

SUPREME COURT  
OF BRITISH COLUMBIA  
VANCOUVER REGISTRY.

APR 16 2018

ENTERED



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, 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 ) WEDNESDAY, THE 11th  
MADAM JUSTICE RUSSELL ) DAY OF APRIL, 2018  
)

ON THE APPLICATION of the Petitioner coming on for hearing at Vancouver, British Columbia, on the 11th day of April, 2018; AND ON HEARING Jeremy D. West and Liam Oster, counsel for the Petitioner, and those other counsel listed on Schedule "A" hereto; AND UPON READING the material filed; 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 that:

1. The time for service of the Notice of Application herein is hereby abridged such that the Notice of Application is properly returnable today and service hereof upon any interested party other than those parties on the service list maintained by the Petitioner and the Monitor in these proceedings is hereby dispensed with.
2. The stay of proceedings and the other relief provided for in the Order of this Court pronounced on November 10, 2017 (the "Initial Order"), as extended by Order dated March 8, 2018, is hereby extended to June 11, 2018.

3. Any capitalized terms not otherwise defined in this Order shall have the same meanings ascribed to them in the Initial Order.
4. Section 25 of the Initial Order is hereby deleted and the following is substituted in its place:

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) assist the Petitioner, to the extent required by the Petitioner, in its dissemination of information to DIDS-BC Holdings Ltd. (the "**Interim Lender**") and its counsel in accordance with the provisions of the Interim Lending Facility Agreement between the Petitioner and the Interim Lender dated as of March 27, 2018 (the "**Interim Lending Facility Agreement**"), or as otherwise agreed to by the Interim Lender, which information may be used and relied on in these proceedings;
- (d) advise the Petitioner in its preparation of the Petitioner's cash flow statements and reporting required by the Interim Lender, which information shall be reviewed with the Monitor and delivered to the Interim Lender and its counsel on a periodic basis and in accordance with the provisions of the Interim Lending Facility Agreement, or as otherwise agreed to by the Interim Lender;
- (e) in addition to and without in any way limiting the foregoing, provide the Interim Lender with information provided by the Petitioner in response to reasonable requests for information made in writing by the Interim Lender addressed to the Monitor;
- (f) advise the Petitioner in its development of the Plan and any amendments to the Plan;
- (g) 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;
- (h) 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;

- (i) 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
- (j) perform such other duties as are required by this Order or by this Court from time to time.
5. The Petitioner is hereby authorized and empowered to obtain and borrow under a credit facility from the Interim Lender in order to finance the continuation of the Business and preservation of the Property, provided that borrowings under such credit facility shall not exceed \$2,060,000 unless permitted by further Order of this Court.
6. Such credit facility shall be on the terms and subject to the conditions set forth in the Interim Lending Facility Agreement between the Petitioner and the Interim Lender dated as of March 27, 2018, a copy of which is attached as Exhibit C to Affidavit #5 of Donald Bergman, sworn April 6, 2018 and filed in these proceedings.
7. The Petitioner is hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees, assignments and other definitive documents (collectively, the "**Definitive Documents**"), as are contemplated by the Interim Lending Facility Agreement or as may be reasonably required by the Interim Lender pursuant to the terms thereof, and the Petitioner is hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the Interim Lender under and pursuant to the Interim Lending Facility Agreement and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.
8. The Interim Lender shall be entitled to the benefit of and is hereby granted a charge (the "**Interim Lender's Charge**") on the Property in the amount of \$2,060,000, plus all interest, fees, costs and disbursements payable under the Interim Lending Facility Agreement, including the fees and disbursements of any legal counsel to the Interim Lender. The Interim Lender's Charge shall not secure an obligation that exists before this Order is made. The Interim Lender's Charge shall have the priority set out at paragraph 11 and 13 of this Order.
9. Notwithstanding any other provision of any order made in these proceedings:
- (a) the Interim Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the Interim Lender's Charge or any of the Definitive Documents;
- (b) upon the occurrence of an event of default under any of the Definitive Documents or the Interim Lender's Charge, the Interim Lender, upon seven days' notice to the Petitioner and the Monitor, may exercise any and all of its rights and remedies against the

Petitioner or the Property under or pursuant to the Interim Lending Facility Agreement, the Definitive Documents and the Interim Lender's Charge, including without limitation, to cease making advances to the Petitioner and set off and/or consolidate any amounts owing by the Interim Lender to the Petitioner against the obligations of the Petitioner to the Interim Lender under the Interim Lending Facility Agreement, the Definitive Documents or the Interim Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Petitioner and for the appointment of a trustee in bankruptcy of the Petitioner; and

(c) the foregoing rights and remedies of the Interim Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Petitioner or the Property.

10. The Interim Lender, in such capacity, shall be treated as unaffected in any plan of arrangement or compromise filed by the Petitioner under the CCAA, or any proposal filed by the Petitioner under the BIA with respect to any advances made under the Definitive Documents.

11. Section 33 of the Initial Order is hereby deleted and the following is substituted in its place:

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

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

Second — Interim Lender's Charge (to the maximum of \$2,060,000, plus all interest, fees, costs and disbursements payable under the Interim Lending Facility Agreement, including the fees and disbursements of any legal counsel to the Interim Lender); and

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

12. Section 34 of the Initial Order is hereby deleted and the following is substituted in its place:

34. Any security documentation evidencing, or the filing, registration or perfection of, the Administration Charge, the Interim Lender's 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.

