

Form 11
[Rule 3.31]

COURT FILE NUMBER 2503-09698
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE EDMONTON
PLAINTIFF MARSHALL SMITH
DEFENDANTS THE GLOBE AND MAIL INC., CARRIE
TAIT, ATHANA MENTZELOPOULOS, and
JOHN DOE



DOCUMENT **STATEMENT OF DEFENCE OF ATHANA
MENTZELOPOULOS**

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Note: State below only facts and not evidence (Rule 13.6)

Statement of facts relied on:

Introduction/Summary

1. The Plaintiff Marshall Smith's Statement of Claim alleges defamation by Ms. Mentzelopoulos arising from statements in a Statement of Claim and Amended Reply filed in her claim against Alberta Health Services and the Crown arising from her improper termination by the Crown and her resultant wrongful dismissal by AHS as President and CEO of Alberta Health Services. Mr. Smith's claim is denied in its entirety. He is not entitled to any damages or any relief whatsoever from Ms. Mentzelopoulos. Ms. Mentzelopoulos did not defame Mr. Smith and did not cause him loss or damages. Ms. Mentzelopoulos' pleadings in her action are subject to absolute privilege. Further and in any event, to the extent that her statements in the pleadings in her action are statements of fact, they were true or substantially true in substance and fact, and, to the extent any of her statements are statements of opinion, they constituted fair comment, made without malice and in good faith, on matters of public interest, based on facts proven or believed to be true.

Admissions

2. Except as expressly admitted herein, the Defendant, Athana Mentzelopoulos ("Ms. Mentzelopoulos"), denies each and every allegation set forth in the Plaintiff Marshall Smith's ("Mr. Smith") Statement of Claim ("Claim"), and puts the Plaintiff to the strict proof thereof.
3. Ms. Mentzelopoulos has no knowledge of the facts alleged in paragraph 6 of the Claim.

The Parties

4. Ms. Mentzelopoulos is an individual residing in Edmonton, Alberta.
5. Ms. Mentzelopoulos has extensive leadership experience within various Provincial governments and the Federal government. She has served in senior roles within the public sector in both Alberta and British Columbia, including as the Deputy Minister of Treasury Board and Finance for both provinces.
6. From December 7, 2023 to January 8, 2025, Ms. Mentzelopoulos was the Chief Executive Officer (CEO) and President of Alberta Health Services ("AHS"). On January 8, 2025, Mentzelopoulos' employment as CEO and President of AHS was improperly terminated by the Crown in right of Alberta, tortiously, with the result that her employment and her employment contract were wrongfully terminated by AHS, which, at the time of the termination, was not in favour of her termination at all.
7. Mentzelopoulos has been in the public service since the 1990s. She previously held the role of Deputy Minister of Treasury Board and Finance under Premiers Jason Kenney and Danielle Smith.
8. To the best of Ms. Mentzelopoulos' knowledge, Mr. Smith resides in Calgary, Alberta and is the former Chief of Staff to Premier Danielle Smith.
9. As far as is known to Ms. Mentzelopoulos, Smith served in that role from October 11, 2022, until he retired on October 31, 2024.
10. Ms. Mentzelopoulos has no specific knowledge of the scope of Smith's role as Chief of Staff other than from her experience in working with him.
11. As far as is known to Ms. Mentzelopoulos, the Defendant The Globe and Mail Inc. ("The Globe") is a Canadian newspaper. Ms. Mentzelopoulos has no specific knowledge as to the scope or readership of The Globe.

12. As far as is known to Ms. Mentzelopoulos, the Defendant Carrie Tait (“Tait”) is a reporter for The Globe based in Calgary.
13. In specific response to paragraph 5 of the Claim, Ms. Mentzelopoulos and Mr. Smith have both worked and been involved in various capacities in the public service and/or government in British Columbia and Alberta for many years. Ms. Mentzelopoulos is not aware if Mr. Smith has ever been employed by the government of Canada. Ms. Mentzelopoulos has known of Mr. Smith for about 20 years; however, Ms. Mentzelopoulos does not recall meeting him until mid-2019 in Edmonton. It is possible they met sometime between 2011 and 2017, however, prior to 2019, any interaction would have been in passing.
14. During her time as CEO and President of AHS, Ms. Mentzelopoulos’ relationship with Mr. Smith was cordial and respectful. They met in social settings on occasion to discuss work-related matters.

Improper Termination and the Mentzelopoulos Claim

15. On February 12, 2025, Ms. Mentzelopoulos filed a Statement of Claim against Alberta Health Services (“AHS”) and His Majesty the King in Right of Alberta as represented by Adrianna LaGrange in her capacity as Minister of Health (the “Crown”) for relief arising from the improper termination of her employment on January 8, 2025, by the Minister and her Deputy Minister of Health, neither of whom had any authority to terminate her. That wrongful termination resulted in her wrongful dismissal by AHS, even though the Board of AHS supported her as did the Chair of AHS. AHS did not want to terminate her. The Crown’s improper termination caused AHS to lose a valued and consequential President and CEO (the Statement of Claim itself will hereinafter be referred to as the “Mentzelopoulos Claim”) in Alberta Court of King’s Bench Action No. 2503-02991 (the entirety of that matter will hereinafter be referred to as the “Mentzelopoulos Action”).
16. In the Mentzelopoulos Action, AHS filed an Amended Statement of Defence on March 31, 2025 (the “AHS Defence”)
17. The Crown filed an Amended Statement of Defence on March 31, 2025 (under new counsel) (the “Crown Defence”).
18. Ms. Mentzelopoulos filed an Amended Reply to the Statements of Defence of AHS and the Crown on April 4, 2025 (the “Reply”).

