legal action against BMF in Basel for defamation. There are now three strands of litigation against BMF and Lukas Straumann:

- **APPLICATION FOR INJUNCTIVE RELIEF.** We are asking the Basel Civil Court to order BMF to retract false and defamatory content from the public domain (over 1,100 statements in more than 250 documents) and to refrain from repeating their false allegations about Sakto and its founders.

In February 2019, the Court had ruled that, while Swiss law is applicable, an urgent injunction is not warranted, mostly due to the passage of time since the BMF campaign began. Sakto disagrees with the factual and legal findings of the Civil Court, and an appeal has been filed with the Basel Court of Appeal. That appeal is currently pending.

- **MAIN CIVIL COURT PROCEEDINGS.** In parallel to the injunctive relief, Sakto filed main civil court proceedings against BMF with the Basel Civil Court in January 2019.

As part of the main proceedings, Sakto has invoked its statutory right which will oblige BMF to account for – by giving access to their financial records – the ways in which they raised money to finance their defamatory campaign. As a result, Sakto also has the legal right to claim so-called “infringer’s profit”, *i.e.*, the money that BMF raised in running their lengthy campaign based on suspicion and conjecture, at the expense of Sakto’s reputation.

- **CRIMINAL INVESTIGATION AGAINST BMF.** The Basel Prosecutor's Office is investigating Bruno Manser Fund's defamatory campaign against Sakto. The criminal investigation against those responsible at BMF, in particular Lukas Straumann, but possibly also others, relates to suspected libel, false accusation, but also fraud and misappropriation of donated funds.

BMF’s Chairman, Mr Dominik Bucheli, has stated that BMF members “*are annually updated on BMF's finances and activities, and have the opportunity to question and discuss the use of funds at the annual general meeting*”.

It remains a question as to whether BMF's donors were ever made aware that their donations towards the protection of the Malaysian rainforest and the indigenous people were used, in reality, to fund a massive legal and PR campaign against a company operating solely in Ottawa, Canada.

In 2017-2018 alone, BMF spent C\$771,000 in legal fees and court costs just on their campaign in Canada. The costs associated with hiring a film crew and covering travel expenses for supporters to Canada come on top of this. According to Dominik Bucheli, BMF’s total annual budget is around C\$2,750,000.

It is telling that in the article published on 5 February 2018 in the *Toronto Star*, which covered the failure at the Canadian court proceedings, and a decade of expenditures, Lukas Straumann was quoted as saying: “we have nothing to lose except money”.

Therefore, at the AGM on 11 May 2019, we would expect BMF’s Board members, as well as the donors and supporters, to question the legitimacy and validity of the campaign against Sakto and its founders in Canada. After Lukas Straumann’s decade long efforts, what are the measurable benefits to the indigenous tribes and the rainforest in Malaysia?

Sakto has made clear that the proceedings against BMF are intended to bring the public campaign to an end and to have the defamatory allegations against it retracted and deleted. The Board has the power to require BMF to bring an end to the campaign and the litigation, and to focus time and resources on their core mandate.

The facts matter. An NGO and its Board members are not beyond the law, and they are accountable for their words and actions. If BMF do not agree to end their campaign, Sakto will have no choice but to use all means available within the Swiss legal system to bring it to an end.

Yours sincerely,

Sakto Corporation
Ottawa, Canada
media@thefactsmatter.ca

We encourage you to visit our website www.thefactsmatter.ca which provides further information and sets out the supporting documents, facts, and evidence regarding the unfounded and defamatory allegations by BMF against Sakto.