



This is the 1st Affidavit of
Hilary Renaud in this case and
was made on the 14th day of April 2020.

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, Hilary Renaud, legal assistant, of 1200-1075 West Georgia Street, Vancouver, B.C.,
MAKE OATH AND SAY that:

1. I am a legal assistant at Watson Goepel LLP, counsel for the petitioner, All Canadian Investment Corporation ("ACIC"), in these proceedings, and as such have personal knowledge of the facts and matters deposed to in this Affidavit, save and except where they are said to be based on information and belief, in which case I believe them to be true.
2. I am informed by Mr. West and verily believe that the following documents were located in the records of ACIC and provided to the monitor, Mr. John McEown, for the purposes of reviewing the Proof of Claim filed by Parkland Funding Ltd. ("Parkland") pursuant to the Claims Process Order made November 18, 2019.

ACIC Preferred Shares

3. Attached and marked as **Exhibit “A”** is a true copy of an electronic Transaction Record generated on July 1, 2016 by ACIC showing the purchase and redemption of ACIC’s preferred shares by Parkland over the period October 29, 2007 to October 3, 2013 (the “Parkland Preferred Shares Statement”).
4. Attached and marked as **Exhibit “B”** is a true copy of a Share Redemption Form dated December 27, 2011 submitted by Parkland to ACIC. The Parkland Preferred Shares Statement indicates that the request (to redeem 1,000 of its preferred shares in ACIC for \$1,000,000) was paid out on January 3, 2012.
5. Attached and marked as **Exhibit “C”** is a true copy of a Share Redemption Form dated December 31, 2012 submitted by Parkland to ACIC. The Parkland Preferred Shares Statement indicates that the request (to redeem the balance of its 4000 preferred shares in ACIC for \$400,000) was paid out in increments of \$100,000 between May 6, 2013 and October 2, 2013.

ACIC Financial Development Inc. (“AFDI”) Preferred Shares

6. Attached and marked as **Exhibit “D”** is a true copy of a Subscription Agreement dated December 27, 2011 between AFDI and Parkland pursuant to which Parkland subscribed for 10,000 shares in AFDI (\$100 per share) for a total purchase price of \$1,000,000.

Parkland Proceedings

7. Attached and marked as **Exhibit “E”** is a true copy of an amended notice of civil claim filed by Parkland on September 20, 2017 in Action No. 109643 in the Kelowna Supreme Court Registry (the “Parkland Proceedings”).

A Commissioner for taking Affidavits within British Columbia

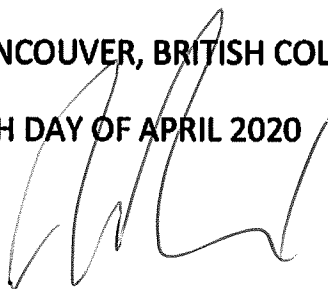
)))))))

Kendall

Hilary Renaud

JEREMY D. WEST
Barriater & Solicitor
WATSON GOEPFL LLP
1200 - 1078 W. Georgia Street
Vancouver, B.C. V6E 3C9
Tel: 604-688-1301 Fax: 604-688-8193

THIS IS EXHIBIT 'A' REFERRED TO IN THE
AFFIDAVIT OF HILARY RENAUD SWORN
BEFORE ME AT VANCOUVER, BRITISH COLUMBIA,
THIS 14TH DAY OF APRIL 2020



A Commissioner for taking Affidavits for
British Columbia

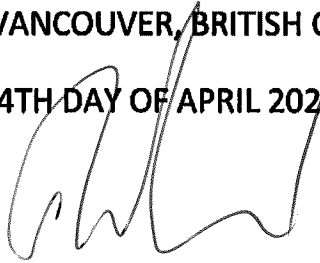
JEREMY VEST
Barrister and Solicitor
WATSON VEST LLP
1200 - 1075 West Pender Street
Vancouver, British Columbia V6E 2R6
Tel: 604-688-1300