Any matters that defeat the claim of the plaintiff(s):

General – No Defamation

19. The Plaintiff's Claim is based on statements made in the Mentzelopoulos Claim and Mentzelopoulos Reply (together the "Mentzelopoulos Pleadings"), and purported innuendo the Plaintiff seeks to draw from those statements. The specific statements Mr. Smith alleges are defamatory are set out at paragraphs 33 and 34 of the Claim (collectively the "Impugned Statements"). A concordance of these Statements is appended here for ease of reference. The purported meanings or innuendo Mr. Smith alleges arise from the Impugned Statements are set out at paragraph 40 of the Claim (the "Alleged Innuendoes").
20. In general response to the entire Claim, Ms. Mentzelopoulos denies that she made any statements defamatory of Mr. Smith in the Mentzelopoulos Pleadings, or at all.
21. Ms. Mentzelopoulos has not defamed Mr. Smith and Mr. Smith has not suffered damages or loss as a result of any of Ms. Mentzelopoulos' actions and is not entitled to any relief from Ms. Mentzelopoulos.
22. Mr. Smith's allegations constitute invented attempts to allege harm allegedly caused by Ms. Mentzelopoulos in a pleading that also seems to try both to distance Smith himself from certain members of the private sector and to downplay the nature of his role in the history of events appropriately recounted by Ms. Mentzelopoulos in her action against the Crown and AHS.

Absolute Privilege

23. In general response to the entirety of the Claim, The Mentzelopoulos Pleadings are subject to absolute privilege and immune from legal attack.
24. The Impugned Statements were made in the course of judicial proceedings and are not and cannot be the foundation for a cause of action in defamation.
25. In specific response to paragraph 43 of the Claim, the Impugned Statements from the Mentzelopoulos Pleadings were made during, incidental to, and in the processing and furtherance of the Mentzelopoulos Action. The Impugned Statements are relevant, they further the purposes of the Mentzelopoulos Claim, and they do not exceed the scope of the privileged occasion.
26. The Mentzelopoulos Pleadings are factual allegations that lay out the history of relevant matters in Ms. Mentzelopoulos' claims vis-à-vis the Crown and AHS. Mr. Smith was at

material times until October 31, 2024, an employee of the Government of Alberta who represented the Crown and for whose actions the Crown is responsible.

27. To the extent the allegations in the Mentzelopoulos Claim involved Mr. Smith, it appears that Mr. Smith assisted or participated in the preparation of the Crown Defence, either directly or indirectly, and the Crown addressed allegations on his behalf with information from Mr. Smith, including for instance at paragraphs 55, 56, and 57 of the Crown's Amended Statement of Defence. The Crown Defence includes reference to text messages that must have been provided by Mr. Smith.
28. It also appears from the content of the Claim that Mr. Smith has been provided without prejudice communications of the Crown, which are not otherwise published, that he used in preparing the Claim.

Justification

29. In general response to the entirety of the Claim, to the extent that the Impugned Statements are statements of fact, their plain and ordinary meanings are true in substance and in fact.
30. To the extent that any of the Impugned Statements made by Ms. Mentzelopoulos are statements of fact and bear any actual defamatory meaning, whether by their express words or implication, which is denied, those meanings are justified in substance and in fact.

Fair Comment

31. Further, or in the alternative, and in general response to the Claim, by virtue of some or all of Mr. Smith's and Ms. Mentzelopoulos' respective jobs and responsibilities at the time of their interactions, the subject matter of their discussions, and the subject-matter of the Mentzelopoulos Pleadings, the Impugned Statements all relate to matters of public interest.
32. Further, or in the alternative, to the extent the Impugned Statements contain statements of opinion, they constitute fair comment, published without malice and in good faith, on matters of public interest, and they are and were recognizable as such by the ordinary reasonable person, based on facts Ms. Mentzelopoulos believed were true. The expressed and stated opinions in the Impugned Statement constitute opinions a person could honestly hold based on facts presented in the Impugned Statements and

Mentzelopoulos Pleadings, or that are generally known by the public, which are substantially true, or which were privileged or responsibly communicated.

33. Further, or in the alternative, to the extent the Impugned Statements bear any defamatory meaning, Mentzelopoulos states that the opinions in the Impugned Statements were fair comment on matters of public interest including (but not limited to):

- (a) assurance of the integrity of the AHS procurement process;
- (b) expenditure of significant public funds for health care purposes;
- (c) transparency in the process for delivery of health care in Alberta;
- (d) management and governance of AHS, its contracting and procurement processes and human resources, and ethical practices and potential conflicts of interest in those matters.

