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| COURT FILE NUMBERS | 1201-06934 | Clerk's Stamp<br>CLERK OF THE COURT<br>FILED<br>MAR 06 2014<br>JUDICIAL CENTRE<br>OF CALGARY |
| COURT | COURT OF QUEEN'S BENCH OF ALBERTA | |
| JUDICIAL CENTRE | CALGARY | |
| APPLICANT(S) | ERNST & YOUNG INC. IN ITS CAPACITY AS COURT-APPOINTED RECEIVER AND MANAGER OF 1252064 ALBERTA LTD., 1330075 ALBERTA LTD. AND HARVEST CAPITAL MANAGEMENT INC. AND NOT IN ITS PERSONAL OR CORPORATE CAPACITY | |
| DOCUMENT | **SECOND REPORT OF THE RECEIVER**<br><br>**MARCH 5, 2014** | |
| ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT | **RECEIVER**<br><br>Ernst & Young Inc.<br>1000, 440 - 2nd Avenue SW<br>Calgary, Alberta T2P 5E9<br>Attention: Neil Narfason / Nick Purich<br>Telephone: 403-206-5067 / (403) 206-5170<br>Fax: 403-206-5075<br>Email: Neil.Narfason@ca.ey.com<br>Nick.JB.Purich@ca.ey.com<br><br>**COUNSEL**<br><br>McCarthy Tétrault LLP<br>Suite 3300, 421 7th Avenue SW<br>Calgary AB T2P 4K9<br>Attn: Sean Collins / Walker MacLeod<br>Telephone: 403-260-3531 / 403-260-3710<br>Email: scollins@mccarthy.ca<br>wmacleod@mccarthy.ca | |

## TABLE OF CONTENTS OF THE SECOND REPORT



## APPENDICES TO THE SECOND REPORT

## INTRODUCTION

1. On June 7, 2012, 1252064 Alberta Ltd. ("125"), 1330075 Alberta Ltd. ("133") and Harvest Capital Management Inc. ("HCMI") sought and obtained protection from their creditors under the Companies' Creditors Arrangement Act, R.S.C. 1985 c. C-36, as amended, (the "CCAA") pursuant to an order of this Honourable Court (the "Initial CCAA Order"). Pursuant to the Initial Order, Ernst & Young Inc. was appointed monitor (the "Monitor") of 125, 133 and HCMI (the "CCAA Proceedings").

2. Ernst & Young Inc. was appointed Receiver and Manager (the "Receiver") of the property, assets and undertakings (the "Property") of 125, 133 and HCMI pursuant to an Order (the "Receivership Order") of this Honourable Court dated September 30, 2013.

3. Concurrent with the issuance of the Receivership Order, the CCAA Proceedings were terminated by an order (the "Termination Order") of this Honourable Court dated September 30, 2013. The Termination Order provides that the charges in the Initial CCAA Order endure, notwithstanding the termination of the Initial CCAA Order.

4. The Receivership Order authorized the Receiver, among other things, to carry on the business of the Company, to sell, convey, transfer, lease or assign the Property out of the normal course of business, subject to court approval for transactions in excess of $100,000, and to make such arrangements or agreements as deemed necessary by the Receiver.

5. The purpose of this second report (the "Second Report") of the Receiver is to provide this Honourable Court with the Receiver's comments with regards to the:

    a) Background on the relationship among 125, Liberty Crossing Limited Partnership ("Liberty"), and Legacy Communities Inc. ("Legacy");

    b) Background of a transaction (the "Liberty Investment") between 125 and Liberty;

c) The Receiver's analysis of the sources of funds in the Liberty Investment; and

d) Receiver's requested relief.

6. Capitalized terms not defined in this Second Report are as defined in the Receivership Order.

7. All references to dollars are in Canadian currency unless otherwise noted.

**TERMS OF REFERENCE**

8. In preparing this Second Report, the Receiver has relied upon unaudited financial information and Company records. The Receiver has not performed an audit, review or other verification of such information.

**BACKGROUND**

9. 125, 133, and HCMI are part of a group of legal entities commonly known as the Harvest Group of Companies (the "Harvest Group"). Mr. Ronald Aitkens ("Mr. Aitkens") was the director and controlling mind of various legal entities comprising the Harvest Group, including the Debtors. The Receiver has reviewed financial information pertaining to the Harvest Group and, based on this review, has determined that the Harvest Group raised in excess of $266 million between 2004 and 2010, largely through the issuance of bonds to investors, and used the funds to acquire lands and make other investments.

