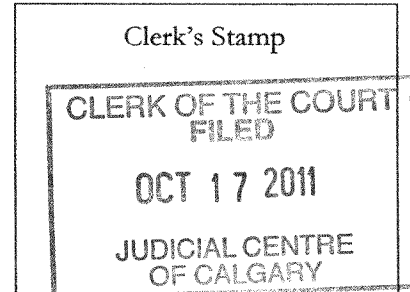


COURT FILE NUMBER 0201-13248
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
APPLICANT: KENDAX INVESTMENTS INC.
RESPONDENTS: DONALD CARMICHAEL, 658051 ONTARIO LIMITED AND
KINGSCROFT INVESTMENTS LIMITED
INTERESTED PARTY: BONAVENTURE SMALL INVESTORS GROUP
DOCUMENT: **VOLUME 1 OF 2**

**JUDICIAL TRUSTEE'S FIFTH SPECIAL REPORT
TO THE BENEFICIAL OWNERS OF CONDOMINIUM PLAN
8811686, UNITS 1 TO 195,
205 HERITAGE DRIVE S.E., CALGARY, ALBERTA
("BONAVENTURE COURT" OR THE "PROPERTIES")**

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File No.: 58585-1



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OWNERS OF CONDOMINIUM PLAN 8811686, UNITS 1 TO 195,
205 HERITAGE DRIVE SE, CALGARY, ALBERTA**

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EXECUTIVE SUMMARY

1. The Judicial Trustee's first three Special Reports dealt with the accounting for Bonaventure Court's activities for the years ended December 31, 1989 to 2007. As ordered by this Honourable Court on September 7, 2010, the Fourth Special Report contained information on 21 of the 50 units in the Properties that have ownership dispute issues associated with them, with the 29 units being claimed by Kendax and various other parties to be the subject of a future report. This, the Judicial Trustee's Fifth Special report, addresses the 29 units that were excluded from the Fourth Special Report.
2. A summary table of the 29 units involved in terms of the nature of the dispute (as defined further on within the report) and category of claimants involved is as follows:

Nature of Dispute	Category of Claimants (# of units)			
	Kendax	BSIG	Individual	Total
Assignment Related Issues				
1 a – Dr. Kalina units	7	7		7
1 b – Dr. Moore units	7	7		7
1 c – Dr. Painvin units	6	6		6
1 d – Dr. Healey units	5	5		5
Sub-total – Assignment related issues	25	25		25
Default Issues				
2 a – Default Details Unknown units	3	3		3
2 b – Default Disputed unit	1	1	1	1
Sub-total – Default related issues	4	4	1	4
Grand Total	29	29	1	29

3. The Judicial Trustee's recommendations on the ownership disputes, summarized by nature of dispute based on the table above, are as follows:
 - 1 a-d – the Judicial Trustee's recommendation on the beneficial entitlement to the proceeds held in trust and attributed to these units has been deferred to the Judicial Trustee's legal counsel pending the results of their research into legal issues associated with the assignment of the underlying promissory notes on these units.
 - 2 a – the beneficial entitlement to the proceeds held in trust and attributed to these units be regarded as Kendax's, subject to set-off claims as outlined within this report.
 - 2 b – the funds held in trust attributed to this unit remain in trust pending the results of the Judicial Trustee's further investigations.

ACCESS TO INFORMATION AND DEFINED TERMS

1. Copies of all Court Orders referred to and certain other Court documents are posted at www.bonaventurecourt.com. Copies of any other filed Court documents are available from the Judicial Trustee upon request.