Specific Responses to Facts Alleged in Mr. Smith's Claim

34. In specific response to paragraphs 7-9 of the Claim, Mr. Smith contacted Ms. Mentzelopoulos about Alberta Surgical Group ("ASG") in June 2024. Ms. Mentzelopoulos has no recollection or record of Ms. Williams having contacted her about ASG in June 2024. While CEO and President of AHS, Ms. Mentzelopoulos worked closely with Ms. Williams on an almost-daily basis and Ms. Williams would not have hesitated to contact Ms. Mentzelopoulos directly about surgical vendors at that time.
35. While the June 25, 2025, discussions between Mr. Smith and Ms. Mentzelopoulos regarding the ASG contract were the last between them regarding the ASG contract specifically, Mr. Smith did participate in discussions with Ms. Mentzelopoulos regarding other Chartered Surgical Facilities (CSF) Contracts after that, including the Lethbridge and Red Deer CSFs on September 21, 2024 (as set out in paragraph 34 of the Mentzelopoulos Claim).
36. Ms. Mentzelopoulos specifically denies the allegations in paragraph 10. Those allegations, and in particular the "summer of 2024" timing, are inconsistent with the Crown's own records. Ms. Mentzelopoulos was informed on December 6, 2023, by Alberta Health, that Alberta Health had hired Jitendra Prasad ("Mr. Prasad") as Managing Director of the Procurement Secretariat, effective December 4, 2023.

37. Ms. Mentzelopoulos denies raising concerns about procurement being moved out of AHS's control in summer of 2024. By summer of 2024, some AHS procurement staff had already transitioned to Alberta Health and the Crown's plan for further transition was clear. Any issues raised by Ms. Mentzelopoulos were not about the transition of the procurement function, but about establishing appropriate accountabilities, and about fairness for staff who were transitioning.
38. Ms. Mentzelopoulos denies the allegations in paragraphs 11 to 12 of the Claim. Mr. Smith did not become aware of Nate Pike in summer of 2024. In fact, Mr. Smith first contacted Ms. Mentzelopoulos about Mr. Pike in July 2023 when she was working for the then-Official Administrator of Alberta Health Services. On July 12, 2023, Mr. Smith texted Ms. Mentzelopoulos a screenshot of an X.com account called "The Breakdown" with the words "Locally crowd funded" circled. On July 13, 2023, Mr. Smith texted Ms. Mentzelopoulos about Mr. Pike, writing: "I have a bad ass Toronto law firm bearing down on him."
39. In response to paragraph 15, the August 12, 2024, discussion was a friendly meeting and a casual discussion between colleagues about each other's workplace happenings. Contrary to paragraphs 13 and 15 of the Claim, Ms. Mentzelopoulos and Mr. Smith did not discuss Mr. Pike on August 12, 2024, and Ms. Mentzelopoulos was not aware that Mr. Mraiche was preparing or had prepared any legal action against Mr. Pike.
40. In specific response to paragraphs 14-15, Ms. Mentzelopoulos acknowledges that Mr. Smith commented on a "Hansard the Cat" X.com account; however, Ms. Mentzelopoulos was not and is not aware that "Hansard the Cat" is or was an employee of AHS and therefore did not conclude from her discussion with Mr. Smith that he expected any action from her in that regard.
41. The separate summer 2024 discussion about Nate Pike is described in the Impugned Statements quoted at paragraphs 33g. and 33h. While Mr. Marshall did not expressly request the termination of Mr. Pike, he told Ms. Mentzelopoulos that Mr. Pike was "your employee" and "you're going to look very bad" and there would be "consequences".
42. In specific response to paragraphs 16 to 28, 31, and 49, Ms. Mentzelopoulos has no authority over any of the media publications cited in the Claim and cannot control and is not responsible for their content. Her January 20, 2025, Letter was without prejudice and exchanged between counsel, and she was entitled to advance her claims against the

Crown and AHS by the Mentzelopoulos Pleadings. Neither gives rise to any claim for defamation, nor damages therefrom.

43. In the alternative, in response to paragraph 21, Ms. Mentzelopoulos denies that each of the Globe Defamatory Statements as listed in paragraph 20 refers to Mr. Smith and is false and defamatory of Mr. Smith.
44. In specific response to paragraphs 29 and 32 of the Claim Ms. Mentzelopoulos denies that the Mentzelopoulos Claim or Reply contain false statements which were and are defamatory of Smith.
45. Ms. Mentzelopoulos denies that Mr. Smith suffered any damages as a result of any statements made by her, as alleged at paragraph 31 or at all. In further response to paragraph 31, Ms. Mentzelopoulos specifically denies that it was her intention that the statements contained in the Mentzelopoulos Claim would be republished by The Globe and other media outlets.

The Impugned Statements

46. In response to paragraph 33, and without limiting the application of any defences pled elsewhere in this Statement of Defence:
47. Regarding paragraph 33(a), Ms. Mentzelopoulos' discussions with Mr. Smith regarding ASG are particularized in paragraph 21 of the Mentzelopoulos Claim. Mr. Smith also contacted Ms. Mentzelopoulos about new CSFs, including in Red Deer and Lethbridge, as outlined in paragraph 34 of the Mentzelopoulos Claim. Ms. Mentzelopoulos states that the statements the Plaintiff quotes in paragraph 33(a) are true; the Smith allegations about them are incorrect and are denied. Further, most of them do not specifically concern Mr. Smith, nor are they defamatory of him. Further, or in the alternative, that she was subjected to interference and pressure from Mr. Smith and others, as described in paragraph 33(a) is an opinion that Ms. Mentzelopoulos could honestly express based on the facts pled in the Mentzelopoulos Pleadings and that she believed to be true
48. Paragraph 33(b) in no way references Mr. Smith and is not defamatory of him. In any event, the statements are true or alternatively are opinions on matters of public interest that Ms. Mentzelopoulos could honestly express based on the facts pled in the Mentzelopoulos Pleadings.
49. Paragraph 33(c), these are true statements of what Mr. Smith and Mr. Prasad said to Ms. Mentzelopoulos.

