

Vancouver

06-Mar-18

REGISTRY

This is the 1st Affidavit  
of John McEown in this matter  
and was made on March 6<sup>th</sup>, 2018

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

**AFFIDAVIT**

I, John McEown, CPA, CA, CIRP (Chartered Insolvency and Restructuring Professional), of 1140 - 800 West Pender Street, in the City of Vancouver, Province of British Columbia, MAKE OATH AND SAY AS FOLLOWS:

1. I am an officer of Boale, Wood & Company Ltd., the Court-appointed Monitor herein (the "**Monitor**") in the matter of the Companies' Creditors Arrangement Act proceedings of All Canadian Investment Corporation ("ACIC"), and as such have personal knowledge of the facts and matters hereafter deposed to, save where the same are stated to be upon information and belief, and where so stated, I verily believe the same to be true
2. I have read the Affidavit of Donald Bergman in support of the Petitioner's application to extend the Stay Period granted in the December 2017 Order to April 11, 2018.
3. I have been in communication with Don Bergman and his assistant, Elaine Carelse, on a regular basis and confirm that they are:
  - a. managing the operations and financial affairs of its business including the review and assessment of the Loan Portfolio and other assets of the Petitioner; and

- b. responding to requests from the Monitor for documentation and other information relating to the Petitioner's financial affairs, particularly with respect to the status of the Loan Portfolio and the Real Property; and
- c. meeting with and communicating with the borrowers to obtain information required to assess the Loan Portfolio including the expected timing of repayment of the interest and principal and the current status of the security for the Loans.

4. I can confirm that the Petitioner and its counsel have communicated with the Monitor with respect to the general terms of the Plan.

5. I agree that the Petitioner requires more time to complete its assessment of the Loan Portfolio and to develop its Plan and claims process.

6. I have attached as Appendix A the Petitioner's Statement of Cash Inflows and Outflows from November 5<sup>th</sup> 2017 to February 28<sup>th</sup> 2018.

7. I have reviewed the cash inflows and outflows of the Petitioner since the Initial Order and I am satisfied that all expenditures incurred are reasonable and necessary with the exception of the Management Fees of \$50,000 per month.

8. I understand that ACIC employs four staff including Don Bergman and operates out of premises leased from a related party. I have expressed my view that in the current circumstances and given the fact that ACIC is winding up its business, the management fee is excessive.

9. I am advised by Don Bergman that the contracted management fee is more than double the amount currently being charged. In response to my concerns, Don Bergman has agreed to further reduce the management fee to \$40,000 per month.

10. I believe that the Petitioner has acted in, and is continuing to act in, good faith and with due diligence.

11. I believe that the Petitioner will be able to develop a Plan to present to its creditors if an extension of the Stay Period is granted.

12. I swear this Affidavit in support of the Petitioner's application to extend the Stay Period to April 11, 2018.

SWORN (OR AFFIRMED) BEFORE ME  
at Vancouver, British Columbia,  
on March 6<sup>th</sup>, 2018

\_\_\_\_\_  
A Commissioner for taking Affidavits for  
British Columbia

\_\_\_\_\_  
John McEown

**ALL CANADIAN INVESTMENT CORPORATION**  
**Statement of Cash Inflows and Outflows**  
**From November 5, 2017 to February 28, 2018**

**Cash Inflows**

Mortgage Interest Payments	\$	185,017
Mortgage Payouts/Paydowns		1,100,000
Sale of Lee Road Property		395,641
		<u>1,680,658</u>

**Cash Outflows**

**Operations**

Management Fees (AFDI)	\$	150,000	
Bank Charges		305	
Auditor Fees		26,250	
Monitor's Fees		83,942	
Legal Fees - Monitor's legal counsel		5,578	
Legal Fees - Company's legal counsel		167,805	
RC Morris & Company (Loan Fee)		50,000	
GST Remitted		19,750	503,630
		<u>554,512</u>	

**Secured Debt Repayment**

Van Maren Financial		554,512	
Fisgard Capital		525,891	1,080,403
		<u>1,080,403</u>	

<b>Net Cash Inflows (Outflows)</b>			96,625
<b>Opening Cash Position</b>			<u>10,863</u>
<b>Closing Cash Position</b>	\$		<u>107,488</u>

This is Exhibit "A" referred to in the affidavit of JOHN MCEOWN sworn before me at VANCOUVER in the Province of British Columbia this 6<sup>th</sup> day of MARCH A.D. 2018.

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A Commissioner for taking Affidavits  
within British Columbia