



Court file No. S1710393  
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c. C-36, AS AMENDED**

**AND**

**IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*, S.B.C. 2002, c. 57**

**AND**

**IN THE MATTER OF ALL CANADIAN INVESTMENT CORPORATION**

**(the "Petitioner")**

**MONITOR'S FIRST REPORT TO COURT**

**November 30, 2017**

**Boale, Wood & Company Ltd.**

Monitor appointed in the  
Companies' Creditors Arrangement Act proceedings of  
All Canadian Investment Corporation

**Suite 1140 – 800 West Pender Street  
Vancouver, BC V6C 2V6**

## TABLE OF CONTENTS

A. INTRODUCTION .....	1
B. DISCLAIMER AND TERMS OF REFERENCE .....	3
C. BACKGROUND.....	5
D. ACTIVITIES OF THE PETITIONER SINCE THE INITIAL ORDER.....	11
E. ACTIVITIES OF THE MONITOR SINCE THE INITIAL ORDER.....	12
F. MONITOR'S REPORT ON CASH FLOW STATEMENT.....	13
G. RESTRUCTURING OPTIONS.....	14
H. PETITIONER'S REQUEST FOR AN EXTENSION OF THE STAY .....	16
I. CONCLUSIONS AND RECOMMENDATION.....	17

### Appendices

- A. Initial Order dated November 10, 2017
- B. Cash Flow Statement Prepared by Management and Monitor's Report on Cash Flow Statement
- C. Notice to Creditors
- D. Cash Flow Statement Variance Analysis

## A. INTRODUCTION

1. This report (the “First Report”) is filed by Boale, Wood & Company Ltd. (“BWC”) in its capacity as monitor (the “Monitor”) appointed in a proceeding commenced on November 8, 2017 by All Canadian Investment Corporation (the “Petitioner”) pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c.-36, as amended (the “CCAA Proceedings”).
  
2. By Order pronounced November 10, 2017 (the “Initial Order”) the British Columbia Supreme Court, amongst other things:
  - a. declared that the Petitioner is a company to which the CCAA applies;
  
  - b. appointed BWC as Monitor in the CCAA Proceedings;
  
  - c. granted a stay up to and including December 9, 2017 (the “Initial Stay Period”);
  
  - d. approved an administration charge not exceeding \$250,000 as security for the fees and disbursements of the Monitor, counsel for the Monitor and counsel for the Petitioner (the “Administration Charge”). The Administration Charge constitutes a mortgage, security interest, assignment by way of security and charge on the Property and ranks in priority to all other encumbrances, in favour of any person; and
  
  - e. approved a Directors’ Charge not exceeding \$50,000 as security for the indemnity provided in paragraph 21 of the Initial Order. The Directors’ Charge constitutes a mortgage, security interest, assignment by way of security and charge on the property of the Petitioner and ranks in priority to all other encumbrances, in favour of any person, save and except those contemplated

by section 11.8(8) of the CCAA and the secured claims of Fisgard Capital Corporation (“Fisgard”) and Van Maren Financial Ltd. (“Van Maren”).

3. A copy of the Initial Order is attached as Appendix A.
4. The Superintendent of Bankruptcy provided its acknowledgment of the CCAA Proceedings on November 14, 2017.
5. The purpose of the First Report is to provide the Court with:
  - a. background information about the Petitioner and the CCAA Proceedings;
  - b. an update to the Petitioner’s activities since the date of the Initial Order;
  - c. an update on the Monitor’s activities since the date of the Initial Order;
  - d. an updated cash flow forecast (the “Cash Flow Statement”) for the period November 5, 2017 to March 31, 2018 as prepared by management of the Petitioner (“Management”) and the Monitor’s report on the Cash Flow Statement (copy attached as Appendix B);
  - e. the Monitor’s view on the Petitioner’s plan and request for an extension of the Stay; and
  - f. the Monitor’s recommendations.
6. The Monitor has set up a website at <http://www.boalewood.ca/2017/11/08/all-canadian-investment-corporation-acic/> (the “Website”). All prescribed materials filed by the Petitioner and the Monitor in the CCAA Proceedings are available to creditors and other interested parties in electronic format on the Website. The Monitor will continue to make regular updates to the Website to ensure creditors and other interested parties are kept current.

## **B. DISCLAIMER AND TERMS OF REFERENCE**

7. Except as specified, in preparing this report the Monitor has obtained and relied upon unaudited, draft and/or internal information which Management advises has been compiled from the Petitioner's books and records. Where available, the Monitor has reviewed external records and documentation including post-filing banking records, corporate searches and financial statements.
  
8. Except as otherwise described in this report:
  - a. the Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information which has been provided in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountant Canada Handbook; and
  
  - b. the Monitor has not conducted an examination or review of any financial forecast and projections in a manner that would comply with the procedures described in the Chartered Professional Accountant Canada Handbook.
  
9. The Monitor's Report on Cash Flow Statement is based on assumptions regarding future events, and actual results will vary from the information presented even if the hypothetical assumptions occur, and variations may be material. Accordingly, the Monitor expresses no assurance as to whether the Cash Flow Statement will be achieved. The Monitor expresses no opinion or other form of assurance with respect to the accuracy of any financial information relied upon in preparing the Cash Flow Statement or the First Report.
  
10. The Monitor's review of the Cash Flow Statement consisted of inquiries, analytical procedures and discussions related to information supplied to us by the Petitioner. Since hypothetical assumptions need not be supported, the Monitor's procedures with respect to them were limited to evaluating whether they were consistent with the purpose of those documents and the projections therein.

11. The Cash Flow Statement and the First Report have been prepared solely for the purpose described and readers are cautioned that it may not be appropriate for other purposes.

