



Court file No. S1710393
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

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

AND

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

AND

IN THE MATTER OF ALL CANADIAN INVESTMENT CORPORATION

(the "Petitioner")

MONITOR'S EIGHTH REPORT TO COURT

NOVEMBER 8, 2018

Boale, Wood & Company Ltd.

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

**Suite 1140 – 800 West Pender Street
Vancouver, B.C. V6C 2V6**

TABLE OF CONTENTS

A. INTRODUCTION	2
B. DISCLAIMER AND TERMS OF REFERENCE	3
C. ACTIVITIES OF THE PETITIONER SINCE SEPTEMBER 5, 2018	4
D. ACTIVITIES OF THE MONITOR SINCE SEPTEMBER 5, 2018.....	5
E. MONITOR’S REPORT ON CASH FLOW STATEMENT.....	6
F. PETITIONER’S ORDERLY WIND-DOWN of THE BUSINESS	8
G. BDO APPLICATION FOR SECURITY FOR COSTS	19
H. COMMUNICATION WITH INVESTORS	20
I. RESTRUCTURING PLAN AND CLAIMS PROCESS	21
J. CONCLUSIONS AND RECOMMENDATIONS	23

Appendices

- A. Statement of Actual Cash Flow for the Period November 27, 2017 to October 31, 2018**
- B. Monitor’s Report on the Cash Flow Statement dated September 13, 2018**
- C. Cash Flow Variance Analysis for the Period September 1 to October 31, 2018**
- D. Monitor’s Report on the Cash Flow Statement dated November 7, 2018**
- E. Letter to Investors dated November 5, 2018**

A. INTRODUCTION

1. This report (the “**Eighth Report**”) is filed by Boale, Wood & Company Ltd. (“**BWC**”) in its capacity as monitor (the “**Monitor**”) appointed in a proceeding commenced on November 8, 2017 by All Canadian Investment Corporation (the “**Petitioner**”) pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c.-36, as amended (the “**CCAA Proceedings**”).

2. The purpose of the Eighth Report is to provide the Court with:
 - a) an update on the Petitioner’s activities since September 5, 2018;

 - b) an update on the Monitor’s activities since September 5, 2018;

 - c) the Monitor’s comments on the efforts of the Petitioner with respect to the sale of the Petitioner’s assets and recovery of its outstanding loans;

 - d) Communication the Monitor has had with the Investors;

 - e) An update on the BDO Canada LLP Application for Security for Costs with respect to the lawsuit filed by the Petitioner against its former auditors;

 - f) the Monitor’s view on the Petitioner’s Restructuring Plan (the “**Plan**”), Claims Process and request for a further extension of the Stay; and

 - g) the Monitor’s conclusions and recommendations.

B. DISCLAIMER AND TERMS OF REFERENCE

3. Except as specified, in preparing this report the Monitor has obtained and relied upon unaudited, draft and/or internal information which Management advises has been compiled from the Petitioner's books and records. Where available, the Monitor has reviewed external records and documentation including post-filing banking records, corporate searches and financial statements.

4. Except as otherwise described in this report:
 - a) the Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information which has been provided in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountant Canada Handbook; and

 - b) the Monitor has not conducted an examination or review of any financial forecast and projections in a manner that would comply with the procedures described in the Chartered Professional Accountant Canada Handbook.

5. This Report have been prepared solely for the purpose described and readers are cautioned that it may not be appropriate for other purposes.

C. ACTIVITIES OF THE PETITIONER SINCE SEPTEMBER 5, 2018

6. Since the date of the Monitor's Sixth Report (the Monitor's Seventh Report dealt specifically with the lawsuit commenced by the Petitioner against its' former auditors), Management and its legal counsel's activities have included the following:
 - a) Updating the Monitor on information with respect to the Loan Portfolio and real estate holdings;
 - b) Providing the Monitor with regular updates of the cash receipts and disbursements;
 - c) Communicating with borrowers regarding payment of both loan interest and principal repayments;
 - d) Assisting the owners of the Stonewater Motel with the refinancing of the Motel that is expected to provide sufficient funds to repay the outstanding ACIC loan of approximately \$1,300,000;
 - e) Following up with respect to the sale of a New Westminster condo, a Pender Harbour property and the Chisa property owned by one of the Censorio Group of companies;
 - f) Communicating with stakeholders regarding the CCAA proceedings;
 - g) Attending to matters relating to the lawsuit filed by the Petitioner against its former auditors BDO Dunwoody LLP; and
 - h) Assisting legal counsel with information required in preparation for the applications to Court to extend the stay of proceedings.

D. ACTIVITIES OF THE MONITOR SINCE SEPTEMBER 5, 2018

7. Since the date of the Monitor's Sixth Report, the Monitor has undertaken, amongst other things, the following activities:
 - a) Communicating with Management and its legal counsel for the Petitioner and reviewing information received with respect to the Loan Portfolio, Real Property, the CCAA Proceedings;
 - b) Seeking information from the Petitioner with respect to efforts being made sell its real properties and collect on its loan portfolio;
 - c) Meeting with legal counsel for the Petitioner regarding progress being made towards finalizing the restructuring plan and claims process;
 - d) Monitoring the Petitioner's cash flow receipts and disbursements and report on the Cash Flow Statement prepared by the Petitioner;
 - e) communicating with the Petitioner's stakeholders responding to their enquiries;
 - f) communicating with counsel for the DIP Lender;
 - g) Review of documents relating to the action commenced by the Petitioner against BDO Canada LLP and their counter claim, preparing a report to the Court (Monitor's Seventh Report) and attending at Court in respect of this action; and
 - h) preparing the Monitor's Eighth Report to the Court in the CCAA Proceedings.

