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VANCOUVER REGISTRY

This is the 2nd Affidavit
of Adrian Greer in this case
and it was made on August 20, 2018

No. VLC-S-S-183355
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

ALL CANADIAN INVESTMENT CORPORATION

PLAINTIFF

AND:

BDO CANADA LLP

DEFENDANT

AND:

DONALD BERGMAN

THIRD PARTY

AFFIDAVIT

I, **ADRIAN GREER**, Barrister & Solicitor, of 2525-1075 West Georgia Street, in the city of Vancouver, British Columbia, SOLEMNLY AFFIRM THAT:

1. I am a lawyer at Gudmundseth Mickelson LLP, counsel to the Defendant, and as such have personal knowledge of the facts and matters deposed to herein save and except where stated to be on information and belief and where so stated I verily believe the same to be true.

2. I am assisting Mr. Howard Mickelson, Q.C. and Ms. Janet L. Gartner with this file. This affidavit is filed in support of an application by the Defendant for security for costs.

Offering Memorandum, February 12, 2015

3. I have reviewed BDO Canada LLP's documents and files related to its engagement by All Canadian Investment Corporation's ("ACIC") to audit and report upon ACIC's September 30, 2015 year-end financial statements. In the course of my review I reviewed a copy of the

Offering Memorandum for Non-Qualifying Issuers dated February 12, 2015 circulated by ACIC in connection to the issuance of preferred shares and warrants of the company (the "Offering Memorandum").

4. Attached hereto and marked as Exhibit **"A"** to this my Affidavit is a true copy of the Offering Memorandum.

AFFIRMED BEFORE ME in the City of Vancouver, Province of British Columbia this 20 day of August, 2018.	)))))))	
A Commissioner for taking Affidavits for British Columbia		ADRIAN GREER

CLAYTON GALLANT
Barrister and Solicitor
2525 - 1075 West Georgia Street
Vancouver, B.C. Canada V6E 3C9
(604) 484-3734

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FORM 45-106F2

Offering Memorandum for Non-Qualifying Issuers
(restricted to residents of British Columbia)

ALL CANADIAN INVESTMENT CORPORATION

Dated:	February 12, 2015
The Issuer	
Name	**ALL CANADIAN INVESTMENT CORPORATION (the "Company")**
Head Office	825 Lakeshore Drive, Salmon Arm, British Columbia V1E 1E4 Phone: 1-866-772-2242 Fax: 250-804-0601 Email: clients@ACICinvestor.ca
Currently listed or quoted:	No. **These securities do not trade on any exchange or market.**
Reporting issuer:	No.
SEDAR filer:	No.
The Offering	
Securities offered:	Offering of Units of the Company. Each Unit is comprised of one preferred share of the Company (a "**Preferred Share**") and one warrant ("**Warrant**") having the rights described in this Offering Memorandum.
Price per security:	$1,000 per Unit.
Minimum/Maximum offering:	**There is no minimum. You may be the only purchaser.** The maximum offering is $50,000,000. **Funds available under the offering may not be sufficient to accomplish our proposed objectives.**
Minimum Subscription amount:	The minimum amount each investor must invest is $25,000.
Payment terms:	Cheque or bank draft payable to "All Canadian Investment Corporation".
Proposed closing dates(s):	On the 15th and last day of each month.
Income Tax consequences:	There are important tax consequences to these securities. See ITEM 6.
Selling agent:	Yes. See ITEM 7.
Resale restrictions:	You will be restricted from selling your securities for an indefinite period. See ITEM 10.
Purchaser's rights:	You have 2 business days to cancel your agreement to purchase these securities. If there is a misrepresentation in this offering memorandum, you have the right to sue either for damages or to cancel this agreement. See ITEM 11.

No securities regulatory authority has assessed the merits of these securities or reviewed this offering memorandum. Any representation to the contrary is an offence. This is a risky investment. See ITEM 8.

This is Exhibit "A" referred
to in the Affidavit of
Adrien Green
sworn (or affirmed) before me on
20/Aug/2018
[dd/mmm/yyyy]

A Commissioner for taking Affidavits
for British Columbia

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FORWARD-LOOKING STATEMENTS

Certain statements in this Offering Memorandum as they relate to the Company and its operations may constitute "forward-looking statements". Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases, including, but not limited to, expects, does not expect, is expected, anticipated, does not anticipate, plans, estimate, believes, does not believe or intends stating that certain actions, events or results may, could, would, might or will be taken, occur or be achieved) are not statement of historical fact and may be forward-looking statements. Forward-looking statements are based on expectations, estimates and projections at the time the statements are made that involve a number of risks and uncertainties which could cause actual results or events to differ materially from those presently anticipated. These include, but are not limited to, the risks of the business of the Company identified under "Risk Factors". See ITEM 8.

The Company does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by law.

Item 1 Use of Available Funds

1.1 Funds

		Assuming min. offering	Assuming max. offering
A	Amount to be raised by this offering	$0	$50,000,000
B	Selling commissions and fees	$0	$0
C	Estimated offering costs (e.g. legal, accounting, audit)	$0	$50,000
D	Net proceeds: D = A – (B + C)	$0	$49,950,000
E	Additional Sources of funding required	$0	$0
F	Working capital deficiency	$0	$0
G	Total: = (D+E) - F	$0	$49,950,000

1.2 Use of Available Funds

Intended use of available funds listed in order of priority	Assuming min. offering	Assuming max. offering
Mortgage Loans & Other Investments	$0	$42,950,000
Debt Servicing	$0	$2,000,000
Cash Reserves	$0	$2,000,000
Reserve for ongoing share redemptions	$0	$3,000,000
Total	$0	$49,950,000

Funds received from subscriptions for Units pursuant to this Offering Memorandum will be used in the manner described in the table above.

1.3 Reallocation

We intend to spend the available funds as stated. We will reallocate funds only for sound business reasons.

Item 2 Business of the Company

2.1 Structure

All Canadian Investment Corporation (the "**Company**") was incorporated under the laws of British Columbia on August 19, 1998 under the name of 570425 BC Ltd. On November 13, 1998, the Company changed its name to All Canadian Mortgage Investment Corporation and on December 21, 2000 to All Canadian Investment Corporation. The Company was transitioned under the *Business Corporations Act* (British Columbia) on July 23, 2005. The registered office of the Company is located at 900-885 West Georgia Street, Vancouver, BC, V6C 3H1. The Company intends to qualify as a "mortgage investment corporation" pursuant to the *Income Tax Act* (Canada) (the "**Tax Act**").

2.2 Our Business

The Company is a mortgage investment corporation ("**MIC**"). Its business is to provide loans ("**Mortgage Loans**") to owners and developers of single and multi-family residential, commercial, office and industrial real estate properties (collectively, the "**Borrowers**"), which are secured by mortgages ("**Mortgages**") of the property. In most cases, because these loans do not meet the standard financing criteria for institutional mortgages, Mortgage Loans are made to Borrowers at a higher interest rates than generally charged by more conventional providers of Mortgage Loans. As such, interest charged by the Company to Borrowers on the Mortgage Loans is generally at higher rates than on conventional first mortgage loans from conventional lenders. As well, Mortgage Loans by the Company to Borrowers generally represent a higher ratio of loan to the value of the property secured by the Mortgage, leaving less of the Borrower's equity in each property than would be the case under a conventional loan.

The Company may also make other loans and investments from time to time, which may include equity loans and interim financing for construction, development, redevelopment or renovation.

Investment Guidelines – Mortgage Loans

All Mortgage Loans will be made pursuant to the following investment guidelines that have been established by the Company:

(a) the Company will make loans so as to maintain its status as a "mortgage investment corporation" under the Tax Act;

(b) all Mortgage Loans will be secured in favour of the Company or its agent, either as sole mortgagee or co-mortgagee, and each Mortgage will be registered in the appropriate land title office as a charge against the real property subject to the Mortgage;

(c) the Company will make Mortgage Loans only to Borrowers which the Company approves, based on a combination of their income, net worth, credit rating and history of repayment and the value of the property or properties available as security for the Mortgage Loan. Mortgage Loans will not be made to any shareholder, director or officer of the Company;

(d) Mortgage Loans will not be made to anyone (a "**Trust Party**") who is both an annuitant beneficiary or employer under a registered retirement savings plan, deferred profit sharing plan or registered retired income fund as defined under the Tax Act and a shareholder of the Company, or to any other person who is a relative of or otherwise does not deal at arm's length with the Trust Party, or to anyone else who would cause shares in the Company not to be a qualified investment under Regulation 4900(1)(c) of the Tax Act;

(e) security for the Mortgage Loans will consist of either:

    (i) a first Mortgage against real estate having a principal amount not more than 100% of the appraised value of such real estate as at the date of initial advance of the Loan or, in the case of real estate under development or redevelopment, having a principal amount not more than 100% of the appraised value of such real estate upon completion of the development or redevelopment. Appraised value is determined by the Company at the time of the initial advance of a Mortgage Loan, based on an appraisal of the subject property from an accredited appraiser or, if such an appraisal is not available (as in the case in some remote communities) an estimate of value from a realtor who has not less than

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five years of relevant sales experience. Where a mortgaged property is under development, the value used is the appraised or estimated value prior to development plus the estimated cost of the improvements;

(ii) a subordinated Mortgage against real estate having a principal amount which, when added to the principal amount of the prior mortgages, will not exceed 100% of the appraised value of such real estate as at the date of initial advance of the Loan or, in the case of real estate under development or redevelopment, having a principal amount not more than 100% of the appraised value of such real estate upon completion of the development or redevelopment; or

(iii) in the case of loan renewals, a first or subordinated Mortgage, as the case may be, against real estate having either a principal amount or, in the case of a subordinated Mortgage, a principal amount which, when added to the principal amount of the prior mortgages, is not more than 100% of the estimated value of such real estate as at the date of renewal of the Loan or, in the case of real estate under development or redevelopment, having a principal amount not more than 100% of the estimated value of such real estate upon completion of the development or redevelopment. For these purposes, the Company bases the estimate of the property's value on evidence provided to the Company by the Borrower, including one or more of the initial appraised or estimated value of the property, current property tax assessment information, current third party information about the local market, financial information relating to the property and other third party estimates;

(f) before funding any Mortgage Loan, the Company will obtain a written valuation with respect to all real property charged by the Mortgage;

(g) the term of a Mortgage Loan will generally not exceed 24 months and the total of any renewals or extensions of the term will generally not exceed an additional 24 months:

(h) the Company will only make investments in Canada and other jurisdictions in which the Company is lawfully authorized to make investments; and

(i) the Company's director may waive the provisions of paragraphs (e), (f) or (g) above in relation to any Mortgage Loan, but will not otherwise deviate from the investment guidelines set out above.

Investment Guidelines – Other Loans and Investments

The Company may also make other loans and investments from time to time, to a maximum of 50% of the Company's total capital. These other loans and investments which include the following:

(a) equity loans to provide funds to developers to supplement the amount of equity which has been provided by them and that in addition to first and second mortgage financing is necessary to complete the construction and development of new or existing residential, commercial and or industrial projects;

(b) interim loans to finance the construction, development, redevelopment or renovation of new or existing residential, commercial, office or industrial developments; and

(c) advance loans to finance the development of land that is suitable for development (this includes the clearing of land, road construction, installation of sewer, water and utilities and other improvements to the land). As such, the Company's investment may be made to fund bonds, plans, permits or progress advances for servicing.

The Company may also invest in term deposits, treasury bills, government bonds or corporate debentures.