2:22 PM
01/07/16
Accrual Basis

All Canadian Investment Corporation Register QuickReport All Transactions

Type	Date	Num	Memo	Account	Ctr	Split	Amount
Parkland Funding Ltd.							
Deposit	10/23/2007		Deposit	Preferred Shares		Chequing	200,000.00
Deposit	1/18/2008		Warrant; \$200,000 previously	Preferred Shares		Chequing	500,000.00
Deposit	9/17/2008		Warrant; \$700,000 Previously	Preferred Shares		Chequing	300,000.00
Deposit	11/12/2008		Done as new but \$1,000,000 previously	Preferred Shares		Chequing	400,000.00
General Journal	1/3/2012	120	Redemption	Redemptions		Scotlabank In...	-1,000,000.00
General Journal	5/5/2013	153	Parkland Funding	Redemptions		Chequing	-100,000.00
General Journal	7/2/2013	156	Parkland Funding	Redemptions		Chequing	-100,000.00
Cheque	7/31/2013	14927	Account #85309-0322883	Redemptions		Chequing	-100,000.00
Cheque	10/3/2013	14953	Parkland Funding	Redemptions		Chequing	-100,000.00
Total Parkland Funding Ltd.							0.00
TOTAL							0.00

THIS IS EXHIBIT 'B' REFERRED TO IN THE
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A Commissioner for taking Affidavits for
British Columbia

JEREMY WEST
Barrister and Solicitor
WATSON & WEST LLP
1200-1075 West Georgia Street
Vancouver, B.C. V6E 3C9
Tel: 604-688-1301 Fax: 604-688-8193

ALL CANADIAN INVESTMENT CORPORATION

Share Redemption Form

Client Name(s): Parkland Funding Ltd.

Client Address: 134-3360 Old Okanagan Hwy.
West Kelowna, B.C. V4T 1X9

Number of Preferred Shares Redeemed: 1,000

Value of Preferred Shares Redeemed: \$ 1,000,000.

☐ 2% for shares held less than 2 years

Share # _____ Date: _____ Amt: _____

Share # _____ Date: _____ Amt: _____

Share # _____ Date: _____ Amt: _____

☒ fee waived for shares held longer than 2 years:

Share # 01018 Date: 10/29/07 Amt: \$200,000.

Share # 01068 Date: 1/18/08 Amt: \$500,000.

Share # 01273 Date: 9/17/08 Amt: \$300,000.

Redemption Fee (if applicable):

\$ 0

Total to be Forwarded to Client:

\$ \$1,000,000.

I have received a copy of the Redemption Policy of All Canadian Investment Corporation and hereby understand and accept all terms outlined therein.

Signed at West Kelowna this 27 day of December, 2011.
 (City) (Date) (Month)

Client Signature: Wayne Rulak

(If JWROS both clients must sign)

NB: Please mail form to: ACIC, 825 Lakeshore Drive SW, Salmon Arm, V1E 1E4.
 Form must be received prior to quarter end (March 31st, June 30th, September 30th, December 31st).

Office Use Only

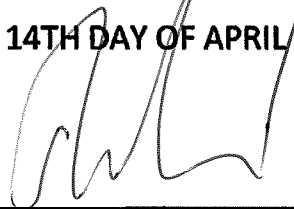
Date Redemption Form Received: 12/28/11

Date proceeds of redemption forwarded to client: Jan. 3/12

Share # 01018, 01068, 01273 Cheque # 000000000 Amount Paid \$ 1,000,000.

Authorized Signatory: [Signature]

THIS IS **EXHIBIT 'C'** REFERRED TO IN THE
AFFIDAVIT OF HILARY RENAUD SWORN
BEFORE ME AT VANCOUVER, BRITISH COLUMBIA,
THIS 14TH DAY OF APRIL 2020



A Commissioner for taking Affidavits for
British Columbia

JEREMY D. WEST
Barrister & Solicitor
WATSON GOEPEL LLP
1200 - 1075 W. Georgia Street
Vancouver, B.C. V6E 3C9
Tel: 604-688-1301 Fax: 604-688-8193

ALL CANADIAN INVESTMENT CORPORATION
Share Redemption Form (held by ~~Trustee~~)

Client Name: PARKLAND FUNDING LTD
 Client Address: #134 3360 Old Okanagan Hwy
West Kelowna, BC V431X9
 Client Phone: _____ Client Email: _____