E. MONITOR'S REPORT ON CASH FLOW STATEMENT

8. The Monitor has attached as Appendix A to this report a Statement of Actual Cash Flow for the period November 27, 2017 to October 31, 2018.
9. The Monitor has attached as Appendix B to this report the Monitor's Report on the Cash Flow Statement prepared by Management for the period September 1 to November 30, 2018. The Monitor's Report and Cash Flow Statement was filed with the Court on September 13, 2018.
10. The Monitor has attached as Appendix C a Cash Flow Variance Analysis comparing actual cash flows to Management's projected cash flows for the period September 1 to October 31, 2018. Actual cash inflows were in line with Management's projected cash inflows with the exception of the projected repayment of the Buchmann loan of \$500,000. Actual cash outflows were in line with Management's projected cash outflows with the exception of the projected paydown of the DIP financing of \$250,000 from the Buchmann loan repayment funds.
11. The Monitor has attached as Appendix D to this Report the Monitor's Report on Cash Flow Statement prepared by Management for the period November 1, 2017 to February 28, 2018.
12. Management's projected cash inflows for the month of November will just cover the DIP loan interest. Management and the restructuring professionals have agreed to defer payment of the November restructuring costs and management fees to December.

13. In December Management is projecting cash inflows of approximately \$1,300,000 from the Stonewater Motel refinancing and \$500,000 from the Buchmann Loan repayment. These funds, if received, will be sufficient to pay back the DIP financier in full and cover ongoing Management fees and restructuring costs.
14. If there are any delays in the December projected cash inflows, the Petitioner can borrow a further \$500,000 under its DIP lending facility. It is the Monitor's view that this additional borrowing should only be drawn if essential to continue the restructuring under the CCAA proceedings.
15. The Monitor has requested and received information from the Petitioner with respect to the Stonewater Motel financing and is generally satisfied that it will be approved and funded within the next 45 days.

F. PETITIONER'S ORDERLY WIND-DOWN OF THE BUSINESS

Real Property Update

16. Since the commencement of the CCAA Proceeding the Petitioner has completed the sale of one of two Garden Bay properties and one of three Pender Harbour properties.
17. The two remaining Pender Harbour Properties and the one remaining Garden Bay Property are listed for sale with realtors on the Multiple Listing Service. In September 2018 the Monitor requested the Petitioner to provide a report on the marketing of the properties which was responded to in Mr. Bergman's 8th Affidavit which states the "he has been in constant communication with the listing agents about amending the listing and possibly consolidating certain property listings for joint sale".
18. The Monitor does not have recent information to comment on steps being taken by Management to aggressively pursue the sale of these recreational properties but believes it may be necessary to further reduce the list prices for the properties given that the fall and winter are generally not the best seasons to be selling these type of recreational properties.

Loan Portfolio Update

Agnes & Elliot Loan (Censorio company)

19. The Agnes & Elliot loan is in respect of a New Westminster development that was completed in September 2017. The amount owing to the Petitioner including accrued interest as at September 30, 2018 was \$6,840,457.70.

20. The remaining security the Petitioner had when the project completed (other than guarantees from Peter Censorio personally and from his other development companies) were mortgages on four of the remaining unsold residential units.
21. Through foreclosure proceedings commenced by the Petitioner, Orders Nisi and Orders for Conduct of Sale were granted in favour of the Petitioner in July 2018.
22. The residential units were listed for sale in August 2018 with a realtor on the MLS Service. The sale of one of the units has completed. The net sale proceeds were paid into Court pending determination of the priority of outstanding GST and strata fees owed in respect of the development.
23. The Petitioner's estimated recovery from the sale of the four Agnes & Elliot residential units was \$2,000,000 and \$2,500,000. If the claim by Canada Revenue agency for GST, that may exceed \$2,000,000, has priority over the Petitioner's mortgages there may not be any recovery to the Petitioner from the sale of the remaining units.

Chisa Loan (Censorio company)

24. The Chisa loan is in respect of a commercial development located in Burnaby that was completed in 2014. The amount owing to the Petitioner including accrued interest as at September 30, 2018 was \$997,520.46.
25. In June 2018, a contract of purchase and sale was entered into by Peter Censorio for the Chisa Lands.

26. The sale of the Chisa Lands completed in July 2018 and the net proceeds were used to payout the first mortgage of approximately \$1,000,000 and paydown approximately \$3,200,000 on an inter alia mortgage in favour of Bancorp. There were no funds available for the Petitioner from the sale, however, as a result of the paydown of the Bancorp mortgage, the equity in the remaining Censorio properties securing the Petitioner's loans has increased.