10. Various entities within the Harvest Group have defaulted on their obligations to bondholders and have obtained protection under the CCAA. The Receiver is (or was, in respect of Harvest Group entities that have exited from CCAA proceedings) the Court appointed monitor of a total of 27 entities within the Harvest Group that have been granted protection from their creditors pursuant to the CCAA.

11. 125 and 133 were companies established with the primary purpose of purchasing lands and reselling the lands to other companies within the Harvest Group which raised funds from external investors under Offering Memorandums ("OM Companies").

HCMI was a company established with the purpose of providing management services to the OM Companies.

12. As a result of the deficiencies in the financial records of the Harvest Group, the Monitor was required to complete a reconstruction of the Harvest Group's accounting records. The reconstruction consisted of identifying the cash transactions that occurred within the Harvest Group. The Monitor reviewed the bank statements, cancelled cheques, deposit books, various trust accounts and other source documents to determine the sources and uses of funds within the Harvest Group.

13. The reconstruction of the Harvest Group's accounting records is presented in detail in the Ninth Report of the Monitor in the CCAA Proceedings dated August 30, 2013.

14. Additional background information and other information regarding these receivership proceedings have been posted by the Receiver on its website at: www.ey.com/ca/foundationgroup.

## HISTORY OF AND RELATIONSHIP AMONG 125, LIBERTY, AND LEGACY

15. Legacy was one of the OM Companies within the Harvest Group which obtained protection from its creditors pursuant to the CCAA. Ernst & Young Inc. was the court appointed Monitor of Legacy which had a plan of arrangement sanctioned by this Honourable Court on July 5, 2012. Legacy now functions with a fully independent board of directors.

16. Liberty was another one of the OM Companies within the Harvest Group which obtained protection from its creditors pursuant to the CCAA. Ernst & Young Inc. was the court appointed Monitor of Liberty which liquidated its assets and is in the progress of distributing the proceeds of liquidation to its creditors and investors pursuant to an Order of this Honourable Court dated November 12, 2013.

17. As noted above, Mr. Aitkens was the controlling mind of the Harvest Group and affected numerous transactions among various companies within the Harvest Group including 125, Liberty and Legacy.

18. In 2008 and 2009, Liberty LP raised $7.5 million from 222 investors by selling limited partnership units. 750 units were issued at a face value of $10,000 per unit (the "LP Units").

19. Of the 750 LP Units issued, there is a question of the beneficial ownership of 59 LP Units (the "Disputed Units").

20. Duplicate copies of LP Unit certificate number LC00239 for 59 LP Units, both dated February 03, 2009, were issued; one to 125 and one to Legacy. Both Legacy and 125 assert that they are the beneficial owners of the Disputed Units. The 125 Disputed Unit certificate is attached to this report as Appendix "A". The Legacy Disputed Unit certificate is attached to this report as Appendix "B".

21. The Receiver has reviewed the books and records of Liberty and found conflicting investor listings. Certain of the investor listings showed 125 as holder of the Disputed Units while other investor listings showed Legacy as holder of the Disputed Units. As such, thc Rccciver considered it necessary to review the sources of funds used in purchasing the Disputed Units to determine the beneficial owner.

**SOURCES OF FUNDS IN THE LIBERTY INVESTMENT**

22. On February 3, 2009, 125 paid $590,000 to the trust account of Douglas N. Alger, solicitor for Liberty. The Receiver has conclusively determined that this payment was made by 125 for the purchase of the Disputed Units. The Disputed Unit certificate is dated February 3, 2009 and the $590,000 advanced by 125 were identified as being for "Liberty Investment". Liberty issued the LP Units at a face value $10,000 per unit and the $590,000 payment made by 125 would provide for the purchase of 59 LP Units.

23. The Monitor notes that the funds used to purchase the Disputed Units by 125 were advanced by a related company, 133. 133 advanced $1.5 million to 125 on February 2, 2009. A summary of 125's reconstructed bank transactions for January and February, 2009 is attached to this report as Appendix "C" and the $590,000 payment made by 125 to Mr. Alger for the acquisition of the Disputed Units" is highlighted therein.

24. 133's records show that the $1.5 million was received from the sale of certain lands to Spruce Ridge Estates Inc., another OM Company within the Harvest Group. A summary of 133's reconstructed bank transactions for January and February, 2009 is attached to this report as Appendix "D".

