



This is the 4th Affidavit  
of Donald Bergman in this case  
and was made on March 1<sup>st</sup>, 2018

No. S1710393  
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

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

AND

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

AND

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

AND

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

**AFFIDAVIT**

I, Donald Bergman, of Suite 2-781 Marine Park Drive, Salmon Arm, British Columbia, Businessman, SWEAR (OR AFFIRM) THAT:

1. I am the sole director and the president of the Petitioner, All Canadian Investment Corporation, and as such have personal knowledge of the facts hereinafter deposed, except where such facts are stated to be based upon information and belief and where so stated I do verily believe the same to be true.
2. Capitalized terms not defined in this Affidavit shall have the same meaning ascribed to them in the Petition filed herein and the order of the Honourable Mr. Justice Silverman pronounced on December 5, 2017 (the "**December 2017 Order**").
3. I swear this Affidavit in support of the Petitioner's application to extend the Stay Period granted in the December 2017 Order to April 11, 2018.
4. I have previously sworn three affidavits in these proceedings being:
  - a. Affidavit #1 sworn November 7, 2017;
  - b. Affidavit #2 sworn November 30, 2017;
  - c. Affidavit #3 sworn January 19, 2018.

5. As stated in the Petition and in previous Affidavits, the Petitioner has sought protection pursuant to the CCAA in order to develop a plan of compromise or arrangement (a "Plan") to present to its stakeholders that will involve a fair, controlled and orderly wind-down of its business operations, with the assistance and oversight of the Monitor.
6. An initial order was granted on November 10, 2017 (the "Initial Order") and pursuant to the December 2017 Order, the stay of proceedings was extended to March 9, 2018.
7. Since the date of the December 2017 Order, the Petitioner has continued to:
  - a. manage the daily operations of its business. This has required the Petitioner to, amongst other things, regularly review and assess the Loan Portfolio and its other assets and source further information from its Borrowers regarding security and repayment arrangements;
  - b. respond to requests from the Monitor for documentation and other information relating to the Petitioner's financial affairs, particularly with respect to the status of the Loan Portfolio and the Real Property; and
  - c. manage its financial affairs generally, including the Loan Portfolio, the Real Estate and other assets of the Petitioner.

#### **Post-filing obligations**

8. During the current Stay Period, the Petitioner has continued to meet its post-filing obligations.

#### **Legal representation for the Petitioner**

9. Clark Wilson LLP was initially retained as counsel for, and commenced these proceedings on the behalf of, the Petitioner. Unfortunately, in early February 2018 Clark Wilson LLP became aware of a potential conflict which meant it was no longer in a position to continue act in these proceedings.
10. As a result, on February 15, 2018, the Petitioner retained Watson Goepel LLP as its new legal counsel. Since being retained, Watson Goepel LLP has had to secure access to and review a significant amount of information relating to the Petitioner's financial affairs and the status of these proceedings.
11. The Petitioner requires the assistance of its new legal counsel to formulate and put into effect a Plan for the benefit of its stakeholders. Unfortunately, because it was necessary to retain new counsel, through no fault of the Petitioner, Watson Goepel LLP required time to familiarize itself with the Petitioner's financial affairs and these proceedings to date.
12. Since being retained, Watson Goepel LLP has continued to assist in addressing requests for information from the Monitor.

### **Court approval of transactions**

13. During December 2017 and January 2018, the Petitioner engaged in negotiations for the:
- a. sale of a piece of real property located at 13562 Lee Road, Garden Bay, British Columbia and legally described as PID: 027-093-387, Lot 184 District Lot 3923 Group 1 New Westminster District Plan BCP30066 to Clayton Jay Satchwell and Sandra Margaret Satchwell (the "Garden Bay Sale"); and
  - b. settlement of three of the Loans in the Loan Portfolio.
14. Court approval of those transactions was required and on January 24, 2018, the Honourable Mr. Justice Pearlman granted an order approving them.

### **The Loan Portfolio**

15. The Petitioner is currently continuing its discussions with Borrowers regarding calculation of debt obligations, possible timelines for payments and the availability of further security for the Loans. As part of that process the Petitioner is:
- a. in the process of commissioning updated appraisals for Real Property related to the Loan Portfolio;
  - b. with the assistance of its counsel, carrying out a security review of the Loan Portfolio, the registered, unregistered and equitable mortgages subject to the Mortgage Loans and other security/property belonging to the Borrowers (or related parties) including general security agreements and guarantees;
  - c. attempting to assist certain Borrowers in securing refinancing; and
  - d. in the process of initiating collection proceedings for one of the Loans under a registered mortgage security.
16. Based on the Petitioner's management's history and relationship with the Borrowers, I verily believe that management is in the best position to continue these discussions with the Borrowers and the actions described above.
17. With respect to the Loan Portfolio, the Petitioner requires more time to continue that process and discussions with Borrowers to assess the timing of interest and principal payments. I verily believe that the Petitioner's stakeholders will benefit if the Petitioner is given more time to consider the best way to realize on the Loan Portfolio.
18. Since the December 2017 Order, the Petitioner has worked with the Monitor to review and assess its financial affairs, and to begin formulating a Plan that will provide the most value for stakeholders. Unfortunately that process has been somewhat delayed, by a variety of factors including the Petitioner having to retain new counsel.

19. As stated in the Petition and in my previous Affidavits, the Petitioner's CCAA proceedings will likely involve a sale or partial sale of the Loan Portfolio and Real Property to pay its stakeholders. I verily believe that an extended timeline to recover on the Loans and more time to make inquiries and seek possible purchasers will allow the Petitioner to achieve a greater value for its stakeholders when it realizes on its assets.

20. The Petitioner also requires further time to develop a claims order process for consideration by the Court and develop a Plan to present to the Court and ultimately creditors.

21. The Petitioner will continue to consider ways to reduce its costs and overhead as recommended by the Monitor.

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

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

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

SWORN (OR AFFIRMED) BEFORE ME )  
at Vancouver, British Columbia. )  
on March 1<sup>st</sup>, 2018 )



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A Commissioner for taking Affidavits for )  
British Columbia )

ZOË STEVENS  
A Notary Public and for  
The Province of British Columbia  
#3 - 120 Harbourside Drive NE  
Salmon Arm, BC V1E 2T3



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**DONALD BERGMAN**