Beta Loan (Censorio company)

27. The Beta Loan is in respect of a mixed-use development property located in Burnaby that was completed in 2015. The amount owing to the Petitioner including interest as at September 30, 2018 was \$3,196,566.81.
28. In June 2018 the Monitor received a copy of a contract of purchase and sale that Peter Censorio had accepted. The Purchaser subsequently failed to remove its subjects and the sale collapsed.
29. On November 1, 2018 the Monitor received copies of two offers that Peter Censorio had received. One offer was for the retail component of the Beta Lands that has an appraised value of \$2,700,000. The other offer is for the office component of the Beta Lands that has an appraised value of \$2,950,000. Both offers were well below the appraised values.
30. The Petitioner asked the Monitor to comment on the offers which comments follow:
 - a) Both Offers have security deposits of \$10,000 due upon acceptance of the offers. The Monitor's view is that the required deposits should not be less than \$50,000;

b) The Monitor is not in a position comment on the reasonableness of the offered prices as these properties have been listed for sale privately and not on the MLS service and no information has been provided to the Monitor by the Petitioner or Peter Censorio with respect to the listing agent's marketing efforts, interest received from prospect buyers and analysis of recent comparable sales.

31. The Monitor has been advised by the Petitioner that the offers were countered and that negotiations are still ongoing.
32. The Petitioner has provided the Monitor with monthly income statements for the property indicating that the rental income being generated from this property is not sufficient to cover the monthly mortgage payments and operating expenses.

Altezza Loan (Censorio company)

33. The Altezza Loan is in respect of a mixed-use development in Burnaby that was completed in 2012. The amount owing to the Petitioner including interest as at September 30, 2018 is \$9,008,316.33.
34. In June 2018 the Monitor received a copy of a contract of Purchase and Sale that Peter Censorio had accepted. The Purchaser subsequently failed to remove its subjects and the sale collapsed.
35. The Monitor has been advised by the Petitioner that this property is continuing to be marketed for sale but has not been provided with any particulars of the marketing efforts being made.

36. The Monitor was advised by the Petitioner on November 6, 2018 that an offer was received on November 5, 2018 for an amount significantly less than the appraised value of \$4,800,000. The offer requires the buyer to post a \$50,000 deposit within 24 hours of acceptance and to increase the deposit to \$200,000 upon subject removals.
37. The Monitor has advised the Petitioner that negotiations are ongoing with the buyer.
38. The Petitioner has provided the Monitor with monthly income statements for the property indicating that the rental income being generated from this property is not sufficient to cover the monthly mortgage payments and operating expenses.

Sperling Loan (Censorio company)

39. The Sperling Loan is in respect of a commercial building that was acquired in 2012 and then renovated. The amount owing to the Petitioner including interest as at September 30, 2018 is \$931,856.21.
40. In June 2018 the Monitor received a copy of a contract of Purchase and Sale that Peter Censorio had accepted. The Purchaser subsequently failed to remove its subjects and the sale collapsed.
41. The Monitor has been advised by the Petitioner that this property is continuing to be marketed for sale but has not been provided with any particulars of the marketing efforts being made.
42. The Monitor has received a marketing proposal from Cushman Wakefield that Peter Censorio intends to list the property on MLS with Cushman Wakefield.

43. The property has substantial equity that will be sufficient to repay the Sperling loan and significantly reduce other Censorio Group obligations.
44. The Petitioner has provided the Monitor with monthly income statements for the property indicating that the rental income being generated from this property is not sufficient to cover the monthly mortgage payments and operating expenses.

Carleton Loan (Censorio company)

45. The Carleton Loan is in respect of a mixed-use development being constructed in Burnaby. The amount owing to the Petitioner as at September 30, 2018 is \$2,079,083.83.
46. This development was scheduled for completion in September 2018 according to the Petitioner's comments in Mr. Bergman's 6th Affidavit dated June 7, 2018. Based on the most recent quantity surveyor report the completion date is now scheduled for January 2019.
47. The Petitioner had previously estimated the recovery from the Carleton loan upon completion and sale of the development to be approximately \$2,000,000. The Monitor is concerned any further delays and cost overruns will significantly reduce the recovery on this loan.
48. The Petitioner has not registered its equitable mortgage for this property due to concerns that the registration could risk the continued funding by the construction financier. While recognizing this risk, the Monitor is equally concerned that but not registering other creditors register charges reducing the Petitioner's equity in the property.

0911368 BC Ltd. Loan (“911 Loan”)

49. The 911 Loan is a result of a debt restructuring by the Petitioner that has been described in previous Affidavits of Mr. Bergman. The amount owing to the Petitioner as at September 30, 2018 is \$3,389,414.
50. As a result of the debt restructuring the Petitioner has been given shares of in W.L.A. Financial Corporation that are being held in Trust by 1001695 B.C. Ltd., a company controlled by Mr. Bergman.
51. At the request of the Monitor, a formal written trust agreement was recently executed by 1001695 B.C. Ltd. confirming the trust arrangement.
52. The Petitioner has advised the Monitor that Meridian Accommodations (owned 90% by W.L.A. financial) is aggressively pursuing contracts with BC Housing to construct modular housing developments. Mr. Bergman’s 9th Affidavit indicates that if successful with the modular housing developments, Meridian “may be in a position to provide distributions to its shareholders in the future”.
53. The Monitor, based on the very limited information provided, is not optimistic that there will be any recovery on this loan and if there is a return it will likely be several years out.

Meridian Lodges Loan

54. The Meridian Lodges Loan is secured by a 130 acre parcel of land in Saskatchewan B.C. The amount owed to the Petitioner as at September 30, 2018 is \$979,495.67.

55. The last information received regarding this loan was in Mr. Bergman's 6th Affidavit dated June 7, 2018. In Mr. Bergman's Affidavit he indicated that the property was relisted for sale following a previous listing of the property with Remax that expired in April 2018. The previous list price was \$850,000. The Monitor does not have any details on the current listing and efforts the listing agent has made to sell the property.

