Grant Thornton

Clerk's Stamp

CLERK OF THE COURT
FILED
JAN 09 2013
JUDICIAL CENTRE
OF CALGARY

COURT FILE NUMBER	1201-15430
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
PLAINTIFF	STANLEY EISENBERG, LYNN EISENBERG, JACK EISENBERG, BRENDA EISENBERG and EISENBERG'S PROPERTIES LTD.
DEFENDANTS:	910234 ALBERTA LTD., RANDY CALMUSKY, THERESA CALMUSKY, KYLE CALMUSKY, CALE HUMENIUK and JORDON RINTOUL
DOCUMENT	RECEIVER'S SECOND REPORT JANUARY 9, 2013
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING DOCUMENT	<u>RECEIVER</u> Grant Thornton Limited 900, 833 – 4th Avenue SW Calgary, AB T2P 3T5 Attention: Guy Odhams Telephone: (403) 296-3143 Facsimile: (403) 260-2571 E-Mail: Guy.Odhams@ca.gt.com <u>COUNSEL</u> Burnet, Duckworth & Palmer LLP 2400, 525 – 8th Ave SW Calgary, AB T2P 1G1 Attention: Doug Nishimura Telephone: (403) 260-0269 Facsimile: (403) 260-0332 E-Mail: dsn@bdplaw.com

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Exhibit 2 – E-mail correspondence with Mr. Loberg, counsel for 910234, dated January 7, 2013

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Exhibit 4 – Schedule of payments to related parties

Exhibit 5 – Letter to investors from 910234, dated November 12, 2012

Background

1. 910234 Alberta Ltd. ("910234" or the "Company") is a corporation incorporated pursuant to the laws of Alberta. Mr. Randy Calmusky ("R. Calmusky" or "the Defendant") is the sole director of 910234.

2. According to an affidavit by Stanley Eisenberg, filed in this matter, 910234 is in the business of raising funds from investors for the purpose of investing in residential mortgages. Investors provided funds in the form of loans to 910234, and those loans were documented through a series of mortgage sale and servicing agreements.

3. On December 6, 2012, Stanley Eisenberg, Lynn Eisenberg, Jack Eisenberg, Brenda Eisenberg and Eisenberg's Properties Ltd. (collectively "the Eisenbergs") applied for, and were granted, an Attachment Order against four properties ("27 Elveden Property", "41 Everglen Property", "Hawk's Landing Property" and "57 Everglen Property"), 910234 and other parties.

4. On December 10, 2012, the Eisenbergs applied for a Receivership Order against 910234 and other parties. The Order was granted on December 12, 2012. Grant Thornton Limited ("Grant Thornton" or the "Receiver") consented to act as Receiver.

5. The Receiver provided an initial report to the Court on December 21, 2012.

6. On December 21, 2012 an order was granted extending the Attachment Order against the four properties until January 14, 2012. This Order is attached as Exhibit 1.

7. This report is intended to provide an update to the Court with the following information:

    a. Update on the Receiver's activities;

    b. The Receiver's finding to date; and

    c. The Receiver's recommended course of action.

Update on Receiver's Activities

Collection of Information

Physical Corporate Records

8. As stated in our previous report, corporate records were provided by R. Calmusky on December 12, 2012. The Receiver continues to review and analyze the corporate records, the preliminary results of which are discussed below.

9. Masuch LLP acted for 910234 in certain real estate transactions. The Receiver has noted several transactions where investors forwarded funds directly to Masuch LLP rather than 910234. The Receiver's counsel has requested a detailed accounting of Masuch LLP`s records pertaining to 910234 transactions, but this has not been provided as this time. This information from Masuch LLP becomes more crucial as no financial statements or accounting of the Trust Account was included in the physical books and records provided.

10. The Receiver, through their counsel, requested detailed information regarding a series of questions on December 13, 2012 and again on December 18, 2012. The defendant's counsel has responded to only a few of the questions. The Receiver sent correspondence to the Defendants counsel on January 7, 2012 requesting previously requested information together with additional information requests for the Defendant. Attached as Exhibit 2 is this email correspondence to date.

Electronic Records

11. The Receiver originally took possession of R. Calmusky's computer on December 12, 2012 and returned the computer to the defendants counsel to remove any documents that he believed may be subject to privilege. The computer was returned to the Receiver's office on December 21, 2012.

12. The computer does not appear to have any accounting software installed nor are there any spreadsheets used in preparation of financial information for 910234, either for administrative expenses or investor transactions. The computer does have tax preparation software installed which appears to have been used in the production of T5 returns for investors, further analysis of this issue is discussed below.

13. Upon initial review, the computer contains limited useful electronic records and information pertaining to the activities of 910234. The Receiver continues to review the electronic records provided by the plaintiff's counsel, the results of which are discussed below.

Communication with Investors

Notification of Investors

14. The Receiver was provided with a list of all known investors of 910234 by R. Calmusky. Investment questionnaires were sent to these investors. A copy of the investment questionnaire is attached as Exhibit 3 to this report. Due to privacy issues we have not utilized the names of specific investors in this report, with the exception of the Plaintiffs in this matter, the Eisenbergs, and the Calmusky's.

15. As of the date of this report, the Receiver has received communication, completed questionnaires or supporting documentation from all but one identified investor of 910234.

16. The Receiver has begun an independent verification of financial information provided by investors to compare with corporate records. This includes the roll forward of paid out mortgages to new investments by individual investors. Although the analysis of the investor responses to supporting documentation is not complete at this time, the results of the preliminary analysis are discussed below.