Defined terms

2. Defined terms used within this report are defined as follows:
 - a. 658 – 658051 Ontario Limited (one of the Respondents)
 - b. Applicant – Kendax Investments Inc.
 - c. Beneficial Owner(s) - Known or alleged beneficial owners of units in Bonaventure Court.
 - d. Bonaventure Court – Units 1-195, Condominium Plan 8811686, located at 205 Heritage Drive SE, Calgary, AB.
 - e. BSIG - Bonaventure Small Investors Group, an Interested Party to these proceedings, comprised of various Beneficial Owners.
 - f. Court - Court of Queen's Bench of Alberta.
 - g. Judicial Trustee - Alger & Associates Inc., in its capacity as the Court-appointed Judicial Trustee of Bonaventure Court.
 - h. Kendax – Kendax Investments Inc.
 - i. Kingscroft – Kingscroft Investments Ltd. (one of the Respondents)
 - j. PN – Promissory Note.
 - k. POC – Proof of Ownership Claim arising from the claims process approved by the Court on May 25, 2006.
 - l. Properties – Bonaventure Court.

- m. Proportionate Share – defined term from the UPA for the share of the overall Properties applicable for the 75 one-bedroom units and 120 two-bedroom units. These Proportionate Shares from the UPAs are 0.43436% for one-bedroom units and 0.56185% for two-bedroom units (grossed-up by 100/99.999 to adjust for the fact these Proportionate Share percentages do not add up exactly to 100%).
- n. Respondents - Donald Carmichael, 658051 Ontario Limited and Kingscroft Investments Ltd.
- o. T776 – Canada Revenue Agency Form T776 - Statement of Real Estate Rentals.
- p. Trust Funds – proceeds/funds from the net rental income and sale of the Properties, which funds remain in trust with the Judicial Trustee.
- q. Units – one of the 75 one-bedroom units or 120 two-bedroom units in Bonaventure Court.
- r. UPA - Unit Purchase Agreement.

BACKGROUND/SCOPE/LIMITATIONS

- 3. On September 7, 2010, the Court approved the methodology and process for resolving the ownership disputes over the applicable 50 units in Bonaventure Court. A copy of the September 7, 2010 Court Order is contained as **Appendix 1** to this report.
- 4. As contemplated within the above Court Order, one of the pieces of evidence for the applicable parties to rely upon in the application to be scheduled before Madam Justice Horner is to be the Judicial Trustee's Fourth Special Report (erroneously referred to as Third Special Report within that Order). The Fifth Special Report represents a continuation and extension of the Fourth Special Report.
- 5. This Fifth Report is filed for this purpose and is based upon information obtained from the following sources:
 - a. The POCs received by the Judicial Trustee arising from the 2006 POC process authorized by the Court on May 25, 2006.

- b. Subsequent and prior information provided to the Judicial Trustee by the applicable parties either upon the request of the Judicial Trustee to provide additional information or as independently provided to the Judicial Trustee by the party in question.
 - c. Information obtained from the Respondents' correspondence files, which were provided to the Judicial Trustee by the Respondents in 2003 and which are located at the offices of the Judicial Trustee's agent in Toronto.
6. As contemplated within the September 7, 2010 Court Order, this Fifth Special Report represents but one of many sources of evidence available to the parties to the dispute and as such this report should not be viewed as the authoritative source of information on the unit or units in question.
7. The Judicial Trustee reserves the right to amend the information contained in this report based upon the receipt of additional information.

DETAILED ANALYSIS/INFORMATION BY CATEGORY/UNIT

Units with Assignment Related Issues

8. The beneficial ownership of the 25 units that fall into this category have been claimed by:
- a. Kendax
 - b. BSIG (on behalf of all Beneficial Owners)
9. These 25 units are broken down into four groups denoted with the names of the Doctors that were one of the previous Beneficial Owners of these units prior to their assignment of these units to Kendax as described further within this report:
- a. Dr. Kalina – 7 units.
 - b. Dr. Moore – 7 units.
 - c. Dr. Painvin – 6 units.
 - d. Dr. and Mrs. Healey – 5 units.