The Company has made, and may continue to make non-mortgage loans and investments to related parties. See Item 2.7 "Loan & Other Investment Schedule as at February 12, 2015" and Item 2.8 "Related Party Transactions".

In any case, the Company will not make any such loan or investment if it would result in the Company ceasing to be a MIC under the Tax Act.

2.3 Development of Business

The Company commenced business in 1998 and established its year-end as September 30. The Company's assets have grown from $1,417,472 as reported on September 30, 1999 to $30,945,000 as reported on September 30, 2011 and declining to $28,822,000 as reported on September 30, 2012 and increasing to $37,416,827 as reported on September 30, 2014. The Company's revenues have grown from $68,061 as reported on September 30, 1999 to $3,440,000 as reported on September 30, 2011 and declining to $3,013.117 as reported on September 30, 2012 and increasing to $3,525,214 as reported on September 30, 2014. The Company has qualified as a MIC under the Tax Act since inception.

The Company has advanced loans to third parties in respect of properties in which the Financial Manager has a profit-sharing interest as a joint venturer. Such Mortgage Loans and other loans and investments totaled $290,000 as at February 12, 2015, representing 0.78% of the Company's total assets as at February 12, 2015. See Item 2.8 "Related Party Transactions".

Since the Company commenced operations in 1998, shareholders have received the following annual cash return on an investment in Preferred Shares:

Year	2014	2013	2012	2011	2010	2009	2008	2007	2006
Rate Return	7.0%	6.5%	6.25%	7.25%	8%	8%	8%	8%	8%
Year		2005	2004	2003	2002	2001	2000	1999	1998
Rate		8%	8%	8%	8%	10%	10%	10%	10%

On March 31, 2011, the rate of return was lowered from 2% per quarter (8% annually) to 1.75% per quarter (7% annually). On March 31, 2012, the rate of return was lowered from 1.75% per quarter to 1.5% per quarter (6% annually). On April 1, 2013, the rate of return was increased to

1.75% per quarter (7% annually). The rate of return fluctuates due to market demand for real estate financing, prevailing market interest rates at the time of financing and the amount of the Company's reserves which at any time are held in cash and therefore earn a lower rate of interest.

2.4 Long Term Objectives

The primary objective of the Company is to provide shareholders with a reliable source of income. The Company will continue to raise capital by offering Units to investors in order to build its corporate assets to $50,000,000.

2.5 Short Term Objectives and How We Intend to Achieve Them

What we must do and how we will do it	Target completion date or, number of months to complete	Cost to complete
Issue 10,000 Units	12 Months	$50,000[1]
Place $10,000,000 of new loans	12 Months	$0[2]

Notes:

(1) The amount shown represents the estimated costs of the maximum offering, including legal, accounting and audit costs.

(2) The costs of documenting loans are paid by the Borrowers.

2.6 Insufficient Proceeds

Not applicable

2.7 Material Agreements

a) Mortgage Portfolio Schedule as at February 12, 2015

Property Type	Location	Priority Ranking	Interest Rate	Payment Terms[1]	Due Date[2]	Balance	Property Value[3]	LTV[3]
Residential	Sunshine Coast, BC	1st	12%	IO	On demand	$ 2,700,000[4]	$ 3,364,000	80.0%
Hotel/Motel	Sunshine Coast, BC	1st	6%	IO	1-June-15	$1,159,155	$1,540,000	75.3%
Residential	Lower Mainland, BC	2nd	12%	IO	On Demand	$933,267	$2 550,000	67.9%
Residential	Vancouver Island, BC	2nd	12%	IO	30-Nov-16	$600,000	$2,190,000	82.2%
Residential	Lower Mainland, BC	2nd	12%	IO	31-May-15	$8,628,863	$47,000,000	80.3%
Hotel/Motel	Northern AB	1st	12%	IO	10-Aug-16	$290,000[5]	$575,000	54.1%
Residential	Lower Mainland, BC	2nd	12%	IO	On demand	$5,690,892	$18,900,000	75.8%
Commercial	Lower Mainland, BC	2nd	12%	IO	1-June-15	$798,000	$2,700,000	74.0%
Residential	Lower Mainland, BC	2nd	12%	IO	30-Apr-16	$946,000	$3,730,000	89.7%
Residential	Lower Mainland, BC	2nd	12%	IO	30-Mar-15	$2,010,037	$9,850,000	87.4%

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Property Type	Location	Priority Ranking	Interest Rate	Payment Terms(1)	Due Date(2)	Balance	Property Value(3)	LTV(3)
Total Balance						$ 23,996,214		

Notes:

(1) IO refers to interest only.

(2) The Company seeks to maximize the amount of funds invested in Mortgage Loans at all times. As a result, the Company may elect to extend the terms of Mortgage Loans as they come due, rather than requiring repayment. Factors which are considered by the Company when determining whether Mortgage Loans should be extended include loan-to-value ratio, the Borrower's intended use of the property and proposed timeline, loan payment history, the length of the Borrower's working relationship with the Company and other factors.

(3) Property Value and LTV (loan to value ratio). The Company obtains an appraisal or other third party evidence of value (such as an assessment issued by the British Columbia Assessment Authority) of each property prior to or as of the date of the initial advance of each Mortgage Loan. As well, where the Company takes collateral security for the Mortgage Loan in the form of mortgage security on other property, the Company obtains an appraisal or other third party evidence of value in respect of such other property. The Property Value shown above is the aggregate value of the property taken as primary and collateral security as at the date of initial advance of the Mortgage Loan or, in the case of real estate under development or redevelopment, the value of such real estate upon completion of its development or redevelopment, as estimated at the time of the initial advance of the Mortgage Loan. The LTV shown above is the percentage obtained by dividing: (a) the outstanding amount of the Mortgage Loan as at February 12, 2015 plus the outstanding amount of any financing which has priority over the Mortgage Loan; by (b) such the aggregate value of the property taken as primary and collateral security.

(4) This Mortgage Loan was to assist the Borrower in developing ocean view and waterfront residential lots in Pender Harbour, BC. The project was designed in four phases. The loan was initially funded on July 31, 2000 with subsequent advances on an ongoing basis to a maximum of $5,600,000. The loan was subsequently reduced to $2,700,000 through the payment of sales proceeds by the Borrower to the Company, and as at February 12, 2015 the balance is $2,700,000 plus accrued interest of $1,766,917. The loan is secured by three waterfront lots on approximately 2.5 acres with a total of 1,300 feet of waterfront and three upland residential lots, with an aggregate assessed value of $3,364,000. See Item 2.8 "Related Party Transactions" and Item 2.7(d) "Provision for non-performing loans".

(5) See Item 2.8 "Related Party Transactions".

The tables below provide additional information about the Mortgage Loans by type, province and priority:

	Amount	Count	Percentage	Avg. Rate	Avg. LTV
Type					
Residential	$ 20,803,059	7	86.7%	12.0%	78.8%
Commercial	$ 1,744,000	2	7.3%	7.6%	90.9%
Hotel/Motel	$ 1,449,155	2	6.0%	7.2%	68.5%
Total	$ 23,996,214	11	100.0%		
Province					
British Columbia	$ 23,446,214	9	97.7%	11.7%	79.8%

Alberta	$ 290,000	1	1.2%	12.0%	54.1%
Saskatchewan	$240,000	1	1.1%	12.0%	80.0%
Total	$ 23,996,214	11	100.0%		
Rank					
1st	$ 4,389,155	4	18.3%	10.4%	73.1%
2nd	$19,607,059	7	81.7%	12.0%	80.0%
Total	$ 23,996,214	11	100.0%		

b) *Loan and Other Investment Schedule as at February 12, 2015*

The Company may also make other loans and investments from time to time, including equity loans, interim loans, advance loans, and non-mortgage loans to Borrowers, to a maximum of 50% of the Company's capital. For a description of these types of loans see Item 2.2 - Our Business. Such loans and other investments may not be secured by Mortgages, due to the nature of the loan, the fact that they may be advanced prior to the Borrower completing the acquisition of the respective property, or that they are intended as temporary loans. In all cases, such unsecured loans are made to regular Borrowers of the Company who at the time of advance have a history of non-defaulting loans with the Company.

Type of Loan	Location	Priority Ranking	Interest Rate	Payment Terms[1]	Due Date	Balance
P-Note	Lower Mainland, BC	Unsecured	12%	IO	On demand	$4,012,604
P-Note	Gulf Islands, BC	Unsecured	12%	IO	On demand	$1,655,500
P-Note	Lower Mainland, BC	Unsecured	12%	IO	On demand	$358,748
P-Note	Lower Mainland, BC	Unsecured	10%	IO	On demand	$1,500,000
P-Note	Lower Mainland, BC	Unsecured	12%	IO	On demand	$3,189,414
P-Note	Lower Mainland, BC	Unsecured	10%	IO	On demand	$700,000
P-Note	Lower Mainland, BC	Unsecured	12%	IO	On demand	$150,000[2]
P-Note	Lower Mainland, BC	Unsecured	12%	IO	On demand	$100,000
P-Note	Lower Mainland, BC	Unsecured	12%	IO	On demand	$200,000
P-Note	Lower Mainland, BC	Unsecured	12%	IO	On demand	$10,000
P-Note	Lower Mainland, BC	Unsecured	12%	IO	On demand	$70,000
P-Note	Lower Mainland, BC	Unsecured	12%	IO	On demand	$64,723
P-Note	Lower Mainland, BC	Unsecured	12%	IO	On demand	$54,800
P-Note	Lower Mainland, BC	Unsecured	12%	P&I	On Demand	$37,856
P-Note	Vancouver Island, BC	Unsecured	12%	IO	On Demand	$100,000

Type of Loan	Location	Priority Ranking	Interest Rate	Payment Terms[1]	Due Date	Balance
Total Balance						11,969,411

Notes:

(1) IO refers to interest only: P&I refers to principal and interest.

(2) The loan noted is in default. The Company has commenced action to recover the amount due under the loan.

The tables below provide additional information about the loans and other investments by type, province and priority:

	Amount	Count	Percentage	Avg. Rate
Type				
P-Note	$ 11,969,411	14	100.0%	11.5%
Total	**$ 11,969,411**			
Province				
British Columbia	$ 11,969,411	14	100.0%	11.5%
Total	**$ 11,969,411**			
Rank				
Equity	$ 11,969,411	14	100.0%	11.5%
Total	**$ 11,969,411**			

c) *Cash Reserves*

As at February 12, 2015, the Company held $419,000 of liquid cash reserves at a Canadian chartered bank.

d) *Provision for Non-performing Loans*

The company's policy is to make an allowance for impaired loans. As of September 30, 2014 there are two loans that management considers impaired. The total amount of principle and accrued interest charged against net income as a provision for impairment is $3,188,251. Management is currently negotiating with the borrowers to either re-structure the debt or sell the property. Included in this provision is the adjustment to the fair value of mortgages and loans receivable by discounting future cash flows at the Companies prevailing rate of return on new mortgages and loans. Management expects to recover the majority of this provision. Refer to Note 4 of the audited financial statements (Item 12).

2.8 Related Party Transactions

a) *Financial Management Agreement*

Pursuant to a Financial Management Agreement made as of September 18, 2003 between the Company and ACIC Financial Development Inc. (the "Financial Manager"), the Financial Manager is responsible for syndicating, coordinating and implementing the offering contemplated herein, and for all aspects of the management of the Company and its assets, including making all

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material business decisions, and for investor communication and investor reporting. These services include:

- providing overall management, financial, and business planning;
- reviewing potential investments in Mortgage Loans and advising the Company on the terms and conditions to attach to Mortgage Loans;
- establishing appropriate legal and accounting systems;
- liaising with Borrowers;
- conducting regular visits to the properties securing the Mortgage Loans;
- establishing and maintaining a register for holders of Preferred Shares and of the Warrants; and
- processing all documentation relating to the issuance of Units.