25. While Legacy is a significant creditor of 125, the Receiver has not been provided with any evidence to suggest that any of the amounts that were advanced by Legacy to 125 were used to acquire the Disputed Units. Rather, the Receiver has conclusively determined, as documented above, that the amounts used by 125 to acquire the Disputed Units were advanced to 125 by 133 and that the initial source of those funds was Spruce Ridge Estates Inc., another OM Company within the Harvest Group.

26. The Receiver has also not been provided with any evidence to suggest that 125 effected a transfer of the Disputed Units to Legacy or any other person.

27. The Receiver has provided all information and supporting documentation forming its analysis to Legacy and its counsel.

**RECEIVER'S REQUESTED RELIEF**

28. Given that the Receiver's accounting analysis conclusively determined that 125 purchased the Disputed Units and that Legacy was not the source of the funds used by 125 to purchase the Disputed Units, the Receiver respectfully requests that this Honourable Court grant an order confirming that 125 is the beneficial owner of the Disputed Units.

Dated at Calgary AB, this 5th day of March, 2014.

**ERNST & YOUNG INC.**
**in its capacity as Receiver and**
**Manager of 1252064 Alberta Ltd., 1330075 Alberta Ltd.**
**and Harvest Capital Management Inc.**

Neil Narfason, CA•CIRP, CBV
Senior Vice-President

Nick J.B. Purich, CA
Senior

# Appendix A

LC00239

# *Liberty Crossing Limited Partnership*

## Unit Certificate

*This is to certify that*

***1252064 Alberta Ltd.***

*is the registered owner of* 59
*Limited Partnership Unit(s)*

*in the capital of the:*

## Liberty Crossing Limited Partnership

The registered owner of the Units represented by this Certificate has the rights, and is subject to the obligations and restrictions, set out in the amended and restated Limited Partnership Agreement governing the rights, obligations and restrictions of all the Partners in the Limited Partnership and which Agreement is dated for reference the 28th day of September, 2008.

IN WITNESS WHEREOF the Limited Partnership has caused this Certificate to be signed by the General Partner of this Limited Partnership dated the February 03, 2009.

Liberty Crossing Limited Partnership

*by its General Partner*

Liberty Crossing General Partner Inc.

*Per:* ______________________

(Authorized Signature)

Unless permitted under securites legislation, the holder of this security must not trade the security before the date that is (4) month and a day after the later of (i) November 12th, 2008, and (ii) the date the issuer became a reporting issuer in any province or territory.

## Appendix B

LC00239

# *Liberty Crossing Limited Partnership*

## Unit Certificate

*This is to certify that*

***Legacy Communities Inc.***

*is the registered owner of* 59

*Limited Partnership Unit(s)*

*in the capital of the:*

## Liberty Crossing Limited Partnership

The registered owner of the Units represented by this Certificate has the rights, and is subject to the obligations and restrictions, set out in the amended and restated Limited Partnership Agreement governing the rights, obligations and restrictions of all the Partners in the Limited Partnership and which Agreement is dated for reference the 28th day of September, 2008.

IN WITNESS WHEREOF the Limited Partnership has caused this Certificate to be signed by the General Partner of this Limited Partnership dated the February 03, 2009.

Liberty Crossing Limited Partnership

*by its General Partner*

Liberty Crossing General Partner Inc.

*Per:* ______________________

(Authorized Signature)

Unless permitted under securities legislation, the holder of this security must not trade the security before the date that is (4) month and a day after the later of (i) November 12th, 2008, and (ii) the date the issuer became a reporting issuer in any province or territory.