50. Paragraph 33(d), this is a true statement of Ms. Mentzelopoulos' perceptions and concerns. Further or in the alternative, it was reasonable for Ms. Mentzelopoulos performing her job functions as President and CEO of AHS in good faith, to be uncomfortable in the circumstances as pled in the Mentzelopoulos Pleadings, and her opinions in this respect are ones that she could honestly express on the facts.
51. Paragraph 33(e) does not speak of Mr. Smith at all, and he is not the subject of these statements. They are not defamatory of him.
52. Regarding paragraph 33(f), Ms. Mentzelopoulos' discussions with Mr. Smith in and around this time are further particularized in paragraph 21 of the Mentzelopoulos Claim. This is a true summary of their conversations and of Ms. Mentzelopoulos' concerns at the time. Further or in the alternative, it was reasonable that Mr. Smith's inquiries did raise these concerns for Ms. Mentzelopoulos; as did any political involvement in any procurement matters, and such concerns are opinions that Ms. Mentzelopoulos could honestly express based on the facts.
53. Regarding paragraph 33(g), discussions between Ms. Mentzelopoulos and Mr. Smith regarding Nate Pike are further addressed at paragraphs 24 of the Mentzelopoulos Claim. The facts stated in paragraph 33(g) are true or substantially true in substance and fact.
54. The facts stated in paragraph 33(h) are true. Further or in the alternative, Ms. Mentzelopoulos' opinion that the described actions constituted pressure to terminate purported critics of the Government is one that Ms. Mentzelopoulos could honestly express on the facts known to her, which she believed to be true.
55. The statements in paragraphs 33(i), (j), and (k) are true.
56. In specific response to paragraph 34 of the Claim, and without limiting the application of any defences pled elsewhere in this Statement of Defence:
 - (a) Regarding paragraph 34(a), Ms. Mentzelopoulos has been told by at least one other person that Mr. Marshall has said he intends to ensure that Ms. Mentzelopoulos "never works again in Canada".
 - (b) Regarding paragraph 34(b), to the extent the content of this paragraph references a conversation between Ms. Mentzelopoulos and Mr. Romanow, these are true and direct quotes from a recorded conversation. Mr. Smith was not

part of that conversation. The words and meanings expressed in that conversation were true or substantially true. Further, and in the alternative, the opinions expressed by Ms. Mentzelopoulos in that conversation were ones she could honestly hold based on the facts, and similarly, it was reasonable for her to believe that the statements made by Mr. Romanow were substantially true in fact and substance.

Mr. Smith's Statements Regarding the Investigation

57. Ms. Mentzelopoulos denies the allegations in paragraph 35 of the Claim. None of the Impugned Statements were false and defamatory of Smith.
58. In specific response to paragraph 36 of the Claim, Mr. Smith was aware while he was still working as Chief of Staff in the Premier's Office, that Ms. Mentzelopoulos was doing a review of the ASG contract and had put CSF negotiations on hold as a result. Ms. Mentzelopoulos informed him of her review on September 21, 2024. Ms. Mentzelopoulos is not aware of Mr. Smith's specific knowledge of the independent third-party investigation; however, Ms. Mentzelopoulos engaged with Alberta Health on October 30th when the internal investigation at AHS was expanded as a consequence of a misleading draft response to a media inquiry. Ms. Mentzelopoulos does not have specific knowledge of these issues being discussed with Mr. Smith; however, this was discussed with the Minister's Office at that time and in turn with the Premier's Office, in which Mr. Smith was still the Chief of Staff, and it is fair and reasonable to believe that he would have knowledge of them.
59. In further response to paragraph 36 of the Claim, it is unclear how Mr. Smith would have any knowledge of the results of any third-party investigations at AHS given that Mr. Smith was no longer employed by the Office of the Premier after October 31st. It is apparent that Mr. Smith was not aware that the investigation was iterative, starting with a review of the contract between AHS and ASG for which a draft report was produced in October 2024, which report did not address conflict of interest and was therefore considered insufficient in the eyes of AHS employees who were considering formal Whistleblower complaints. A subsequent expanded investigation and forensic audit were launched by AHS in October/November 2024, while the ASG contract review was still underway. On December 23, 2024, Ms. Mentzelopoulos was ordered by Alberta Health to wind up the investigative work, and she was then terminated on January 8, 2025, two days before she was scheduled to meet with the Auditor General about the investigation.