In consideration of these services, the Financial Manager receives an annual fee (the "**Management Fee**") equal to 2% of the Company's assets and 15% of the Company's gross annual revenues, with such fee to be payable monthly.

Don Bergman is a shareholder and the sole director of the Company. Mr. Bergman is also the sole shareholder and director of the Financial Manager. **The Company and the Financial Manager are affiliates and negotiations between them have not been, and will not be, conducted at arm's length. Refer to Item 8 Risk Factors "Conflicts of Interest".**

b) Loan from Financial Manager

In order to assist the Company to fulfill its obligation to make advances under an existing construction loan during the period of the cease trade order referred to under Item 3.3 – Penalties, Sanctions and Bankruptcy, in 2012, the Company borrowed the total sum of $640,000 from the Financial Manager. As of January 21, 2014, the amount outstanding under the loan was $530,000. Interest accrues on the outstanding balance of the loan at the rate of 8% per annum and is paid quarterly. The loan was repaid in September 2014.

c) Loans to Parties in which the Financial Manager has a Joint Venture Interest

Motel Loan, Northern Alberta

In August, 2000, the Company loaned $290,000 to a joint venture in which the Financial Manager has a 25% joint venture interest. This loan is identified by Note (5) in the Mortgage Loan portfolio table under Item 2.7(a) – Mortgage Loan Portfolio as at February 12, 2015.

This Mortgage Loan was initially advanced in August, 2000 in the principal amount of $290,000. It is secured by a second mortgage and was used by the Borrower to upgrade a 22-unit motel located in High Level, Alberta. The Mortgage Loan matured on August 10, 2010, by which time the first mortgage had been paid out through amortization and the Mortgage Loan became a first mortgage. The Company renewed this loan for a two year term bearing interest at 12% per annum with a maturity date of August 10, 2016.

Joint Venture Interest

The Financial Manager is a participant in a real estate joint venture. The Financial Manager is entitled to a 25% share in any profits which may arise from the sale of the joint venture property, and is responsible for a similar percentage of the costs associated with such sale. The Financial

Manager does not have any interest in the annual rental income from the properties, all of which is paid to the other joint venturer, and is not obligated for any portion of the operating expenses of the properties.

The Financial Manager received its interest in the joint venture in consideration of providing financial advisory services and due to its ability to arrange mortgage financing for the joint venture. Such interests were in addition to the Management Fees payable to the Financial Manager by the Company under the Financial Management Agreement. Don Bergman arranged for financing to be provided to the joint venture by the Company, rather than through third parties. Details of the joint venture is as follows:

i. **High Level, Alberta:** On August 1, 2000, a joint venture in which the Financial Manager has a 25% profits interest acquired a property in High Level, AB. The purchase was financed in part by a second mortgage in favour of the Company in the amount of $290,000. Interest was paid to the Company at a rate of 12% annually. The first mortgage of the property was amortized over 10 years and was paid out on August 1, 2010 leaving the Company's mortgage in first priority position. As of February 12, 2015, a total of $468,321 in interest has been paid to the Company in respect of the mortgage, which currently matures on August 10, 2016. Based on its current estimated value, if the property were sold today the joint venture would receive a gain of approximately $285,000 of which the Financial Manager's share would be approximately $71,000.

d) Loans to a Non-Related Party in which the Financial Manager has a Profits Interest

Daniel Point, Pender Harbour, BC

In July, 2000, the Company advanced a Mortgage Loan in respect of the development of ocean view and waterfront residential lots in Pender Harbour, BC (For additional information about this loan, see Note (4) to the Mortgage Loan Schedule as at February 12, 2015 under Item 2.7(a) and (d).

The borrower offered to the Financial Manager (a company controlled by Don Bergman as described herein), a 50% share of any net profits generated from the sale of any phase four lots remaining after the repayment of all costs incurred in the development, including the repayment to the Company of all outstanding principle of the Mortgage Loan, together with all outstanding interest. The loan as at the date of this Offering Memorandum remains at $2,700,000 plus accrued interest of $1,766,917. The loan is secured by three waterfront lots on approximately 2.5 acres with a total of 1,300 feet of waterfront and three upland residential lots, with an aggregate assessed value of $3,364,000. Management considers this loan to be impaired and is working with the borrower to sell the remaining lots to recover the capital and interest owing.

Item 3 Interests of Directors, Management, Promoters and Principal Holders

3.1 Compensation and Securities Held

(15)

Name and municipality of principal residence	Position held (e.g. director, officer, promoter and/or principal holder) and the date of obtaining that position	Compensation paid by the Company in the most recently financial year (or if the Company has not completed a financial year, since inception) and the compensation anticipated to be paid in the current financial year	Number, type and percentage of securities of the Company held after completion of min. offering	Number, type and percentage of securities of the Company held after completion of max. offering
Don Bergman, Salmon Arm	President, Director	None	1 Common, 25%	1 Common, 25%
Wayne Blair, Kelowna	Secretary	None	None	None
Andrew Bennett, Delta	Shareholder	None	1 Common, 25%	1 Common, 25%
Meredith Chemerika, Lions Bay	Shareholder	None	1 Common, 25%	1 Common, 25%
Ed Robinson, Sicamous	Shareholder	None	1 Common, 25%	1 Common, 25%

Don Bergman is the sole director of the Company. Each of the other shareholders of the company are passive and do not participate in the management of the Company.

The Financial Manager provides services to the Company pursuant to the terms of the Financial Management Agreement (See Item 2.8 "Related Party Transactions"). In consideration of such services, the Company has agreed to pay to the Financial Manager the annual Management Fee in an amount equal to 2% of the Company's assets and 15% of the Company's gross annual revenues. However, in order that income after payment of the Management Fee has been sufficient to pay dividends to preferred shareholders in an amount equal to 8% per annum from 2002 to 2010, 7% per annum from March 31, 2011 to March 31, 2012, 6% per annum from March 31, 2012 to March 31, 2013, and 7% per annum from March 31, 2013 to present, the Financial Manager has waived a portion of the Management Fee in each year.

The following table shows, for each of 2008 to 2014, inclusive, the net income from operations prior to payment of the Management Fee, the annual Management Fee calculated in accordance with the Financial Management Agreement, the Management Fee actually paid, net income after payment of the Management Fees and the amount of the Management Fee waived by the Financial Manager in such year. The net income from operations has been distributed to the shareholders by way of dividends in each year.

Year	Net Income From Operations Before Payment of Management Fee	Management Fee Entitlement	Management Fee Paid	Net Income from Operations	Management Fee Waived
2008	$1,628,377	$541,000	$525,000	$1,103,377	$16,000
2009	$2,179,356	$703,000	$588,245	$1,591,111	$115,000
2010	$2,981,114	$971,000	$809,838	$2,171,276	$162,000
2011	$3,417,620	$1,115,000	$934,338	$2,483,282	$181,000
2012	$2,984,000	$997,000	$927,279	$2,057,619	$69,721

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2013	$3,071,099	$1,082,000	$1,056,363	$2,014,736	$25,637
2014	$3,183,902	$1,240,617	$873,313	$2,310,589	$367,304

3.2 Management Experience

Name	Municipality of Residence	Principal occupation for past five years
Donald F. Bergman	Salmon Arm, BC	1998 to present: Founder, President and Director of the Company

3.3 Penalties, Sanctions and Bankruptcy

(a) On July 13, 2010, the British Columbia Securities Commission (the "**Commission**") issued a cease trade order (the "**Order**") against the Company in respect of all securities of the Company, including the Preferred Shares. The Order was issued due to the Commission's finding that previous offering memoranda of the Company had not been completed in accordance with the provisions of the *Securities Act* (British Columbia).

In accordance with a settlement made between the Company and the Commission, the Company prepared and delivered a non-offering Offering Memorandum to all of its shareholders, setting out required disclosure similar to that included in this Offering Memorandum. The Company also offered to all of its shareholders the right to redeem and receive payment in respect of their Preferred Shares. The shareholders had until November 5, 2012 to elect to redeem their Preferred Shares. The Commission partially revoked the Order to allow this offer of redemption to be made to the holders of the outstanding Preferred Shares of the Company.

A total of 53 shareholders elected to redeem for a total of 1,402 preferred shares with a total value of $1,402,000. The redemption amount was repaid in full by February 2013.

On August 12, 2010, the Commission issued a cease trade order against ACIC Marketing Limited Partnership ("**ACIC LP**"). Don Bergman is the president of the general partner of ACIC LP. The Order was issued due to the Commission's finding that ACIC LP's offering memorandum had not been completed in accordance with the provisions of the *Securities Act* (British Columbia). The cease trade order remains in effect as at the date of this Offering Memorandum.

ACIC LP was wound down in 2013 with all unitholders receiving a return of their capital and an approximate 41.7% return on investment over the 5 year investment period.

(b) There are no declarations of bankruptcy, voluntary assignment in bankruptcy, proposal under any bankruptcy or insolvency legislation, proceedings, arrangement or compromise with creditors or appointment of a receiver, receiver manager or trustee to hold assets, that has been in effect during the last 10 years with regard to any

(i) director, executive officer, promoter or control person of the Company, or

(ii) issuer of which a person referred to in (i) above was a director, executive officer or control person of that time.

3.4 Loans

The Company may choose to borrow funds in order to advance loans and loan commitment obligations, which funds will be borrowed on standard commercial terms. As of February 12, 2015, the Company has outstanding debt in the amount of $2,468,422. See Item 2.8(c) for information regarding a loan from the Financial Manager which the Company borrowed in order to fulfill funding commitments.

Debenture Series A

On September 15, 2014 the company issued 7 Series A Debentures for a total amount of $1,550,000. The debenture has an 8% annual yield maturing on May 31, 2015. The maturity date has subsequently been modified and now matures on May 31, 2016.

Debenture Series B

On January 21, 2015 the company issued 9 Series B Debentures in the amount of $1,350,000. The debenture has a 7% yield and matures on November 30, 2015. The $3 Million offering will close on April 30, 2015 so there is the potential for another $1,650,000 of debentures that could be issued subsequent to the date of this Offering Memorandum.

Item 4 Capital Structure

4.1 Share Capital

Description of security	Number authorized to be issued	Number outstanding as at February 12, 2015	Number outstanding assuming completing of min. offering	Number outstanding assuming completing of max. offering
Common	1,000,000,000	4	4	4
Preferred	1,000,000,000	36,639	36,639	86,639
Warrants	1,000,000,000	17,395	17,395	67,395

4.2 Long Term Debt

Description of long term debt (including whether secured)	Interest rate	Repayment terms	Amount outstanding at February 12, 2015
No Long Term Debt			$0

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4.3 Prior Sales

The Company issued the following securities within the last 12 months:

Date of Issuance	Type of security issued	Number of securities issued	Price per security	Total funds received
Feb 12, 2014 to Feb 12, 2015	Units (Preferred Shares and Warrants)	623	$1,000	$623,000
Feb 12, 2014 to Feb 12, 2015	Preferred Shares (from the Exercise of Warrants)	2,525	$1,000	$2,525,000

Item 5 Securities Offered

5.1 Terms of Securities

The Offering: The Company hereby offers for sale up to 50,000 Units at a price of $1,000 per Unit. Each Unit consists of one Preferred Share and one Warrant.

The Preferred Shares: The Preferred Shares are non-voting. Therefore, even though Preferred Shareholders will be entitled to notice of and to attend at meetings of the Company's shareholders, Preferred Shareholders will not be entitled to vote at any such meetings unless it is specifically provided for otherwise.