## C. BACKGROUND

### History

12. Detailed background information in respect of the Petitioner, a description of its business and affairs, assets, indebtedness and the causes of its financial difficulties are set out in the Petition to the Court and Affidavit #1 sworn by Donald Bergman on behalf of the Petitioner. A brief summary of the background included in the Petition follows:

- The Petitioner is a mortgage investment corporation (“MIC”) which has been in business since 1998. Its business is to provide loans to owners and developers of single and multi-family residential, commercial, office and industrial real estate properties (the “Borrowers”), which are secured by registered, unregistered and equitable mortgages on the properties (the “Mortgage Loans”);
- The Petitioner also made other loans and investments which included equity loans, advance loans and non-mortgage loans to its existing Borrowers for construction, development, redevelopment or renovation (the “Other Loans”, and together with the Mortgage Loans, hereinafter referred to as the “Loans”). The Other Loans may be unsecured;
- The Petitioner lending rates range from 6% to 12%;
- The total amount owed to the Petitioner under the portfolio of Loans (the “Loan Portfolio”) is approximately \$37.8 million as at the date of the Petition;
- As a MIC the objective of the Petitioner is to provide its preferred shareholders with dividend payments. The Petitioner has two classes of shareholders: (1) common shares, and (2) preferred shares;
- The Petitioner has issued a total of 37,277 preferred shares and 15,647 warrants, for an aggregate capital of approximately \$37,277,000;
- From 2005 to 2014, shareholders received between 6% to 8% annual returns on their Preferred Shares. Dividends to shareholders were decreased to 2.75% in 2015 and to 1.0% in 2016. No dividends have been paid in 2017;
- The Petitioner does not have any employees and is managed by ACIC Financial Development Inc. (“AFDI”). Mr. Bergman is the sole director and

officer of AFDI. AFDI and the Petitioner are not subsidiaries of one another, although Donald Bergman is a director and officer of each. AFDI holds preferred shares of ACIC; and

- Pursuant to a management agreement between the Petitioner and AFDI, AFDI receives an annual fee (the “Management Fee”) equal to 2% of the Petitioner’s assets and 15% of the Petitioner’s gross annual revenues that is payable on a monthly basis.

### **Reasons For Financial Difficulty**

13. According to Petitioner, the reasons for the Petitioner’s financial difficulty include the following:

- The high level of development activity in the Lower Mainland has led to excessive delays in construction and development, particularly with respect to obtaining permits from the municipalities;
- The construction delays have resulted in delays on timely interest payments and payouts of the Loans which has negatively affected cash flow and, therefore, the ability to meet its obligations to creditors and preferred shareholders;
- The Petitioner has attempted to but been unsuccessful in raising additional capital to fund its operations;
- The Petitioner’s ability to raise additional capital was also hindered by the sudden resignation of its auditors, BDO Canada LLP (“BDO”) in March of 2016 without advance warning and without completing the audited financial statement for 2015 or filing the tax return;
- Since 2016, the Petitioner has resorted to borrowing funds from third party financiers at high interest rates in order to advance loans and loan commitment obligations with the Borrowers. As of the date of the Initial Order, the Petitioner had defaulted on the loan from Fisgard and Fisgard commenced foreclosure proceedings against the Petitioner;
- The reduced cash flow and higher borrowing costs have resulted in reduced dividend payments to the preferred shareholders in 2015 and 2016 and no payments to the preferred shareholders in 2017. This has led to over 65% of

the preferred shareholders sending Equity Redemption Notices. The amount of the preferred shareholder requested redemptions exceeds \$24,000,000; and

- Certain preferred shareholders have also commenced legal actions against ACIC.

## **ASSETS**

### ***Loan Portfolio***

14. The Petitioner has a Loan Portfolio of approximately \$37.2 million made up as follows:
  - a. Mortgage Loans secured by registered, unregistered and equitable mortgages in the total amount of \$34.8 million and/or secured against other property belonging to the Borrowers or related parties to the Borrowers. A number of the Mortgage Loans are also secured by general security agreements from the Borrower or parties related to the Borrower and/or unlimited guarantees from principals of the Borrower; and
  - b. The Other Loans in the total amount of \$2.4 million that are unsecured.

### ***Real Property***

15. The Petitioner owns five (5) properties registered in its name (the "Real Property"), the details of which are described below:
  - a. *The Packalen Boulevard Properties* Three (3) ocean view and waterfront properties located on Packalen Boulevard, Pender Harbour, B.C., with PIDs 026-192-993, 026-193-001 and 026-193-019 and are hereinafter collectively referred to as the "Packalen Boulevard Properties".

As of October 13, 2017, the appraised market value of the Packalen Boulevard Properties is \$3.1 million. As per the 2017 B.C. Assessment Notice, the total assessed value of the Packalen Boulevard Properties is \$2,543,000. The Packalen Boulevard Properties are subject to a first mortgage in favour of Fisgard Capital Corporation ("Fisgard") and a second mortgage in favour of Van Maren Financial

Ltd. ("Van Maren"). The three (3) lots that comprise the Packalen Boulevard Properties are currently listed for sale, for a total list price of \$3.98 million; and

- b. *The Garden Bay Properties* Two (2) lots located on or near Lee Road, Garden Bay, Pender Harbour, B.C., with PIDs 027-093-387 and 026-169-436 and are hereinafter collectively referred to as the "Garden Bay Properties".

As per the 2017 B.C. Assessment Notice, PID 027-093-387 has an assessed value of \$549,000, and PID 026-169-436 has an assessed value of \$66,200, for total assessed value for both lots of \$615,200. The Garden Bay Properties are subject to a mortgage in favour of Van Maren. PID 026-169-436 is currently listed for a price of \$99,000 and PID 027-093-387 is currently listed for a price of \$629,000, for a total list price of \$728,000.

#### **LIABILITIES**

16. As of October 31, 2017, the liabilities of the Petitioner total approximately \$29,914,702, which are comprised of the following:

##### ***Secured Liabilities***

- The loan from Fisgard with a balance due at September 30, 2017 of \$1,285,702 secured by a mortgage registered against the Packalen Boulevard Properties and a general security agreement. The interest rate on the Fisgard loan is 8.5% per annum calculated daily, compounded monthly. Fisgard has commenced foreclosure proceedings and the Petitioner has consented to an Order Nisi with a 6 month redemption period.
- The loan from Van Maren dated October 11, 2017 in the amount of \$500,000 which funds were used by the Petitioner to meet its commitment to a Borrower. The funds advanced by Van Maren Loan is secured by a second mortgage on the Real Property of the Petitioner and a general security agreement. The interest rate on the Van Maren loan is 3% per month.

### ***Unsecured Liabilities***

- The loan from James Hancock as evidenced by a promissory note dated January 30, 2013 in the principal amount of \$1,000,000 and bearing interest at a rate of 6%. As of October 31, 2017, the balance of \$1,015,123.29 is outstanding;
- The loans from AFDI that were used by the Petitioner to pay property taxes, legal fees relating to shareholder matters and other operating costs. These loans do not accrue interest. As of October 31, 2017, the Petitioner was indebted to AFDI in the total of approximately \$115,238.56. It should be noted that the Petitioner has separately loaned money to AFDI which is included in the Loan Portfolio. As at October 31, 2017 the amount owed by AFDI to the Petitioner was \$2,287,517;
- The loans from ACIC CJ Properties Ltd. ("CJ Properties") that were used to cover operating shortfalls. CJ Properties and the Petitioner are not subsidiaries of one another. Mr. Bergman is the sole shareholder of CJ Properties. These loans do not accrue interest. As of October 31, 2017, the Petitioner is indebted to CJ Properties in the total amount of \$24,000;
- Debentures issued to borrow funds in order to advance loans and loan commitment obligations to Borrowers. Interest on the debentures are due monthly. As of October 31, 2017, the total debt from the Debentures is \$2,350,000, with a total of approximately \$60,000 outstanding in accrued interest; and
- Other unsecured creditors totalling approximately \$32,272.83 outstanding to general creditors of the Petitioner.
- Property taxes outstanding in the amount of \$11,705.92 in relation to the Packalen Boulevard Properties.