60. A draft report into the ASG-AHS contract provided to AHS by the investigators in December 2024 included evidence from the forensic audit that was concerning enough to the then-Board of Directors of AHS that some members of the Board recommended that that information be turned over to the RCMP.
61. At the time that Ms. Mentzelopoulos was terminated, the independent third-party investigations she had initiated had not been completed nor were reported conclusions complete. In particular the independent third-party investigators had not been allowed to fully analyze issues of conflicts of interest by the time that her employment was terminated, or alternatively by the time that those independent third-party investigations were shut down. Ms. Mentzelopoulos specifically denies Mr. Smith's allegations at paragraph 37 of the Claim that she in any way mischaracterized, cherry-picked or took out of context portions of her discussions with Mr. Smith or with Mr. Romanow, for the purposes alleged at paragraph 37 or at all.
62. Ms. Mentzelopoulos expressly denies that she made any statements or allegations about Mr. Smith maliciously, as alleged in paragraph 38 of the Claim or at all.
63. In response to paragraphs 38 and 39 of the Claim, Ms. Mentzelopoulos denies advancing any false narrative and takes exception to that characterization in the Claim. The statements of fact in the Impugned Statement are true or substantially true and they give rise to reasonably held opinions that pressure was being exerted upon Ms. Mentzelopoulos, that threats were being made to her, and that political actors, including Mr. Smith were, regardless of their intentions, improperly involving themselves in matters of AHS procurement, contracting, and human resources.

Alleged Meanings and Innuendo

64. Ms. Mentzelopoulos denies the allegations in paragraph 40 of the Claim. The Impugned Statements do not expressly include the words and meanings alleged in paragraphs 40(c), (d), (e), (h), (i), (k), (l), (m), (p), (q), (s), (u), (v), (y) or (z). Further, the Impugned Statements do not give rise to the innuendoes alleged in paragraphs 40 (a), (c), (d), (f), (h), (i), (k), (l), (p), (q), or (s) through (z).
65. In general response to paragraph 40, Ms. Mentzelopoulos denies that the words and meanings in the Impugned Statements, taken individually or together, expressly or by inference were defamatory or disparaged the character and reputation of Mr. Smith.

66. Ms. Mentzelopoulos further denies that Mr. Smith's reputation was lowered in the eyes of any recipients as a result of the Impugned Statements or any innuendo that may be reasonably drawn therefrom, as alleged in paragraphs 41 or 44 or at all.
67. Further, or in the alternative, Ms. Mentzelopoulos denies that the words in the Impugned Statements are capable of bearing the meanings and giving rise to the innuendoes that the Plaintiff alleges. Rather, Mr. Smith has himself, by his very statement and inclusion of the alleged innuendoes, suggested those meanings and introduced those inferences seemingly in an attempt to create harm for purposes of a claim against the Defendant. In any event, any innuendo that can reasonably be derived from the Impugned Statements would be a lesser defamatory meaning, if defamatory at all, than those alleged by Mr. Smith.
68. In the further alternative, the Impugned Statements are true or substantially true, or alternatively fair comment, or a combination of both and, to the extent any innuendo alleged under paragraph 40 can reasonably be drawn from them, then any such innuendo is itself either substantially true or alternatively fair comment, or a combination of both.
69. Ms. Mentzelopoulos denies that the Impugned Statements or any reasonable inference to be drawn from them are such as to paint Mr. Smith in the worst possible light as alleged at paragraph 42, they merely recount what Mr. Smith said and did. Alternatively, if the factual recount of Mr. Smith's acts and statements paints him in "the worst possible light", that is his own doing, not that of Ms. Mentzelopoulos, and she is not liable for any resultant harm or damages, if any and which are denied.
70. Without limiting the application of any defences pled elsewhere in this Statement of Defence, Ms. Mentzelopoulos provides the following specific responses to the noted sub paragraphs under paragraph 40:
- (a) 40(a): The Impugned Statements support an innuendo that Mr. Smith believed he had the power and authority to influence Ms. Mentzelopoulos' decision-making processes, or at least that he attempted to influence Ms. Mentzelopoulos' decision-making processes on a few occasions.

- (b) 40(b): Mr. Smith, by his call on September 21, 2024, did exert undue pressure on Ms. Mentzelopoulos to sign off on commitments for new chartered surgical facilities for Lethbridge and Red Deer.
- (c) 40(c): Ms. Mentzelopoulos made no allegation in respect of Mr. Smith's involvement at all in seeking an extension of any contract for ASG.
- (d) 40(d): Ms. Mentzelopoulos was subject to interference and pressure from various Government of Alberta officials in respect of various matters outlined at paragraph 33a, including by Mr. Smith in relation to some of those matters. The specific discussions between Ms. Mentzelopoulos and Mr. Smith, and the matters relating to ASG and other CSFs with which he himself interfered or about which he exerted pressure are outlined specifically at paragraphs 33f. (June 2024, re: ASG) and 33k. (September 21, 2024, re: other CSFs), respectively. Ms. Mentzelopoulos did not state or suggest in the Mentzelopoulos Pleadings that Mr. Smith was aware of ownership issues with respect to ASG, nor did they have any discussions about any contract extension for ASG. Mr. Smith did discuss the CSF contracts for Lethbridge and Red Deer with Ms. Mentzelopoulos in September 2024. Issues respecting ownership arose later.
- (e) 40(e) and 40(m): The inference to be taken from Mr. Smith's June 2024 call to Ms. Mentzelopoulos about ASG's contract is the one expressly stated by Ms. Mentzelopoulos in the Impugned Statements (quoted at 33f.) that she was "concerned as to why the Premier's Chief of Staff was calling the President and CEO of AHS and making inquiries seemingly on behalf of a private surgical provider".
- (f) 40(f): Ms. Mentzelopoulos did not state or imply this, nor intend to do so in her pleadings; Mr. Smith is trying to fabricate this innuendo by his pleading.
- (g) 40(g): Mr. Smith did refer to Mr. Prasad as his "guy". Mr. Prasad did describe himself as being close to Mr. Smith. These are basic statements of the actual language used by Messrs. Smith and Prasad. In any event the innuendo alleged here is not defamatory and the statements of fact from which it allegedly derives are justified in fact and substance.