## Appendix C

**1252064 Alberta Ltd.**
**Bank Transaction Listing**
**$ CAD, Unaudited**

| Date | Transaction | Amount | Cheque | Deposits | Payee | Category |
|---|---|---|---|---|---|---|
| 02/01/2009 | Bank Charge | $ 40.60 | $ 40.60 | | Bank Charge | Bank Charges |
| 02/01/2009 | Rent/Lease | $ 237.19 | $ 237.19 | | Proline Management | Rent |
| 02/01/2009 | Misc Payment | $ 495.00 | $ 495.00 | | SIMCO MGMT | Business Expense |
| 02/01/2009 | Misc Payment | $ 495.00 | $ 495.00 | | SIMCO MGMT | Business Expense |
| 05/01/2009 | Cheque | $ 15,000.00 | $ 15,000.00 | | 1338074 Alberta Ltd | Business Expense |
| 05/01/2009 | Bank Charge | $ 15.00 | $ 15.00 | | Bank Charge | Bank Charges |
| 05/01/2009 | Cheque | $ 50,000.00 | $ 50,000.00 | | Schinnour Malkin & Richette (Spinnaker Ventures) | Emerging Equities Investment |
| 06/01/2009 | Bank Charge | $ 10.00 | $ 10.00 | | Bank Charge | Bank Charges |
| 06/01/2009 | Debit Adjustment | $ 54,795.83 | | | Benchmark Capital | Due from Benchmark Capital |
| 07/01/2009 | Deposit | $ 9,705.52 | | $ 9,705.52 | 364639 AB Ltd (Galko homes) | Rent |
| 07/01/2009 | Credit Adjustment | $ 300,000.00 | | $ 300,000.00 | Railside Industrial Park Inc. | Due to RIP |
| 07/01/2009 | Debit Adjustment | $ 2,435.00 | | | Benchmark Capital | Due from Benchmark Capital |
| 08/01/2009 | Cheque | $ 3,000.00 | $ 3,000.00 | | Ken Aitkens | Director/Relatives Payment |
| 08/01/2009 | Credit Adjustment | $ 2,435.00 | | | Benchmark Capital | Due from Benchmark Capital |
| 08/01/2009 | Credit Adjustment | $ 54,795.83 | | | Benchmark Capital | Due from Benchmark Capital |
| 08/01/2009 | Cheque | $ 1,323.00 | $ 1,323.00 | | Wild Rose Hort | Business Expense |
| 09/01/2009 | Debit Adjustment | $ 10,000.00 | $ 10,000.00 | | Foundation Capital Corp. | Due from FCC |
| 09/01/2009 | Debit Adjustment | $ 75,000.00 | $ 75,000.00 | | 1330075 Alberta Ltd. | Due from 1330075 Alberta Ltd. |
| 09/01/2009 | Cheque | $ 4,810.12 | $ 4,810.12 | | Enmax | Business Expense |
| 12/01/2009 | Fund transfer | $ 3,000.00 | | | Benchmark Capital | Due from Benchmark Capital |
| 12/01/2009 | Deposit | $ 6,027.72 | | $ 6,027.72 | CanWest Television L.P. | Rent |
| 12/01/2009 | Cheque | $ 5,000.00 | $ 5,000.00 | | Lisa Abernathy | Director/Relatives Payment |
| 12/01/2009 | Cheque | $ 10,000.00 | $ 10,000.00 | | Lucille Aitkens | Director/Relatives Payment |
| 12/01/2009 | Cheque | $ 10,000.00 | $ 10,000.00 | | Ron Aitkens | Director/Relatives Payment |
| 12/01/2009 | Cheque | $ 288.35 | $ 288.35 | | Law n Master Services Ltd | Business Expense |
| 13/01/2009 | Credit Adjustment | $ 225,000.00 | | $ 225,000.00 | Railside Industrial Park Inc. | Due to RIP |
| 13/01/2009 | Debit Adjustment | $ 225,000.00 | $ 225,000.00 | | eGreen Corporation | Due from 1330075 Alberta Ltd. |
| 13/01/2009 | Cheque | $ 202.32 | $ 202.32 | | Enercon Water Treatment Ltd | Business Expense |
| 13/01/2009 | Cheque | $ 5,000.00 | $ 5,000.00 | | Mara Lee Daw n Ministries | Business Expense |
| 14/01/2009 | Fund transfer | $ 1,500.00 | $ 1,500.00 | | Benchmark Capital | Due from Benchmark Capital |
| 15/01/2009 | Cheque | $ 2,654.66 | $ 2,654.66 | | Alvin Fritz Architect Inc. | Development Costs |
| 15/01/2009 | Cheque | $ 75,000.00 | $ 75,000.00 | | 1330073 Alberta Ltd | Commissions |
| 19/01/2009 | Bank Charge | $ 50.93 | $ 50.93 | | Bank Charge | Bank Charges |
| 19/01/2009 | Cheque | $ 322.04 | $ 322.04 | | Macleod Dixon LLP | Legal Costs |
| 19/01/2009 | Cheque | $ 1,370.96 | $ 1,370.96 | | Enmax | Business Expense |
| 19/01/2009 | Insurance | $ 1,806.75 | $ 1,806.75 | | ING/INTACT INS | Business Expense |
| 20/01/2009 | Cheque | $ 46.06 | $ 46.06 | | BFI Canada | Business Expense |
| 20/01/2009 | Cheque | $ 7,408.16 | $ 7,408.16 | | Rock Creek Builders Inc. | Development Costs |
| 20/01/2009 | Cheque | $ 109.40 | $ 109.40 | | Enercon Water Treatment Ltd | Business Expense |
| 20/01/2009 | Cheque | $ 288.35 | $ 288.35 | | Law n Master Services Ltd | Business Expense |
| 21/01/2009 | Cheque | $ 10,000.00 | $ 10,000.00 | | Ken Aitkens | Director/Relatives Payment |
| 21/01/2009 | Cheque | $ 59.49 | $ 59.49 | | Battle River REA | Due to RIP |
| 21/01/2009 | Cheque | $ 3,150.00 | $ 3,150.00 | | EBA Engineering Consultants Ltd. | Due to RIP |
| 21/01/2009 | Cheque | $ 3,283.88 | $ 3,283.88 | | Spinnaker Ventures Limited | Business Expense |
| 21/01/2009 | Cheque | $ 8,823.94 | $ 8,823.94 | | Spinnaker Ventures Limited | Business Expense |
| 21/01/2009 | Cheque | $ 14,923.13 | $ 14,923.13 | | Spinnaker Ventures Limited | Business Expense |
| 22/01/2009 | Cheque | $ 305.29 | $ 305.29 | | City of Lethbridge | Business Expense |
| 22/01/2009 | Bank Charge | $ 5.00 | $ 5.00 | | Bank Charge | Bank Charges |
| 22/01/2009 | Deposit | $ 702,000.00 | | $ 702,000.00 | Liberty Crossing Limited Partnership | Due to Liberty Crossing |
| 22/01/2009 | Debit Adjustment | $ 10,000.00 | $ 10,000.00 | | HCMI | Due from HCMI |
| 22/01/2009 | Debit Adjustment | $ 100,000.00 | $ 100,000.00 | | Foundation Capital Corp. | Due from FCC |
| 22/01/2009 | Cheque | $ 150,000.00 | $ 150,000.00 | | Canada Flood Control Ltd. | Due from Foundation Resources |