13. Section 35 of the Initial Order is hereby deleted and the following is substituted in its place:

35. Each of the Charges shall constitute a mortgage, security interest, assignment by way of security and charge on the Property and 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.

14. Section 36 of the Initial Order is hereby deleted and the following is substituted in its place:

36. The Directors' Charge shall constitute a mortgage, security interest, assignment by way of security and charge on the Property and such Charge shall rank in priority to all other Encumbrances in favour of any Person, save and except those claims contemplated by section 11.8(8) of the CCAA, the Administration Charge, the Interim Lender's Charge, and the secured claims of Fisgard Capital Corporation and of Van Maren Financial Ltd.

15. Section 37 of the Initial Order is hereby deleted and the following is substituted in its place:

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, the Interim Lender, and the affected beneficiaries of the Charges.

16. Section 38 of the Initial Order is hereby deleted and the following is substituted in its place:

38. The Administration Charge, the Directors' Charge, the Interim Lending Facility Agreement, the Definitive Documents and the Interim Lender's 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) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the Interim Lending Facility Agreement or the Definitive Documents shall 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 or resulting from the Petitioner entering into the Interim Lending Facility Agreement, the creation of the Charges, or the execution, delivery of performance of the Definitive Documents; and

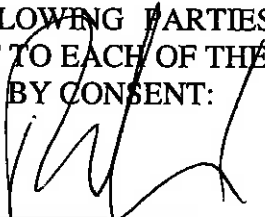
(c) the payments made by the Petitioner pursuant to this Order, the Interim Lending Facility Agreement or the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

17. At the Closing Date (as that term is defined in the Interim Lending Facility Agreement), the Interim Lender will advance \$853,637.15, plus any interest accruing on this amount from April 11, 2018 to the Closing Date at the rate(s) of interest provided for in the Order Nisi (as defined below), plus costs incurred by Fisgard Capital Corporation ("**Fisgard**") in relation to these proceedings (the "**Fisgard Redemption Amount**"), from the funds available under the Interim Lending Facility Agreement to Fisgard in full and final satisfaction of the Petitioner's obligations to Fisgard, including the Petitioner's obligations under the security instruments (collectively, the "**Fisgard Encumbrances**") referenced at paragraphs 1, 2 and 3 of the order nisi pronounced by this Court on December 1, 2018 in Vancouver Registry Action No. H-170363 (the "**Order Nisi**"), a copy of which is attached as Exhibit B to Affidavit #5 of Donald Bergman, sworn April 6, 2018 and filed in these proceedings. Upon payment of the Fisgard Redemption Amount to Fisgard: (i) all of Fisgard's claims against the Petitioner shall immediately be discharged, extinguished and released; (ii) the Petitioner's right, title, interest and equity in the Property set out in the Order Nisi shall be redeemed in accordance with the terms of the Order Nisi; and (iii) the Petitioner shall be authorized and directed to immediately file the materials necessary to discharge the Fisgard Encumbrances.
18. Notwithstanding any other term of this Order or any term of the Interim Lending Facility Agreement, the Interim Lender is not obligated to pay the Fisgard Redemption Amount or advance any funds under the Interim Lending Facility Agreement until the Interim Lender is satisfied that Fisgard has delivered into escrow with the Petitioner's counsel a letter authorizing the discharge of Fisgard's certificate of pending litigation filed under charge no. CA6209199 and all other

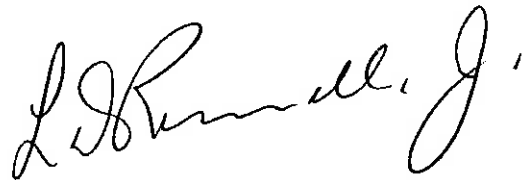
materials necessary to effect the discharge of the Fisgard Encumbrances, as determined in the sole discretion of the Interim Lender.

- 19. Notwithstanding any other term of this Order or any term of the Interim Lending Facility Agreement, the Fisgard Encumbrances shall rank in priority to the Interim Lender's Charge until Fisgard has received payment of the Fisgard Redemption Amount.
- 20. Notwithstanding any other term of this Order or any term of the Interim Lending Facility Agreement, approval of the Interim Lending Facility Agreement and in particular paragraphs 4 to 17 of this Order are conditional on the Petitioner:
  - (i) registering with the British Columbia Land Titles and Survey Authority all executed mortgages in registrable form that it holds or controls as security for the Loan Portfolio; and
  - (ii) taking steps, to the satisfaction of the Monitor, to initiate enforcement proceedings of its security interests in real property that secures the Loan Portfolio.
- 21. The management fee payable by the Petitioner to ACIC Financial Development Inc. pursuant to the management agreement between the Petitioner and AFDI dated September 18, 2003 is reduced to \$25,000 per month effective immediately.
- 22. The Petitioner shall promptly give the Monitor all information and materials in its possession or control regarding the security of the Loan Portfolio to the extent that such information and materials have not been previously disclosed.
- 23. The approval of counsel as to form hereto, except for counsel for the Petitioner, is hereby dispensed with.

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 Jeremy D. West  
Solicitor for the Petitioner



By the Court.



Registrar

**Schedule "A"**

Douglas B. Hyndman	Counsel for the Monitor
Scott H. Stephens	Counsel for Fisgard Capital Corporation



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File No.: 228558-0000  
Initials: JDW/jpk

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