- (h) 40(h): Ms. Mentzelopoulos does not state or imply that Mr. Smith was involved in the selection of Prasad for his role in Alberta Health.
- (i) 40(i): If any innuendo is to be drawn from the Impugned Statements, several lesser defamatory meanings could apply here and should be drawn instead, if any, for instance the innuendo alleged at paragraph 40(j).
- (j) 40(j): Ms. Mentzelopoulos was left with the impression that Mr. Prasad would be taking some direction from Mr. Smith, and she states expressly that she "was uncomfortable with the inference that Prasad would be taking some level of direction from Marshall Smith". Based on her discussion with Mr. Smith, she drew that inference, her statement of discomfort was a true recount of her view at the time, and her statement of opinion in paragraph 19 of the Mentzelopoulos Claim (para 33(d) of the Claim) is fair comment.
- (k) 40(k): Ms. Mentzelopoulos never said Mr. Smith was "colluding" with anyone. It is the Crown who used the word "colluding" in the Crown Defence; Ms. Mentzelopoulos did not say or imply it.
- (l) 40(l): Ms. Mentzelopoulos did not state or imply that Mr. Smith was aware that Prasad had links to MHCare Medical as alleged. Neither did Ms. Mentzelopoulos say that Mr. Smith was aware that Prasad was involved in AHS procurement contracts. However, in the alternative, given Prasad's role and Mr. Smith's job as he describes it in the Claim, it is a reasonable inference that Mr. Smith would be aware that Mr. Prasad was involved in AHS procurement contracts. This is not defamatory.
- (m) 40(n): While Mr. Smith did not expressly request that Ms. Mentzelopoulos fire Nate Pike, it was clear to Ms. Mentzelopoulos that Mr. Smith's intention was to get Ms. Mentzelopoulos to fire Mr. Pike. It is a reasonable inference to draw that Mr. Smith threatened that if she did not fire Mr. Pike, that Ms. Mentzelopoulos would look very bad and would suffer consequences of her failure to terminate him.
- (n) 40(o): while not an express request or demand by Mr. Smith, it was clear to Ms. Mentzelopoulos that Mr. Smith's objective in his discussions with her about Nate

Pike was to put pressure on Ms. Mentzelopoulos to cause her to terminate Mr. Pike's employment.

- (o) 40(p): Ms. Mentzelopoulos' Claim talks of one employee that Mr. Smith exerted pressure to have fired (Nate Pike), not more. None of Ms. Mentzelopoulos' statements regarding other AHS employees relate to Mr. Smith.
- (p) 40(q): Mr. Smith said that he "would be taken care of for the rest of his life" not in the context of any discussion about procurement issues related to MHCare or the interests of Sam Mraiche in MHCare, but rather in the course of a discussion about Hansard the Cat. The details of their discussion are particularized in the Impugned Statements at 33(i) and (j).
- (q) 40(r): Mr. Smith did make attempts to interfere with Ms. Mentzelopoulos' position as AHS President and CEO, and her functions in that role; to the extent any of this interference was improper, this innuendo can be drawn and is true in substance and form, or fair comment, or both.
- (r) 40(s) is vague and imprecise. No one entity was identified in any of the Impugned Statements from which this alleged innuendo could be drawn. The only instance where Ms. Mentzelopoulos identified a specific entity in the Impugned Statements was ASG in the context of the June 2024 discussion with Mr. Smith; however, that was not in the context of securing any government contract for ASG.
- (s) 40(t), (w) and (x): Mr. Smith did abuse his powers and influence in the specific ways outlined in the Impugned Statements and his acts were apparently unethical where he, as a political actor, was attempting to insert himself into matters of AHS procurement or human resources or otherwise under the AHS President and CEO's purview, when those spheres should remain independent of one another.
- (t) 40(u): This is not an inference that Ms. Mentzelopoulos made, nor an innuendo arising from the Impugned Statements. Mr. Smith's comment to Ms. Mentzelopoulos that "he would be taken care of for life" was not made in the

context of discussions about CSF contracts or AHS employees and is not related to the apparently unethical practices referenced in 40(t).

- (u) 40(v), (y), and (z): Ms. Mentzelopoulos did not say or infer these things, nor did she intend to do so. The Impugned Statements generally state outright the intended opinion and inference drawn from the facts stated. No further innuendo should be attributed to those statements. In the alternative, to the extent any defamatory innuendo may reasonably be drawn from the Impugned Statements, there are lesser defamatory meanings that may and should be drawn, if any, for instance those in 40(t), (w) or (x).

Qualified Privilege

- 71. In the further alternative, the Impugned Statements were published in good faith, without malice, on an occasion of qualified privilege. They relate to matters of public interest including public procurement practices, significant expenditure of public funds on healthcare-related goods and services, management and governance of Alberta Health Services and health services generally in Alberta, and ethical practices and potential conflict of interest in those matters. Ms. Mentzelopoulos had a duty to investigate these matters. The fact that she was terminated improperly and without authorization for doing so is itself a matter of public interest, and Ms. Mentzelopoulos has an entitlement to state the facts that gave rise to her current circumstances.