Trustee Name: _____

Trustee Address: _____

Trustee Account #: _____

Number of Preferred Shares Redeemed: ~~600,000~~ 400,000 ^W

Value of Preferred Shares Redeemed: \$

☐ 2% for shares held less than 2 years

Share # _____ Date: _____ Amt: _____

Share # _____ Date: _____ Amt: _____

Share # _____ Date: _____ Amt: _____

☐ fee waived for shares held longer than 2 years:

Share # _____ Date: _____ Amt: _____

Share # _____ Date: _____ Amt: _____

Share # _____ Date: _____ Amt: _____

Redemption Fee (if applicable): \$ _____

Total to be Forwarded to Trustee: \$ _____

I have received a copy of the Redemption Policy of All Canadian Investment Corporation and hereby understand and accept all terms outlined therein.

Signed at West Kelowna BC this 31st day of DEC, 2012
 (City) (Date) (Month)

Client Signature: PARKLAND FUNDING LTD
W. B. B.

NB: Please fax (1-250-804-0601) mail or email the completed form to: ACIC, 825 Lakeshore Drive SW, Salmon Arm, V1E 1E4.

Form must be received prior to quarter end (Mar. 31, Jun. 30, Sept. 30, Dec. 31).

Office Use Only

Date Redemption Form Received: _____ Full: ☒ Partial: _____

Date proceeds of redemption forwarded to trustee: _____ Cheque # _____

Date copy of Redemption Paperwork Sent to Client: _____

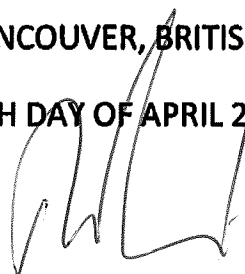
Amount Paid \$ _____ Representative: W. B. B.

Share(s) Rec'd: Yes: _____ No: _____ Re-reg #: _____ Other: _____

Authorized Signatory: [Signature]

Cert #
649A ✓
2328 ✓
1018 ✓
1068 ✓
1273 ✓

THIS IS **EXHIBIT 'D'** REFERRED TO IN THE
AFFIDAVIT OF HILARY RENAUD SWORN
BEFORE ME AT VANCOUVER, BRITISH COLUMBIA,
THIS 14TH DAY OF APRIL 2020



A Commissioner for taking Affidavits for
British Columbia

JEREMY D. WEST
Barrister & Solicitor
WATSON GOEPEL LLP
1200 - 1075 W. Georgia Street
Vancouver, B.C. V6E 3C9
Tel: 604-688-1301 Fax: 604-688-8193

ACIC FINANCIAL DEVELOPMENT INC.**SUBSCRIPTION AGREEMENT – October 21, 2011
(Accredited Investors)**

THE SECURITIES TO WHICH THIS SUBSCRIPTION AGREEMENT RELATES ARE SUBJECT TO A HOLD PERIOD IN ALL OF THE PROVINCES OF CANADA AND MAY NOT BE TRADED IN ANY OF THE PROVINCES OF CANADA EXCEPT AS PERMITTED BY APPLICABLE SECURITIES LEGISLATION.

TO: ACIC FINANCIAL DEVELOPMENT INC. (the "Company")

The undersigned (the "Subscriber") hereby irrevocably subscribes for and agrees to purchase that number of Class H Preferred Shares of the Company (the "Preferred Shares") shown in section (b) of the Basic Terms below, each of which Preferred Shares has a subscription price of \$100 per share, for the aggregate Purchase Price shown in section (c) of the Basic Terms, which Purchase Price is tendered herewith, on the basis of the representations and warranties and subject to the terms and conditions set forth herein, including those set out in Schedule "A".

Basic Terms

The following information is applicable to this Subscription Agreement:

☐ Joint Owners With Rights of Survivorship (both must complete & sign all paperwork)

(a) Subscriber Name(s):	Parkland Funding Ltd.	
(i) S.I.N.#(s) or Business #:	893223172RC0001	
(ii) Address:	Mailing Address: 134-3360 OLD OKANAGAN HWY. City: West Kelowna Prov.: BC P.C. V4T 1X9	
(iii) Phone:	Home: 250-768-2630 Work: 250-826-3344 Cell:	
(iv) Email Address:	ekulak.kulak1@gmail.com	
(b) No. of Preferred Shares:	10,000.	
(c) Purchase Price (No. of Preferred Shares x \$100):	\$1,000,000.	