Preliminary Analysis of Information

Bank Statements – TD 910234 Alberta Ltd. Trust Account ("Trust Account")

17. The Receiver compiled a source and application of funds related to the 910234 Alberta Ltd Trust account for years 2010 to 2012. The Receiver continues to analyze the source and application of funds in years previous to 2010. Due to a lack of summary information pertaining to the Trust account, the Receiver initially relied upon written notations on the trust account bank statement which was then verified by tracing through to agreements and other supporting documentation. Although many of the transactions are as yet unidentified, certain transactions were noted by the Receiver as follows:

    a. Investor Interest Payments – Using a schedule located in the electronic books and records of the company, the Receiver has traced all investor interest payments through to the bank statements to verify payment.

    b. Related Party Investment Payments – On May 29, 2012, 910234 sent payments to Gary Calmusky and Mary Calmusky, of $180,000 and $200,000, respectively. This information is provided by a schedule located in the electronic books and records of the company and traced to a payment from the trust account. This appears to be a repayment of principal. A copy of this Schedule, with redacted names is attached as Exhibit 4 to this report.

18. The Receiver is continuing to investigate the Trust Account statements of 910234 and tie transactions to supporting documentation from the Company's books and records. Detailed information from Masuch LLP should allow for a fuller analysis of investor transactions.

Bank Statements – TD 910234 Alberta Ltd. Operating Account ("Operating Account")

19. The Receiver continues to review the Operating Account and has no additional information to report at this time.

Tax Returns

20. The Receiver has confirmed with 910234's external accountants that they only prepared tax returns for 910234, R. Calmusky's T4 personal employment tax returns and possibly T5 tax returns related to his personal investments. The tax returns did not include any investor transactions, only fees earned by 910234 and salaries and expenses paid.

21. The corporate tax returns appear to be complete to the end of 2011.

22. The Receiver located detailed excel spreadsheets documenting individual investor T5 investment interest payment schedules. Based on the level of detail in these schedules, it appears the data may have originated from an additional document that the Receiver has not yet been provided with.

Financial Statements

23. The Receiver has confirmed with 910234's external accountants that they only prepared Notice to Reader financial statements for 910234. The financial statements did not include any investor transactions or Trust Account activity, only fees earned by 910234 and salaries and expenses paid.

Letter to Investors by 910234

24. The Eisenberg affidavit included a letter ("Investor Letter"), dated November 12, 2012, which we understand was sent by R. Calmusky to all investors in 910234. A copy of the Investor Letter is attached as Exhibit 5 to this report. The Investor Letter provided information regarding certain issues facing the Company, the current status of the remaining investments of the Company and an informal proposal to the investors.

25. The Receiver makes the following preliminary comments regarding the Investor Letter:

a. Current advances from investors total $8,071,500:

The Receiver is unable to confirm whether this amount is correct based on the information reviewed and provided to date.

b. Event #1 – Mika Developments:

This investment relates to a defaulted mortgage. A judgement was obtained for $450,000 but Mr. Calmusky states that collection is unlikely. He advises that interest, exceeding $500,000 was paid to investors, even when the borrower had defaulted. The Receiver has not confirmed these payments and the source of the interest payments is not known.

Based on information provided by the investors, funds totalling $865,000 remain outstanding against this investment.

c. Event #2 – Rembrandt Homes:

This investment related to a mortgage with Rembrandt Homes. Four properties were sold, apparently at a loss, and the final mortgage was "improperly discharged" by 910234's legal counsel, resulting in an on-going law suit. The value of the improperly discharged mortgage is estimated at $430,000. The Receiver's counsel will be discussing this matter with counsel for the Defendants.

Based on information provided by the investors, funds totalling $750,000 remain outstanding against this investment.

d. Event #3 – Aspire Homes:

This investment relates to a mortgage on a property located at 27 Elveden Place. The property is the subject of the attachment Order granted on December 6, 2012. 910234 was successful in obtaining a judgement against the property and subsequently transferred the property to the personal name of Randy and Theresa Calmusky. The Receiver has been made aware of an unsecured claim made by 910234 in regards to the bankruptcy of Aspire Homes. The Receiver notes that Event #3 is the sale of 27 Elveden Place which is currently included in the Attachment Order.

According to Exhibit R in the affidavit of Stan Eisenberg, dated December 4, 2012, 27 Elveden Place currently has a mortgage in the amount of $550,000 held by The Toronto-Dominion Bank. The property was listed for $2,100,000 with Frances Dares of Re/Max House of Real Estate but the listing agreement has now expired.

Based on the information provided by the investors it is unclear how much investor funds were advanced to this project.

e. Event #4 – Unity Builders Group "Currie Barracks":

Unity Builders Group is currently in CCAA proceedings. According to the Investor Letter the principle of this investment has been returned, however, no interest has been paid to investors. The Receiver has noted that several investors invested in this project and the Receiver is in the process of determining if the funds were returned to investors.

f. Event #5 – Vaughan Custom Builders:

The Receiver and the Receiver's counsel have reviewed the matter of Vaughan Custom Builders & Design Inc. The amount in question is an advance of $135,000 arising from a borrowing agreement dated February 11, 2011. The Receiver has been made aware there is deadline to act on this matter.