No Malice

- 72. Ms. Mentzelopoulos at all times acted in good faith and never with malice against Mr. Smith or at all.
- 73. Ms. Mentzelopoulos specifically denies the allegations of malice contained in the Claim and denies that the matters set out in the Claim constitute or are capable of constituting malice on the part of Ms. Mentzelopoulos.
- 74. Specifically, there was no actual or express malice in the filing of the Mentzelopoulos Pleadings.
- 75. Ms. Mentzelopoulos honestly and on reasonable grounds believes that the statements in the Mentzelopoulos Pleadings were and are justified.

76. In the alternative, if there was any malice on the part of Ms. Mentzelopoulos, which is not admitted but expressly denied, then Ms. Mentzelopoulos nonetheless denies that any statements by her caused or increased any injury, damage, or loss to the Plaintiff.

No Damages

77. Ms. Mentzelopoulos denies that Mr. Smith has suffered any damages, as alleged in paragraphs 45 to 49 or at all.

78. In the alternative, if the Plaintiff has suffered damages, which is not admitted but specifically denied:

(a) the damages claimed are grossly excessive, exaggerated, and not warranted in the circumstances; and, or alternatively,

(b) the damages claimed were caused or contributed to by the actions of the Plaintiff, the Plaintiff is the author of his own misfortunes, either by citing or espousing such views and opinions, or taking such actions, or making such statements that resulted in persons or the community having a lower opinion of the Plaintiff or otherwise, if that is even the case; and, or alternatively,

(c) the damages claimed were caused or contributed to by entities or individuals other than Ms. Mentzelopoulos; and, or alternatively,

(d) the Plaintiff has failed to mitigate his damages.

79. The Defendant pleads and relies on the provisions of the Contributory Negligence Act, RSA 2000 c C-27, the Tort-Feasors Act, RSA 2000 c T-5, and the Defamation Act, RSA 2000, c D-7, each as amended.

Remedy sought:

80. Ms. Mentzelopoulos respectfully requests that:

(a) The Plaintiff's claims be dismissed against her with costs on such basis as this Honourable Court sees fit in the circumstances, and

(b) Such other relief as this Honourable Court deems just.

APPENDIX

Concordance of Impugned Statements

Paragraph Marshall Claim	Statement	Paragraph Mentzelopoulos Claim (or Reply)
33		
a.	<p>"Throughout 2024 Mentzelopoulos had been repeatedly subject to interference and pressure from various Government of Alberta officials – including the Premier's then Chief of Staff, Marshall Smith – to sign off on commitments for the new CSFs, and approve a contract extension for ASG, despite significant concerns within AHS around the true ownership and potential costs of the CSFs, and concerns over the significantly increased costs of the ASG contract when compared to other private contractors and also compared to internal AHS costing estimates. During 2024, Mentzelopoulos also learned that ASG was being promoted by former MLA Doug Horner, and that ASG had somehow been awarded a 2-year CSF contract despite having been uncompetitive in the initial RFP process for CSF contracts."</p>	16
b.	<p>"The efforts by Government officials to increase prices being paid to private suppliers, both in excess of prices being paid to other private suppliers and also internal AHS costing, ran contrary to her extensive experience in government negotiations, including when she had served as a Deputy Minister of Finance and Treasury Board."</p>	17
c.	<p>"In early 2024, Marshall Smith told Mentzelopoulos that an individual named Jitendra Prasad ('Prasad') 'was his guy' and that Prasad had been put in place at Alberta Health to make sure that the Government could 'get contracting right'. Shortly after this discussion, Prasad contacted Mentzelopoulos and advised that he was close to Marshall Smith, and he was working to set up a new healthcare contracting group within Alberta Health."</p>	18
d.	<p>"For her part, Mentzelopoulos was uncomfortable with the inference that Prasad would be taking some level of direction from Marshall Smith, and potentially the Premier's Office, on AHS procurement and contract issues that were specific to AHS and that fell within Mentzelopoulos' mandate as President and CEO."</p>	19