| Date | Transaction | Amount | Cheque | Deposits | Payee | Category |
|---|---|---|---|---|---|---|
| 26/01/2009 | Cheque | $ 132,219.00 | $ 132,219.00 | | Douglas N. Alger Law Office | |
| 27/01/2009 | Cheque | $ 52.71 | $ 52.71 | | Canadian Tire Bank | Bank Charges |
| 27/01/2009 | Web payment | $ 185,055.00 | $ 185,055.00 | | BK Hill LLC | Due from 1330075 Alberta Ltd. |
| 28/01/2009 | Deposit | $ 6,027.72 | | $ 6,027.72 | CanWest Television L.P. | Rent |
| 28/01/2009 | Debit Memo | $ 35,000.00 | $ 35,000.00 | | 1330075 Alberta Ltd. | Due from 1330075 Alberta Ltd. |
| 30/01/2009 | Cheque | $ 53,142.71 | $ 53,142.71 | | Alvin Fritz Architect Inc. | Development Costs |
| 30/01/2009 | Cheque | $ 1,000,000.00 | $ 1,000,000.00 | | Douglas N. Alger Law Office | Due from HGLP |
| 30/01/2009 | Cheque | $ 196.56 | $ 196.56 | | Enmax | Business Expense |
| 30/01/2009 | Cheque | $ 6,211.92 | $ 6,211.92 | | Enmax | Business Expense |
| 30/01/2009 | Cheque | $ 1,323.00 | $ 1,323.00 | | Wild Rose Hort | Business Expense |
| 02/02/2009 | Bank Charge | $ 49.35 | $ 49.35 | | Bank Charge | Bank Charges |
| 02/02/2009 | Rent/Lease | $ 237.19 | $ 237.19 | | Proline Management | Rent |
| 02/02/2009 | Credit Adjustment | $ 1,500,000.00 | | $ 1,500,000.00 | 1330075 Alberta Ltd. | Due from 1330075 Alberta Ltd. |
| 02/02/2009 | Misc Payment | $ 495.00 | $ 495.00 | | SIMCO MGMT | Business Expense |
| 02/02/2009 | Misc Payment | $ 495.00 | $ 495.00 | | SIMCO MGMT | Business Expense |
| 03/02/2009 | Web payment | $ 99,476.00 | $ 99,476.00 | | Beyer Consulting Ltd. | Commissions |
| 03/02/2009 | Web payment | $ 134,200.00 | $ 134,200.00 | | Beyer Consulting Ltd. | Commissions |
| 03/02/2009 | Deposit | $ 9,705.52 | | $ 9,705.52 | 364639 AB Ltd (Galko homes) | Rent |
| 03/02/2009 | Deposit | $ 3,700.00 | | $ 3,700.00 | Nexen Inc. | Rent |
| 03/02/2009 | Cheque | $ 590,000.00 | $ 590,000.00 | | Douglas N Alger Law Office | Liberty Investment |
| 04/02/2009 | Bank Charge | $ 5.00 | $ 5.00 | | Bank Charge | Bank Charges |
| 05/02/2009 | Cheque | $ 3,000.00 | $ 3,000.00 | | Ken Aitkens | Director/Relatives Payment |
| 05/02/2009 | Deposit | $ 790,000.00 | | $ 790,000.00 | Liberty Crossing Limited Partnership | Due to Liberty Crossing |
| 05/02/2009 | Cheque | $ 863.25 | $ 863.25 | | Enmax | Business Expense |
| 06/02/2009 | Cheque | $ 2,100.00 | $ 2,100.00 | | Independent Persistent Management | Due to RIP |
| 06/02/2009 | Cheque | $ 14,445.38 | $ 14,445.38 | | Independent Persistent Management | Development Costs |
| 11/02/2009 | Cheque | $ 4,888.91 | $ 4,888.91 | | McCrums Direct Sales Ltd. | Business Expense |
| 12/02/2009 | Fund transfer | $ 1,000.00 | $ 1,000.00 | | Benchmark Capital | Due from Benchmark Capital |
| 12/02/2009 | Cheque | $ 3,098.29 | $ 3,098.29 | | Peacock Linder & Halt LLP | Legal Costs |
| 13/02/2009 | Cheque | $ 2,556.26 | $ 2,556.26 | | Amex Bank of Canada | Business Expense |