Each Preferred Share entitles its registered holder to participate on a *pro rata* basis with the other Preferred Shareholders, to the exclusion of the common shareholders, in the distribution of 100% of the net income of the Company that remains after the payment of expenses of the Company and the Management Fee. Such distributions to the Preferred Shareholders will be made by way of dividend declared on the issued and outstanding Preferred Shares, subject to the *Business Corporations Act* (British Columbia). Such dividends, if any, will be declared and paid on a quarterly basis within 30 days of the end of each quarter of the Company's fiscal year. Upon the winding up or dissolution of the Company, the Company's assets will be distributed to the Preferred Shareholders in priority to the common shareholders as follows:

(a) first to the Preferred Shareholders, on a *pro rata* basis, until each Preferred Shareholder has received the lesser of: (i) $1,000 for each Preferred Share for which the Preferred Shareholder is the registered holder and all dividends that have been declared but for which the Preferred Shareholder has yet to be paid; and (ii) the book value of the Preferred Shares for which the Preferred Shareholder is the registered holder as determined in the audited financial statements of the Company for the most recently completed fiscal year; and

(b) the balance to the common shareholders on a *pro rata* basis among the common shareholders to the exclusion of the Preferred Shareholders.

The Warrants: The Warrants are non-transferable. Each Warrant entitles the registered holder thereof to purchase up to 10 additional Preferred Shares of the Company at a price which is the lesser of: (i) $1,000 per Preferred Share, and (ii) the book value per Preferred Share as determined by the Company's auditor's as at the fiscal year end of the Company immediately preceding the date the Warrant is exercised. Each Warrant will be exercisable at anytime for a period of 10 years from the date of issuance of such Warrant. After 10 years from the date of issuance, the Warrant will expire and be of no further force or effect. The Warrants provide that they will be cancelled upon a holder of the Warrants selling or otherwise disposing of all of his, her or its Preferred Shares.

Redemption of Preferred Shares: The Company has adopted a policy regarding the redemption of Preferred Shares. A copy of such policy is available from the Company upon request.

Pursuant to such policy, a Preferred Share will be redeemable by the Company in certain circumstances. Although the Company will use its best commercial efforts to ensure that all requests for redemption are fulfilled, depending on such circumstances the Company cannot guarantee that any or all of the Preferred Shares in respect of which requests for redemption are received will be redeemed in any given fiscal year. See Item 8 "Risk Factors - Limited Redemption Rights".

Pursuant to the Company's policy regarding the redemption of Preferred Shares, a holder of Preferred Shares (a "Requesting Shareholder") may request the Company to redeem the whole or any part of his Preferred Shares by giving notice ("Notice") to the Company. The Notice must be in writing and delivered to the Company not later than the last business day of a calendar quarter (quarter ends being March 31, June 30, September 30 and December 31) in each year. The Notice must specify the number of the Preferred Shares which the Requesting Shareholder wishes to have the Company redeem (the "Requested Shares") and the address to which the Requesting Shareholder wishes payment to be delivered by the Company. Finally, the Notice must specify that the Requesting Shareholder has received, read and understood the Company's redemption policy.

The Company will not redeem any Preferred Shares if at the time of such redemption the Company is insolvent or if such redemption will render the Company insolvent, if such redemption will reduce the Company's cash reserves below a level which the Company's directors (the "Directors") determine, in their sole discretion, to be prudent, or if such redemption will cause the Company to breach the requirement that at least 50% of the cost amount of its property must consist of bank deposits or mortgage loans made in respect of residential properties.

Further, in any calendar quarter, the Company will not redeem any more than that number of Preferred Shares which is equal to $2^1/_2$% of the outstanding Preferred Shares at the end of the immediately preceding calendar quarter. If the Company is not able to generate cash reserves sufficient for the redemption of $2^1/_2$% of the outstanding Preferred Shares at the end of the immediately preceding calendar quarter, it will redeem only that number of Preferred Shares which the Directors determine in their sole discretion to be prudent. The Company will use its best commercial efforts to generate cash reserves (through the issuance of further Preferred Shares, the receipt of repayment of mortgage loans made by the Company, or otherwise) sufficient for the redemption of all of the Requested Shares in a calendar quarter.

If the aggregate number of Requested Shares is equal to or less than $2^1/_2$% of the outstanding Preferred Shares at the end of a calendar quarter, then subject to the Company being able to generate sufficient cash reserves to do so it will redeem Requested Shares in respect of which Notices have been received in a calendar quarter on a day selected by the Company in the following calendar quarter (the "Redemption Date").

The price paid for each Preferred Share which is redeemed in each calendar quarter (the "Redemption Amount") will be the fair market value thereof calculated by the Company's auditor in conjunction with the annual audit of the Company conducted as at the immediately preceding September 30th. For any Preferred Share which is being redeemed within two years after the Preferred Share was initially issued by the Company, the Company will pay to the Requesting Shareholder the Redemption Amount less 2%. For any Preferred Share which is being redeemed after two years after the Preferred Share was initially issued by the Company, the Company will pay to the Requesting Shareholder the Redemption Amount per Preferred Share.

The Company will pay the Redemption Amount by cheque mailed by first class mail to the Requesting Shareholder on the Redemption Date at the address of the Requesting Shareholder set out in his, her or its Notice.

If the aggregate number of Requested Shares is more than 2½% of the outstanding Preferred Shares at the end of a calendar quarter or if the Company is not able to generate cash reserves sufficient for the redemption of the aggregate number of Requested Shares, the redemption of Preferred Shares will be made *pro rata* to the number of Preferred Shares in respect of which requests for redemption have been made.

The adoption of its policy regarding the redemption of Preferred Shares does not fetter the discretion of the Directors of the Company from time to time to amend or cancel such policy in whole or in part or to adopt an alternative policy with respect to the redemption of Preferred Shares, or to refuse to consent to a Requesting Shareholder's request to have their Preferred Shares redeemed by the Company.

5.2 Subscription Procedure

A person wishing to subscribe for Units must deliver the following documents to the Company:

(a) a signed Subscription Agreement;

(b) two signed copies of a risk acknowledgement form (Form 45-106F4);

(c) a signed Eligible Investor Questionnaire, if applicable;

(d) a cheque or bank draft made payable to "All Canadian Investment Corporation" in payment of the full subscription price of the Units subscribed for; and

(e) any other completed document reasonably requested by the Company to complete the subscription.

The Company will hold all subscription funds in trust until midnight on the second business day after the day on which the Company received the signed Subscription Agreement.

Item 6 Income Tax Consequences & RRSP Eligibility

6.1 General

You should consult your own professional advisers to obtain advice on the income tax consequences that apply to you.

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6.2 Material Canadian Income Tax Consequences

Management of the Company is of the opinion that, the following is a summary of the principal Canadian federal income tax considerations generally applicable to persons who acquire Units pursuant to this Offering Memorandum. This summary is applicable to a holder of Units who, at all relevant times, for the purpose of the Tax Act: (i) is resident of Canada, (ii) deals at arm's length and is not affiliated with the Company within the meaning of the Tax Act, and (iii) holds the Shares (as defined below) as capital property. The summary does not take into account tax laws of the province or territory of Canada or any jurisdiction outside of Canada.

(a) <u>Governing Legislation And Policy</u>

The Company is incorporated under the *Business Corporations Act* (British Columbia), is subject to applicable legislation in British Columbia and is also subject to special rules under the Tax Act.

(b) <u>Tax Act</u>

The Tax Act imposes certain requirements in order for a company to qualify as a MIC thereunder. These requirements generally will be satisfied if it engages solely in the business of investing its funds, if it neither manages nor develops real property, if at all times it has at least twenty (20) shareholders, if no shareholder holds more than twenty-five (25%) percent of the issued common shares or Preferred shares (collectively called for the purposes of the section the "**Shares**") of the Company and if none of the property consists of specified types of foreign property.

(c) <u>Income Tax Considerations</u>

The income tax consequences may not be the same for all investors but may vary depending on a number of factors, including whether the investor is an individual, a trust or a corporation, the province of residence of the investor, and whether the investors' Shares are characterized as capital property. The following discussion of the income tax consequences is therefore of a general nature only, is not intended to constitute a complete analysis of all the income tax consequences and should not be interpreted as legal or tax advice to any particular investors.

This summary is based upon the current provisions of the Tax Act. There is no assurance that future legislation changes will not affect the following commentary.

(d) <u>Scheme of Provisions</u>

The Tax Act contains a number of provisions that enable investors to "pool" their funds through investing in special corporations which are treated in a manner that avoids the two-tiered taxation normally applicable to shareholders of a company in respect of distributions of that company's profits. This result is achieved by effectively treating these special corporations as a conduit so that an investor is put in the same position from an income tax perspective as if the corporation's investment had been made directly by the Investor.

A MIC is one of these special types of corporations.

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(e) Definition of a MIC

A number of requirements must have been met throughout the year in order for a corporation to qualify as a MIC under the Tax Act for that year. If the following requirements are met throughout a particular year, a corporation will qualify for MIC status that year:

(i) **Canadian Corporation**

The corporation must have been a Canadian corporation, which generally means a corporation incorporated and resident in Canada.

(ii) **Undertaking**

The corporation's only undertaking was the "investing of funds of the corporation". The corporation cannot have managed or developed any real property.

(iii) **50% Asset Test**

At least 50% of the "cost amount", as defined in the Tax Act, to the corporation of all of its property must have consisted of the corporation's money, debts owing to the corporation that were secured whether by mortgage or in any other manner on houses (as defined in Section 2 of the National Housing Act) or on property included within a housing project (as defined in that section) and any deposit standing to the corporation's credit in the records of a bank or other certain specified financial institutions, any of whose deposits are insured by the Canadian Deposit Insurance Corporation or a credit union.

(iv) **25% Asset Test**

The "cost amount" to the corporation of all of its real property including leasehold interest in such property, other than real property acquired by foreclosure or otherwise after default made on a mortgage, hypothecation or agreement for sale of real property, must not have exceeded 25% of the "cost amount" to the corporation of all of its property. The limit is designed to ensure that the primary intention of the corporation's investment was directed towards residential mortgages.

(v) **Prohibited Foreign Investment**

None of the property of the corporation consists of debts owing to the corporation that were secured on real property situated outside of Canada, debts owing to the corporation by non-resident persons unless secured on real property situated in Canada, shares of the capital stock of corporations not resident in Canada, real property situated outside Canada, or any leasehold interest in real property situated outside Canada.

(vi) **Shareholder Requirements**

The number of shareholders of the corporation was not less than 20, and no one shareholder held more than 25% of any class of the issued shares of the capital stock of the corporation. For the purposes of this requirement, a registered pension plan or a deferred profit sharing plan is counted as four shareholders. A trust governed by a registered retirement savings plan is counted as one shareholder.

For the purpose of the 25% test, a person will be considered to own not only shares which that person actually owns, but also:

(1) any shares owned by the taxpayer, their spouse, children, grandchildren and great grandchildren that are under the age of 18;

(2) a proportionate number of shares held by a trust or partnership of which a person noted in (1) is a beneficiary or member; and

(3) any shares held by a registered retirement savings plan of which a person noted in (1) is an annuitant.

Failure to meet the 25% share ownership limit test described above, would result in the Company losing its status as a MIC, and therefore, not being an eligible investment for a registered retirement savings plan. For this reason, the Company may choose to reject requests for share subscriptions made by certain persons.