Stonewater Motel Loan

56. The Stonewater Motel Loan is part of the Petitioner's debt restructuring that has been described in Mr. Bergman's affidavits. The amount owed to the Petitioner as at September 30, 2018 is \$1,308,779.18.
57. Mr. Bergman indicated in his 8th Affidavit dated August 31, 2018 that he was assisting with the refinancing of the first mortgage on the property that was subject to a property appraisal that was expected to be completed in September 2018.
58. On November 3, 2018 the Monitor did receive a copy of the appraisal for the property. The Monitor has also received information from the lender that confirms that the refinancing will be submitted by the loan officer for approval shortly and that subject to some additional information being provided by the borrower should be approved.

Buchmann Loan

59. The Buchmann loan that was made just prior to the commencement of the CCAA proceedings to finance the acquisition of a mortgage interest over certain lands and premises in Salmon Arm. The amount owed to the Petitioner as at September 30, 2018 is \$527,534.25.

60. Mr. Bergman advised in his 8th Affidavit dated August 31, 2018 that Mr. Buchmann's lawyers had scheduled an application seeking an order absolute for the property. Once Mr. Buchmann obtains order absolute, he intends to refinance the property which is expected to provide sufficient funds to repay the entire Buchmann loan.
61. Mr. Bergman advised in his 9th Affidavit dated November 5, 2018 that he is now negotiating a sale of a portion of the Salmon Arm property that is expected to provide funds sufficient to repay the Buchmann loan in full.

ACIC Financial Development Inc. Loan ("AFDI Loan")

62. The AFDI Loan is a result of a debt restructuring described in Mr. Bergman's 6th Affidavit dated June 7, 2018. The amount owed to the Petitioner as at September 30, 2018 is \$2,267,075.73.
63. The security that the Petitioner received as part of the restructuring of the AFDI Loan, was a 37.5% beneficial interest in a real estate joint venture with Seamount Investments Ltd. The joint venture owns five rental complexes in Alberta that, based on information provided in Mr. Bergman's 6th Affidavit, have substantial.
64. The restructuring involved the transfer to AFDI of two promissory notes due to the Petitioner from individuals. The transfers were necessary so that the Petitioner was in compliance with the lending requirements of a mortgage investment corporation.
65. The Monitor had requested that the two promissory notes be transferred back to the Petitioner, however, AFDI has recently advised the Monitor that these promissory notes were part of a subsequent restructuring by AFDI and therefore cannot be transferred back.

66. Despite numerous requests by the Monitor, the only information provided by the Petitioner with respect to the repayment of this loan was in Mr. Bergman's 6th Affidavit where he indicates that AFDI is pursuing refinancing options or selling its interest in the joint venture.
67. The Monitor continues to have concerns that the same party that is managing the wind-down and being paid a monthly management fee has not made any progress or provided any plan to repay this loan.

Michael Lensen Loan

68. The Michael Lensen loan is a personal loan advanced by the Petitioner in 2010. The amount owed to the Petitioner as at September 30, 2018 is \$564,663. The last time a payment was made by Michael Lensen was in December 2011.
69. The Petitioner has advised the Monitor that Michael Lensen owns a home in Surrey jointly with his spouse.
70. The Petitioner continues to make demands for repayment of the loan without success and has now instructed counsel to sue the borrower.

Ron Weninger Loan

71. The Ron Weninger Loan is a personal loan advanced by the Petitioner in 2013. The amount owed to the Petitioner as at September 30, 2018 is \$150,000. Ron Weninger has never made a payment on this loan.
72. Ron Weninger is also a preferred shareholder of the Petitioner that invested \$200,000 and therefore is not prepare to payback this loan.

Wayne Blair Loan

73. The Wayne Blair Loan is a personal loan advanced by the Petitioner in 2016. The amount owed to the Petitioner as at September 30,2018 is \$16,320.87. The last payment made by Wayne Blair was \$4,000 in February 2018.

74. The Petitioner has advised the Monitor that Wayne Blair is continuing to make periodic interest and principal repayments.

G. BDO APPLICATION FOR SECURITY FOR COSTS

75. BDO (the Petitioner's former auditors) have an application for security for costs in proceedings the Petitioner commenced against BDO, as detailed in the Monitor's Seventh Report. That application commenced Thursday, October 18, 2018, continued Monday, October 29, 2018 is expected to complete Friday, November 23, 2018.

H. COMMUNICATION WITH INVESTORS

76. The Monitor has been be contacted by approximately 30 to 50 investors since the commencement of the CCAA Proceedings and the most common questions are as follows:
- a) When will we be repaid our investment?
 - b) Are we likely to get all our money back?
 - c) Why are we not receiving any payments?
77. Most of the Investors the Monitor has spoken to have expressed a concern that Mr. Bergman and his staff have made numerous unkept promises over the past several years that their investment would be repaid. These Investors have indicated that they no longer have any trust or confidence in Mr. Bergman. These Investors have also expressed concerns that very little progress appears to have been made since the commencement of the CCAA Proceedings.
78. Attached as Appendix E is a letter from the Monitor addressed to the Investors dated November 5, 2018 which the Monitor has e-mailed to all known e-mail addresses and mailed by regular mail to Investors for whom no e-mail addresses were available.

