NO. 708/81 PRINCE GEORGE REGISTRY AUG 2 11984 THE SUPREME COURT OF BRITISH COLUMBIA BETWEEN: JACOB L. GUENTHER and JAKE L. GUENTHER LOGGING LTD. REASONS FOR JUDGMENT PLAINTIFFS OF THE HONOURABLE AND: MR. JUSTICE LANDER DR. JOHN WILLMS, DR. JON BURG, and PRINCE GEORGE AND DISTRICT REGIONAL HOSPITAL SOCIETY, also known as PRINCE GEORGE REGIONAL HOSPITAL and GLEN PENWARDEN DEFENDANTS D. E. M. Jenkins, Esg. and counsel for the plaintiffs D. Byl, Esq. H. A. Hollinrake, Esg. and counsel for Prince George Regional J. Dives, Esg. Hospital and Glen Penwarden counsel for Dr. Willms and M: M. Skorah, Esq. Dr. Burg Dates of Hearing: May 7, 8, 9, 10, 11, 14, 15, and June 29, 1984. On the 29th of June, 1984, Oral Reasons were delivered and the defendant Dr. John Burg was found to be solely responsible for the injuries caused to the plaintiff Jacob L. Guenther. The actions against Dr. John Willms, the hospital and Dr. Penwarden were dismissed.

Those defendants were allowed their costs as against the plaintiffs.

The guantum of damages was reserved.

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During the course of the trial I heard from two experts on the issue of the plaintiffs' past loss of income. The plaintiff called Dr. Arthur Guthrie, the defendant called Mark Gallon, C.A.

After considering the experts' reports and their <u>viva voce</u> evidence, together with the evidence of the business associates of the plaintiff, I find as a fact that the plaintiff's business was one that may be termed a "key-man operation". I reject Mr. Gallon's assumption that Guenther was not the key to the operation of this logging business. The evidence has conclusively shown that he was the mainstay; the driving force that developed the business. His mechanical and supervisory skills, together with his ability to operate a feller-buncher machine combined to make him the focal point of this whole operation.

The plaintiff's left arm now prevents him from carrying out mechanical work and from driving a feller-buncher. The result of Dr. Burg's negligence has materially altered Guenther's operation. For example: feller-bunchers are run by hydraulics and an operator requires the use of both hands and arms to manipulate the levers to control the machine. The plaintiff's left arm is useless for these tasks. A further example of the plaintiff's value to the operation was that he would make hydraulic hoses at the logging site. This particular ability did away with the need of going to MacKenzie, B. C. or Prince George, B. C. to Finning Tractor to obtain replacement hoses. These are two examples of how this man was important to the operation.

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Mr. Gallon, in his report, proceeded on the assumption 4 that one of the reasons there was a decline in income to the company 5 after the injury to the plaintiff was that there was an economic downturn in the forest industry. I find as a fact that this conclusion 6 7 by Mr. Gallon was erroneous relative to the plaintiffs' operation. I find as a fact, based upon the evidence that I heard from associates 8 9 of the plaintiff Guenther and from Mr. Michael Bell, Manager of B. C. Forest Products, Blackwater Division, that there was always work 10 available for the plaintiffs' feller-bunchers. Notwithstanding that the plaintiffs' head contractor, Mr. Norman Kalyn's, quota had been 12 reduced during the economic downturn, work was available to the 13 plaintiffs to satisfy those quotas. The losses were as a result of the 14 plaintiff Guenther not being present to supervise the operation and 15 to do his work as an operator and mechanic. 16

Dr. Guthrie said he conducted his research and investigations of the plaintiffs' operations from time to time over a period of 21 months prior to trial. I have concluded that the facts upon which he based his opinions were canvassed during the evidence before me and I am therefore able to accept the opinion of Dr. Guthrie as to the past income loss to the plaintiffs. I set that loss at \$501,000.

As to future wage loss, I find as a fact that while the plaintiffs' operation is still carrying on Guenther will not be able to work as a feller-buncher operator. He must be compensated. The plaintiff testified that he wished to go into the motel business, a

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small one he suggested, perhaps in the Okanagan Valley. I do not think this is unreasonable in all the circumstances. The actuary's report has calculated the future lost earnings at \$280,000. Mr. Skorah on behalf of the defendant Dr. Burg submitted that the plaintiff's wish for a motel in the Okanagan be disregarded because the company is being operated and appears to be viable. However, I have concluded that it is unreasonable in all the circumstances for the plaintiff Guenther to continue in such altered circumstances. The defendant called no evidence as to future loss of income and therefore I am accepting the actuarial report and I find as a fact that Guenther's future loss of income is \$280,000.

The plaintiffs applied for a "Bullock order" (<u>Bullock v.</u> <u>London General Omnibus Co.</u>, [1907] 1 K.B. 264). Rule 57(11), Supreme Court Rules, provides for such an order and in the circumstances of this case such an order is appropriate. The plaintiffs shall have pre-judgment interest at the rates set by the Registrar of this Honourable Court from time to time. The plaintiffs will have their costs against the defendant Burg.

and fundar

Vancouver, B. C. August 20, 1984.

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