(vii) "Common" and "Preferred" Shareholders

Any holders of preferred shares (as defined in the Tax Act) of the corporation must have the right after payment to them of their dividends, and payment of dividends in a like amount per share to the holders of common shares of the corporation, to participate pari passu with the holders of the common shares in any further payment of dividends.

A common share is defined as a share the holder of which is not precluded on the reduction or redemption of the capital stock from participating in the assets of the corporation beyond the amount paid thereon plus a fixed premium and a defined rate of dividend.

(viii) Debt to Equity Ratio

The "liabilities" of a company (all obligations of a company to pay an amount outstanding at that time) at any time in the year must not exceed three times the excess of the "cost amount" to a company of all of its property over such liabilities, if at the time in the year the "cost amount" to a company of the properties referred to above under subheading (iii) "50% Asset Test" is less than two-thirds of the "cost amount" to a company of its property. However, where any time in the year the "cost amount" to a company of the properties referred to above under subheading (iii) "50% Asset Test" is equal to two-thirds or more of the "cost amount" to a company of all of its property, the liabilities of a company must not exceed five times the excess of the "cost amount" to a company of all of its property over such liabilities.

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These restrictions may be summarized as follows: the borrowing by a company is restricted to a maximum of three times its equity capital unless at least two-thirds of the book value of its investments are mortgages secured on Canadian residential property, the company's money, and specified deposits, in which case the maximum borrowing is five times its equity capital.

(f) Taxation of the Company

This discussion, and the discussion that follows under subsequent headings, is based on the assumption that the Company qualifies as a MIC under the Tax Act at all relevant times.

A MIC, as a general rule, is subject to tax on the same basis as any Canadian private corporation. However, special rules relating to a MIC enable it to reduce its federal taxation income in the year if, during the year or within 90 days after the end of the year, it distributed all of its capital gains arising in the year by way of "capital gains dividends" and all of its other income by way of taxable dividends. More specifically, the Company is entitled to deduct from its federal taxable income the total of:

(i) all taxable dividends, other than capital gains dividends, paid by the corporation during the year (to the extent not deductible in computing income of the previous year) or within 90 days after the end of the year to the extent that those dividends will not be deductible for the Company in computing its income for the preceding year; and

(ii) one-half of all capital gains dividends paid by the corporation during the period commencing 91 days after the commencement of the year and ending 90 days after the end of the year.

If all of the Company's federal taxable income for the year is distributed in this manner, no federal tax is payable by the Company for that year. The elimination of provincial tax depends on relevant provincial legislation. For example, in British Columbia no corporate income tax would be payable if the Company's federal taxable income was zero because the Company's income taxes for British Columbia's income tax purposes is calculated by reference to its taxable income for federal tax purposes.

Because of the permitted deductions outlined above, the Company is not entitled to the deduction in respect of taxable dividends the Company receives from other taxable Canadian corporations.

The Company must elect in order to distribute its capital gains as capital gains dividends. The election must be made in a prescribed manner and by a prescribed time. The total capital gains dividends that may be paid by the Company for a year is limited to the extent of two times the Company's "taxable capital gains" for the year less its allowable capital losses for the year and any "net allowable capital losses" of prior years that are carried forward and deducted in the year. A special tax is imposed on the Company if the capital gains dividends exceed this limit. However, there is a special election procedure, whereby this tax can be avoided in certain circumstances if the excess of the dividend is elected to be treated as a separate taxable dividend.

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(g) Taxation of Shareholders

(i) **Capital Gains Dividends**

A capital gains dividend received by a Canadian resident shareholder is not included as dividend income of the shareholder, but rather to be a capital gain of the shareholder for the year from "a disposition of capital property".

Thus, with respect to capital gains realized by the Company, the Company serves effectively as a conduit only interposed between the investor and the underlying investment. The result is only achieved, however, if the proper capital gains dividends are paid by the Company within the required time, and the proper elections are made by the Company in the proper manner and by the proper time. If the capital gains dividends are not paid in this manner, the capital gains realized by the Company are taxable to the Company as they would be in the case of any public company. Because the Company will have no "capital dividend account", the combined corporate and shareholder tax (when the amounts are paid out to the Investor as taxable dividends) could be significantly greater than if the conduit mechanism was used.

(ii) **Taxable Dividends (Other than Capital Gains Dividends)**

Dividends other than capital gains dividends paid by the Company are not included in the income of a shareholder as taxable dividends, but rather are deemed to have been received by the shareholder as interest income payable on a bond issued by the Company after 1971. The "gross-up/dividend tax credit" mechanism provided in the Tax Act does not apply to taxable dividends paid by the Company to Canadian resident individual shareholders. Canadian resident corporate shareholders are not entitled to deduct the amount of a taxable dividend received from a MIC in computing taxable income.

If the Company distributes all of its income, it is again effectively treated as a conduit between the investor and the underlying investment, at least with respect to rental and interest income earned.

As is the case with capital gains dividends, if the Company does not distribute all of its income within the required time by way of taxable dividends, the income remains taxable in the Company in the same manner as any other public corporation. When amounts are subsequently distributed to the shareholders through the payment of taxable dividends, the combined corporate and shareholder tax may be significantly higher than if the conduit mechanism was used.

(iii) **Disposition of Shares**

Assuming the Shares are capital property to the investor, the usual rules apply on the disposition of those Shares as would apply on similar shares of any other public corporation. Certain taxpayers, such as securities dealers and those who have acquired the Shares in the course of a business of buying and selling share or in a transaction that is an "adventure in the nature of trade", would not be considered to be holding the Shares as capital property.

(26)

Dispositions to third parties (i.e. other than a company) would yield capital gains or capital losses according to the usual rules contained in the Tax Act. A capital gain (or capital loss) will arise to the extent that the proceeds of disposition of the Shares exceed (or are exceeded by) the adjusted cost base (as defined for income tax purposes) of the shares and any disposition costs.

Redemptions or other acquisitions of the Shares by the Company (for example, on a winding up) may result in taxable capital gains or allowable capital losses or deemed taxable dividends to the shareholder/investor. The treatment for income tax purposes will depend on the paid-up capital of the Shares redeemed or otherwise acquired by the Company. If a taxable dividend results, it will likely be characterized as interest received in the hands of the shareholder. (It may not be possible for the Company to elect to treat such a deemed dividend as a capital gains dividend). Any amount that represents the payment of a declared but unpaid dividend that is distributed on the redemption or other acquisition of the share by the Company, and which is not a capital gains dividend, will be characterized as interest received by the shareholder.

One-half of any capital gain that is realized on the disposition of the Shares will be included in the shareholder's income. Any amount that is deemed to be interest or a capital gains dividend on the redemption or other acquisition of the Shares by the Company is not included in determining the proceeds of disposition of the Shares for capital gains purposes.

(iv) Interest Expense

Except for money borrowed for the purposes of paying a premium or making a contribution to one of the deferred income plan trusts described above to enable such a trust to hold the Shares, a reasonable amount of interest paid or payable (pursuant to a legal obligation) by an investor on money borrowed to acquire Shares should be deductible in computing income for purposes of the Tax Act.

(v) Non-resident Shareholders

Shareholders who are considered to be non-resident of Canada are subject to the following rule in the Tax Act:

Any taxable dividends paid from the Company to a non-resident shareholder would be subject to Canadian non-resident withholding tax at a maximum rate of 25% of the taxable dividend paid. This rate may be reduced if Canada has ratified a bilateral income tax treaty with the country in which the shareholder is resident.

6.3 RRSP Eligibility

The Company qualifies as a MIC under the Income Tax Act of Canada. Therefore, except as discussed in the following paragraphs, the Preferred Shares are RRSP eligible.

The Preferred Shares are qualified investments for trusts governed by Registered Retirement Savings Plans ("RRSPs"), Deferred Profit Sharing Plans, Registered Retirement Income Funds ("RRIFs") and Tax Free Savings Accounts at the particular time if the Company qualified as a

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MIC under the Tax Act, and if, throughout the calendar year in which the particular time occurs, the Company does not hold as part of its property any indebtedness, whether by way of mortgage or otherwise of a person who is an annuitant, a beneficiary or an employer, as the case may be, under the governing plan trust, or of any other person who does not deal at arm's length with that person.

On March 22, 2011, the Government of Canada introduced new anti-avoidance rules for RRSPs and RRIFs. These rules are intended to prevent individuals from holding certain types of investments in their RRSPs or RRIFs. Under the new rules, individuals are prohibited from holding in their RRSP or RRIF:

(a) investments in entities in which they or a non-arm's length person has a significant interest (generally 10% or more), whether that interest is held wholly or partially in their RRSP or RRIF; or

(b) investments in entities with which they (or any entity in which they have a significant interest) do not deal at arm's length.

As a result, an investment in Preferred Shares will not be a qualified investment for trusts governed by RRSPs or RRIFs for investors who, on their own or together with a non-arm's length person, has a significant interest (generally 10% or more), whether that interest is held wholly or partially in their RRSP or RRIF or investors who do not deal at arm's length with the Company.

Dividends received by such deferred income plans on the Preferred Shares while the Preferred Shares are qualified investments for such plans will be exempt from taxation in accordance with the provisions of the Tax Act governing those plans. Such a deferred income plan trust is subject to a special tax under Part XI of the Tax Act, if the "cost amount" of its investment in foreign property (as defined in the Tax Act) at the end of a month exceeds a certain percentage of the "cost amount" of all property then held by it. On the assumption that the Preferred Shares do not derive their value from portfolio investments by the Company in foreign property, shares held by such a deferred income plan trust will not be subject to tax under Part XI of the Tax Act.

Item 7 Compensation Paid to Seller and Finders

The Company does not pay any commissions or finders fees. The Financial Manager has agreed to pay, from the Management Fee, to persons who locate and introduce investors to the Company cash finder's fees equal to 2% of the gross proceeds of this offering. Directors, officers and employees of the Financial Manager will not be paid finder's fees.

Item 8 Risk Factors

The purchase of Units involves a number of significant risk factors. **Any or all of these risks, or other as yet unidentified risks, may have a material adverse effect on the Company's business, the value of the Preferred Shares and/or the return to Preferred Shareholders.**

(a) Investment Risk

(i) Speculative Nature of Investment

This is a speculative offering. The purchase of Units involves a number of significant risk factors and is suitable only for Subscribers who are aware of the risks inherent in mortgage investments and the real estate industry and who have the ability and willingness to accept the risk of the total loss of their invested capital and who have no immediate need for liquidity.

(ii) Return on Investment

There is no assurance that sufficient revenue will be generated by the Company from which dividends can be declared by the Director of the Company and paid to the Preferred Shareholders.

(iii) No Guaranteed Dividends

The dividends in which the Preferred Shareholders are entitled to participate are <u>not</u> cumulative and will not be paid unless such dividends have been declared by the Director. The Director has the sole discretion as to whether or not any such dividends are declared. Therefore, there is no guarantee that dividends payable to Preferred Shareholders will be declared.

(iv) No Review by Regulatory Authorities

This Offering Memorandum constitutes a private offering of the Units by the Company only in those jurisdictions where and to those persons to whom, they may be lawfully offered for sale under exemptions in applicable securities legislation. This Offering Memorandum is not, and under no circumstances is to be construed as a prospectus, advertisement or public offering of these Units. Subscribers to this Offering Memorandum will not have the benefit of a review of the material by any regulatory authority.

(v) Restrictions on the Transfer or Assignment of Units

The Units cannot be transferred or assigned, unless such transfer or assignment is approved by the Directors and is in compliance with applicable securities laws.

(vi) No Market for Units

There is no market through which the Units may be sold and the Company does not expect that any market will develop pursuant to this offering or in the future. Accordingly, an investment in Units should only be considered by Subscribers who do not require liquidity.