I. RESTRUCTURING PLAN AND CLAIMS PROCESS

79. It has been approximately one year since the initial filing in the CCAA Proceedings.
80. During this year Mr. Bergman has continued to manage the wind-down of the business operations and more specifically the sale of the Petitioner's real property and collection of the loan portfolio.
81. Since the outset of the CCAA proceedings the Cash Flow Statements prepared by Management have projected significant positive cash inflows that would cover the ongoing restructuring costs and allow for repayments to the stakeholders. To date Management has not achieved its projected cash flows.
82. Due to the minimal recoveries the Petitioner has had to arrange Debtor in Possession ("**DIP**") financing to fund the ongoing restructuring costs. The DIP financing that was approved by the Court in April 2018, contrary to the Monitor's recommendation, was used to retire a secured loan to Fisgard Capital and to fund ongoing restructuring costs. Of the \$2,000,000 DIP loan facility, \$1,500,000 has been advanced as at the date of this Report and of which approximately \$680,000 has been repaid.
83. Despite numerous requests, to date Mr. Bergman has not provided the Monitor with a comprehensive wind-down plan (the "**Game Plan**") that includes the following:
- a) Details of the steps being taken to realize on each of the remaining properties including a comprehensive marketing plans, realistic timelines to sell the properties and estimated recoveries.

b) Details of the steps that will be taken to collect on each of the outstanding loans in the Loan Portfolio. These steps must include comprehensive marketing plans for sale of properties that secure the loans, commitments from the borrowers to execute marketing plans, deadlines for the sale of the properties and legal proceedings that the Petitioner will commence against borrowers if deadlines are not met and expected loan recoveries.

84. The Game Plan is an essential component of the restructuring plan that the Monitor can use as a reference when reporting to the Court and stakeholders on the progress being made by the Petitioner. The Game Plan should also be incorporated into the Petitioner's formal restructuring plan that will be voted on by the stakeholders and commented on by the Monitor.

85. The Petitioner has provided the Monitor with a draft claims process that the Monitor will review and provide its comments.

86. The Monitor continues to be concerned with respect to the progress being made by the Petitioner towards finalizing its formal restructuring plan.

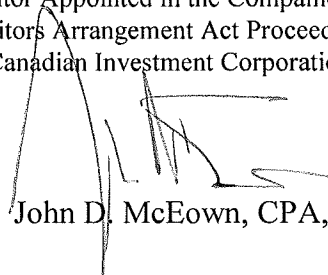
J. CONCLUSIONS AND RECOMMENDATIONS

88. The Monitor's duties and functions are set out in the Initial Order (as amended by the order of Madam Justice Russell pronounced April 11, 2018) and in Sections 23, 24 and 25 of the CCAA.
89. Those duties and functions are of a reporting and monitoring nature, with a limited advisory role relating to any Plan of the Petitioner.
90. As set out in paragraph 26 of the Initial Order, "[t]he Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business...".
91. The Monitor is not a Receiver, whose duties and functions are significantly greater and require the taking of possession of assets and, in the case of a receiver manager, the carrying on and management of the business under its administration.
92. Consistent with those duties and functions the Monitor has, among other things, reviewed the most recent cash flow provided to it by the Petitioner (Appendix D) and is satisfied that there is sufficient cash flow available to support an extension of the Stay to February 8, 2019 (if the Court is disposed to grant the extension sought by the Petitioner in the Notice of Application filed November 6, 2018).
93. In addition, in this Report the Monitor has commented on the Petitioner's progress in winding down the business, including concerns it has.
94. During the course of these proceedings there has been progress, but the Monitor is of the view that much of that progress has been as a result of pressure from the Monitor.

95. Examples of this include the registration of unregistered mortgages, reduction of Mr. Bergman's Management Fees and the listing of various properties (see, for example, paragraphs 20 and 21 of the Order of the Honourable Madam Justice Russell pronounced April 11, 2018).
96. With that in mind, the Monitor has proposed to the Petitioner that it provide the Monitor, the Court and the Stakeholders with the Game Plan within the next 30 days, and that any extension herein be for that period of time and for that purpose.
97. If the Game Plan is provided by the Petitioner and is satisfactory, the Monitor would then consider whether it can support the longer Stay sought by the Petitioner.
98. In general, the Monitor is of the view that the Petitioner has been cooperative and has acted in good faith and with due diligence.
99. The Monitor is of the view that the stakeholders will not be prejudiced by the 30 day extension proposed by the Monitor.

DATED at the City of Vancouver, British Columbia, this 8th day of November, 2018.

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

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

APPENDIX A

Statement of Actual Cash Flow for the Period November 27, 2017 to October 31, 2018

ALL CANADIAN INVESTMENT CORPORATION
Statement of Actual Cash Flow for the Period
November 27, 2017 to October 31, 2018