At this time it is unclear if investor funds were used to fund this project.

g. Event #6 – Legal Fees:

R. Calmusky has indicated that $220,000 in legal cost has been incurred by 910234 and has not been passed along to the investors. It's unclear at this time that the amount claimed in the letter to investors is accurate.

h. Event #7 – Crystal Creek Homes:

The property located at "28 RockCliffe Grove" is an active mortgage held with Crystal Creek Homes. The Receiver continues to investigate advances to Crystal Creek Homes to confirm a total of $900,000 was advanced by investors.

The Receiver's counsel has confirmed receipt of the above mentioned funds totalling $899,463.98 on December 13, 2012; however, the mortgage has not been discharged as the Receiver cannot verify the sufficiency of the funds at this time.

Based on the information provided by the investors, funds totalling $800,000 were advanced to this project.

i. Event #8 – New West Homes & Renovations Inc. ("New West"):

The property located at "300 Spyglass Way" is an active mortgage held with New West. The Receiver located a Borrowing Agreement between 910234 and New West with a maximum advance of $3,000,000. The Receiver continues to investigate advances to New West to confirm that only a total of $634,400 was advanced to the borrower.

The Receiver's counsel has confirmed receipt of the above mentioned funds totalling $640,927.96 on December 20, 2012; however, the mortgage has not been discharged as the Receiver cannot verify the sufficiency of the funds at this time.

The Receiver has been unable to locate mortgage servicing agreements in the electronic or physical records with respect to the investors in New West.

j. Unity Buildings Group – Origins at Cranston

The Investor Letter takes out the total investment in the Origins at Cranston of $1,159,000 from the informal proposal. The Receiver has taken the following actions regarding the Origins at Cranston:

i. On January 7, 2013 the defendant's counsel provided the Receiver with information packages pertaining to each individual investor of the Unity Builders Group Investment in "The Origins at Cranston".

ii. On January 8, 2013 the Receiver requested confirmation from E&Y that all individual investors of 910234's proofs of claim have been accepted.

iii. The Receiver is continuing to monitor developments with regards to the CCAA of Unity Builders Group.

26. As a result of the Receiver's preliminary analysis of the contents of the Investor Letter the Receiver remains concerned that the anticipated shortfall of $2,678,100 may be incorrect. The Receiver remains concerned that:

i. The total amount of Investments has not been confirmed;

ii. The actual shortfall may be different than suggested in the Investor Letter depending on asset realization;

iii. Payments to Investors may include payments to certain of the defendants;

iv. The pro-rata payment scheme may not be appropriate as it is unclear that individual investors may not be proportionately exposed to the losses; and

v. The informal proposal does not include any investigation into whether the reason for the shortfalls is accurate.

Other Matters

Real Estate

27. The Attachment Order was extended on December 21, 2012 to January 15, 2013 on all properties including the below mentioned property:

    110 Hawk's Landing Drive:

    The property described as "110 Hawk's Landing Drive" is the personal residence of Theresa and Randy Calmusky. The Receiver has reviewed documentation found in the books and records of the Company and the affidavit of Jack Eisenberg. There is a mortgage on the property and it is not clear whether any investor funds were used to make any payments.

Trico Homes Ltd.

28. The Receiver has reviewed documentation found in the books and records of the Company and the affidavit of Jack Eisenberg, dated December 4, 2012, with respect to an investment with Trico Homes Ltd. The Mortgage Servicing Agreements, listed in Exhibits B, C and E of the Affidavit document that the investment was to be a first mortgage on five properties. Based on the Receiver's preliminary analysis, investors of 910234, including the Eisenberg's, have advanced $1,025,000 for this loan. The Receiver is yet to locate a borrowing agreement between Trico Homes Ltd. and 910234.
29. Of the five properties mentioned as security in the Trico Mortgage Services Agreement, the three properties below have been sold:
    a. 114 Everwoods Link
    b. 78 Everglen Crescent
    c. 58 Everglen Crescent
30. Two of the above mentioned properties were transferred to Defendants and then on to third parties. It appears that the other property was transferred from a developer directly to a third party. It is not clear what happened to the proceeds from these sales.
31. The two properties below are also listed on the Mortgage Servicing Agreement between 910234 and Investors and are currently part of the Attachment Order. The current status of the other two properties is as follows:
    a. 41 Everglen Property

       As stated in the affidavit of Jack Eisenberg, the above mentioned property was transferred from a developer into the name of the Defendants on October 26, 2007 and now has a mortgage in favour of First National Bank in the amount of $417,187.
    b. 57 Everglen Property

As stated in the affidavit of Jack Eisenberg, the above mentioned property was transferred from 910234 into the name of the Defendants on May 14, 2008 and now has a mortgage in favour of The Toronto-Dominion Bank in the amount of $346,400.

32. At this point, it is unclear what happened to the funds advanced and any proceeds from the mortgages.

Conclusion

33. The ongoing investigative efforts will require expenses and such expenses will need to be funded and therefore borne by all stakeholders, as the results will benefit all stakeholders of 910234.

34. The Receiver requests increased powers in conformity with the Alberta Template Receivership order, including:
    a. Borrowing, and a charge against the assets;
    b. Power of sale and disposal of assets to a specified limit, including discharge of mortgages;
    c. Power to bring actions for or defend actions against the estate;
    d. Power to operate the company to the extent necessary to preserve the value of the estate; and
    e. Other usual receivership powers.

35. Based on the Receiver's preliminary review of the books and records the existing Attachment Order should continue indefinitely until a time at which the rights and interests of investors are adequately protected.