Additional Terms and Conditions

The terms and conditions of Schedule "A" to this Subscription Agreement shall apply to the Subscriber's subscription for the Preferred Shares and are hereby incorporated into this Subscription Agreement.

IN WITNESS WHEREOF the Subscriber has duly executed this Subscription Agreement on the 27 day of December, 2011.

If an Individual:

Signature of Subscriber

Signature of 2nd Subscriber (if J.W.R.O.S)

Print or Type Name

Print or Type Name

If a Corporation, Partnership or Other Entity:

Parkland Funding Ltd.
Print or Type Name of Entity

C/lyne Kukulak
Signature of Authorized Signatory

Type of Entity

FOR OFFICE USE ONLY:

ACCEPTANCE

The above mentioned Subscription Agreement in respect of the Preferred Shares is hereby accepted by the Company.

DATED at Salmon Arm, the 11 day of Jan, 2012.

ACIC FINANCIAL DEVELOPMENT INC.

Per: _____

Authorized Signatory

**RISK ACKNOWLEDGEMENT UNDER BLANKET ORDERS ISSUED BY
SECURITIES COMMISSIONS IN THE NORTHWEST JURISDICTIONS**

*Registration Exemption for Trades in
Connection with Certain Prospectus-Exempt Distributions*

Name of Issuer: ACIC Financial Development Inc.

Name of Seller: ACIC Financial Development Inc.

I acknowledge that:

- the person selling me these securities is not registered with a securities regulatory authority and is prohibited from telling me that this investment is suitable for me;
- the person selling me these securities does not act for me;
- this is a risky investment and I could lose all my money; and
- I am investing entirely at my own risk.

If an Individual:

Signature of Subscriber

Signature of 2nd Subscriber (if J.W.R.O.S.)

Print Name

Print Name

If a Corporation, Partnership or Other Entity:

Parkland Funding Ltd.
Print Name of Entity

Wayne Blair
Signature of Authorized Signatory

Wayne Blair
Name of salesperson acting on behalf of seller

Sign 2 copies of this document. Keep one for your records.

National Instrument 45-106 *Prospectus and Registration Exemptions* may require you to sign an additional risk acknowledgement form.

If you want advice about the merits of this investment and whether these securities are a suitable investment for you, contact a registered adviser or dealer.

Schedule "B"
(One form to be completed by each Subscriber)

NI 45-106 ACCREDITED INVESTOR QUESTIONNAIRE

All capitalized terms herein, unless otherwise defined, have the meanings ascribed thereto in the Subscription.

The purpose of this Questionnaire is to assure the Company that each purchaser will meet certain requirements of National Instrument 45-106 ("NI 45-106"). The Company will rely on the information contained in this Questionnaire for the purposes of such determination.

The undersigned (the "Subscriber") covenants, represents and warrants to the Company that:

1. the Subscriber has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of the transactions detailed in the Subscription and the Subscriber is able to bear the economic risk of loss arising from such transactions;
2. the Subscriber satisfies one or more of the categories of "accredited investor" (as that term is defined in NI 45-106 indicated below (please check the appropriate box):
 - ☒ an individual who beneficially owns, or who together with a spouse beneficially own, financial assets (as defined in NI 45-106) having an aggregate realizable value that, before taxes but net of any related liabilities, exceeds CDN\$1,000,000;
 - ☐ an individual whose net income before taxes exceeded CDN\$200,000 in each of the two more recent years or whose net income before taxes combined with that of a spouse exceeded CDN\$300,000 in each of those years and who, in either case, has a reasonable expectation of exceeding the same net income level in the current year;
 - ☐ an individual who beneficially has, or who together with a spouse beneficially have, net assets of at least CDN\$5,000,000;
 - ☐ a corporation, limited partnership, limited liability partnership, trust or estate, other than a mutual fund or non-redeemable investment fund, that had net assets of at least CDN\$5,000,000 as reflected on its most recently prepared financial statements;
 - ☐ a person or company in respect of which all of the owners of interests, direct or indirect, legal or beneficial, are persons or companies that are accredited investors.