- As of the date of this Petition, there was no known amounts owing to Canada Revenue Agency with respect to GST and source deductions.

***Shareholders***

- Equity claims of approximately \$24,229,000 arising from Equity Redemption Notices received from its preferred shareholders. Three of the preferred shareholders have commenced legal actions against the Petitioner. The total amount owed to preferred shareholders is \$37,277,000.

#### **D. ACTIVITIES OF THE PETITIONER SINCE THE INITIAL ORDER**

17. Since the date of the Initial Order, Management's activities, in addition to managing the daily operations of the business, have included the following:
- a. Preparation of short term Cash Flow Statements and information on the Loan Portfolio and real estate holdings as requested by the Monitor;
  - b. Communicating with Borrowers in an effort to expedite payment of both loan interest and principal;
  - c. Communicating with stakeholders regarding the CCAA proceedings;
  - d. Contacting potential lenders that could provide debtor-in-possession ("DIP") financing and/or to provide funding to payout existing lenders on more favourable terms;
  - e. Assisting auditors with respect to the preparation of audited financial statements;
  - f. Development of a restructuring plan to maximize the recovery to all stakeholders; and
  - g. Assisting legal counsel with information required in preparation for the comeback hearing on December 5, 2017.

## **E. ACTIVITIES OF THE MONITOR SINCE THE INITIAL ORDER**

18. Since the date of the Initial Order, the Monitor has undertaken, amongst others things, the following activities:

- a. completed its initial notice requirements pursuant to subsection 23(1)(a) of the CCAA and as provided in paragraphs 48 to 51 of the Initial Order. In particular:
  - i. delivered a notice to creditors in the prescribed form (copy attached as Appendix C);
  - ii. posted the Initial Order on the Website along with a list of creditors owed greater than \$1,000 including their names, addresses and amounts owed, as recorded in the Petitioner's books and records; and
  - iii. published notices of the CCAA Proceedings in the Vancouver Sun on November 17, 2017 and again on November 24, 2017, respectively;
- b. consulted with Management and reviewed information received with respect to the Loan Portfolio, Real Property, Cash Flows Statement, the CCAA Proceedings and sought information on Management's proposed restructuring plan;
- c. monitored the Petitioner's actual cash receipts and disbursements;
- d. Sent letters to ACIC borrowers to confirm loan details; and
- e. communicated with the Petitioner's stakeholders, including responding to enquiries as received; and
- f. prepared the First Report to the Court in these CCAA Proceedings.

## **F. MONITOR'S REPORT ON CASH FLOW STATEMENT**

19. The Monitor has attached as Appendix B to this report the Cash Flow Statement prepared by Management along with the Monitor's Report on the Cash Flow Statement as required pursuant to section 23(1)(b) of the CCAA.
20. Since being appointed, the Monitor has reviewed the actual cash inflows and outflows of the Petitioner for the three weeks ending November 26, 2017. A comparison of the actual cash inflows and outflows to the projected cash inflows and outflows has been attached as Appendix D to this report.
21. The actual cash inflows and outflows are in line with the projections. The variances are primarily a result of the actual timing versus the projected timing of cash inflows and outflows.
22. The Monitor notes that Management's projected cash receipts are based on the history of payments from Borrowers and Management's recent communications with Borrowers regarding the timing of future loan interest and principal repayments. The amounts and timing of payments from Borrowers may vary from the projections due to future unforeseen events.
23. The projected cash inflows to the end of March 2018 indicate that there will be sufficient funds to meet the Petitioner's ongoing obligations during this period and accommodate funds that would go toward a reduction in debt.

## **G. RESTRUCTURING OPTIONS**

24. The Monitor has had some preliminary discussions with Management regarding how best to maximize recovery for all stakeholders. The options being considered include the following:
- a. Finding a purchaser willing to purchase the entire Loan Portfolio or a portion of the Loan Portfolio on an “as is” basis at a discount, which would likely result in a lower recovery to the stakeholders;
  - b. Realizing on the Loan Portfolio over time to maximize the recovery to stakeholders; and
  - c. Selling some of the Loan Portfolio and realizing on the remaining Loan Portfolio in the ordinary course of business.
25. Pursuit of any of the above options would be presented through a plan of compromise or arrangement (the “Plan”) to be voted on by stakeholders.
26. The restructuring plan will include the sale of all real property owned by ACIC.
27. The Monitor has advised the Petitioner that the CCAA proceedings must include the following:
- a. Aggressively pursuing the sale of the Real Property which may include reductions in the list prices to facilitate quicker sales that should provide sufficient funds to pay out the secured creditors in full; and
  - b. Further reducing the Management Fee as its only ongoing business activity will be to administer the Loan Portfolio and sell the Real Property.
28. The Monitor’s initial view is that the recovery to the stakeholders will be higher if the Loan Portfolio is realized on over time as compared to an en bloc “as is” sale of Loan Portfolio that will likely be at a substantial discount.

29. For the Monitor to comment on the Plan, the Monitor will need to independently evaluate the potential recovery from the Loan Portfolio. In this regard the Monitor is working with the Petitioner with respect to each of the Loans in the Loan Portfolio.
  
30. The Monitor has also sent letters to each of the Borrowers requesting verification of the loan terms and information on the property securing the loan including information regarding the other encumbrances registered against the property.

## **H. PETITIONER'S REQUEST FOR AN EXTENSION OF THE STAY**

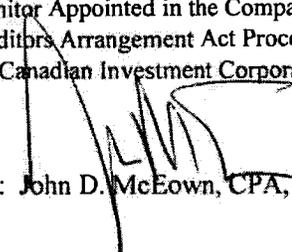
31. The Monitor understands the Petitioner will be seeking a 90-day extension of the Stay Period to Friday March 9, 2018 in order to allow the time for the Petitioner to formalize its restructuring plan.
  