Dated at Calgary Alberta, the 9th day of January, 2013

PER: Grant Thornton Limited

Guy W.L Odhams

I hereby certify this to be a true copy of the original ORDER

Dated this 21 day of DECEMBER 2012

for Clerk of the Court

Exhibit 1

Form 27

[Rules 6.3 and 10.52(1)]

Clerk's Stamp:

CLERK OF THE COURT
FILED
DEC 21 2012
JUDICIAL CENTRE OF CALGARY

COURT FILE NUMBER	1201 15430
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
PLAINTIFF	STANLEY EISENBERG, BRENDA EISENBERG, JACK EISENBERG, LYNN EISENBERG and EISENBERG'S PROPERTIES LTD.
DEFENDANT	910234 ALBERTA LTD., RANDY CALMUSKY, THERESA CALMUSKY, KYLE CALMUSKY, CALE HUMENIUK and JORDAN RINTOUL
DOCUMENT	**ORDER**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Burnet, Duckworth & Palmer LLP 2400, 525 – 8th Avenue SW Calgary, Alberta T2P 1G1 Lawyer: Douglas Nishimura Phone Number: (403) 260-0269 Fax Number: (403) 260-0332 Email Address: dsn@bdplaw.com File No. 62616-8

DATE ON WHICH ORDER WAS PRONOUNCED: **December 21, 2012**

NAME OF JUSTICE WHO MADE THIS ORDER: R G Stevens

ORDER

UPON THE APPLICATION of Grant Thornton Limited, Receiver of 910234 Alberta Ltd. (the "**Receiver**"); AND UPON HAVING read the Application filed by the Receiver, the Attachment Order granted on the Honourable Justice K. D. Yamauchi on December 6, 2012 (the "**Attachment Order**"), the Receivership Order granted by the Honourable Justice S. J. LoVecchio on December 12, 2012 (the "**Receivership Order**"), the Affidavit of Stanley Eisenberg sworn December 4, 2012, filed, the Affidavit of Jack Eisenberg sworn December 4, 2012, filed, the Affidavit of Richard Cornstock sworn December 6, 2012, filed, and the Report of the Receiver dated December 20, 2012; AND UPON HEARING counsel for the Receiver and all other interested parties present;

IT IS HEREBY ORDERED THAT:

1. The time for service of the Application and all materials in support is hereby abridged to the date of actual service and service is hereby deemed good and sufficient.

2. The Attachment Order granted by the Honourable Justice K. D. Yamauchi on December 6, 2012 is hereby extended to January 14, 2013, on the same terms and conditions set out therein, on a without prejudice basis to the right of any party to re-attend to set aside or vary the Attachment Order, with the following exceptions:

   (a) The Defendant, Theresa Calmusky will be able to access her personal property and her bank accounts and any funds therein which are not related to real estate secured by the Attachment Order; and

   (b) ~~The Defendant, Theresa Calmusky will cooperate with the Receiver, including agreeing to provide, if requested, disclosure with respect to the said accounts to the Receiver.~~

Justice of the Court of ~~Queen's Bench~~ of Alberta

From: Michael A. Loberg [mloberg@loberg-law.com]
Sent: Monday, January 07, 2013 9:46 AM
To: Odhams, Guy
Cc: Doug Nishimura; McQuay, Nathan
Subject: RE: 910234 Alberta Ltd.

Guy:

I will revert on your questions, but to get started I understand that the events and borrowers relate as follows:

Mika	Event #1
Rembrandt Homes	Event #2
Aspire Homes	Event #3
UBG - Currrie Barricks	Event #4
Vaughan Custom Homes	Event #5
Crystal Creek	Event #7
West Homes	Event #8

I also have for you some mailed materials regarding UBG which I will deliver today.

Michael A. Loberg
Professional Corporation
1000 Bankers Hall West
888 – 3rd Street SW
Calgary, AB T2P 5C5

(403) 668-6561 (Direct)
(403) 471-4204 (Cell)
(403) 444-6935 (Reception)
(403) 668-6505 (Fax)

www.loberg-law.com

From: Odhams, Guy [mailto:Guy.Odhams@ca.gt.com]
Sent: January-07-13 9:33 AM
To: Michael A. Loberg
Cc: Doug Nishimura; McQuay, Nathan
Subject: FW: 910234 Alberta Ltd.

Mr. Loberg

Below is a list of questions for R. Calmusky regarding 910234 Alberta Ltd. Certain of them have been previously requested with no response to date. We ask that your client respond to the questions as soon as possible so we can continue our investigation.

Explanation of notations in the Banks Statements:

- What does the annotation R/C stand for?
- What does the annotation RC L/C stand for?
- What does the annotation Lang stand for?
- What does the annotation Currie stand for?
- What does the annotation Greenbond investment relate to?

Financial Statements:

- Were financial statements created for the Trust Account (i.e. investor funds as opposed to administrative expenses and salaries)?
- What accounting software did you use for 910234 Alberta Ltd?
- Is there a second computer with any information pertaining to 910234 Alberta Ltd?
- Does 910234 Alberta Ltd. have a line of credit or any loan facility? If so, please provide details.

Investment Process:

Investors (mortgagors)

- Was a mortgage servicing agreement provided to each investor for each loan? If so were copies kept of all agreements?

- Were all investors paid through the TD Trust account (No: 0104-7438-5210458)? If not, which account was used and where are statements?

- Were all repayments of investor principal made through the TD trust account (No.: 0104-7438-5210458)? If not, which account was used and where are statements?

- Were all interest payments paid through the TD trust account No.: (0104-7438-5210458)? If not, which account was used and where are statements?