(vii) Limited Redemption Rights

The Company will use its best commercial efforts to generate cash reserves (through the issuance of further Preferred Shares, the receipt of repayment of mortgage loans made by the Company, or otherwise) sufficient for the redemption of all of the Preferred Shares in respect of which the Company receives requests for redemption in a calendar quarter. However, the Company will not redeem any Preferred Shares if at the time of such redemption: (i) the Company is insolvent or if such redemption will render the Company insolvent; (ii) such redemption will reduce the Company's cash reserves below a level which the Directors determine, in their sole discretion, to be prudent; or (iii) such redemption will cause the Company to breach the requirement that at least 50% of the cost amount of its property must consist of bank deposits or mortgage loans made in respect of residential properties.

Further, in any calendar quarter of the Company it will not redeem any more than that number of Preferred Shares which is equal to $2^1/_2$% of the outstanding Preferred Shares at the end of the immediately preceding calendar quarter. If the Company is not able to generate cash reserves sufficient for the redemption of $2^1/_2$% of the outstanding Preferred Shares at the end of the immediately preceding calendar quarter, it will redeem that number of Preferred Shares which the Directors determine in their sole discretion. In that case, the redemption of Preferred Shares will be made pro rata to the number of Preferred Shares in respect of which requests for redemption have been made.

(b) Company Risk

(i) **No Insurance**

The Loans will **not** usually be insured by the Canada Mortgage and Housing Corporation nor any private mortgage insurer.

(ii) **Changes in Investments**

The information contained in this Offering Memorandum is current only as of the date of this Offering Memorandum. Therefore, any non-material changes to the Company's investments that may occur or have occurred subsequent to the date of this Offering Memorandum are not described herein.

(iii) **Payment of Management Fee**

If the income from operations is insufficient to pay the Management Fee to the Manager, then any portion of the Management Fee not paid from the income from operations may be paid from the proceeds of this Offering that have not yet been invested in a Loan. If this happens the amount of proceeds available for investment into Loans will be reduced thus reducing the amount of any potential income from operations.

(iv) **Conflicts of Interest**

Conflicts of interest may occur between the Company, Preferred Shareholders and the Director and Officer of the Company. Conflicts of interest may arise which may not be resolved in a manner most favourable to Preferred Shareholders.

Donald Bergman is the sole director and the president of the Company. As such, he has complete and sole responsibility and authority for all aspects of the operation of the Company, including the offering and issuance of Preferred Shares, the administration of the Company's funds, the determination and approval of Mortgage Loans and other investments, the monitoring of the Mortgage Loans and other investments, and the use of the Company's funds for investment, reinvestment, redemption of Preferred Shares or other uses.

Mr. Bergman is also the sole shareholder, director and officer of the Financial Manager. Pursuant to a Financial Management Agreement made as of September 18, 2003 between the Company and the Financial Manager, the Financial Manager is responsible for syndicating, coordinating and implementing the offering contemplated herein, for all aspects of the management of the Company and its assets, including making all material business decisions, and for investor communication and investor reporting. In consideration of these services, the Financial Manager receives an annual fee of 2% of the Company's assets and 15% of the Company's gross revenues, with such fee payable monthly. Neither Mr. Bergman nor the Financial Manager has any obligation to account to the Company or the preferred shareholders for the amounts received in respect of such fee. See Item 2.8 "Related Party Transactions – Financial Management Agreement".

The Company and Financial Manager are affiliates and negotiations between them have not been, and will not be, conducted at arm's length. Therefore, the Company may be subject to various conflicts of interest arising from its relationship with the Financial Manager. For example, transactions between the Company and the Financial Manager may be entered into without the benefit of arm's length bargaining. In addition, there may be situations where the interests of the Company conflict with the interests of the officers and directors of the Financial Manager. The risk exists that such conflicts will not be resolved in the best interests of the Company. However, the Financial Manager will make any decision involving the Company honestly and in good faith.

The Financial Manager and Mr. Bergman are not in any way limited or affected in their ability to carry on business ventures for their own account and for the account of others and may be engaged in the ownership, acquisition and operation of businesses, which compete with the Company. In addition, the Financial Manager and Mr. Bergman may establish in the future other investment vehicles which have or may have investment objectives that are the same as or similar to those of the Company and may act as adviser and/or manager to such vehicles.

(v) **Unsecured Loans**

The assets of the Company include unsecured loans and other investments. These loans may be subject to non-payment in the event that the Borrowers do not have sufficient funds for repayment or if other, secured, creditors of such Borrowers elect to realize on their security.

(vi) **Lack of Separate Counsel**

The Subscribers, as a group, have not been represented by separate counsel and counsel for the Company does not purport to have acted for the Subscribers or to have conducted any investigation or review on their behalf.

(c) **Industry Risk**

(i) **General Economic Risk**

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Global market and economic conditions since the beginning of 2008 have been challenging with recession in the North American economy. Global economies, including those in Canada, are currently experiencing increased levels of volatility due to a combination of many factors, including increased unemployment, high levels of personal debt, limited access to credit markets, higher fuel prices, less consumer spending, fears of a "double-dip" recession, and the slow rate of recovery. Although the recession technically ended in 2009, the Canadian economy has not returned to operating at normal capacity and the effects of the current market dislocation may persist as federal and provincial governments wind down fiscal stimulus programs. Concern about the stability of the markets generally and the strength of the economic recovery may lead lenders to reduce or cease to provide funding to businesses and consumers, and force financial institutions to continue to take the necessary steps to restructure their business and capital structures. The Company cannot predict when the real estate markets will recover. The value of properties in respect of which Mortgage Loan are made may decline if current market conditions persist or worsen.

(ii) General Risks of Real Estate Investments

Investments in real estate are subject to many risks, including those posed by the highly competitive nature of the real estate industry, changes in general or local conditions, changes in property values, increases in interest rates, the lack of available necessary financing, increases in real estate tax rates and vacancy rates, competitive overbuilding, changes in governmental rules and fiscal policies, and other events and factors that are beyond the control of the Company.

(iii) Higher Risk Mortgage Loans

The potential higher returns associated with the mortgage loans reflects the greater risks associated with the mortgage loans as compared to long-term conventional mortgage loans. Such greater risks include the delay or non-completion of the construction of the Borrower's project, the inability of the Borrower to obtain necessary additional financing, and adverse changes in interest rates and the financial markets. Should any of these risks materialize, they may adversely affect any return to be received by the Company in connection with its mortgage loans and therefore may adversely affect any returns to Preferred Shareholders.

(iv) Prior Mortgages

A Borrower may have obtained financing from other parties, such as conventional third party lenders who generally loan a principal amount of up to 75% of the value of the particular property and who have been granted a mortgage in priority (a "**Prior Mortgage**") to the mortgage granted to the Company. In the event of default by a Borrower under any Prior Mortgage, the Company may be unable to recover part or all of its Loan.

(v) High Loan Ratios

If the Company is granted a first mortgage by the Borrower, then the ratio of the loan amount to the value of real property encumbered by the mortgage will most likely be higher than an institutional mortgage lender would approve. In addition. Loans made by the Company in connection with a development project will be made on the assessed value of the completed development. Therefore, if a Borrower fails to complete its development project, the Company may not recover a substantial portion or any of its Loan.

(vi) High Recovery Costs

In the event of default by a Borrower, it may be necessary for the Company to engage in foreclosure or other legal proceedings to sell the defaulting Borrower's property and/or to make further payments to complete an unfinished project, or to pay off or maintain prior mortgages in good standing. In such cases, it is possible that the total amount recovered by the Company may be less than the total amount of the Loan granted by the Company to the defaulting Borrower.

(vii) Potential Liability under Environmental Protection Legislation

Environmental and ecological legislation and policies have become increasingly important in recent years. Under various laws, the Company could become liable for the costs of removal or remediation of certain hazardous or toxic substances released on, from or in one or more of the properties in respect of which Mortgage Loans are made. The Company completes environmental due diligence in respect of each such property and, where circumstances require, obtains indemnities from the borrowers in respect of environmental matters.

Item 9 Reporting Obligations

The Company is not a reporting issuer as that term is defined in applicable securities legislation nor will it become a reporting issuer following the completion of the offering of Units pursuant to this Offering Memorandum. As a result, the Company will not be subject to the continuous disclosure requirements of such securities legislation.

We are not required to send you any documents on an annual or ongoing basis. However the Company will provide all Preferred Shareholders with quarterly investment statements. The Company's fiscal year end is September 30 and audited financial statements are available to all Preferred Shareholders upon request.

Corporate information about the Company may be obtained from the BC Corporate Registry (www.bconline.com). Registration information may be obtained from the BC Financial Institution Commission (www.fic.gov.bc.ca). Securities filing information may be obtained from the BC Securities Commission (www.bcsc.bc.ca).

Item 10 Resale Restrictions

10.1 General Statement

These securities will be subject to a number of resale restrictions, including a restriction on trading. Until the restriction on trading expires, you will not be able to trade the securities unless you comply with an exemption from the prospectus and registration requirements under securities legislation.

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10.2 Restricted Period

Unless permitted under securities legislation, you cannot trade the securities before the earlier of the date that is 4 months and a day after the date the Company becomes a reporting issuer in any province or territory of Canada.

Item 11 Purchaser's Rights

If you purchase these securities you will have certain rights, some of which are described below. For information about your rights, you should consult a lawyer.

11.1 Two-Day Cancellation Right

You can cancel your agreement to purchase these securities. To do so, you must send a notice to us by midnight on the 2nd business day after you sign the subscription agreement to buy the securities.

11.2 Statutory Rights of Action in the Event of a Misrepresentation

If there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

(a) All Canadian Investment Corporation to cancel your agreement to buy these securities, or

(b) For damages against the All Canadian Investment Corporation, every person who was a director at the date of the offering memorandum and every other person who signed the offering memorandum.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defenses available to the persons or companies that you have a right to sue. In particular, they have a defense if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the subscription agreement within 180 days after the transaction. You must commence your action for damages within the earlier of 180 days after learning of the misrepresentation or 3 years after the transaction.

11.3 Contractual Rights of Action in the Event of a Misrepresentation

If there is a misrepresentation in this offering memorandum, you have a contractual right to sue the Company:

(a) to cancel your agreement to buy these securities, or

(b) for damages.

This contractual right to sue is available to you whether or not you relied on the misrepresentation. However, in an action for damages, the amount you may recover will not exceed the price that you paid for your securities and will not include any part of the damages that the Company proves does not represent the depreciation in value of the securities resulting from

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the misrepresentation. The Company has a defense if it proves that you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in (a) and (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after you signed the agreement to purchase the securities. You must commence your action for damages within the earlier of 180 days after learning of the misrepresentation and 3 years after you signed the agreement to purchase the securities.

Item 12 Financial Statements

See next page for:

- Audited Financial Statements of the Company for the year ended September 30, 2014

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ALL CANADIAN INVESTMENT CORPORATION
Financial Statements
For the year ended September 30, 2014

Contents

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BDO

Independent Auditor's Report

To the Shareholders of
All Canadian Investment Corporation

We have audited the accompanying financial statements of All Canadian Investment Corporation which are comprised of the balance sheet as of September 30, 2014 and the statements of operations and deficit and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Part V - pre-changeover Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as, evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of All Canadian Investment Corporation as at September 30, 2014 and the results of its operations and cash flows for the year then ended in accordance with Part V - pre-changeover Canadian generally accepted accounting principles.

Emphasis of Matter

Without modifying our audit opinion, we draw attention to Note 9 of the financial statements which describes the credit and liquidity risks inherent in the activities of the Company.