	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Total
	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	
Cash Inflows												
Mortgage Interest Payments	\$ -	\$ -	\$ 1,746	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 63,000	\$ 9,769	\$ 74,515
Mortgage Payouts/Paydowns	500,000	600,000	-	4,000	35,000	-	1,318	-	-	-	-	1,140,318
Sale of Lee Road Property	-	395,641	-	-	-	-	-	-	-	-	-	395,641
Sale of Lot 5	-	-	-	-	-	-	-	-	-	679,638	-	679,638
DIP Financing Proceeds	-	-	-	-	-	1,500,000	-	-	-	-	-	1,500,000
Total Inflows	500,000	995,641	1,746	4,000	35,000	1,500,000	1,318	-	-	742,638	9,769	3,790,111
Cash Outflows												
Operations												
Management Fees (AFDI)	50,000	50,000	50,000	40,000	25,000	25,000	25,000	25,000	25,000	25,000	-	\$ 340,000
Bank Charges	90	65	149	85	69	105	134	135	85	130	114	1,161
Auditor Fees	4,000	22,250	-	-	-	-	-	-	-	-	3,767	30,017
Monitor's Fees	-	13,942	20,000	-	-	36,423	17,034	-	-	5,267	23,791	116,458
Legal Fees - Monitor's legal counsel	-	-	5,578	-	-	15,565	6,256	-	9,878	-	-	37,276
Legal Fees - Company's legal counsel	3,000	488	89,317	1,831	4,646	116,001	10,502	26,793	26,134	29,407	8,131	316,250
Appraisal Fee	-	-	-	-	-	-	10,004	-	-	-	-	10,004
RC Morris & Company - Loan Fees & Expenses	-	50,000	-	-	-	161,200	-	-	-	-	-	211,200
RC Morris - Interest Payment - Dip Financing	-	-	-	-	-	23,144	22,397	23,144	23,144	22,397	23,144	137,370
RC Morris - RePayment - Dip Financing	-	-	-	-	-	-	-	-	-	678,138	-	678,138
Property Tax and Utilities	-	-	-	-	-	13,533	-	-	-	-	-	13,533
GST Remitted	-	19,750	-	-	-	-	-	-	-	-	-	19,750
Office photocopies	-	-	-	302	-	-	-	-	-	-	-	302
Repairs & Maintenance	-	-	-	-	-	-	-	991	-	-	-	991
Pest Control	-	-	-	378	-	-	-	-	-	-	-	378
	57,090	156,495	165,044	42,597	29,715	390,971	91,327	76,062	84,240	760,339	58,947	1,912,828
Secured Debt Repayment												
Van Maren Financial	-	554,512	-	-	-	-	-	-	-	-	-	554,512
Fisgard Capital	-	525,891	-	-	-	860,684	-	-	-	-	-	1,386,575
	-	1,080,403	-	-	-	860,684	-	-	-	-	-	1,941,087
Total Outflows	57,090	1,236,898	165,044	42,597	29,715	1,251,655	91,327	76,062	84,240	760,339	58,947	3,853,915
Net Cash Inflows (Outflows)	442,910	(241,257)	(163,299)	(38,597)	5,285	248,345	(90,009)	(76,062)	(84,240)	(17,701)	(49,178)	(63,804)
Opening Cash Position	69,134	512,044	270,787	107,488	68,892	74,176	322,521	232,512	156,450	72,210	54,508	69,134
Closing Cash Position	\$ 512,044	\$ 270,787	\$ 107,488	\$ 68,892	\$ 74,176	\$ 322,521	\$ 232,512	\$ 156,450	\$ 72,210	\$ 54,508	\$ 5,330	\$ 5,330

PREPARED BY MANAGEMENT OF ALL CANADIAN INVESTMENT CORPORATION

APPENDIX B

Monitor's Report on the Cash Flow Statement dated September 13, 2018



**Court file No.S1710393
Vancouver Registry**

IN THE SUPREME COURT OF BRITISH COLUMBIA

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

AND

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

AND

IN THE MATTER OF ALL CANADIAN INVESTMENT CORPORATION

MONITOR'S REPORT ON THE CASH FLOW STATEMENT

All Canadian Investment Corporation (the "Petitioner") has prepared and provided the Monitor for review and filing an updated projected cash flow forecast (the "**Cash Flow Statement**"), as of the 5th day of September, 2018, consisting of projected cash inflows and outflows for the the period commencing on September 1, 2018 and ending on November 30, 2018 (the "**Period**"), as attached hereto as Schedule A.

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

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

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

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

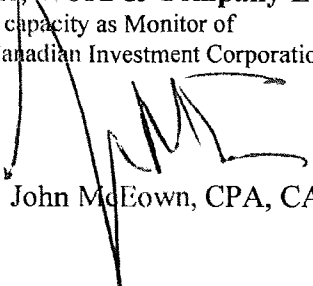
Since the Cash Flow Statement is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved. We express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

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

DATED AT the City of Vancouver, British Columbia, this 13th day of September, 2018.

Boale, Wood & Company Ltd.

In its capacity as Monitor of
All Canadian Investment Corporation



Per: John McEown, CPA, CA, CIRP

ALL CANADIAN INVESTMENT CORPORATION
(the “Petitioner”)
Notes in Support of the Cash Flow Statement
for the period September 1, 2018 to November 30, 2018

Purpose

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

General

2. The Monitor has reviewed the unaudited Cash Flow Statement for the period September 1 to November 30, 2018 as provided by Management (Schedule A). The Monitor has not audited, or otherwise attempted to verify the accuracy or completeness of the information supplied.