Borrowers (mortgagees)

- Were all mortgages funded from the TD Trust Account No.: (0104-7438-5210458)? If not, which account was used and where are statements?

- Were all repayments of mortgages made through the TD trust Account No.: (0104-7438-5210458)? If not, which account was used and where are statements?

- Were all interest payments received into the TD trust account No.: (0104-7438-5210458)? If not, which account was used and where are statements?

Properties:

- Which Investors invested in 27 Elveden Place (Aspire Homes)? Please indicate amount by each investor or advise where the information is.
- Which Investors invested in 57 Everglen? Please indicate amount by each investor or advise where the information is.

- Which Investors invested in 41 Everglen? Please indicate amount by each investor or advise where the information is.
- Which Investors invested in 28 Rockcliffe Grove? Please indicate amount by each investor or advise where the information is.
- Which Investors invested in 300 Spyglass Way? Please indicate amount by each investor or advise where the information is.
    - With Respect to 300 Spyglass Way, was the full $3 Million advanced to New West Custom Homes? Were any other funds advanced to New West Custom Homes? If so which account did were these advances made from? Where are statements?

Investors:

- Did any investors, re-invest their funds into different mortgages? If so, how was this tracked?
- For those who re-invested their funds, please provide a list all known transfers.

Draft Proposal to Investors:

- How did you calculate the present total investments from clients to be $8,071,500?
- What is the name of the borrower or project associated with Event #1?
- What is the name of the borrower or project associated with Event #2?
- What is the name of the borrower or project associated with Event #4?

Regards

Guy Odhams, CA, CIRP | Office Managing Partner[1] - SABU
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[1] A partner through Guy Odhams Professional Corporation.

GrantThornton

Exhibit 3

Questionnaire regarding investment in 910234 Alberta Ltd.

Please complete the following questionnaire and the following tabs relating to your investments in 910234 Alberta Ltd. Once completed, please e-mail your completed form and scanned documents if available to Guy Odhams at Guy.Odhams@ca.gt.com

If you are unable to provide a scanned copy of the documents by e-mail, please courier a copy of the originals to:

Grant Thornton LLP
Attention: Guy Odhams
900, 833 - 4th Avenue SW
Calgary, AB T2P 3T5

Name:

If your investment in 910234 Alberta Ltd was made through a company, the company name:

Phone Number:

Day:

Evening/ weekend:

Mailing Address:

Have you received any statements of account (Any statements received from 910234 Alberta Ltd.)?

Please Select

If yes, please attach to this questionnaire

Have you received copies of any mortgage servicing agreements?

Please Select

If yes, please attach

Have you received any notifications of sales of properties/ investments?

Please Select

If yes, please attach

Have you received any other documents relating to your investment

Please Select

If yes, please describe the nature of the documents below and attach

Please proceed to the next tab: Investments made to 910234

Please list all investments made to 910234 Alberta Ltd or related parties below, and attach all available proof of the payment to the attached list. Proof of the payment would include a receipt issued from 910234 Alberta Ltd, a cancelled cheque, confirmation of wire transfer, or statement showing the investment.

After completion of this schedule, please proceed to the next tab: Receipts from 910234

Investment date (DD-MMM-YY)	Investment amount	Receipt number if applicable	Receipt attached	Cheque number/ wire transfer number	Cancelled cheque/ confirmation of wire transfer attached

Please list all payments made to you from 910234 Alberta Ltd and attach all available proof of the payment to the attached list. Proof of the payment would include a counterfoil (cheque stub), wire transfer confirmation or statement showing the payment. Furthermore please indicate whether the payment was classified as Principal, Interest, or Principal & Interest, and attach any evidence that this is the case to this questionnaire.

After completion of this schedule, please submit the completed questionnaire and schedules with supporting documents via e-mail to Guy Odhams: Guy.Odhams@ca.gt.com

Date received (DD-MMM-YY)	Amount received	Interest/ principal repayment	Cheque number/wire transfer number	Counterfoil (cheque stub)/ wire transfer confirmation attached	Statement attached