The Subscriber acknowledges and agrees that the Subscriber may be required by the Company to provide such additional documentation as may be reasonably required by the Company and its legal counsel in determining the Subscriber's eligibility to acquire the Preferred Shares under relevant Legislation.

IN WITNESS WHEREOF, the undersigned has executed this Questionnaire as of the 27 day of December, 2011.

If an Individual:

Signature of Subscriber

Signature of 2nd Subscriber (if J.W.R.O.S.)

Print or Type Name

Print or Type Name

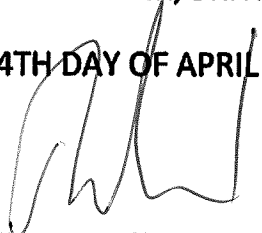
If a Corporation, Partnership or Other Entity:

Parkland Funding Ltd.
Print or Type Name of Entity

Wayne Kivick
Signature of Authorized Signatory

Type of Entity

THIS IS EXHIBIT 'E' REFERRED TO IN THE
AFFIDAVIT OF HILARY RENAUD SWORN
BEFORE ME AT VANCOUVER, BRITISH COLUMBIA,
THIS 14TH DAY OF APRIL 2020



A Commissioner for taking Affidavits for
British Columbia

JEREMY D. WEST
Barrister & Solicitor
WATSON GOEPEL LLP
1200 - 1075 W. Georgia Street
Vancouver, B.C. V6E 3C9
Tel: 604-688-1301 Fax: 604-688-8193

Amended pursuant to Supreme Court Civil Rule 6-1(1)(a)
Originally filed January 4th, 2016

No. 109643
 Kelowna Registry



IN THE SUPREME COURT OF BRITISH COLUMBIA

PARKLAND FUNDING LTD.

PLAINTIFF

**ALL CANADIAN INVESTMENT CORPORATION,
 ACIC FINANCIAL DEVELOPMENT INC.,
 DONALD F. BERGMAN and WAYNE BLAIR**

DEFENDANT

AMENDED NOTICE OF CIVIL CLAIM

This action has been started by the plaintiff for the relief set out in Part 2 below.

If you intend to respond to this action, you or your lawyer must

- (a) file a response to civil claim in Form 2 in the above-named registry of this court within the time for response to civil claim described below, and
- (b) serve a copy of the filed response to civil claim on the plaintiff.

If you intend to make a counterclaim, you or your lawyer must

- (a) file a response to civil claim in Form 2 and a counterclaim in Form 3 in the above-named registry of this court within the time for response to civil claim described below, and
- (b) serve a copy of the filed response to civil claim and counterclaim on the plaintiff and on any new parties named in the counterclaim.

[Handwritten signature]
 DE

JUDGMENT MAY BE PRONOUNCED AGAINST YOU IF YOU FAIL to file the response to civil claim within the time for response to civil claim described below.

TIME FOR RESPONSE TO CIVIL CLAIM

A response to civil claim must be filed and served on the plaintiff,

- (a) if you reside anywhere in Canada, within 21 days after the date on which a copy of the filed notice of civil claim was served on you,**
- (b) if you reside in the United States of America, within 35 days after the date on which a copy of the filed notice of civil claim was served on you,**
- (c) if you reside elsewhere, within 49 days after the date on which a copy of the filed notice of civil claim was served on you, or**
- (d) if the time for response to civil claim has been set by order of the court, within that time.**

CLAIM OF THE PLAINTIFF

Part 1: STATEMENT OF FACTS

- 1 The Plaintiff Parkland Funding Ltd. is an Alberta corporation. It is a holding company of Eunice and Wayne Kulak, a retired married couple. The Plaintiff has an address for service at 101 – 1353 Ellis Street, Kelowna, BC V1Y 1Z9.**
- 2 The Defendant, All Canadian Investment Corporation ("All Canadian"), is a British Columbia business with a Registered Office at 800 – 885 W Georgia Street, Vancouver, BC V6C 3H1.**
- 3 The Defendant, ACIC Financial Development Inc. ("ACIC"), is a British Columbia business with a Registered Office at the same address as All Canadian.**
- 4 The Defendant, Donald F. Berman ("Bergman"), is a businessman residing in the City of Salmon Arm, in the Province of British Columbia. At all material times he was a Director and President of All Canadian and a Director, President and Secretary for the company ACIC. Bergman has a business address of 825 Lakeshore Drive SW, Salmon Arm, BC V1E 1E4.**