32. The Monitor believes that the 90 day extension of the stay is reasonable and will provide the Petitioner with sufficient time to:
  - Complete an evaluation of the Loan Portfolio and report back to the Court on the expected recovery from the Loan Portfolio assuming the loans are realized on in the ordinary course of business;
  
  - Explore refinancing opportunities, including the possibility of DIP financing, if necessary;
  
  - Further reduce Management Fees; and
  
  - Formalize a Plan to present to its stakeholders.
  
33. The extension will also provide sufficient time for the Monitor to properly review the Loan Portfolio and to be in a position to report to the Court on the Petitioner's ability to carry out a restructuring plan going forward.

## I. CONCLUSIONS AND RECOMMENDATION

34. During this initial stay period the Monitor is satisfied that the Petitioner has worked diligently in providing information requested by the Monitor and now appears to be focused on the restructuring plan.
35. The Petitioner has requested that the stay be extended a further 90 days to allow time to develop a restructuring plan for the stakeholders.
36. The Monitor is of the view that the Petitioner has been cooperative and has acted and is acting in good faith and with due diligence.
37. Based on the information currently available, the Monitor believes that the relief being sought by the Petitioner is reasonable and appropriate.
38. The Monitor is of the view that the stakeholders will not be prejudiced by the extension of the Stay for 90 days.
39. Accordingly, the Monitor respectfully recommends that the Court grant a further extension of 90 days.

DATED at the City of Vancouver, British Columbia, this 30<sup>th</sup> day of November, 2017

**Boale Wood and Company Ltd.**  
Monitor Appointed in the Companies'  
Creditors Arrangement Act Proceedings of  
All Canadian Investment Corporation

Per:  John D. McEown, CPA, CA, CIRP

# **APPENDIX A**

**Initial Order dated November 10, 2017**



No. SL710393  
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,  
R.S.C. 1985, c. C-36, AS AMENDED**

**AND**

**IN THE MATTER OF THE BUSINESS CORPORATIONS ACT,  
S.B.C. 2002, c. 57, AS AMENDED**

**AND**

**IN THE MATTER OF THE CANADA BUSINESS CORPORATIONS ACT,  
R.S.C. 1985, c. C-44, AS AMENDED**

**AND**

**IN THE MATTER OF A PLAN OF COMPROMISE AND ARRANGEMENT OF  
ALL CANADIAN INVESTMENT CORPORATION**

**ORDER MADE AFTER APPLICATION**

BEFORE THE HONOURABLE )  
 ) 10/Nov/2017  
MADAM JUSTICE ADAIR )

THE APPLICATION of the Petitioner coming on for hearing without notice at Vancouver, British Columbia, on the 10th day of November, 2017 (the "Order Date"); AND ON HEARING Christopher J. Ramsay and Katie G. Mak, counsel for the Petitioner and those other counsel listed on Schedule "A" hereto; AND UPON READING the material filed, including the First Affidavit of Donald Bergman sworn November 7th, 2017 and the consent of Boale, Wood & Company Ltd. to act as Monitor; AND UPON BEING ADVISED that Fisgard Capital Corporation and Van Maren Financial <sup>ltd.</sup> who are likely to be affected by the charges created herein were given notice; AND pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36 as amended (the "CCAA"), the British Columbia Supreme Court Civil Rules and the inherent jurisdiction of this Honourable Court;

THIS COURT ORDERS AND DECLARES THAT:

**JURISDICTION**

1. The Petitioner is a company to which the CCAA applies.

**SUBSEQUENT HEARING DATE**

2. The hearing of the Petitioner's application for an extension of the Stay Period (as defined in paragraph 14 of this Order) and for any ancillary relief shall be held at the Courthouse at 800 Smithe Street, Vancouver, British Columbia at 9:45 a.m. on WEDNESDAY the 5<sup>TH</sup> day of December 2017 or such other date as this Court may order.

**PLAN OF ARRANGEMENT**

3. The Petitioner shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "Plan").

**POSSESSION OF PROPERTY AND OPERATIONS**

4. Subject to this Order and any further Order of this Court, the Petitioner shall remain in possession and control of its current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "Property"), and continue to carry on its business (the "Business") in the ordinary course and in a manner consistent with the preservation of the Business and the Property. The Petitioner shall be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively, "Assistants") currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for carrying out the terms of this Order.

5. The Petitioner shall be entitled, but not required, to pay the following expenses which may have been incurred prior to the Order Date:

- (a) all outstanding wages, salaries, employee and pension benefits (including long and short term disability payments), vacation pay and expenses (but excluding

severance pay) payable before or after the Order Date, in each case incurred in the ordinary course of business and consistent with the relevant compensation policies and arrangements existing at the time incurred (collectively "Wages"); and

- (b) the fees and disbursements of any Assistants retained or employed by the Petitioner which are related to the Petitioner's restructuring, at their standard rates and charges, including payment of the fees and disbursements of legal counsel retained by the Petitioner, whenever and wherever incurred, in respect of:
  - (i) these proceedings or any other similar proceedings in other jurisdictions in which the Petitioner or any subsidiaries or affiliated companies of the Petitioner are domiciled;
  - (ii) any litigation in which the Petitioner is named as a party or is otherwise involved, whether commenced before or after the Order Date; and
  - (iii) any related corporate matters.

6. Except as otherwise provided herein, the Petitioner shall be entitled to pay all expenses reasonably incurred by the Petitioner in carrying on the Business in the ordinary course following the Order Date, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably incurred and which are necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors' and officers' insurance), maintenance and security services, provided that any capital expenditure exceeding \$50,000 shall be approved by the Monitor;
- (b) all obligations incurred by the Petitioner after the Order Date, including without limitation, with respect to goods and services actually supplied to the Petitioner following the Order Date (including those under purchase orders outstanding at the Order Date but excluding any interest on the Petitioner's obligations incurred prior to the Order Date); and
- (c) fees and disbursements of the kind referred to in paragraph 5(b) which may be incurred after the Order Date.