| 13/02/2009 | Cheque | $ 6,579.00 | $ 6,579.00 | | Canadian Clean Technologies | Business Expense |
| 13/02/2009 | Cheque | $ 2,392.74 | $ 2,392.74 | | DA Watt Consulting | Development Costs |
| 13/02/2009 | Cheque | $ 5,900.00 | $ 5,900.00 | | Rock Creek Builders Inc. | Development Costs |
| 16/02/2009 | Cheque | $ 9.74 | $ 9.74 | | Telus | Business Expense |
| 16/02/2009 | Cheque | $ 29.40 | $ 29.40 | | Telus | Business Expense |
| 17/02/2009 | Bank Charge | $ 773.26 | $ 773.26 | | Bank Charge | Bank Charges |
| 17/02/2009 | Cheque | $ 109.40 | $ 109.40 | | Enercon Water Treatment Ltd | Business Expense |
| 17/02/2009 | Cheque | $ 2,741.00 | $ 2,741.00 | | Hunt Insurance | Business Expense |
| 17/02/2009 | Cheque | $ 943.52 | $ 943.52 | | Rogers | Business Expense |
| 17/02/2009 | Cheque | $ 824.02 | $ 824.02 | | Telus | Business Expense |
| 18/02/2009 | Cheque | $ 3,596.82 | $ 3,596.82 | | Bell Mobility | Business Expense |
| 18/02/2009 | Cheque | $ 46.24 | $ 46.24 | | BFI Canada | Business Expense |
| 18/02/2009 | Cheque | $ 59.58 | $ 59.58 | | Battle River REA | Due to RIP |
| 18/02/2009 | Insurance | $ 1,806.75 | $ 1,806.75 | | ING/INTACT INS | Business Expense |
| 23/02/2009 | Account Transfer | $ 150,000.00 | | $ 150,000.00 | Railside Industrial Park Inc. | Due to RIP |
| 24/02/2009 | Account Transfer | $ 250,000.00 | | $ 250,000.00 | Railside Industrial Park Inc. | Due to RIP |
| 24/02/2009 | Web payment | $ 100,000.00 | $ 100,000.00 | | BK Hill LLC | Due from 1330075 Alberta Ltd. |
| 24/02/2009 | Account Transfer | $ 150,000.00 | $ 150,000.00 | | Foundation Capital Corp. | Due from FCC |
| 25/02/2009 | Web payment | $ 71,564.00 | $ 71,564.00 | | Beyer Consulting | Commissions |
| 25/02/2009 | Cheque | $ 288.35 | $ 288.35 | | Lawn Master Services Ltd | Business Expense |
| 26/02/2009 | Fund transfer | $ 500.00 | $ 500.00 | | Airdrie Capital Corporation | Due to Airdrie |
| 26/02/2009 | Fund transfer | $ 500.00 | $ 500.00 | | Harbour View | Due to Harbour View |
| 26/02/2009 | Fund transfer | $ 500.00 | $ 500.00 | | Harbour View | Due to Harbour View |
| 26/02/2009 | Fund transfer | $ 500.00 | $ 500.00 | | Harvest Water | Due from Harvest Water |
| 26/02/2009 | Fund transfer | $ 10,000.00 | $ 10,000.00 | | HCMI | Due from HCMI |
| 26/02/2009 | Fund transfer | $ 25,000.00 | $ 25,000.00 | | 1330075 Alberta Ltd. | Due from 1330075 Alberta Ltd. |
| 26/02/2009 | Cheque | $ 5,433.75 | $ 5,433.75 | | Enmax | Business Expense |
| 27/02/2009 | Cheque | $ 225.72 | $ 225.72 | | City of Lethbridge | Business Expense |
| 27/02/2009 | Deposit | $ 288,022.09 | $ (288,022.09) | | Ken Aitkens | Director/Relatives Payment |
| 27/02/2009 | Account Transfer | $ 125,000.00 | $ 125,000.00 | | Foundation Mortgage Corp | Due to FM1 |
| 27/02/2009 | Cheque | $ 252,598.68 | $ 252,598.68 | | Douglas N Alger Law Office | Due from 1357686 Alberta Ltd. |
| 27/02/2009 | Cheque | $ 661.50 | $ 661.50 | | Wild Rose Hort | Business Expense |