Exhibit 4

T5 SUMMARY - 2012

	JAN.	FEB.	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	TOTAL
Investor 1	$ 9,254.17	$ 4,254.17	$ 4,254.17	$ 9,254.17	$ 4,254.17	$ 4,254.17	$ 4,254.17	$ 4,254.17	$ 44,033.36
Investor 2	$ 1,250.00	$ 1,250.00	$ 1,250.00	$ 1,250.00	$ 1,250.00	$ 1,250.00	$ 1,250.00	$ 1,250.00	$ 10,000.00
Investor 3	$ 916.67	$ 916.67	$ 916.67	$ 916.67	$ 916.67	$ 916.67	$ 916.67	$ 916.67	$ 7,333.36
Investor 4	$ 870.83	$ 870.83	$ 870.83	$ 870.83	$ 870.83	$ 870.83	$ 870.83	$ 870.83	$ 6,966.64
Investor 5	$ 916.66	$ 916.66	$ 916.66	$ 916.66	$ 916.66	$ 916.66	$ 916.66	$ 916.66	$ 7,333.28
Investor 6	$ 366.67	$ 366.67	$ 366.67	$ 366.67	$ 366.67	$ 366.67	$ 366.67	$ 366.67	$ 2,933.36
Investor 7	$ 416.67	$ 416.67	$ 416.67	$ 416.67	$ 416.67	$ 416.67	$ 416.67	$ 416.67	$ 3,333.36
Investor 8	$ 62.50	$ 62.50	$ 62.50	$ 62.50	$ 62.50	$ 62.50	$ 62.50	$ 62.50	$ 500.00
Investor 9	$ 6,416.67	$ 6,416.67	$ 6,416.67	$ 6,416.67	$ 6,416.67	$ 6,416.67	$ 6,416.67	$ 6,416.67	$ 51,333.36
Investor 10	$ 1,504.17	$ 1,464.58	$ 1,425.00	$ 1,371.64	$ 1,345.83	$ -	$ -	$ -	$ 7,111.22
Investor 11	$ 874.99	$ 874.99	$ 874.99	$ 874.99	$ 874.99	$ 874.99	$ 874.99	$ 874.99	$ 6,999.92
Investor 12	$ 13,000.00	$ 5,500.00	$ 5,500.00	$ 13,000.00	$ 5,500.00	$ 5,500.00	$ 5,500.00	$ 5,500.00	$ 59,000.00
Investor 13	$ 691.67	$ 691.67	$ 691.67	$ 691.67	$ 691.67	$ 691.67	$ 691.67	$ 691.67	$ 5,533.36
Investor 14	$ 749.99	$ 749.99	$ 749.99	$ 749.99	$ 749.99	$ 749.99	$ 749.99	$ 749.99	$ 5,999.92
Investor 15	$ 916.67	$ 916.67	$ 916.67	$ 916.67	$ 916.67	$ 916.67	$ 916.67	$ 916.67	$ 7,333.36
Investor 16	$ 15,625.00	$ 3,750.00	$ 3,750.00	$ 15,625.00	$ 3,750.00	$ 3,750.00	$ 3,750.00	$ 15,625.00	$ 65,625.00
Investor 17	$ 208.33	$ 208.33	$ 208.33	$ 208.33	$ 208.33	$ 208.33	$ 208.33	$ 208.33	$ 1,666.64
Investor 18	$ 2,487.49	$ 1,137.49	$ 1,137.49	$ 2,487.49	$ 1,137.49	$ -	$ -	$ -	$ 8,387.45
Investor 19	$ 5,375.01	$ 5,375.01	$ 5,375.01	$ 5,375.01	$ 5,375.01	$ 5,375.01	$ 5,375.01	$ 5,375.01	$ 43,000.08
Investor 20	$ 687.50	$ 687.50	$ 687.50	$ 687.50	$ 687.50	$ 687.50	$ 687.50	$ 687.50	$ 5,500.00
Investor 21	$ 7,416.67	$ 7,416.67	$ 7,416.67	$ 7,416.67	$ 7,416.67	$ 7,416.67	$ 7,416.67	$ 7,416.67	$ 59,333.36
Investor 22	$ 2,166.67	$ 2,166.67	$ 2,166.67	$ 2,166.67	$ 2,166.67	$ 2,166.67	$ 2,166.67	$ 2,166.67	$ 17,333.36
Investor 23	$ 1,833.34	$ 1,833.34	$ 1,833.34	$ 1,833.34	$ 1,833.34	$ 1,833.34	$ 1,833.34	$ 1,833.34	$ 14,666.72
Investor 24	$ 1,312.50	$ 1,312.50	$ 1,312.50	$ 1,312.50	$ 1,312.50	$ 1,312.50	$ 1,312.50	$ 1,312.50	$ 10,500.00
Investor 25	$ 916.67	$ 916.67	$ 916.67	$ 916.67	$ 916.67	$ 916.67	$ 916.67	$ 916.67	$ 7,333.36
Investor 26	$ 733.33	$ 733.33	$ 733.33	$ 733.33	$ 733.33	$ 733.33	$ 733.33	$ 733.33	$ 5,866.64
Investor 27	$ 2,291.67	$ 2,291.67	$ 2,291.67	$ 2,291.67	$ 2,291.67	$ 2,291.67	$ 2,291.67	$ 2,291.67	$ 18,333.36
Total	$ 79,262.51	$ 53,497.92	$ 53,458.34	$ 79,129.98	$ 53,379.17	$ 50,895.85	$ 50,895.85	$ 62,770.85	$ 483,290.47
Gary Calmusky	$5,000.00	$ -	$ -	$ 5,000.00	$ 170,000.00				$180,000.00
Mary Calmusky					$ 200,000.00				$200,000.00
Total (Bank Statement)	$ 84,262.51	$ 53,497.92	$ 53,458.34	$ 84,129.98	$ 423,379.17	$ 50,895.85	$ 50,895.85	$ 62,770.85	$ 863,290.47
Investor 28	$666.66	$ 666.66	$ 666.66	$ 666.66	$ 666.66	$ 666.66	$ 666.66	$ 666.66	$5,333.28
Total	$ 84,929.17	$ 54,164.58	$ 54,125.00	$ 84,796.64	$ 424,045.83	$ 51,562.51	$ 51,562.51	$ 63,437.51	$ 868,623.75
Less: Line 38 and 39									-$ 380,000.00
Total Interest Paid									$ 488,623.75

TD

CALGARY WILLOW PARK
10816 MACLEOD TRAIL SE
CALGARY, AB T2J 5N8

TD Canada Trust

Tel: 1-866-222-3456
TTY: 1-800-361-1180

TDCDA11100_4839094_002 E D 00104 03274

910234 ALBERTA LTD
IN TRUST
110 HAWK'S LANDING DR
PRIDDIS AB T0L 1W0

Statement of Account		Account Type	Statement From - To
Branch No.	Account No.	BUSINESS CHEQUING ACCOUNT - CAD SERVICE PLAN 3	APR 30/12 - MAY 31/12
0104	7438-5210458		Page 1 of 1