e.	<p>“Further, in the subsequent AHS assessment and investigation into the CSFs and ASG contract (particulars of which are set out below) Mentzelopoulos became aware that Prasad, who had been seconded by AHS to Alberta Health in December 2023 and who was involved in the negotiation and analysis of various AHS contracts, had a potentially serious conflict of interest. Specifically:</p> <p>i. Prasad retired briefly from AHS in April 2022 before becoming a contractor for AHS, and then returned as an AHS employee in the position of Chief Program Officer, and later Special Advisor, for AHS Contracts, Procurement, and Supply Management (“CPSM”) from October 2022 to December 2023, before then being seconded from AHS to Alberta Health,</p> <p>ii. but Prasad had an MHCare Medical email address (jprasad@mhcaremedical.com) in November 2022 just before the then Minister of Health directed AHS to enter into a contract with MHCare for a \$70 million children’s acetaminophen purchase order and supply agreement, and Prasad may also have been retained or otherwise contracted by persons who were involved with the CSFs and other AHS procurement contracts in and after 2022.”</p>	20
f.	<p>“In June 2024, Mentzelopoulos received a call from Marshall Smith who was inquiring into why (as he understood it) AHS was “capping” the contract with ASG. Mentzelopoulos explained there was no “cap” and advised that ASG needed to continue working within the existing contract provisions with AHS. Mentzelopoulos was concerned as to why the Premier’s Chief of Staff was calling the President and CEO of AHS and making inquiries seemingly on behalf of a private surgical provider.”</p>	21
g.	<p>“During the summer of 2024, Mentzelopoulos was again contacted by Marshall Smith who advised Mentzelopoulos that “powerful people” were upset and angry about the twitter feed of an AHS employee (Nate Pike, an AHS paramedic) who was apparently posting criticism of the Government while on duty. Smith alleged that a complaint and lawsuit were going to be filed against Mr. Pike. Mentzelopoulos asked Smith if he was trying to tell her that AHS had to fire Mr. Pike. Smith replied that Mr. Pike was “your employee” and “you’re going to look very bad” and there would be “consequences”. Mentzelopoulos advised Smith that she would not fire Mr. Pike, but after the discussion she contacted AHS leadership and advised them to speak to Mr. Pike about not tweeting while at work.”</p>	24
h.	<p>“This type of call from Smith was not unique, as Mentzelopoulos had previously been pressured by Tremblay</p>	25

	(via text message) to terminate purported critics of the Government including Carmelle Steinke, Jeremy Theal, and Sherri Kashuba. In support of this pressure from Tremblay, the Chief of Staff of Minister LaGrange sent Mentzelopoulos a screenshot of the allegedly offensive tweet that had been "liked" by one of these individuals."	
i.	"Later during the summer, Marshall Smith again spoke to Mentzelopoulos, this time about another twitter feed called "Hansard the Cat" that was apparently critical of the Government. Smith outlined a number of steps, including private detectives, lawyers, and (apparently) hackers, that were being used to discover the identity of the person(s) posting under the "Hansard the Cat" name."	26
j.	"It was during this conversation that Smith told Mentzelopoulos about "Sam", who was apparently taking legal action to force disclosure of the identity of "Hansard the Cat". Smith told Mentzelopoulos that he "would be taken care of for the rest of his life", somehow in relation to "Sam". Mentzelopoulos understood that "Sam" was Mr. Sam Mraiche, the principal and CEO of MHCare Medical, who had been the subject of media reports for having allegedly taken various Government Ministers and officials to Oilers hockey playoff games in May and June 2024."	27
k.	"On September 21, 2024, Mentzelopoulos received another call from Marshall Smith who wanted to know the status of negotiations on the CSFs in Red Deer and Lethbridge, Alberta. Smith advised Mentzelopoulos that there were 'serious businessmen' who were unhappy with the delays in negotiations, and they needed AHS to approve the CSFs in order to secure financing. Mentzelopoulos explained the reason for the delay, but Smith ended the conversation with a comment that the CSF principals were 'serious people – do not mess with them'."	34
34		
a.	"The false, vindictive, and malicious allegations in the Defences have been compounded by recent false public statements about Mentzelopoulos made by Premier Danielle Smith, and are consistent with recent comments made by Premier Smith's former Chief of Staff, Marshall Smith, who has told people that he intends to ensure that Mentzelopoulos 'never works again in Canada.'"	4 Reply

<p>b.</p>	<p>"On January 2, 2025, Mentzelopoulos talked to [Deputy Minister of Mental Health and Addictions] Romanow. Romanow said the Minister of Mental Health and Addictions, Dan Williams, was 'very concerned' about the AHS internal investigations and the forensic audit, including the investigation of 'our good friend JP' (JP being a reference to Prasad). Romanow said that Minister Williams was concerned that the investigation could lead to potential connections between various government officials and Sam Mraiche and MHCare Medical around AHS procurement issues. Romanow told Mentzelopoulos that his Minister was: 'freaked out about any potential connectivity or any exposure that there may be directly or indirectly to government through through [sic] AHS' Romanow then asked Mentzelopoulos in respect of Deputy Minister of Health Tremblay:</p> <p style="padding-left: 40px;">'are they saying to back off and tamp stuff down on that front?'</p> <p>Mentzelopoulos confirmed to Romanow that she had received the December 23, 2024, letter from Assistant Deputy Minister of Health Nickerson instructing AHS to stop the investigation into CSFs and transfer all related files to Alberta Health.</p> <p>Romanow then discussed the development of recovery communities and the political involvement and direction around that part of the healthcare 'refocusing'. Romanow told Mentzelopoulos:</p> <p style="padding-left: 40px;">'There's essentially now, I assume it's the minister who's hearing from his constituents, but he's freaked out because the connections with Metis Nation of Alberta, the builder that they've got building the recovery community with MNA, is the same builder with three others. And it's, it's connected to Sam as well. And with this Aaron Barner, who's with Metis Nation of Alberta, who's there in the pictures at the Oilers game and stuff.'</p> <p style="padding-left: 40px;">and</p> <p style="padding-left: 40px;">'So this is the thing that freaks me out. I definitely know Marshall was involved on that side, which you know, then makes me wonder about his integrity, or standing on anything else. If, if I know he, he thought that was, it was almost his idea. Oh, my God. So it potentially does point over.'</p>	<p>11 k. Reply</p>
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