10. The beneficial ownership lineage of these units, plus 14 additional units previously claimed by Kendax, was contained in a table attached as Appendix 13 of the Judicial Trustee's Third Special Report. This table, less the 14 aforementioned units, has been reproduced and attached as **Appendix 2** to this report.
11. The claimants against these 25 units and the support provided therefor is as follows:
12. Kendax
 - a. POC filed – Kendax filed a POC on July 28, 2006. A copy of the POC is attached as **Appendix 3** to this report.
 - b. Subsequent Information/Correspondence – additional information on these units, as further outlined below, was obtained in correspondence received from counsel for Kendax on May 8, 2009, which correspondence was attached as Appendix 11 to the Judicial Trustee's Third Special Report. This correspondence, minus the attachments, has been attached as **Appendix 4** to this report.
13. BSIG
 - a. POC filed – BSIG's claim against these units was made by way of POC filed on May 5, 2009. A copy of this POC is attached as **Appendix 5** to this report.
 - b. Subsequent Information/Correspondence – on October 7, 2011, the Judicial Trustee provided BSIG's representative that submitted the POC with additional information obtained from Kendax since the May 5, 2009 date of the POC and inquired as to any additional information they required to support their ownership dispute. As at the date of this report, BSIG's counsel has responded that they and their client are in the process of reviewing the additional information provided by Kendax.
14. The following is an analysis on each of the four groups of units.

Dr. Kalina Units (Units 63, 86, 102, 145, 151, 167, 195)

15. The Judicial Trustee's analysis of this group of units previously beneficially owned by Dr.

Kalina is as follows:

16. Unit Purchase Agreements

- a. As outlined on page 4 of the May 8, 2009 letter from AG Young attached as Appendix 4 to this report, in 1992 Dr. Kalina executed standard-form UPAs for the 7 units noted above with the Respondents.
- b. These units represented 7 of the 20 units that Joyce Kendall had transferred to Kendax and which Kendax had thereafter hired a Cliff Sabirsh, as agent, to sell to third parties.
- c. The UPA documents for Dr. Kalina were all executed with the Respondents, but Kendax claims, by virtue of a verbal agency arrangement between Kendax and the Respondents, the promissory note entitlements were assigned to Kendax. This relationship was inquired upon of Kendax in correspondence between May and June 2009 and was included as Appendix 12 of the Judicial Trustee's Third Special Report. This correspondence has been attached as **Appendix 6** to this report.

17. Debt Settlement Agreements

- a. On May 19, 1994, Dr. Kalina executed various Debt Settlement Agreements for the 7 units noted above transferring beneficial ownership of the units to Kendax effective April 1, 1994.
- b. Copies of these Debt Settlement Agreements and related materials are attached as **Appendix 7** to this report.

18. Subsequent Sale of Units to Edward Shallow

- a. As outlined in the correspondence attached as Appendix 6 to this report, in April 1994 Kendax re-sold these 7 units to an Edward Shallow (with apparent typographical errors on UPAs noting the year as 1993).
- b. As contained in Kendax's POC, on January 1, 1998, Edward Shallow, Kendax and the Respondents entered into a Purchase and Sale Agreement transferring beneficial ownership of 3 of the 7 units above to Kendax. A similar agreement dated January 1, 1999 was entered into between the above parties transferring beneficial ownership of the other 4 of the 7 units to Kendax. Copies of these Purchase and Sale Agreements are

attached as **Appendix 8** to this report.

19. Judicial Trustee's Recommendation – the Judicial Trustee is deferring any recommendation on the beneficial entitlement to the proceeds held in trust and attributed to these 7 units to its legal counsel following their research into the permissibility of the assignment of the promissory notes underlying these units from Kingscroft and 658 to Kendax.