- 5 The Defendant, Wayne Blair ("Blair"), is a businessman residing in the City of Salmon Arm, in the Province of British Columbia. At all material times, he was an Investment Advisor and Director, specifically the Secretary, for the company All Canadian. Blair has a business address of 825 Lakeshore Drive SW, Salmon Arm, BC V1E 1E4.
- 6 All Canadian, ACIC, Bergman and Blair are collectively referred to as "the Defendants".
- 7 Between 2007 and 2012 the Plaintiff made investments with the Defendants totaling \$1,400,000.00. The investments were made following oral representations made by the Defendant Blair and written representations made in an Amended and Restated Offering Memorandum dated October 9, 2007 and a Restated Offering Memorandum for Non-Qualifying Issuers dated July 31, 2012 ("the Offering Memos").
- 8 As part of the oral representations made by Blair he advised the Plaintiff that they would receive quarterly dividend payments and could redeem their investment at any time on three-months notice.
- 9 The two Offering documents also set out quarterly payments and redemption rights.
- 10 In the Restated Offering Memorandum for Non-Qualifying Issuers dated July 31, 2012 the Defendants represented that Bergman had "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."
- 11 The Plaintiff received dividends on a quarterly basis for several years.
- 12 In or about December of 2012 the Plaintiff made a formal written redemption request to the Defendants for the redemption of \$600,000.00 in \$100,000.00 increments.
- 13 The Plaintiff understood that there was a three-month notice requirement for a redemption request to be fulfilled and that their money would not be available until April of 2013.

- 14 The Plaintiff received four (4) payments of \$100,000.00 each on May 6th, July 2nd, July 29th and October 3rd, 2013.
- 15 Since the October 3rd, 2013 payment, the Defendants have made no redemption payments to the Plaintiff. The Defendants made several promises of finishing the redemption payments in the spring of 2014 and then stopped returning phone calls and emails from the Plaintiff.
- 16 The Plaintiff made formal demand for the redemption of the additional \$200,000.00 in August of 2015 but the Defendants have failed, refused or neglected to respond to that demand.
- 17 The Defendants have continued to make made the quarterly dividend payments to the Plaintiff up until October of 2016, after which time the Defendants stopped making the quarterly payments without any explanation.
- 18 On August 10th, 2017 the Plaintiff made a formal demand for the redemption of the remaining \$800,000.00 held by the Defendants, which brought the total amount of the Plaintiff's redemption request to \$1,000,000.00, but the Defendants have failed, refused or neglected to respond to that demand.
- 19 The plaintiff had specific objectives in mind for the redemption and as a direct result of the Defendants failure to complete the redemption in the full amount requested the plaintiff has suffered loss, damage and expense.

Part 2: RELIEF SOUGHT

- 1 An accounting or tracing of the ~~\$200,000.00~~ \$1,000,000.00 held by the Defendants and owing to the Plaintiff pursuant to the redemption requests;
- 2 An order for specific performance of the redemptions and an order that the Defendants pay to the Plaintiff the sum of ~~\$200,000.00~~ \$1,000,000.00;
- 3 Damages for the economic losses suffered by the Plaintiff as a result of the Defendants failure to complete the redemptions as promised;
- 4 An order for general, punitive and or aggravated damages;
- 5 Judgment jointly and severally against all the Defendants for any amount found owing;
- 6 Interest in accordance with the *Court Order Interest Act*;

- 7 Special costs, or in the alternative, costs; and
- 8 Such other relief as this Honourable Court may deem just.

Part 3: LEGAL BASIS

- 1 The Defendants, Bergman and Blair were at all material times acting as the agents for All Canadian and ACIC;
- 2 The Defendants represented to the Plaintiff that they were honest, and possessed special skill and knowledge to invest the Plaintiff's money. The Plaintiff relied on those representations when deciding to invest its money. Those representations were false and the Plaintiff has suffered, and will continue to suffer, loss, damage and expense as a direct result;
- 3 The Defendants made representations to the Plaintiff regarding their ability or willingness to complete the redemption request to return the Plaintiff's money. The Plaintiff relied on those representations allowing more and more time to pass and suffered loss and damage as a result;
- 4 The Defendants stood in a fiduciary relationship with the plaintiff and have breached the duties owed causing the plaintiff to suffer loss, damage and expense;
- 4 The Plaintiff pleads and relies on the law of contract, the law of fiduciary duties, the law surrounding misrepresentations and the doctrine of *contra proferentem*; and
- 7 Such further legal basis as counsel may advise.