DESCRIPTION	CHEQUE/DEBIT	DEPOSIT/CREDIT	DATE	BALANCE
BALANCE FORWARD			APR30	9,625.83
TD MORTGAGE	1,613.39	Lifestyle	MAY01	8,012.44
DEPOSIT		1,420,924.81	MAY15	
TRANSFER	AB a/c 798,101.99		MAY15	630,835.26
TD EFT S/C	53.55		MAY22	630,781.71
DEPOSIT		9,375.00	MAY25	640,156.71
W0142 TFR-TO 5200951	910234 10,000.00		MAY29	
PRFD-TPALB01041-0091	EFT 423,379.17	CRYSTAL	MAY29	206,777.54

0 CHQS ENCLOSED NEXT STATEMENT DATE IS JUN 29/12
MONTHLY AVER. CR. BAL. $309,720.17
MONTHLY MIN. BAL. $8,012.44
DEP CONTENT- CASH 0 ITEMS 4 UNC BATCH 0

	No.	Amount
Credits	2	1430,299.81
Debits	5	1233,148.10

-
-
-

Accounts issued by: THE TORONTO-DOMINION BANK

TDCDA11100_4839094_002 - 0009253
HRI - 00 - 1 - 1 - 20 - - 009833

November 12, 2012

Attention: Brenda Eisenberg
Jack Eisenberg
Eisenberg Properties

From: 910234 Alberta Ltd.

MESSAGE TO THE INVESTORS

Over the years 910234 Alberta Ltd. has enjoyed many successes which you as investors have participated in, including above-average rates of return and uninterrupted interest payments. Our records indicate that presently you have **$880,000 invested and since 2005, 910234 Alberta Ltd. has been able to generate in excess of $546,000 in interest income to you.** We are proud of what was attainable and it was a pleasure to have worked with you during this time.

Unfortunately, a series of events has made the current business unsustainable for the foreseeable future, leading us to have to analyze options for the restructuring of the business of the company, and to turn to the investors for approval of a proposal to undertake that restructuring to maximize the return of investment to the investors.

The following provides a brief overview of the events that have negatively impacted 910234 Alberta Ltd.'s business and led to the situation that we are in today.

- **Event # 1**

  910234 Alberta Ltd. was forced to foreclose on a mortgage that the borrower had defaulted upon. The company received a Judgment for the plaintiff in the amount of $450,000, plus interest and legal costs. Although a new buyer was eventually found for the property, it is very unlikely that the company will be paid back this outstanding judgment. For what it is worth, the borrower was also mentioned in the mortgage fraud that was in the papers a few years back involving the Bank of Montreal.

  Throughout this, 910234 Alberta Ltd. continued to make the interest payments uninterrupted to the investors on the entire amount of the loan for 8 months while a new buyer was found, and continued to make the interest payments on the $450,000 that was awarded in the Judgment but never recovered.

  The loss of the $450,000 plus the interest payments made until the interest payments were suspended to you in September of this year, totals approximately **$961,250.**

- **Event # 2**

910234 Alberta Ltd. found itself having to foreclose on 5 properties after the loan entered into default. Given market conditions at the time we were unable to find a buyer for the properties at a reasonable price, so the decision was made to build out the properties and put them up for sale. Without much improvement in the market and after much time and effort, 4 of the properties were sold netting a loss of $80,000.

The fifth property had a market value of $430,000 but the mortgage was improperly discharged by the law firm acting on behalf of 910234 Alberta Ltd. The company has brought legal action against the law firm who improperly discharged the mortgage on this fifth property. The lawsuit has been going on for a number of years and is just now into 'discoveries'. It is anticipated that this value will be recovered in the first half of 2013.

It is estimated that including the $80,000 lost on the 'build out' of the 4 properties plus the interest in arrears on the 5 properties plus the $430,000 that was improperly discharged, the total loss is **$897,160**.

- **Event # 3**

910234 Alberta Ltd. was involved in another foreclosure on a property that was partially completed. Unable to find a suitable buyer in this partially completed state, it was decided to finish the project. The property has just been completed and is up for sale.

Unfortunately, given the amount that had been advanced to the borrower ($1,600,000), the amount required to finish the property, and market conditions it is estimated that the loss on this property after real estate fees will likely be in the neighborhood of $450,000.

Including the interest in arrears, the total loss on the project is approximately **$770,000**.

- **Event # 4**

While the principle has been returned on this project none of the interest has been paid by the Borrower. Interest to be paid totals **$240,000**.

- **<u>Event # 5</u>**

  $135,000 was advanced to a Borrower prior to mortgage documents being finalized. Including interest which continued to be paid to investors the loss on this project is **$165,375**.

- **<u>Event # 6</u>**

  During the foreclosures and other legal proceedings, 910234 Alberta Ltd. has incurred legal fees totaling **$220,000** to date which has not been passed along to investors.

- **<u>Event # 7</u>**

  Currently there is an 'active' mortgage which matures and should be paid out over the next few months.

- **<u>Event # 8</u>**

  Currently there is an 'active' mortgage for which 910234 Alberta Ltd. has advanced $634,400 against a $1,800,000 property presently under construction. 910234 Alberta Ltd. has advised the Borrower that we will not be advancing further dollars against the project and that the Borrower is to arrange for alternate financing immediately.