7. The Petitioner is authorized to remit, in accordance with legal requirements, or pay:
- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from Wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes or any such claims which are to be paid pursuant to Section 6(3) of the CCAA;
  - (b) all goods and services or other applicable sales taxes (collectively, "Sales Taxes") required to be remitted by the Petitioner in connection with the sale of goods and services by the Petitioner, but only where such Sales Taxes accrue or are collected after the Order Date, or where such Sales Taxes accrued or were collected prior to the Order Date but not required to be remitted until on or after the Order Date; and
  - (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal property taxes, municipal business taxes or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors.
8. Until such time as a real property lease is disclaimed in accordance with the CCAA, the Petitioner shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable as rent to the landlord under the lease) based on the terms of existing lease arrangements or as otherwise may be negotiated between the Petitioner and the landlord from time to time ("Rent"), for the period commencing from and including the Order Date, twice-monthly in equal payments on the first and fifteenth day of the month in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including Order Date shall also be paid.
9. Except as specifically permitted herein, the Petitioner is hereby directed, until further Order of this Court:
- (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Petitioner to any of its creditors as of the Order Date except as authorized by this Order;

- (b) to make no payments in respect of any financing leases which create security interests;
- (c) to grant no security interests, trust, mortgages, liens, charges or encumbrances upon or in respect of any of its Property, nor become a guarantor or surety, nor otherwise become liable in any manner with respect to any other person or entity except as authorized by this Order;
- (d) to not grant credit except in the ordinary course of the Business only to its customers for goods and services actually supplied to those customers, provided such customers agree that there is no right of set-off in respect of amounts owing for such goods and services against any debt owing by the Petitioner to such customers as of the Order Date; and
- (e) to not incur liabilities except in the ordinary course of Business.

#### **RESTRUCTURING**

10. Subject to such requirements as are imposed by the CCAA, the Petitioner shall have the right to:

- (a) permanently or temporarily cease, downsize or shut down all or any part of its Business or operations and commence marketing efforts in respect of any of its redundant or non-material assets and to dispose of redundant or non-material assets not exceeding \$100,000 in any one transaction or \$300,000 in the aggregate;
- (b) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate; and
- (c) pursue all avenues of refinancing for its Business or Property, in whole or part;

all of the foregoing to permit the Petitioner to proceed with an orderly restructuring of the Business (the "Restructuring").

11. The Petitioner shall provide each of the relevant landlords with notice of the Petitioner's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Petitioner's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable

secured creditors who claim a security interest in the fixtures, such landlord and the Petitioner, or by further Order of this Court upon application by the Petitioner, the landlord or the applicable secured creditors on at least two (2) clear days' notice to the other parties. If the Petitioner disclaims the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any dispute concerning such fixtures (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Petitioner's claim to the fixtures in dispute.

12. If a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then: (a) during the period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours on giving the Petitioner and the Monitor 24 hours' prior written notice; and (b) at the effective time of the disclaimer, the landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims the landlord may have against the Petitioner, or any other rights the landlord might have, in respect of such lease or leased premises and the landlord shall be entitled to notify the Petitioner of the basis on which it is taking possession and gain possession of and re-lease such leased premises to any third party or parties on such terms as the landlord considers advisable, provided that nothing herein shall relieve the landlord of its obligation to mitigate any damages claimed in connection therewith.

13. Pursuant to Section 7(3)(c) of the *Personal Information Protection and Electronics Documents Act*, S.C. 2000, c. 5 and Section 18(1)(o) of the *Personal Information Protection Act*, S.B.C. 2003, c. 63, and any regulations promulgated under authority of either Act, as applicable (the "Relevant Enactment"), the Petitioner, in the course of these proceedings, is permitted to, and hereby shall, disclose personal information of identifiable individuals in its possession or control to stakeholders, its advisors, prospective investors, financiers, buyers or strategic partners (collectively, "Third Parties"), but only to the extent desirable or required to negotiate and complete the Restructuring or to prepare and implement the Plan or transactions for that purpose; provided that the Third Parties to whom such personal information is disclosed enter into confidentiality agreements with the Petitioner binding them in the same manner and to the same extent with respect to the collection, use and disclosure of that information as if they were an organization as defined under the Relevant Enactment, and limiting the use of such information to the extent desirable or required to negotiate or complete the Restructuring or to prepare and implement the Plan or transactions for that purpose, and attorning to the jurisdiction of this Court for the purposes of that agreement. Upon the completion of the use of personal information for the limited purposes set out herein, the Third Parties shall return the personal information to the Petitioner or destroy it. If the Third Parties acquire personal

information as part of the Restructuring or the preparation and implementation of the Plan or transactions in furtherance thereof, such Third Parties may, subject to this paragraph and any Relevant Enactment, continue to use the personal information in a manner which is in all respects identical to the prior use thereof by the Petitioner.

#### **STAY OF PROCEEDINGS, RIGHTS AND REMEDIES**

14. Until and including December 9, 2017, or such later date as this Court may order (the "Stay Period"), no action, suit or proceeding in any court or tribunal (each, a "Proceeding") against or in respect of the Petitioner or the Monitor, or affecting the Business or the Property, shall be commenced or continued except with the written consent of the Petitioner and the Monitor or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Petitioner or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court, except for the foreclosure proceeding commenced by Fisgard Capital Corporation (BCSC No. H-170363).

15. During the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "Persons" and each being a "Person") against or in respect of the Petitioner or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Petitioner and the Monitor or leave of this Court.

16. Nothing in this Order, including paragraphs 14 and 15, shall: (i) empower the Petitioner to carry on any business which the Petitioner is not lawfully entitled to carry on; (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA; (iii) prevent the filing of any registration to preserve or perfect a mortgage, charge or security interest (subject to the provisions of Section 39 of the CCAA relating to the priority of statutory Crown securities); or (iv) prevent the registration or filing of a lien or claim for lien or the commencement of a Proceeding to protect lien or other rights that might otherwise be barred or extinguished by the effluxion of time, provided that no further step shall be taken in respect of such lien, claim for lien or Proceeding except for service of the initiating documentation on the Petitioner.

#### **NO INTERFERENCE WITH RIGHTS**

17. During the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence

or permit in favour of or held by the Petitioner, except with the written consent of the Petitioner and the Monitor or leave of this Court.

#### **CONTINUATION OF SERVICES**

18. During the Stay Period, all Persons having oral or written agreements with the Petitioner or mandates under an enactment for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation, services, utility or other services to the Business or the Petitioner, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with, or terminating the supply of such goods or services as may be required by the Petitioner, and that the Petitioner shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the Order Date are paid by the Petitioner in accordance with normal payment practices of the Petitioner or such other practices as may be agreed upon by the supplier or service provider and the Petitioner and the Monitor, or as may be ordered by this Court.

#### **NON-DEROGATION OF RIGHTS**

19. Notwithstanding any provision in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the Order Date, nor shall any Person be under any obligation to advance or re-advance any monies or otherwise extend any credit to the Petitioner on or after the Order Date. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

#### **PROCEEDINGS AGAINST DIRECTORS AND OFFICERS**

20. During the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against the directors or officers of the Petitioner with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Petitioner whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Petitioner, if one is filed, is sanctioned by this Court or is refused by the creditors of the Petitioner or this Court. Nothing in this Order, including in this paragraph, shall prevent the commencement of a Proceeding to preserve any claim against a director or officer of the

Petitioner that might otherwise be barred or extinguished by the effluxion of time, provided that no further step shall be taken in respect of such Proceeding except for service of the initiating documentation on the applicable director or officer.