Cash Flow Statement Assumptions

Inflows

3. Cash Inflows from mortgage interest payments are based on Management’s estimate of funds that will be received during this period from Petitioner’s borrowers based on borrower commitments and historical payments.
4. Cash Inflows from mortgage payouts/paydowns are based on the following events anticipated to occur as referenced in Donald Bergman’s Affidavit # 8 dated August 31, 2018:
 - a. the Lot 5 sale – the sale of Lot 5 is scheduled to complete on September 12, 2018 with net sale proceeds estimated in the amount of \$680,000 anticipated to be received in September 2018;
 - b. the Stonewater Motel Loan – the borrower is taking steps to refinance and repay the loan owed to the Petitioner; a mortgage paydown of \$1,000,000 is anticipated to be received from Stonewater Motel in November 2018 as a result of its refinancing efforts;
 - c. the Buchmann Loan – the borrower is taking steps to refinance or sell the 20th and 20th Property (as defined in Donald Bergman’s Affidavit # 6 dated June 11, 2018) in order to repay the loan in its entirety; a mortgage

paydown of \$500,000 is anticipated to be received from the borrower in October 2018 as a result of its sale or refinancing efforts.

Outflows

5. Cash outflows for management fees are based on the Management fee mandated by the Court. The Petitioner has agreed to defer the payment of the Management fee for the months of October and November.
6. Cash outflows for the Monitor and legal fees are based on estimates provided by the Monitor and ACIC's legal counsel.
7. Cash outflows include monthly interest payments as required under the DIP lending facility.

ALL CANADIAN INVESTMENT CORPORATION
CASH FLOW STATEMENT
September 1 to November 30, 2018

	Projected Sep-18	Projected Oct-18	Projected Nov-18	Total
Estimated Cash Inflow				
Mortgage Interest Payments	\$ 50,000	\$ 28,000	\$ 34,000	\$ 112,000
Mortgage Payouts / Paydowns	680,000	500,000	1,000,000	2,180,000
	<u>730,000</u>	<u>528,000</u>	<u>1,034,000</u>	<u>2,292,000</u>
Estimated Cash Outflows				
Management Fees	25,000	-	-	25,000
Bank Charges	105	105	105	315
Monitor Fees & Monitor's legal counsel fees	20,000	10,000	10,000	40,000
Legal Fees - Company's legal counsel	22,500	22,500	22,500	67,500
RC Morris & Company - Interest	22,397	23,144	22,397	67,938
Payment to RC Morris & Company - DIP Financing	680,000	250,000	570,000	1,500,000
	<u>770,002</u>	<u>305,749</u>	<u>625,002</u>	<u>1,700,753</u>
Estimated Net Cash Inflows (Outflows)	(40,002)	222,251	408,998	591,247
Opening Cash Position - September 1, 2018	<u>72,209</u>	<u>32,207</u>	<u>254,458</u>	<u>72,209</u>
Estimated Closing Cash Position	\$ 32,207	\$ 254,458	\$ 663,456	\$ 663,456

PREPARED BY MANAGEMENT OF ALL CANADIAN INVESTMENT CORPORATION

APPENDIX C

**Cash Flow Variance Analysis
for the Period
September 1 to October 31, 2018**

ALL CANADIAN INVESTMENT CORPORATION
Cash Flow Variance Analysis for the Period
September 1 to October 31, 2018

	Projected Sep-18 to Oct-18	Actual Sep-18 to Oct-18	Variance Positive (Negative)
Cash Inflows			
Mortgage Interest Payments	\$ 78,000	\$ 72,769	\$ (5,231)
Mortgage Payouts/Paydowns	1,180,000	679,638	(500,362)
Total Inflows	<u>1,258,000</u>	<u>752,407</u>	<u>(505,593)</u>
Cash Outflows			
Operations			
Management Fees (AFDI)	25,000	25,000	-
Bank Charges	210	244	(34)
Auditor Fees	-	3,767	(3,767)
Monitor & Monitor's legal counsel fees	30,000	29,058	942
Legal Fees - Company's legal counsel	45,000	37,538	7,462
RC Morries - Interest Payment - Dip Financing	45,541	45,541	-
RC Morries - RePayment - Dip Financing	930,000	678,138	251,862
	<u>1,075,751</u>	<u>819,286</u>	<u>256,465</u>
Total Outflows	<u>1,075,751</u>	<u>819,286</u>	<u>256,465</u>
Net Cash Inflows (Outflows)	182,249	(66,879)	(249,128)
Opening Cash Position	<u>72,209</u>	<u>72,209</u>	
Closing Cash Position	<u>\$ 254,458</u>	<u>\$ 5,330</u>	<u>\$ (249,128)</u>

APPENDIX D

Monitor's Report on the Cash Flow Statement dated November 7, 2018

IN THE SUPREME COURT OF BRITISH COLUMBIA

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

AND

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

AND

IN THE MATTER OF ALL CANADIAN INVESTMENT CORPORATION

MONITOR'S REPORT ON THE CASH FLOW STATEMENT

All Canadian Investment Corporation (the "Petitioner") has prepared and provided the Monitor for review and filing an updated projected cash flow forecast (the "**Cash Flow Statement**"), as of the 6th day of November 2018, consisting of projected cash inflows and outflows for the the period commencing on November 1, 2018 and ending on February 28, 2019 (the "**Period**"), as attached hereto as Schedule A.

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

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

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

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

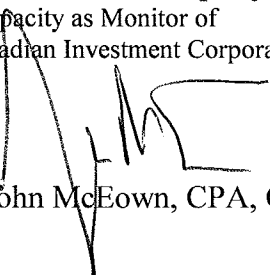
Since the Cash Flow Statement is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved. We express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

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

DATED AT the City of Vancouver, British Columbia, this 7th day of November, 2018.

Boale, Wood & Company Ltd.