Plaintiff's address for service: Sean Kelly Law
#101 – 1353 Ellis Street
Kelowna, BC V1Y 1Z9

Fax number address for service: 1-855-387-0215

E-mail address for service: sean@seankellylaw.ca

Place of trial: Kelowna Law Courts

The address of the registry is: 1355 Water Street, Kelowna, BC V1Y 9R3

September 19, 2017

Dated: December 15, 2015


Signature of **SEAN M. KELLY**
✓ Lawyer for Plaintiff, Parkland
Funding Ltd.

Rule 7-1(1) of the Supreme Court Civil Rules states:

(1) Unless all parties of record consent or the court otherwise orders, each party of record to an action must, within 35 days after the end of the pleading period,

- (a) prepare a list of documents in Form 22 that lists
 - (i) all documents that are or have been in the party's possession or control and that could, if available, be used by any party at trial to prove or disprove a material fact, and
 - (ii) all other documents to which the party intends to refer at trial, and
- (b) serve the list on all parties of record.

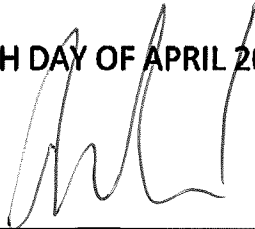
APPENDIX

Part 1: CONCISE SUMMARY OF NATURE OF CLAIM:

Part 2: THIS CLAIM ARISES FROM THE FOLLOWING:

- ☐ a motor vehicle accident
- ☐ personal injury, other than one arising from a motor vehicle accident
- ☐ a dispute about real property (real estate)
- ☐ a dispute about personal property
- ☐ the lending of money
- ☐ the provision of goods or services or other general commercial matters
- ☐ an employment relationship
- ☐ a dispute about a will or other issues concerning the probate of an estate
- ☐ a matter not listed here

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Barrister & Solicitor
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Vancouver, B.C. V6E 3C9
Tel: 604-688-1301 Fax: 604-688-8193



NO. 109643
KELOWNA REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

PARKLAND FUNDING LTD.

PLAINTIFF

AND:

**ALL CANADIAN INVESTMENT CORPORATION,
ACIC FINANCIAL DEVELOPMENT INC.,
DONALD F. BERGMAN and WAYNE BLAIR**

DEFENDANTS

RESPONSE TO CIVIL CLAIM

Filed by: The Defendants

PART 1 RESPONSE TO NOTICE OF CIVIL CLAIM FACTS

Division 1 – Defendants' Response to Facts

1. The facts alleged in paragraphs 2, 3, 4, 5, 11 and 17 of Part 1 of the Notice of Civil Claim are admitted.
2. The facts alleged in paragraphs 1, 7, 8, 9, 10, 12, 13, 14, 15, 16 and 18 of Part 1 of the Notice of Civil Claim are denied.

Division 2 – Defendants' Version of Facts

3. Except where defined otherwise, all defined terms set out herein have the same meaning as the terms defined in the Notice of Civil Claim, but the use of those terms does not constitute an admission of any facts.
4. Beginning In 2007, the Plaintiff (or "Parkland") purchased \$1,400,000 worth of All Canadian's preferred shares as follows:
 - (a) \$200,000 on October 29, 2007;
 - (b) \$500,000 on January 18, 2008;
 - (c) \$300,000 on September 17, 2008; and
 - (d) \$400,000 on November 12, 2008.