#### **DIRECTORS AND OFFICERS INDEMNIFICATION AND CHARGE**

21. The Petitioner shall indemnify its directors and officers against obligations and liabilities that they may incur as directors or officers of the Petitioner after the commencement of the within proceedings, except to the extent that, with respect to any director or officer, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

22. The directors and officers of the Petitioner shall be entitled to the benefit of and are hereby granted a charge (the "Directors' Charge") on the Property, which charge shall not exceed an aggregate amount of \$50,000, as security for the indemnity provided in paragraph 21 of this Order. The Directors' Charge shall have the priority set out in paragraphs 33 and 36 herein.

23. Notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Petitioner's directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 21 of this Order.

#### **APPOINTMENT OF MONITOR**

24. Boale, Wood & Company Ltd. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Petitioner with the powers and obligations set out in the CCAA or set forth herein, and that the Petitioner and its shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Petitioner pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

25. The Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Petitioner's receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) advise the Petitioner in its development of the Plan and any amendments to the Plan;
- (d) assist the Petitioner, to the extent required by the Petitioner, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (e) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Petitioner, to the extent that is necessary to adequately assess the Petitioner's business and financial affairs or to perform its duties arising under this Order;
- (f) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (g) perform such other duties as are required by this Order or by this Court from time to time.

26. The Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, or by inadvertence in relation to the due exercise of powers or performance of duties under this Order, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof, and nothing in this Order shall be construed as resulting in the Monitor being an employer or a successor employer, within the meaning of any statute, regulation or rule of law or equity, for any purpose whatsoever.

27. Nothing herein contained shall require or allow the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection,

conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Fisheries Act*, the *British Columbia Environmental Management Act*, the *British Columbia Fish Protection Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. For greater certainty, the Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

28. The Monitor shall provide any creditor of the Petitioner with information provided by the Petitioner in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Petitioner is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Petitioner may agree.

29. In addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the rights and protections afforded the Monitor by the CCAA or any applicable legislation.

#### **ADMINISTRATION CHARGE**

30. The Monitor, counsel to the Monitor, if any, and counsel to the Petitioner shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Petitioner as part of the cost of these proceedings. The Petitioner is hereby authorized and directed to pay the accounts of the Monitor, counsel to the Monitor and counsel to the Petitioner on a periodic basis and, in addition, the Petitioner is hereby authorized to pay to the Monitor and counsel to the Petitioner, retainers in the amounts of \$50,000 to each to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

31. The Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of

the British Columbia Supreme Court who may determine the manner in which such accounts are to be passed, including by hearing the matter on a summary basis or referring the matter to a Registrar of this Court.

32. The Monitor, counsel to the Monitor, if any, and counsel to the Petitioner shall be entitled to the benefit of and are hereby granted a charge (the "Administration Charge") on the Property, which charge shall not exceed an aggregate amount of \$250,000, as security for their respective fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order which are related to the Petitioner's restructuring. The Administration Charge shall have the priority set out in paragraphs 33 and 35 hereof.

#### **VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER**

33. The priorities of the Administration Charge and the Directors' Charge, as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$250,000); and

Second – Directors' Charge (to the maximum amount of \$50,000).

34. Any security documentation evidencing, or the filing, registration or perfection of, the Administration Charge and the Directors' Charge (collectively, the "Charges") shall not be required, and that the Charges shall be effective as against the Property and shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered or perfected subsequent to the Charges coming into existence, notwithstanding any failure to file, register or perfect any such Charges.

35. The Administration Charge shall constitute a mortgage, security interest, assignment by way of security and charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, mortgages, charges and encumbrances and claims of secured creditors, statutory or otherwise (collectively, "Encumbrances"), in favour of any Person, save and except those claims contemplated by section 11.8(8) of the CCAA.

36. The Directors' Charge shall constitute a mortgage, security interest, assignment by way of security and charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, mortgages, charges and encumbrances and claims of secured creditors, statutory or otherwise (collectively, "Encumbrances"), in favour of any Person, save

and except those claims contemplated by section 11.8(8) of the CCAA and the secured claim of Fisgard Capital Corporation and of Van Maren Financial Ltd. ~~72~~ EJAJ.

37. Except as otherwise expressly provided herein, or as may be approved by this Court, the Petitioner shall not grant or suffer to exist any Encumbrances over any Property that rank in priority to, or *pari passu* with the Charges, unless the Petitioner obtains the prior written consent of the Monitor, and the beneficiaries of the Administration Charge and the Directors' Charge.

38. The Administration Charge and the Directors' Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "Chargees") shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, mortgage, security agreement, debenture, sublease, offer to lease or other agreement (collectively, an "Agreement") which binds the Petitioner; and notwithstanding any provision to the contrary in any Agreement:

- (a) the creation of the Charges shall not create or be deemed to constitute a breach by the Petitioner of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by the creation of the Charges; and
- (c) the payments made by the Petitioner pursuant to this Order and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

39. THIS COURT ORDERS that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Petitioner's interest in such real property leases.

**SERVICE AND NOTICE**

40. The Monitor shall (i) without delay, publish in the Vancouver Sun a notice containing the information prescribed under the CCAA, (ii) within five days after Order Date, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Petitioner of more than \$1000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, except for the names, addresses and amount of claims of the Petitioner's preferred shareholders, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

41. The Petitioner and the Monitor are at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic transmission to the Petitioner's creditors or other interested parties at their respective addresses as last shown on the records of the Petitioner and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

42. Any Person that wishes to be served with any application and other materials in these proceedings must deliver to the Monitor by way of ordinary mail, courier, personal delivery or electronic transmission a request to be added to a service list (the "Service List") to be maintained by the Monitor. The Monitor shall post and maintain an up to date form of the Service List on its website at: [www.boalewood.ca/2017/11/08/all-canadian-investment-corporation-acic/](http://www.boalewood.ca/2017/11/08/all-canadian-investment-corporation-acic/).

43. Any party to these proceedings may serve any court materials in these proceedings by emailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List from time to time, and the Monitor shall post a copy of all prescribed materials on its website at: [www.boalewood.ca/2017/11/08/all-canadian-investment-corporation-acic/](http://www.boalewood.ca/2017/11/08/all-canadian-investment-corporation-acic/).