As a result of these events, a restructuring of the business of the company is necessary. This can be done in one of three ways:

1. By this letter, an informal proposal is being made to the investors, by which the business relationship between the company and the investors is modified, with the consent of the investors, such that the company can continue in operation so as to maximize the recovery of investment money for the investors. This will require the consent of substantially all of the investors.

2. If the consent of substantially all of the investors for an informal proposal is not obtainable, the company will be forced to make a formal proposal pursuant to the *Bankruptcy and Insolvency Act*, whereby the same proposal will be advanced under the provisions of that Act. A *Bankruptcy and Insolvency Act* proposal is different from an informal proposal in that the Act can compel all of the creditors to accept the proposal if it is accepted by 50% plus 1 in number and two thirds in value of the investing creditors. If that

threshold is reached, the Act can hold that the proposal is binding upon creditors even if they voted against it. The downside to a formal *Bankruptcy and Insolvency Act* proposal is that it requires significant payment to a Bankruptcy Trustee to act in advising upon and monitoring the performance of the proposal, including quite expensive accounting functions. This uses funds which would otherwise be available for the investing creditors.

3. Finally, if a proposal under the *Bankruptcy and Insolvency Act* as required, but it does not reach the threshold of 50% +1 in number and two thirds in value, then the company will automatically become bankrupt and the assets within the company will be collected and distributed by a Bankruptcy Trustee. The distribution of assets by a Bankruptcy Trustee is unlikely to maximize recovery for the investing creditors, and this alternative has the maximum cost of any of the three alternatives which would be expected to lead to least possible recovery for the investing creditors.

The company is of the view that an informal proposal without the expense of a bankruptcy will yield the best recovery for the investing creditors.

PROPOSAL TO THE INVESTORS

1. The proposal being made to investors, in short, is that an orderly liquidation of the portfolio will be undertaken and the proceeds will be distributed to the investors as described herein. Additionally, steps will be taken by Mr. Calmusky to maximize the recovery of non-performing loans to the extent reasonably possible.

2. Unfortunately, at this time 910234 Alberta Ltd. does not have, nor will it have in the foreseeable future, sufficient cash flow to pay the monthly interest to investors that it has historically paid.

3. Presently client investments total $8,071,500. Of this amount, $1,519,000 is connected with investments with UBG (Unity Building Group), which unfortunately is under creditor protection (pursuant to the *Companies' Creditors Arrangement Act*).

4. As the UBG invested dollars will be dealt with separately, that leaves $6,552,500 to be addressed. ($8,071,500 - $1,519,000 = $6,552,500)

5. All active mortgages will be paid out over the next few months which, when liquidated, will allow for these funds to be re-paid to investors. These are Events # 7 & 8 which total $1,550,000.

6. Once the completed house (Event # 3) is sold it should net $1,350,000 to investors.

7. Once the lawsuit is settled (Event # 2), the proceeds, expected to be approximately $750,000, will be available to be returned to investors.

8. The $240,000 identified in Event # 4 will be vigorously pursued, and the amount recovered will be then available to be returned to investors.

9. Unfortunately, these steps, even if successful, will not return 100 cents on the dollar to the creditors. The anticipated results are summarized as follows:

Dollars Invested by Investors:	$8,071,500	
Less: UBG Dollars Invested:	$1,519,000	$6,552,500
Less:		
Repayment of Active Mortgages (Event # 7 & # 8):	$1,534,400	
Sale of Finished House (Event # 3)	$1,350,000	
Settlement of Lawsuit (Event # 2)	$ 750,000	
Interest received (Event # 4)	$ 240,000	$3,874,400
Projected Shortfall		$2,678,100

10. The basis of the proposal is that the shortfall be split as a percentage of dollars invested (not including UBG investments).

11. To continue to spend dollars for accounting and unnecessary legal costs drastically erodes the dollars available for disbursement, and this informal proposal minimizes that.

12. The shortfall, excluding the UBG investments is $2,678,100. This loss will be shared pro-rata.

13. Upon examination of Events #1-6 inclusive, it is apparent that over the years, investors have been over-paid interest income. In this regard, the second point of the Proposal is that to the extent possible all interest paid to the investors year to date will be characterized as return of principle. In most cases this will also be more advantageous for investors from a tax stand-point.

Mr. Calmusky has invested a lot of time and dollars into the business in the hope that it could be turned around. Many of the investors were friends to begin with while the remainder became friends over time. While it is noted that the losses identified in Events # 1 – 6 inclusive total $3,253,785, the shortfall to investors is $2,678,100. The difference of $575,685 is the cost paid by Mr. Calmusky personally of keeping the business going (this includes legal costs which have been paid). Mr. Calmusky has poured all of his personal resources into the business, and at this point he has exhausted all remaining personal funds to help carry the business.

Based upon the acceptance of this proposal by all investors, it is believed that dollars returned to investors would be in the 60-65 cents on the dollar invested. Aside from the liquidation of 'active' mortgages, it should be noted that return of further dollars will not be immediate, but is dependent upon factors such as sale of property and settlement of lawsuits.

The above mentioned proposal is deemed to be in the best interests of all investors as a group. It is hoped that with everyone's co-operation and everyone pulling together, that the acceptance of this proposal will maximize the return of invested dollars in the most timely and cost effective manner.

We look forward to discussing these unfortunate circumstances with you, and in moving forward to maximize the recovery for the creditors.

910234 Alberta Ltd.
Per:

Randy Calmusky