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5. Parkland duly received dividends based on those amounts.
6. On December 27, 2011, Parkland made a formal request for the redemption of 1,000 preferred shares in All Canadian with a value of \$1,000,000 (the "First All Canadian Redemption").
7. On December 27, 2011, Parkland entered into a Subscription Agreement for 10,000 class H preferred shares in ACIC for a total price of \$1,000,000 (the "ACIC Subscription Agreement") under which, in part, Parkland acknowledged it had been advised to consult its own legal, tax and other advisors with respect to the merits and risks of an investment in the class H preferred shares of ACIC.
8. On December 31, 2011, Parkland executed a Letter of Direction (the "Letter of Direction") under which it directed All Canadian to pay \$1,000,000 from the First All Canadian Redemption to ACIC as consideration for the ACIC Subscription Agreement.
9. On or about January 3, 2012, the 1,000 shares from the First All Canadian Redemption were redeemed.
10. The funds from the First All Canadian Redemption were applied pursuant to the terms of the Letter of Direction and Parkland purchased 10,000 class H preferred shares in ACIC for \$1,000,000.
11. In or about January of 2012, Parkland's remaining investment in All Canadian was \$400,000.
12. On December 31, 2012, Parkland requested the redemption of \$600,000 of preferred shares and submitted a redemption form for both All Canadian and ACIC.
13. As a result Parkland only holding \$400,000 worth of the preferred shares in All Canadian as of January, 2012, the redemption request was, with Parkland's concurrence, split between All Canadian and ACIC as follows:
 - (a) the redemption of \$400,000 of preferred shares in All Canadian (the "Second All Canadian Redemption"); and
 - (b) the redemption of \$200,000 worth of class H preferred shares in ACIC (the "ACIC Redemption").
14. The Defendants specifically deny making any representations, assurances or any promises, either as alleged or at all, to the effect that Parkland would receive either the Second All Canadian Redemption amount or the ACIC Redemption amount by April of 2013. Rather, redemptions were at all times subject to the discretion of either All-Canadian or ACIC and dependent on sufficient funds being reasonably available to fund a redemption.
15. The Second All Canadian Redemption request was nonetheless fully paid out to Parkland in four increments of \$100,000 each on or about the following dates: May 6th, July 2nd, July 31st and October 3rd, 2013.

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16. As a result, Parkland, by its own conduct, had no remaining shares or other interest in All Canadian. Parkland's remaining investment was, pursuant to the Letter of Direction, in ACIC's class H preferred shares.

17. Parkland has continued to receive dividends on a quarterly basis from ACIC.

Division 3 – Additional Facts

N/A

PART 2 RESPONSE TO RELIEF SOUGHT

18. The Defendants consent to the granting of none of the relief sought in the Notice of Civil Claim.

19. The Defendants oppose the granting of all the relief sought in the Notice of Civil Claim.

PART 3 LEGAL BASIS

20. The Defendants deny any liability to the Plaintiff, either as alleged or at all.

21. Further, or in the alternative, the Notice of Civil Claim discloses no, or no reasonable, claim or cause of action against the Defendants, All Canadian, Bergman and Blair.

22. The Defendants deny that the acts and conduct alleged in the Notice of Civil Claim amount to a breach of contract, either as alleged, or at all.

23. Further, the allegations of breach of fiduciary duty disclose no, or no reasonable, claim or cause of action.

Defendants' address for service:

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Vancouver, BC V6C 3H1
(Direct Number: 604.891.7716)


Fax number address for service (if any):

604.687.6314

E-mail address for service (if any):

N/A

Date: 26/Jan/2016



Signature of Lawyer for Defendants
Lawyer: Jim Schmidt

This RESPONSE TO CIVIL CLAIM is prepared by Jim Schmidt of the firm of Clark Wilson LLP whose place of business is 900 – 885 West Georgia Street, Vancouver, British Columbia, V6C 3H1 (Direct #: 604.891.7716, Fax #: 604.687.6314, Email: JSchmidt@cwilson.com) (File #: 24371-0028).

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Rule 7-1(1) of the Supreme Court Civil Rules states:

- (1) Unless all parties of record consent or the court otherwise orders, each party of record to an action must, within 35 days after the end of the pleading period,**
 - (a) prepare a list of documents in Form 22 that lists**
 - (i) all documents that are or have been in the party's possession or control and that could, if available, be used by any party at trial to prove or disprove a material fact, and**
 - (ii) all other documents to which the party intends to refer at trial, and**
 - (b) serve the list on all parties of record.**

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**

ET AL

1ST AFFIDAVIT OF HILARY RENAUD

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