BDO Canada LLP

Chartered Accountants

Salmon Arm, British Columbia
March 30, 2015

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All Canadian Investment Corporation
Balance Sheet

September 30	2014	2013
Assets		
Current		
Cash (Note 1)	$ 443,691	$ 329,875
Accrued interest receivable	820,316	2,184,674
Current portion of promissory notes receivable (Note 2)	11,822,467	11,013,701
Current portion of mortgages receivable (Note 3)	21,501,115	18,643,695
	34,587,589	32,171,945
Deposit on purchase of land and building (Note 13)	100,000	-
Promissory notes receivable (Note 2)	58,607	-
Mortgages receivable (Note 3)	1,460,630	1,917,543
Future income tax (Note 11)	990,000	210,000
	$ 37,196,826	$ 34,299,488
Liabilities and Share Capital and Deficit		
Current		
Accounts payable and accrued liabilities	$ 142,369	$ 616,863
Due to related party (Note 6)	-	690,000
Short-term debt (Note 7)	2,048,082	1,000,000
Current portion of corporate debentures (Note 8)	1,550,000	-
	3,740,451	2,306,863
Corporate debentures (Note 8)	600,000	-
	4,340,451	2,306,863
Share Capital and Deficit		
Share capital (Note 5)	35,347,004	32,075,004
Deficit	(2,490,629)	(82,379)
	32,856,375	31,992,625
	$ 37,196,826	$ 34,299,488

Approved on behalf of the Board:

_______________________ Director

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

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All Canadian Investment Corporation
Statement of Operations and Deficit

For the year ended September 30	2014	2013
Revenue		
Interest income	$ 3,525,214	$ 3,215,326
Redemption fees	520	-
	3,525,734	3,215,326
Expenses		
Bank charges and interest	2,952	1,262
Interest on short-term debt	111,949	114,427
Debenture interest	17,794	-
Management fees (Note 6)	873,313	1,056,363
Financing fees	172,334	-
Professional fees	36,803	28,538
	1,215,145	1,200,590
Income from operations	2,310,589	2,014,736
Impairment losses (Note 4)	3,188,251	-
Income (loss) before income taxes	(877,662)	2,014,736
Future income tax benefit	(780,000)	(80,000)
Net income (loss) for the year	(97,662)	2,094,736
Deficit, beginning of year	(82,379)	(398,530)
Dividends paid	(2,310,588)	(1,778,585)
Deficit, end of year	$ (2,490,629)	$ (82,379)

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

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All Canadian Investment Corporation
Statement of Cash Flows

For the year ended September 30	2014	2013
Cash flows provided by (used in):		
Operating activities		
Cash receipts from mortgage operations	$ 937,005	$ 1,060,382
Cash paid to suppliers	(1,589,641)	(989,052)
	(652,636)	71,330
Investing activities		
Issuance of new mortgages and loans receivable	(3,738,000)	(4,990,611)
Repayment of mortgages and loans receivable	974,957	1,986,820
Deposit on land and building	(100,000)	-
	(2,863,043)	(3,003,791)
Financing activities		
Proceeds from short-term debt	1,200,000	1,000,000
Advances from related party	-	165,000
Repayment of short-term debt	(681,917)	(100,000)
Dividends paid	(2,310,588)	(1,778,585)
Redemption of preferred shares	(1,086,000)	(3,309,000)
Proceeds from issuance of preferred shares	4,358,000	7,193,000
Proceeds from debenture offering	2,150,000	-
	3,629,495	3,170,415
Increase in cash	113,816	237,954
Cash, beginning of year	329,875	91,921
Cash, end of year	$ 443,691	$ 329,875

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Nature of Business

The Company is incorporated under the laws of British Columbia and is a mortgage investment corporation pursuant to the provisions of Section 130.1 of the *Income Tax Act* (Canada). As a mortgage investment corporation, dividends paid by the Company, during the year or within ninety days following the year end, are deductible in computing income for tax purposes. The Company provides promissory notes and mortgages to eligible borrowers from pooled investment funds of the preferred shareholders.

Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that may affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. While management uses its best efforts to reasonably assess judgmental issues at a point in time, actual results could differ from those estimates. Estimates include the valuation of accrued interest receivable, promissory notes and mortgages receivable and the completeness of accounts payable and accrued liabilities.

Financial Instruments

The Company recognizes and measures financial assets and financial liabilities on the balance sheet when it becomes a party to the contractual provisions of a financial instrument. Management determines the classification of financial assets and liabilities at initial recognition.

All transactions related to financial instruments are recorded on a settlement date basis.

The Company's most significant financial instruments consist of its promissory notes and mortgages receivable. In accordance with AcG-18, promissory notes and mortgages receivable are required to be recorded at fair value as defined in CICA Handbook Section 3855, Financial Instruments - Recognition and Measurement. Promissory notes and mortgages receivable are valued on the polices described under Promissory Notes and Mortgages Receivable below. The financial risks associated with the Company's promissory notes and mortgages receivable and the Company's management of those risks are discussed in Note 9.

Held-for-Trading

This category is comprised of cash. It is carried on the balance sheet at fair value with changes in fair value recognized in the statement of operations. Transaction costs related to instruments classified as held-for-trading are expensed as incurred.

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Financial Instruments (continued)

Promissory Notes and Receivables (excluding investments in promissory notes and mortgages)

This category is comprised of accrued interest receivable and amounts due from related parties. These assets are initially recognized at fair value and, subsequently, carried at amortized cost, using the effective interest rate method, less any provision for impairment. Transaction costs related to promissory notes and receivables are expensed as incurred. As the majority of the promissory notes and receivables are due on demand, the book value approximates fair value.

Other Financial Liabilities

This category is comprised of accounts payable and accrued liabilities, due to related party, and short-term debt. These assets are initially recognized at fair value and, subsequently, carried at amortized cost, using the effective interest rate method. Transaction costs related to other financial liabilities are expensed as incurred.

Promissory Notes and Mortgages Receivable

Promissory notes and mortgages receivable are stated at fair value in accordance with CICA AcG-18. Any unrealized changes in the fair value of a promissory note or mortgage are recorded in the net earnings for the period. The fair value of promissory notes and mortgages receivable is determined by discounting future cash flows at the Company's prevailing rate of return on new promissory notes and mortgages of similar type, term and credit risk. A promissory note or mortgage is classified as impaired when there is reasonable doubt as to the collection of some portion of principal or interest.

Impairment

Promissory notes and mortgages are assessed at each reporting date to determine whether there is objective evidence that they are impaired. A promissory note or mortgage is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that promissory note or mortgage that can be estimated reliably.

Objective evidence that promissory notes or mortgages are impaired can include significant financial difficulty of the borrower or issuer, default or delinquency by a borrower, restructuring of an amount due to the Company on terms that the Company would not otherwise consider, indications that a borrower or issuer will enter bankruptcy, or other observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the group, or economic conditions that correlate with defaults in the group.

Revenue Recognition

Interest income from mortgages and other promissory notes receivable is recorded on the accrual basis. Interest income is not recognized on promissory notes or mortgages that are impaired. Deferred revenue, if any, represents prepaid interest revenue.

Continued...

Revenue Recognition (continued)

Redemption fee income on preferred shares that have been issued and outstanding for less than two years is recognized when the preferred shares are redeemed by the shareholder.

Future Income Tax

The Company follows the asset and liability method of accounting for income taxes. Under the liability method, the change in net future tax asset or liability is to be included in income. Future tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which temporary differences are expected to be recovered or settled.

Income Taxes

The Company is considered a mortgage investment corporation under the *Income Tax Act* (Canada). The Company distributes all of its net income to its shareholders in the form of dividends in order not to be subject to income taxes.

New Accounting Pronouncements

Recent accounting pronouncements that have been issued but are not yet effective, and have a potential implication for the Company, are as follows:

International Financial Reporting Standards

In February 2009, the Canadian Accounting Standards Board announced that Canadian generally accepted accounting principles for publicly accountable enterprises would be replaced by International Financial Reporting Standards (IFRS) for fiscal years beginning on or after January 1, 2011. However, as the Company is an Investment Company as defined in Accounting Guideline AcG-18, Investment Companies, it will need to adopt IFRS for its fiscal years beginning on or after January 1, 2014. Therefore, it will be required to prepare its September 30, 2015 financial statements including comparative information in compliance with IFRS.

The Company is currently assessing the potential impact of the transition to IFRS on its financial statements, disclosures, and broader financial reporting systems and controls. The key elements of the plan will include assessing the impact of adopting IFRS on:

- Accounting policies;
- Disclosure controls and procedures;
- Share capital; and
- Impairment of promissory notes and mortgages.

The changeover plan is still in the early stages of development and, as a result, the impact of adopting IFRS on the Company's financial reporting is not reasonably determinable at this time.

1. **Cash**

The Company holds its cash in two financial institutions earning interest between zero and 1.25%.

2. **Promissory Notes Receivable**

The promissory notes written by the Company are unsecured loans, for terms ranging from one to three years and bear interest at rates ranging from 8% to 12% per annum and are unsecured.

	2014	2013
Unsecured demand loans, evidenced by promissory notes	$ 12,013,234	$ 4,498,388
Unsecured loans, evidenced by promissory note, due 2014	-	6,515,313
Unsecured loans, evidenced by promissory note, due 2016	58,607	-
	12,071,841	11,013,701
Allowance for impaired loans (Note 4)	(190,767)	-
	11,881,074	11,013,701
Current portion	11,822,467	11,013,701
	$ 58,607	$ -

As at September 30, 2014, there are seven (2013 - three) promissory notes in arrears which totaled $ 664,100 (2013 - $ 314,700).

Promissory note interest totaling $ 675,200 (2013 - $ 1,215,000), was capitalized during the year, in line with the revised terms of the promissory notes.

As outlined in Note 9, many of the above promissory notes have been issued primarily to residential property developers to fund projects currently under construction. Final cash flows from these projects are not determinable as at the balance sheet date. Should these projects not perform as projected, the value of the promissory note related to the specific project may need to be adjusted to fair value if it is determined to be impaired as the project nears completion and estimated cash flows can be more easily determined.

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3. **Mortgages Receivable**

The mortgages written by the Company are for terms ranging from one to two years and bear interest at rates ranging from 6% to 12% per annum.

	2014	2013
		(Note 14)
Mortgages collateralized by commercial property	$ 3,193,156	$ 4,156,110
Mortgages collateralized by residential property (Note 9)	17,295,959	12,768,342
Mortgages collateralized by raw residential land (Note 9)	2,700,000	3,636,786
	23,189,115	20,561,238
Allowance for impaired loans (Note 4)	(227,370)	-
	22,961,745	20,561,238
Less: mortgages due within one year	16,695,959	4,847,135
Less: mortgages due on demand	4,805,156	13,796,560
	$ 1,460,630	$ 1,917,543

As at September 30, 2014, there is one mortgage (2013 - Nil) in arrears which totaled $ 1,159,156 (2013 - $ Nil).

Mortgage interest totaling $ 1,444,617 (2013 - $ 2,036,700), was capitalized during the year, in line with the revised terms of the mortgages.

As noted in Note 9, many of the above mortgages have been issued primarily to residential property developers to fund projects currently under construction. Final cash flows from these projects are not determinable as at the balance sheet date. Should these projects not perform as projected, the value of the mortgage related to the specific project may need to be adjusted to fair value if it is determined to be impaired as the project nears completion and estimated cash flows can be more easily determined

4. Allowance for Impaired Promissory Notes and Mortgages Receivable

In determining the allowance for impaired loans, management considers factors such as the composition and credit quality of the portfolio, current economic conditions and trends and historical loss experience.

