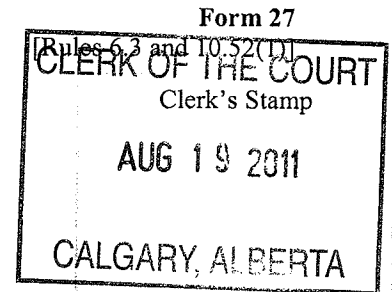


COURT FILE NUMBER **0901-11866**
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE Calgary



IN THE MATTER OF THE *COMPANIES'*
CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c.
C-36, AS AMENDED, *THE JUDICATURE ACT*,
R.S.A. 200, c. J-2, AS AMENDED AND *THE*
BUSINESS CORPORATIONS ACT, R.S.A. 2000, C.
B-9, AS AMENDED

AND IN THE MATTER OF A PLAN OF
COMPROMISE OR ARRANGEMENT OF
**SHIRE INTERNATIONAL REAL ESTATE
INVESTMENTS LTD., SHIRE CAPITAL LTD.,
HALAMA GARDENS LLC, SHIRE ASSET
MANAGEMENT LTD., WINN RIVER RESORT
LTD., FORT MCMONEY PROPERTIES II LTD.,
HALAMA GARDENS LTD., MAPLES AND
WHITE SAND INVESTMENT LTD., FORT
MCMONEY PROPERTIES LTD., CHEMAINUS
PROPERTIES LTD., SKAHA LAKE
DEVELOPMENT LTD., TSEHUM HARBOUR
LTD., BEARSPAW AT 144TH AVENUE LTD.,
BEARSPAW AT 144TH EQUITIES LTD.,
BEARSPAW AT 144TH BONDS INC., TSEHUM
HARBOUR EQUITIES LTD., TSEHUM
HARBOR BONDS LTD., ORILLIA
INVESTMENT LTD., 0726028 B.C. LTD., 0675816
B.C. LTD. and BOSUN'S HOLDINGS LTD.**

DOCUMENT

**APPLICATION BY
JENNIFER LOFGREN**

ADDRESS FOR SERVICE AND Borden Ladner Gervais LLP
CONTACT INFORMATION OF 1900, 520 3rd Ave. S.W.
PARTY FILING THIS Calgary, AB T2P 0R3
DOCUMENT Telephone: (403) 232-9657
 Facsimile: (403) 266-1395
 Attention: John D. Blair/Cory Ryan

BLG
Borden Ladner Gervais

File No. 438120-1

NOTICE TO RESPONDENTS

This application is made against you. You are a respondent.

You have the right to state your side of this matter before the master/judge.

To do so, you must be in Court when the application is heard as shown below:

Date	Wednesday, August 24, 2011
Time	10:00 am
Where	Calgary Courts Centre
Before Whom	The Honourable Madam Justice C.A. Kent

Go to the end of this document to see what else you can do and when you must do it.

Remedy claimed or sought:

1. An Order deeming service of this Application and the materials filed herewith good and sufficient, and abridging time for service of this Application and supporting materials.
2. An Order recognizing that Borden Ladner Gervais LLP ("BLG") represents the interests of approximately 800 investors in the various Shire Group (as defined in this action) investment projects, in a civil action commenced against the Shire Group having Court Action Number: 0901-10090 (the "Civil Action").
3. In the alternative, an Order appointing Jennifer Lofgren as the representative of those investors in the Shire Group, other than the investors in Maples and White Sands Investments Ltd., who are requesting to be represented by MacPherson Leslie & Tyerman LLP ("**the Remaining Shire Investors**").
4. An Order appointing the law firm of BLG as representative counsel to the Remaining Shire Investors for the purposes of these proceedings.
5. An Order providing that BLG shall be paid its recoverable fees and disbursements in connection with these proceedings, at its standard rates.
6. An Order providing that BLG shall be entitled to the benefit of a charge on the net remaining proceeds of the sale of the Sorrento Inn, which are currently being held in Trust by Ernst and Young Inc., pursuant to an Order of this Honourable Court (the "Net Sale Proceeds"), to a maximum of \$75,000.00, as security for BLG's reasonable fees and disbursements at its standard

rates, in representing the interests of the Remaining Shire Investors, with such charge standing as a first ranking charge on the Net Sale Proceeds, ranking in priority to all other claims, interests and encumbrances.

7. The Court provide direction that the Net Sale Proceeds be held in trust for the benefit of all of the investor of the Shire Group, pending the outcome of the ongoing Class Action
8. In the alternative, the Court order a *pro-rata* distribution of the Net Sale Proceeds to all investors of the Shire Group.
9. The Court order an equitable tracing of the funds used to purchase the Sorrento Inn to determine where the money to purchase this property originated.
10. In the alternative, an Order that the relief requested in paragraphs 7, 8 and 9 of the within Application, shall be heard at a later date, as determined by this Honourable Court.
11. Such further and other relief as this Honourable Court deems just.

Grounds for making this application:

12. The law firm of Borden Ladner Gervais has commenced a civil action law suit on behalf of all of the investors, as against the Shire Group, amongst other Defendants.
13. To date, BLG has been retained by more than 800 Shire Group investors.
14. In an elaborate investment scheme, investors were misled into investing in excess of \$65 million in the various Shire Group projects. To date, the Sorrento Inn is the only property which has had equity in it.
15. The Shire Group co-mingled and misused the funds of all investors, without investor approval.
16. Money of all investors, not just the Maples and White Sands Investors, has been used to purchase the Sorrento Inn. As such, all Investors have a valid claim to the Net Sale Proceeds of the Sorrento Inn.
17. The trust or mortgage held by Olympia Trust Company Ltd. does not create a secured interest in the Sorrento Inn and is nothing more than a bare trust.

18. It would be inequitable to award the Net Sale Proceeds to a select number of investors, ahead of the interest of the remaining Investors.
19. Such further and other grounds as counsel may advise and this honourable Court may permit.

Material or evidence to be relied on:

20. Affidavit of Jennifer Lofgren, sworn August 19, 2011, filed herein;
21. Affidavit of Cleone Couch, sworn August 7, 2009, filed herein;
22. Reports of the Court appointed Monitor, Ernst & Young Inc.;
23. Such further and other materials as counsel may advise at the application of this matter.

Applicable rules:

24. Rules 6.2 and 6.3

Applicable Acts and regulations:

25. *The Companies Creditor's Arrangement Act*, RSC 1985, c. C-36
26. *The Business Corporations Act* RSA 2000, c. B-4

Any irregularity complained of or objection relied on:

27. N/A

How the application is proposed to be heard or considered:

28. Before the Honourable Justice Kent at the Calgary Courts Centre.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the form. If you intend to rely on an affidavit or other evidence when the application is heard or considered, you must reply by giving reasonable notice of the material to the applicant.