Dr. Moore Units (Units 29, 65, 78, 82, 95, 120, 186)

20. The Judicial Trustee's analysis of this group of units previously beneficially owned by Dr. Moore is as follows:
21. Assignment Agreements
 - a. On June 16, 1994, Kingscroft and 658 executed various Assignment Agreements with Kendax related to the promissory notes on the 7 units noted above, which agreements and related materials are attached as **Appendix 9** to this report.
 - b. BSIG has questioned the permissibility of the assignment of the promissory notes from Kingscroft and 658 to Kendax. The Judicial Trustee has referred this matter to its legal counsel.
22. Debt Settlement Agreements
 - a. On January 31, 1998 Dr. Moore executed various Debt Settlement Agreements for the 7 units noted above transferring beneficial ownership of the units to Kendax.
 - b. Copies of these Debt Settlement Agreements and related materials are attached as **Appendix 10** to this report.
23. Judicial Trustee's Recommendation – the Judicial Trustee is deferring any recommendation on the beneficial entitlement to the proceeds held in trust and attributed to these 7 units to its legal counsel following their research into the permissibility of the assignment of the promissory notes underlying these units from Kingscroft and 658 to Kendax.

Dr. Painvin Units (Units 20, 21, 24, 52, 97, 133)

24. The Judicial Trustee's analysis of this group of units previously beneficially owned by Dr. Painvin is as follows:
25. Assignment Agreements
 - a. On December 1, 1992, Kingscroft and 658 executed various Assignment Agreements with Kendax related to the promissory notes on the 6 units noted above, which agreements and related materials are attached as **Appendix 11** to this report.
 - b. BSIG has questioned the permissibility of the assignment of the promissory notes from Kingscroft and 658 to Kendax. The Judicial Trustee has referred this matter to its legal counsel.
26. Minutes of Settlement
 - a. On December 30, 1998, following litigation between Dr. Painvin and Kendax, amongst other parties, a Minutes of Settlement agreement was executed between the various parties transferring beneficial ownership of the 6 units to Kendax.
 - b. Copies of the Minutes of Settlement are attached as **Appendix 12** to this report.
27. Judicial Trustee's Recommendation – the Judicial Trustee is deferring any recommendation on the beneficial entitlement to the proceeds held in trust and attributed to these 6 units to its legal counsel following their research into the permissibility of the assignment of the promissory notes underlying these units from Kingscroft and 658 to Kendax.

Dr. and Mrs. Healey Units (Units 33,112,135, 166, 184)

28. The Judicial Trustee's analysis of this group of units previously beneficially owned by Dr. and Mrs. Healey is as follows:
29. Unit Purchase Agreements
 - a. As outlined on page 4 of the May 8, 2009 letter from AG Young attached as Appendix 4

to this report, in 1992 Dr. and Mrs. Healey executed standard-form UPAs for the 5 units noted above with the Respondents.

- b. These units represented 5 of the 20 units that Joyce Kendall had transferred to Kendax and which Kendax had thereafter hired a Cliff Sabirsh to sell to third parties.
- c. The UPA documents for Dr. and Mrs. Healey were all executed with the Respondents, but by virtue of a purported verbal agency arrangement between Kendax and the Respondents, the promissory note entitlements were assigned to Kendax. This relationship was inquired upon of Kendax in correspondence between May and June 2009 and was included as Appendix 12 of the Judicial Trustee's Third Special Report. This correspondence has been attached as Appendix 6 to this report.

30. Debt Settlement Agreements

- a. On February 27, 1997, Dr. and Mrs. Healey executed various Debt Settlement Agreements for the 5 units noted above transferring beneficial ownership of the units to Kendax effective January 1, 1997.
- b. Copies of these Debt Settlement Agreements and related materials are attached as **Appendix 13** to this report.

31. Judicial Trustee's Recommendation – the Judicial Trustee is deferring any recommendation on the beneficial entitlement to the proceeds held in trust and attributed to these 5 units to its legal counsel following their research into the permissibility of the assignment of the promissory notes underlying these units from Kingscroft and 658 to Kendax.

Units Purchased by Kendax from Respondents Following Default

32. The beneficial ownership of the 4 units that fall into this category have been claimed by:
- a. Kendax
 - b. BSIG (on behalf of all Beneficial Owners)
 - c. Jacqueline Jean-Baptiste (Unit 114)
33. These 4 units have been broken down into two groups as follows:

- a. Default Details Unknown – 3 units
 - b. Default Disputed – 1 unit
34. The following is an analysis on each of these two groups.