In its capacity as Monitor of
All Canadian Investment Corporation


Per: John McEown, CPA, CA, CIRP

ALL CANADIAN INVESTMENT CORPORATION
(the “Petitioner”)
Notes in Support of the Cash Flow Statement
for the period November 1, 2018 to February 28, 2019

Purpose

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

General

2. The Monitor has reviewed the unaudited Cash Flow Statement for the period November 1, 2018 to February 28, 2019 as provided by Management attached as Schedule A hereto. The Monitor has not audited, or otherwise attempted to verify the accuracy or completeness of the information supplied.

Cash Flow Statement Assumptions

Inflows

3. Cash Inflows from mortgage interest payments are based on Management’s estimate of funds that will be received during this period from the Petitioner’s borrowers based on borrower commitments and historical payments.
4. Cash Inflows from mortgage payouts/paydowns are based on the following events anticipated to occur as referenced in Donald Bergman’s Affidavit # 9 dated November 5, 2018:
 - a. The Stonewater Motel Loan – the borrower is arranging refinancing of the Stonewater Motel that will provide funds to fully repay the loan to the Petitioner of approximately \$1,300,000 in December 2018.
 - b. The Buchmann Loan – the borrower is arranging for a sale of a portion of his interest in the 20th and 20th Property that will provide funds to fully repay the loan to the Petitioner of approximately \$500,000 in December 2018.

Outflows

5. Cash outflows for management fees are based on the Management fee mandated by the Court. Management has agreed to defer the receipt of the payment of its outstanding fees until December 2018.
6. Cash outflows for the Monitor and legal fees are based on estimates provided by the Monitor and ACIC's legal counsel. The Monitor and legal counsel have agreed to defer the receipt of the payment of their fees until December 2018.
7. Cash outflows include monthly interest payments as required under the DIP lending facility.

**ALL CANADIAN INVESTMENT CORPORATION
CASH FLOW STATEMENT**

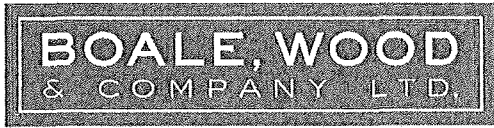
November 1, 2018 to February 28, 2019

	Projected Nov-18	Projected Dec-18	Projected Jan-19	Projected Feb-19	Total
Estimated Cash Inflow					
Mortgage Interest Payments	\$ 19,000	\$ 32,000	\$ -	\$ -	\$ 51,000
Mortgage Payouts / Paydowns	-	1,800,000	-	-	1,800,000
	19,000	1,832,000	-	-	1,851,000
Estimated Cash Outflows					
Management Fees	-	75,000	25,000	25,000	125,000
Bank Charges	-	240	120	120	480
Accounting Costs	-	14,000	10,000		24,000
Monitor Fees & Monitor's legal counsel fees	-	30,000	15,000	15,000	60,000
Legal Fees - Company's legal counsel fees	-	60,000	25,000	25,000	110,000
RC Morris (from May Interest)	22,397	23,144	23,144	20,904	89,589
Payment to RC Morris & Company - DIP Financing	-	820,000			820,000
	22,397	1,022,384	98,264	86,024	1,229,069
Estimated Net Cash Inflows (Outflows)	(3,397)	809,616	(98,264)	(86,024)	621,931
Estimated Opening Cash Position (November 1, 2018)	5,330	1,933	811,549	713,285	5,330
Estimated Closing Cash Position	\$ 1,933	\$ 811,549	\$ 713,285	\$ 627,261	\$ 627,261

PREPARED BY MANAGEMENT OF ALL CANADIAN INVESTMENT CORPORATION

APPENDIX E

Letter to Investors dated November 5, 2018



LICENCED INSOLVENCY TRUSTEE

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

November 5, 2018

To All Investors

Dear Sirs:

**Re: In the Matter of the *Companies' Creditors Arrangement Act* Proceedings of
All Canadian Investment Corporation ("ACIC" or the "Company")
All Canadian Investment Corporation v. BDO Canada LLP**

You will recall that you were notified in late 2017 that ACIC filed for and obtained creditor protection under the Companies' Creditors Arrangement Act (the CCAA Proceedings").

During the course of the CCAA Proceedings ACIC has continued to be in control of the orderly wind-down of the business.

On Friday, November 9, 2018 a Court hearing is scheduled to consider ACIC's application for a further three month extension of the stay of proceedings to February 8, 2019. The extension is being requested to allow time for ACIC to finalize a restructuring plan and claims process and to continue the orderly wind-down of the business.

As advised previously, all of the relevant material for the CCAA Proceedings continues to be available on the Monitor's Website, and the Application materials for Friday November 9, 2018 will be posted on the Monitors Website during the next few days, including a report by the Monitor. The materials can be accessed through the following link:

<https://www.boalewood.ca/2017/11/08/all-canadian-investment-corporation-acic/>

If, upon a review of the material, you wish to take any position on the Application, you should attend in Court on November 9, 2018 either in person or through your lawyer.

The Application is currently scheduled to commence at 9:45 (or so soon thereafter as counsel may be heard) at the Supreme Court, 800 Smithe Street, Vancouver, BC.

Should you have any questions with respect to the information requested please contact the undersigned.

Yours very truly,

Boale, Wood & Company Ltd.
In its capacity as Court-appointed Monitor of
All Canadian Investment Corporation

Per: John McEown, CPA, CA, CIRP