44. Notwithstanding paragraphs 40 and 42 of this Order, service of the Petition,, any affidavits filed in support of the Petition and this Order shall be made on the Federal and British Columbia Crowns in accordance with the *Crown Liability and Proceedings Act*, R.S.C. 1985, c. C-

50, and regulations thereto, in respect of the Federal Crown, and the *Crown Proceeding Act*, R.S.B.C. 1996, c. 89, in respect of the British Columbia Crown.

#### **GENERAL**

45. The Petitioner or the Monitor may from time to time apply to this Court for directions in the discharge of its powers and duties hereunder.

46. Nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Petitioner, the Business or the Property.

47. THIS COURT REQUESTS the aid and recognition of other Canadian and foreign Courts, tribunal, regulatory or administrative bodies, including any Court or administrative tribunal of any federal or State Court or administrative body in the United States of America, to act in aid of and to be complementary to this Court in carrying out the terms of this Order where required. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Petitioner and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Petitioner and the Monitor and their respective agents in carrying out the terms of this Order.

48. Each of the Petitioner and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order and the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada, including acting as a foreign representative of the Petitioner to apply to the United States Bankruptcy Court for relief pursuant to Chapter 15 of the *United States Bankruptcy Code*, 11 U.S.C. §§ 101-1330, as amended.

49. The Petitioner may (subject to the provisions of the CCAA and the BIA) at any time file a voluntary assignment in bankruptcy or a proposal pursuant to the commercial reorganization provisions of the BIA if and when the Petitioner determines that such a filing is appropriate.

50. The Petitioner is hereby at liberty to apply for such further interim or interlocutory relief as it deems advisable within the time limited for Persons to file and serve Responses to the Petition.

51. Leave is hereby granted to hear any application in these proceedings on two (2) clear days' notice after delivery to all parties on the Service List of such Notice of Application and all affidavits in support, subject to the Court in its discretion further abridging or extending the time for service.

52. Any interested party (including the Petitioner and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to all parties on the Service List and to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

53. Endorsement of this Order by counsel appearing on this application is hereby dispensed with.

54. This Order and all of its provisions are effective as of 12:01 a.m. local Vancouver time on the Order Date.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

\_\_\_\_\_  
Signature of

Party  Lawyer for the Petitioners

\_\_\_\_\_  
Christopher J. Ramsay / Katie G. Mak

BY THE COURT

\_\_\_\_\_  
REGISTRAR

*a*

**Schedule "A"**

Geoffrey Dabbs	Van Maren Financial <i>llc</i>

## **APPENDIX B**

### **Cash Flow Statement Prepared by Management and Monitor's Report on Cash Flow Statement**

Court file No.1710393  
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c, C-36, AS AMENDED

AND

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*,  
S.B.C. 2002, c. 57

AND

IN THE MATTER OF ALL CANADIAN INVESTMENT CORPORATION

**MONITOR'S REPORT ON THE CASH FLOW STATEMENT**

All Canadian Investment Corporation (the "Petitioner") has prepared, and provided the Monitor for review and filing an amended projected cash flow forecast (the "**Cash Flow Statement**"), as of the 26<sup>th</sup> day of November, 2017, consisting of actual and projected cash inflows and outflows for the the period commencing on November 5, 2017 and ending on March 31, 2018 (the "**Period**"), as attached hereto as Schedule A. The Cash Flow Statement is an update of the weekly cash flow statement of the Petitioner which was attached as Exhibit "M" to affidavit # 1 sworn by Donald Bergman on November 7, 2017.

The Cash Flow Statement has been prepared by management of the Petitioner ("**Management**") for the purposes of the above noted *Companies' Creditors Arrangement Act* ("**CCAA**") proceeding, using the probably and hypothetical assumptions set out in the attached Notes in Support of the Cash Flow Statement.

The Monitor's review of the Cash Flow Statement consisted of inquiries, analytical procedures and discussions related to information supplied to us by the insolvent person. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by the Petitioner for the probable assumptions and the preparation and presentation of the projection.

Based on our review as described herein, nothing has come to our attention that causes us to believe that, in all material respects:

- a. The hypothetical assumptions are not consistent with the purpose of the Cash Flow Statement;
- b. As at the date of this report, the probable assumptions developed by management of the Petitioner are not suitably supported and consistent with the plans of the Petitioner or do not provide a reasonable basis for the Cash Flow Statement, given the hypothetical assumptions; or
- c. The Cash Flow Statement does not reflect the probable and hypothetical assumptions.

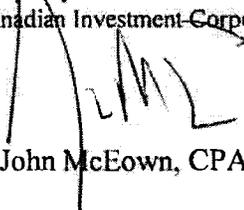
Since the Cash Flow Statement is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved. We express no opinion or other form of assurance with respect to the accuracy of any financial information presented in this report, or relied upon by us in preparing this report.

The projection has been prepared for the purpose described in Note 1 and readers are cautioned that it may not be appropriate for other purposes.

DATED AT the City of Vancouver, British Columbia, this 30<sup>th</sup> day of November, 2017.

**Boale, Wood & Company Ltd.**

In its capacity as Monitor of  
All Canadian Investment Corporation



Per: John McEown, CPA, CA, CIRP

**ALL CANADIAN INVESTMENT CORPORATION**  
**(the "Petitioner")**  
**Notes in Support of the Cash Flow Statement**  
**for the period November 5, 2017 to March 31, 2018**

**Purpose**

1. The Purpose of the Cash Flow Statement is to comply with the provisions of the *Companies' Creditors Arrangement Act* ("CCAA"). The Cash Flow Statement has been prepared by management of All Canadian Investment Corporation ("Management"). The Cash Flow Statement has been prepared based on probably assumptions detailed below. Actual results may vary from the projections and such variations may be material.

**General**

2. The Monitor has reviewed the unaudited Cash Flow Statement for the period November 5, 2017 to March 31, 2018 as provided by Management (Schedule A). The Monitor has not audited, or otherwise attempted to verify the accuracy or completeness of the information supplied.

**Cash Flow Statement Assumptions**

***Inflows***

3. Cash Inflows are based on the terms of the loan agreements with ACIC borrowers and anticipated loan interest/paydowns by borrowers.