Movement in provision for impairment:

	Promissory Notes	Commercial Mortgage	Residential Mortgage	Residential Land Mortgage	Total
Balance at October 1, 2013	$ -	$ -	$ -	$ -	$ -
Provision charged to net income	190,767	227,370	-	2,770,114	3,188,251
	190,767	227,370	-	2,770,114	3,188,251
Loans written off	-	-	-	(2,770,114)	(2,770,114)
Balance at September 30, 2014	$ 190,767	$ 227,370	$ -	$ -	$ 418,137
Gross principal balance of individually impaired loans	$ 358,748	$ 1,688,000	$ -	$ -	$ 2,046,748

The provision for commercial mortgages represents the adjustment to fair value of mortgages and promissory notes receivable determined by discounting future cash flows at the Company's prevailing rate of return on new mortgages and promissory notes.

There was no allowance for impaired promissory notes and mortgages receivable recorded in 2013 and as such no comparative information has been presented.

5. Share Capital

Authorized

1,000,000,000 Common shares without par value
1,000,000,000 Preferred shares without par value

		2014	2013
Issued			
4	Common shares	$ 4	$ 4
35,347	Preferred shares (2013 - 32,075)	35,347,000	32,075,000
		$ 35,347,004	$ 32,075,004

Preferred share transactions for the years ended September 30:

	2014	2013
Opening balance, beginning of year	$ 32,075,000	$ 28,191,000
- Exercise of warrants 2,952 shares (2013 - 3,409)	2,952,000	3,409,000
- New shares sold 1,406 shares (2013 - 3,784)	1,406,000	3,784,000
- Redeemed for cash 1,086 shares (2013 - 3,309)	(1,086,000)	(3,309,000)
Closing balance, end of the year	$ 35,347,000	$ 32,075,000

Continued ...

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5. Share Capital (continued)

Dividends

Each preferred share entitles its registered holder to participate on a pro-rata basis with the other preferred shareholders in the distribution of 100% of the mortgage investment income that remains after the payment of expenses of the issuer and the management fee, until such time as the preferred shareholders have received an amount in each year equal to 12% of their paid up capital in the corporation. Thereafter, the common shareholders will be entitled to receive the distribution of 100% of the balance of the mortgage investment income until such time as they have received an amount in each year equal to 12% of their paid up capital. Thereafter, the balance of the mortgage investment income will be paid to the preferred and common shareholders pro-rata based on their respective paid up capital in the Company.

Redemption of Preferred Shares

A holder of preferred shares may request the Company to redeem the whole or any part of the preferred shares by giving notice to the Company. The Company will not redeem any preferred shares if at the time of such redemption the Company is insolvent or if such redemption will render the Company insolvent, if such redemption will reduce the Company's cash reserves below a level which the Directors determine, in their sole discretion, to be prudent, or if such redemption will cause the Company to breach the requirement that at least 50% of the cost amount of its property must consist of bank deposits or mortgage loans made in respect of residential properties.

Share Purchase Warrants

Pursuant to a private Offering Memorandum dated January 21, 2014, the Company has offered to issue up to 50,000 units at $ 1,000 per unit. Each unit consists of one preferred share and one non-transferable, preferred share purchase warrant. Each warrant entitles the holder to purchase up to ten additional preferred shares of the Company at a price which is the lesser of $ 1,000 per preferred share and the book value per preferred share as determined by the Company's auditors as at the fiscal year end of the Company immediately preceding the date the warrant is exercised. Each warrant is exercisable for a period of ten years from the date of issuance.

At September 30, 2014, there are 17,176 (2013 - 16,603) share purchase warrants outstanding.

On the issuance of the shares with attached warrants, management determined the value of the warrants to be nominal and, therefore, none of the share proceeds were allocated to the warrants.

6. **Related Party Transactions**

ACIC Financial Development Inc.

The Company has contracted with ACIC Financial Development Inc., a company under common management, to manage the operations of the Company. The Management Agreement provides that, in consideration of the services provided by the Manager as described therein, the Company pay the Manager an annual fee not to exceed the sum of fifteen percent (15%) of annual gross revenues and two percent (2%) of the Company's assets, with such fee to be payable monthly. Total management fees paid to ACIC Financial Development Inc. for the year ended September 30, 2014, was $ 873,313 (2013 - $ 1,056,363), of this amount $ 113,313 (2013 - $ 611,363) is included in accounts payable and accrued liabilities.

Continued ...

6. **Related Party Transactions** (continued)

In addition, ACIC Financial Development Inc. had advanced funds totaling $ Nil (2013 - $ 690,000) to All Canadian Investment Corporation. The funds were repaid during the year.

Joint Ventures

The Company has loaned a total of $ 290,000 (2013 - $ 290,000) bearing interest at 12%, included in mortgages receivable, to a joint venture in which ACIC Financial Development Inc. is a joint venture participant. Interest income related to the mortgages totaled $ 34,800 (2013 - $ 76,900) for the year and $ Nil (2013 - $ 8,772) is included in accounts receivable.

Daniel Point Projects

The Company has loaned $ 2,700,000 (2013 - $ 2,700,000) bearing interest at 12%, included in mortgages receivable, to Daniel Point Projects, a company which has entered into a profit-sharing agreement with ACIC Financial Development Inc.. Interest income related to the mortgage totaled $ 321,980 (2013 - $ 506,473) for the year and $ 396,900 (2013 - $ 1,841,837) is included in accounts receivable.

These transactions are measured at the exchange amount (the amount of consideration established and agreed to by the related parties).

7. **Short-term Debt**

	2014	2013
Demand loan, with interest at 6% per annum, interest is paid monthly, no set terms of repayment	$ 1,000,000	$ 1,000,000
Loan, with interest at 10.5% per annum, monthly payments of $115,104 including interest and principal, due August 2015	1,048,082	-
	$ 2,048,082	$ 1,000,000

8. **Debentures**

During the year, debentures of $2,150,000 were issued in minimum $150,000 increments.

	2014	2013
Series A Corporate Debenture, monthly interest at 8%, maturing May 31, 2015	$ 1,550,000	$ -
Series B Corporate Debenture, monthly interest at 7%, maturing November 30, 2015	600,000	-
	2,150,000	-
Current portion	1,550,000	-
	$ 600,000	$ -

9. **Financial Instruments**

In accordance with Canadian generally accepted accounting principles, the Company must classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making its fair value measurements. The following hierarchy has been used in determining and disclosing fair value of financial instruments:

Level 1: quoted prices in active markets for the same instrument (ie. without modification or repackaging);

Level 2: quoted prices in active markets for similar assets or liabilities or other valuation techniques for which all significant inputs are based on observable market data; and

Level 3: valuation techniques for which any significant input is not based on observable market data.

Interest Rate Risk

Promissory notes and mortgages receivable are valued using Level 3 measures as there are no quoted prices in an active market for the Company's mortgages. Management makes its determination of fair value for its mortgage investments based on its assessment of the current mortgage market for mortgages of same or similar terms.

The Company is exposed to interest rate risk from the possibility that cash flows could change based on changes in interest rates as well as the possibility that fair value could change due to changes in interest rates. Should there be significant changes in interest rates, the Company could incur significant changes in the fair value of the investment in promissory notes and mortgages receivable. The weighted average interest rate for the promissory notes and mortgages receivable is 11.53% (2013 - 11.43%). Promissory notes and mortgages receivable interest rates are fixed for the duration of the mortgage term thereby reducing the entity's sensitivity to changes in market interest rates.

The Company feels that no other financial instruments are subject to interest rate risk due to their short-term maturity.

Credit Risk

The Company is exposed to credit risk from the possibility that borrowers may default on their promissory note and mortgage obligations, the majority of which are collateralized by real property in British Columbia. Management attempts to mitigate this risk by ensuring that the position of the Company is covered by the value of property. The Company has six loans and mortgages (2013 - seven) that are individually in excess of 5% of the total portfolio. Collectively, these represent 71% (2013 - 68%) of the total portfolio. The Company is in a first priority position on 11% (2013 - 17%) of mortgage charges.

Additionally, the Company is exposed to credit risk concentration on its mortgages and promissory notes as there are four guarantors (2013 - four) that are individually in excess of 5% of the total portfolio. Collectively, these represent 94% (2013 - 93%) of the total portfolio. One of these individuals accounts for 65% (2013 - 57%) of outstanding mortgages and promissory notes receivable.

The Company is exposed to credit risk concentration on its cash balance as it is held substantially in one financial institution.

Continued ...

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9. Financial Instruments (continued)

Liquidity Risk

The Company is exposed to liquidity risk on the outstanding preferred shares since a certain number are redeemed each year at the request of the shareholder. This risk has been mitigated as the approval of the request to redeem shares is at the discretion of the Board of Directors of the Company. As well, the total amount of preferred shares to be redeemed in any quarter is not to exceed 2-1/2% of the outstanding preferred shares at the end of the immediately preceding calendar quarter.

As noted in Note 2 and 3, the Company is exposed to liquidity risk as 74% of promissory notes and mortgages are advanced for the purposes of financing residential and commercial projects under development. Interest earned on these loans are capitalized and not due until the projects are complete. This defers the cash received and exposes the Company to liquidity risk. The Company manages this risk by monitoring cash flows and limiting discretionary cash outflows such as management fees, redemption of shares and dividends if necessary.

Fair Values

The estimated fair values of the Company's financial instruments are based on relevant market prices and information available at the time. No fair values have been determined for any asset that is not a financial instrument.

Not all financial instruments are readily marketable. As a result, estimates of fair value are subjective and should not be considered precise. The estimated fair values of cash, accrued interest receivable, accounts payable and accrued liabilities, due to related party, and short-term debt are assumed to equal their book values, as the items are short term in nature. Management makes its determination of fair values of promissory notes and mortgages receivable by discounting their expected future cash flows at the prevailing interest rate for promissory notes and mortgages of same or similar terms. The initial terms of the promissory notes and mortgages represent their fair value at the time of promissory note and mortgage origination. When collection of principal on a particular mortgage investment is no longer reasonably assured, the fair value of the mortgage is reduced to reflect the estimated net realizable recovery from the collateral securing the loan.

10. Income Taxes

The Company has non-capital losses available of approximately $ 3,811,984 which may be applied against future taxable income. The right to claim these losses expires between 2030 and 2034.

11. Future Income Tax

Future income tax reflects the net effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

The major components of future income tax are:

	2014	2013
Temporary differences relating to loss carry-forwards	$ 990,000	$ 210,000

12. Capital Disclosures

The Company considers its capital to comprise of its share capital.

In managing its capital, the Company's primary objective is to ensure its continued ability to provide a consistent return for its shareholders through capital growth and investments in mortgages bearing an acceptable interest rate and level of risk. In order to achieve this objective, the Company seeks to balance risks and returns at an acceptable level by providing mortgage financing at an interest rate commensurately with the level of risk. In making decisions to adjust its capital structure to achieve these objectives, the Company considers both its short-term and its long-term strategic objectives.

13. Commitments

The Company has entered into an agreement to purchase land and building of two properties with a closing date of July 31, 2015 for the price of $1,100,000. A non-refundable deposit of $100,000 has been paid.

14. Comparative Figures

Certain prior year figures have been reclassified to conform to the current year's presentation.

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Item 13 Date and Certificate

Dated February 12, 2015

This Offering Memorandum does not contain a misrepresentation.

ALL CANADIAN INVESTMENT CORPORATION

Per: ______________________________

Don F. Bergman
Director