## Appendix D

**1330075 Alberta Ltd.**
**Bank Transaction Listing**
**$ CAD, Unaudited**

| Date | Transaction | Cheque | Deposits | Payee | Category |
|---|---|---|---|---|---|
| January-02-09 | Bank charges | 13.25 | | RBC | Bank Charges |
| January-08-09 | Cheque | 74,642.00 | | Business Edge | Business Expense |
| January-09-09 | Credit Adjustment | | 75,000.00 | 1252064 Alberta Ltd. | Due to 1252064 Alberta Ltd. |
| January-16-09 | Cheque | 71.35 | | AWC | Business Expense |
| January-19-09 | Bank charges | 16.97 | | RBC | Bank Charges |
| January-21-09 | Deposit | | 700.00 | D. Mollon | Rent |
| January-21-09 | Deposit | | 2,814.15 | D. Muir | Muir Loan |
| January-28-09 | Credit Memo | | 35,000.00 | 1252064 Alberta Ltd. | Due to 1252064 Alberta Ltd. |
| January-28-09 | Debit Memo | 35,000.00 | | Unknown | |
| January-30-09 | Insurance | 1,596.50 | | Royal & Sun Alliance | Business Expense |
| February-02-09 | Credit Adjustment | | 1,500,000.00 | Spruce Ridge | Spruce Ridge Land |
| February-02-09 | Bank charges | 16.00 | | RBC | Bank Charges |
| February-02-09 | Debit Memo | 1,500,000.00 | | 1252064 Alberta Ltd. | Due to 1252064 Alberta Ltd. |
| February-03-09 | Cheque | 6,666.67 | | Eric Yealland | Yealland Mortgage (Balsam) |
| February-06-09 | Cheque | 25,474.72 | | Independent Persistent Management | Development Costs |
| February-12-09 | Deposit | (4,700.00) | | Red Tail Capital | Miscellaneous Investments |
| February-17-09 | Bank charges | 59.52 | | RBC | Bank Charges |
| February-20-09 | Deposit | | 700.00 | D. Mollon | Rent |
| February-20-09 | Deposit | | 2,814.15 | D. Muir | Muir Loan |
| February-26-09 | Funds transfer | | 25,000.00 | 1252064 Alberta Ltd. | Due to 1252064 Alberta Ltd. |