Default Details Unknown - Units 68 (Apt. 2310); 92 (Apt. 3205); 139 (Apt. 4303)

35. The Judicial Trustee’s analysis of this group of units previously beneficially owned by various owners and each of the current claimants against this group of units is as follows:
36. Kendax
- a. POC filed – as discussed previously, a copy of Kendax’s July 26, 2006 POC is attached as Appendix 3 to this report.
 - b. Subsequent Information/Correspondence – an inquiry has been made by the Judicial Trustee to Kendax on October 10, 2011 for an explanation as to the anomalous dating situation outlined in the Unit Purchase Agreement discussions below as well as to Kendax’s knowledge of the circumstances surrounding the default and forfeiture of these units to the Respondents prior to their re-sale to Kendax. No response has been received as of yet.
37. BSIG
- a. POC filed – as discussed previously, a copy of BSIG’s May 5, 2009 POC is attached as Appendix 5 to this report.
 - b. Subsequent Information/Correspondence – as discussed previously, on October 7, 2011, the Judicial Trustee provided BSIG’s representative that submitted the POC with additional information obtained from Kendax since the May 5, 2009 date of the POC and inquired as to any additional information they required to support their ownership dispute. As at the date of this report, BSIG’s counsel has responded that they and their client are in the process of reviewing the additional information provided by Kendax.

38. Unit Purchase Agreements

- a. The Unit Purchase Agreements between Kendax and the Respondents and receipts for the \$5,000 payment per unit are attached as **Appendix 14** to this report.
- b. Although all of the Unit Purchase Agreements attached as Appendix 14 are dated November 8, 1996, the \$5,000 payment receipts from the Respondents all have different dates with unit 68 (Apt. 2310) being dated April 2, 1998, unit 92 (Apt. 3205) being dated May 14, 1998 and unit 139 (Apt. 4303) being dated June 10, 1998.

39. Previous Owners of Units

- a. Based on the outstanding PN schedule of the Respondents dated July 25, 1994, which schedule was attached as Appendix 7 of the Judicial Trustee's Third Special Report and the Judicial Trustee's review of the T776's issued for these units for the years prior to 1996, the parties that were previous Beneficial Owners and/or who owed PNs to the Respondents for these units were as follows:
 - Unit 68 (Apt. 2310/B-310) – Roger Prince
 - Unit 92 (Apt. 3205/C-205) – Pasha Syed
 - Unit 139 (Apt. 4303/D-303) – Carlos Borges
- b. Prior to the 2006 claims process, unit 139 was listed by both the Respondents and Kendax as being in the beneficial ownership of the Respondents and Unit 142 in the beneficial ownership of Kendax, but during the 2006 proof of claim process, this situation reversed itself. There is no further background to this situation.
- c. Aside from the above-noted inquiry to Kendax on their knowledge of any circumstances surrounding the default of these units, on October 10, 2011 the Judicial Trustee sent an e-mail inquiry to the Respondents for information they had on the default of these units and the anomalous dating situation. On October 12, 2011 the Judicial Trustee received an e-mail response from the Respondents stating: "I'll get back to you." A copy of the e-mail inquiry and response is attached as **Appendix 15**.

- d. Based on the records available to it and the fact the Judicial Trustee has no way to get in contact with the above individuals, the Judicial Trustee is unable to determine the background to the default and forfeiture of these units to the Respondents. Therefore the Judicial Trustee is unable to determine if relief from forfeiture, as explained within the Judicial Trustee's analysis in its Fourth Special Report, would be applicable to these units.
40. Judicial Trustee's Recommendation – the Judicial Trustee is recommending that the beneficial entitlement to the proceeds held in trust and attributed to these 3 units be regarded as Kendax's, subject to set-off claims arising from the unit accounting for the Properties and related litigation commenced by the Judicial Trustee against Kendax.