***Outflows***

4. Cash outflows for management fees are based on current actual overhead costs of the management Petitioner and are not based on the Management Agreement
5. Cash outflows for the Monitor and legal fees are based on estimates provided by the Monitor and ACIC's legal counsel.
6. Cash outflows assume no lending by ACIC and no interest or principle payments to secured creditors, debenture holders and shareholders

**ALL CANADIAN INVESTMENT CORPORATION**  
**CASH FLOW STATEMENT**  
**November 5, 2017 to March 31, 2018**

	Actual Week Ending Nov 12	Actual Week Ending Nov 19	Actual Week Nov 5 to 26	Projected Week Ending Dec 3	Projected Week Ending Dec 10	Projected Week Ending Dec 17	Projected Week Ending Dec 24	Projected Week Ending Dec 31	Projected Month of Jan-18	Projected Month of Feb-18	Projected Month of Mar-18	Total
<b>Estimated Cash Inflows</b>												
Mortgage Interest Payments	\$ -	\$ -	\$ 183,271	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ 400,000	\$ 365,000	\$ 998,271
Mortgage Payouts/Paydowns	-	-	-	-	-	100,000	-	100,000	275,000	1,600,000	1,200,000	3,275,000
	-	-	183,271	-	-	100,000	-	100,000	325,000	2,000,000	1,565,000	4,273,271
<b>Estimated Cash Outflows</b>												
Management Fees	-	-	-	-	-	50,000	-	-	50,000	50,000	50,000	200,000
Bank Charges	-	-	-	105	-	-	-	105	105	105	105	525
Accounting Costs	-	-	-	-	-	10,000	-	-	-	-	-	10,000
Monitor Fees (incl. legal Counsel)	-	-	50,000	-	-	20,000	-	-	20,000	20,000	10,000	120,000
Legal Fees	-	-	75,000	-	-	35,000	-	10,000	30,000	30,000	20,000	200,000
Payments to Van Maren Financial	-	-	-	-	-	-	-	-	-	545,000	-	545,000
Payments to Fisgard Capital	-	-	-	-	-	-	-	-	-	-	1,200,000	1,200,000
	-	-	125,000	105	-	115,000	-	10,105	100,105	645,105	1,280,105	2,275,525
<b>Estimated Net Cash Inflows (Outflows)</b>	-	-	58,271	(105)	-	(15,000)	-	89,895	224,895	1,354,895	284,895	1,997,746
<b>Estimated Opening Cash Position</b>	10,863	10,863	10,863	69,134	69,029	69,029	54,029	54,029	143,924	368,819	1,723,714	10,863
<b>Estimated Closing Cash Position</b>	\$ 10,863	\$ 10,863	\$ 69,134	\$ 69,029	\$ 69,029	\$ 54,029	\$ 54,029	\$ 143,924	\$ 368,819	\$ 1,723,714	\$ 2,008,609	\$ 2,008,609

PREPARED BY MANAGEMENT OF ALL CANADIAN INVESTMENT CORPORATION

# **APPENDIX C**

## **Notice to Creditors**



LICENCED INSOLVENCY TRUSTEE

1140 - 800 W Pender Street  
Vancouver, BC V6C 2V6  
Tel 604 605 3335  
Fax 604 605 3359  
www.boalewood.ca

November 16, 2017

Court File No. S1710393

## NOTICE TO CREDITORS

**In the Supreme Court of British Columbia**  
**In the Matter of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, C-36,**  
**as amended**  
**And in the Matter of All Canadian Investment Corporation**  
**(the 'Company')**

**NOTICE IS HEREBY GIVEN**, that on November 10, 2017 the Company sought, and obtained from the Supreme Court of British Columbia, an order (the "**Initial Order**") under the *Companies' Creditors Arrangement Act* ("**CCAA**"). Pursuant to the Initial Order Boale, Wood & Company Ltd. has been appointed as monitor (the "**Monitor**") of the Company.

The Initial Order provides for, amongst other things, a stay of proceedings until December 9, 2017 (the "**Stay Period**"). The Stay Period may be extended by the Court from time to time. The Company is continuing to operate in the ordinary course pursuant to provisions of the Initial Order.

A copy of the Initial Order and other public information concerning these proceedings can be found on the Monitor's website at <http://www.boalewood.ca/2017/11/08/all-canadian-investment-corporation-acic/> or may be obtained by contacting the Monitor.

The Initial Order prohibits the Company from making payments of amounts owing as at November 10, 2017, other than under certain conditions as set-out in the Initial Order.

Pursuant to the Initial Order, all persons having oral or written agreements with the Company or statutory or regulatory mandates for the supply of goods and/or services, are hereby restrained until further Order of the Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Company, provided that the normal prices or charges for all such goods or services received after the date of this Initial Order are paid by the Company in accordance with normal payment practices of the Company or such other practices as may be agreed upon by the supplier or service provider and the Company and the Monitor, or as may be ordered by the Court.

During the Stay Period, all parties are prohibited from commencing or continuing legal or enforcement actions against the Company and all rights and remedies of any party against or in respect of the Company or their assets are stayed and suspended except with the written consent of the Company and the Monitor, or the leave of the Court.



Page 2

To date, no claims procedure has been approved by the Court and the creditors are therefore not required to file a proof of claim at this time.

If you have any questions regarding the foregoing or require further information, please consult the Monitor's website at <http://www.boalewood.ca/2017/11/08/all-canadian-investment-corporation-acic/>. Should you wish to speak to a representative of the Monitor, please contact John McEown at: (+1) 604-605-3335 or by email at [jmceown@boalewood.ca](mailto:jmceown@boalewood.ca).

Yours very truly,

**Boale, Wood & Company Ltd.**

In its capacity as Court-appointed Monitor of  
All Canadian Investment Corporation

  
Per: John McEown, CPA, CA, CIRP

# **APPENDIX D**

## **Cash Flow Statement Variance Analysis**

**ALL CANADIAN INVESTMENT CORPORATION****Cash Flow Variance Analysis****November 5 to November 26, 2017**

	<b>Projected Cash Flow Nov 5- 26</b>	<b>Actual Cash Flow Nov 5- 26</b>	<b>Variance Positive (Negative)</b>
<b>Estimated Cash Inflows</b>			
Mortgage Interest Payments	\$ 49,000	\$ 183,271	\$ 134,271
Mortgage Payouts/Paydowns	75,000	-	(75,000)
	<u>124,000</u>	<u>183,271</u>	<u>59,271</u>
<b>Estimated Cash Outflows</b>			
Management Fees	20,000	-	20,000
Bank Charges	-	-	-
Accounting Costs	-	-	-
Monitor Fees	40,000	50,000	(10,000)
Legal Fees	50,000	75,000	(25,000)
Other	-	-	-
	<u>110,000</u>	<u>125,000</u>	<u>(15,000)</u>
<b>Estimated Net Cash Inflows (Outflows)</b>	14,000	58,271	44,271
<b>Estimated Opening Cash Position</b>	<u>10,863</u>	<u>10,863</u>	-
<b>Estimated Closing Cash Position</b>	<u>\$ 24,863</u>	<u>\$ 69,134</u>	<u>\$ 44,271</u>