Default Disputed - Unit 114 (Apt. 3407)

41. The Judicial Trustee's analysis of this unit and each of the current claimants against this unit is as follows:
42. Kendax
- a. POC filed – as discussed previously, a copy of Kendax's July 26, 2006 POC is attached as Appendix 3 to this report.
 - b. Subsequent Information/Correspondence – as discussed previously, an inquiry has been made by the Judicial Trustee to Kendax on October 10, 2011 for an explanation as to the anomalous dating situation outlined in the Unit Purchase Agreement discussions below as well as to Kendax's knowledge of the circumstances surrounding the default and forfeiture of these units to the Respondents prior to their re-sale to Kendax. No response has been received as of yet.
43. BSIG
- a. POC filed – as discussed previously, a copy of BSIG's May 5, 2009 POC is attached as Appendix 5 to this report.
 - b. Subsequent Information/Correspondence – as discussed previously, on October 7, 2011, the Judicial Trustee provided BSIG's representative that submitted the POC with

additional information obtained from Kendax since the May 5, 2009 date of the POC and inquired as to any additional information they required to support their ownership dispute. As at the date of this report, BSIG's counsel has responded that they and their client are in the process of reviewing the additional information provided by Kendax.

44. Jacqueline-Jean Baptiste

- a. POC filed – Ms. Jean-Baptiste's claim against this unit was made by way of POC filed on July 6, 2006. A copy of this POC and the POC for unit 136 also claimed by Ms. Jean-Baptiste are attached as **Appendix 16** to this report. The reason both POCs are included is because we believed that Ms. Jean-Baptiste mixed up her claims against the two units with the disputed defaulted unit 114 being listed as unit 136, for which unit there is no dispute, and vice-versa. This was confirmed in the subsequent correspondence below.
- b. Subsequent Information/Correspondence – an inquiry was made by the Judicial Trustee to Ms. Jean-Baptiste on October 10, 2011 for the unit discrepancy noted above and also for additional information surrounding the default and forfeiture of this unit. A copy of the e-mail inquiry and Ms. Jean Baptiste's response to it, including referenced materials sent by Expresspost, is attached as **Appendix 17** to this report.

45. Unit Purchase Agreement (Respondents-Kendax)

- a. The Unit Purchase Agreement between the Respondents and Kendax and the receipt for the \$5,000 payment for the unit are attached as Appendix 14 to this report.
- b. Although the Unit Purchase Agreement included within Appendix 14 is dated November 8, 1996, the \$5,000 payment receipt from the Respondents is dated May 21, 1997.
- c. The POC from Ms. Jean-Baptiste notes that she ceased making interest payments on the PN in 1998, which information is inconsistent with a resale of the unit by the Respondents to Kendax in a Unit Purchase Agreement dated November 3, 1996 or even a purchase receipt dated May 21, 1997. For this reason, the Judicial Trustee is attempting to obtain information from Kendax and Ms. Jean-Baptiste on this anomalous situation.
- d. Aside from inquiries to Kendax and Ms. Jean-Baptiste, on October 10, 2011 the Judicial

Trustee sent an e-mail inquiry to the Respondents for additional information on the default of this unit. On October 12, 2011 the Judicial Trustee received an e-mail response from the Respondents stating: "I'll get back to you." A copy of the e-mail inquiry and response is attached as Appendix 15.

46. Correspondence File

- a. The Respondents' correspondence file for Ms. Jean-Baptiste is attached as **Appendix 18** to this report.
- b. The correspondence file contains voluminous information on the monthly interest cheque payment history of Ms. Jean-Baptiste, which appears to have ceased in December 1995, and difficulties in same being encountered by her, including requests in 1994 by Ms. Jean-Baptiste for the Respondent to sell the unit in order to eliminate her ongoing interest burden. However, it contains nothing regarding the default and forfeiture of the unit to the Respondents that would have been required for the Respondents to sell the unit to Kendax in the November 8, 1996 Unit Purchase Agreement attached as Appendix 14 (with a \$5,000 payment receipt from the Respondents dated May 21, 1997).

47. Forfeiture and PN Analysis

- a. Even should the information requested from the parties above (and further investigations thereon) reveal that this unit was improperly forfeited by Ms. Jean-Baptiste in the 1996-1998 time frame and that the sale of the unit to Kendax by the Respondents should be voided, the issue of the outstanding PNs would still have to be addressed.
- b. Using the same methodology outlined in the Judicial Trustee's Fourth Special Report, the outstanding PN's for this unit, inclusive of accrued interest at 12%, would vary from:
 - a low of \$134,000 if interest payments by Ms. Jean-Baptiste ceased and forfeiture occurred in mid-1998 (i.e. her POC notes a 1998 time frame for which the Judicial Trustee has selected the mid-point during the year for expediency purposes); to
 - a high of \$179,000 if interest payments by Ms. Jean-Baptiste ceased and forfeiture occurred in January 1996 (i.e. the month immediately after the December 1995 date of

the last cheque for monthly interest payments contained in the correspondence files attached as Appendix 16 to this report. 1995 was also the last year that a T776 was issued to Ms. Jean-Baptiste for this unit).

Copies of the Judicial Trustee's PN schedules for this unit under the above assumptions are attached as **Appendix 19** to this report.

- c. As a result of this factor, depending on the appropriate date for the PN's interest accrual commencement, there would little to no equity in the units available for Ms. Jean-Baptiste based on the information contained in the maximum realization analysis for unit 114 attached as **Appendix 20** to this report, which analysis contains a maximum realization value for this unit of \$155,000.
- d. However, because the PN set-off proceeds would accrue to the benefit of all Beneficial Owners (i.e. by virtue of the set-off amounts owing by the Respondents to the Properties), there may be an issue related to the proper determination of beneficial entitlement to the proceeds held in trust and attributed to this unit relative to having this accrue to the benefit of Kendax if they are determined to be the rightful beneficiary of the entitlement to the proceeds held in trust and attributed to this unit.

48. Judicial Trustee's Recommendation – the Judicial Trustee is recommending that the proceeds held in trust attributed to this unit remain in trust pending further investigations into the above matters and the fact situation surrounding this unit expanded.

REVISED PROPORTIONATE SHARE

49. Any further work on revising proportionate shares as outlined within the Judicial Trustee's Fourth Special Report will be deferred pending decisions on the beneficial ownership of the units, the outcome of which will affect this exercise.

SERVICE OF REPORT

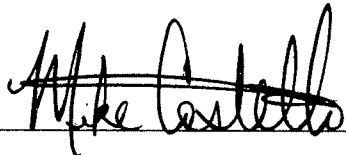
50. This report has been sent to the parties, the Beneficial Owners and other interested parties via e-mail, where available, or via mail where not available. If recipients wish to receive a copy of future reports and other information from the Judicial Trustee via e-mail, please

contact the Judicial Trustee. Similarly, if recipients wish to receive copies of future reports and other information via mail, please contact the Judicial Trustee. The Judicial Trustee can be contacted by telephone at 403-298-5800, toll-free at 1-800-661-8284, or via e-mail at Michael.Costello@ca.gt.com or Bruce.Alger@ca.gt.com.

DATED this 13th day of October, 2011.

Yours truly,

ALGER & ASSOCIATES INC.

Per: 
Michael Costello

TO: Court of Queen's Bench of Alberta

AND TO: Respondents
Attention: Donald Carmichael

AND TO: A.G. Young Legal Centre
Co-Counsel for the Applicant
Attention: Anthony G. Young

AND TO: Davis LLP
Co-Counsel for the Applicant
Attention: James A. Bancroft

AND TO: Burnet, Duckworth & Palmer LLP
Counsel for the Judicial Trustee
Attention: Doug Nishimura

AND TO: Fraser Milner Casgrain LLP
Counsel for Bonaventure Small Investors Group
Attention: David LeGeyt

AND TO: The other Beneficial Owners and purported Beneficial Owners and other interested parties.