

November 20, 2015

Tel: 604-640-3060
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To the Creditors of Equishare Mortgage Investment Corporation

Dear Sirs/Mesdames:

**Re: In the Matter of the Proposal of
Equishare Mortgage Investment Corporation (“Equishare” or the “Company”)**

We enclose a notice of the meeting of creditors which is to be held on November 30, 2015 at 10:00 a.m. at the offices of Deloitte Restructuring Inc. (“Proposal Trustee”), 2800-1055 Dunsmuir Street, Vancouver, British Columbia.

The purpose of this meeting is to consider the proposal made by Equishare (the “Proposal”) to its creditors with claims outstanding as at November 17, 2015, the date of filing the Proposal. This Proposal is being made pursuant to the provisions of the *Bankruptcy and Insolvency Act*.

To assist you in evaluating the Proposal we also enclose the Proposal Trustee’s Preliminary Report to Creditors. This report provides you with background information, the Company’s estimated financial position as at November 17, 2015, a summary of the Proposal and proposal process, and a recommendation of the Proposal Trustee.

We also enclose:

- Copy of Equishare’s Proposal dated November 17, 2015;
- Statement of Affairs showing the assets and liabilities of Equishare as at November 17, 2015;
- List of known credits affected by the Proposal;
- Voting letter; and
- Proof of claim and general proxy form.

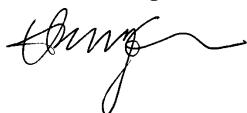
Additional information with respect to these proceedings can be found on our website at <http://www.insolvencies.deloitte.ca/equishare>.

Should you have any questions regarding these proceedings or completion of any of the enclosure documents, please do not hesitate to contact Mr. Ilya Margulis at (604) 640-3044.

Yours truly,

DELOITTE RESTRUCTURING INC.

In its capacity as the Trustee in the Proposal of
Equishare Mortgage Investment Corporation
and not in its personal capacity



Per: Huey Lee, MBA, CPA, CMA, CIRP
Proposal Trustee

District of: British Columbia
Division No. 03 - Vancouver
Court No. B-151011
Estate No. 11-2058561

FORM 92
Notice of Proposal to Creditors
(Section 51 of the Act)

In the matter of the proposal of
Equishare Mortgage Investment Corporation
of the City of Qualicum Beach, in the Province of British Columbia

Take notice that Equishare Mortgage Investment Corporation of the City of Qualicum Beach in the Province of British Columbia has lodged with us a proposal under the Bankruptcy and Insolvency Act.

A copy of the proposal, a condensed statement of the debtor's assets, and liabilities, and a list of the creditors affected by the proposal and whose claims amount to \$250 or more are enclosed herewith.

A general meeting of the creditors will be held at 2800 - 1055 Dunsmuir Street, PO Box 49279, Vancouver, BC on the 30th day of November 2015 at 10:00 AM.

The creditors or any class of creditors qualified to vote at the meeting may by resolution accept the proposal either as made or as altered or modified at the meeting. If so accepted and if approved by the court the proposal is binding on all the creditors or the class of creditors affected.

Proofs of claim, proxies and voting letters intended to be used at the meeting must be lodged with us prior to the commencement of the meeting.

Dated at the City of Vancouver in the Province of British Columbia, this 20th day of November 2015.

Deloitte Restructuring Inc. - Trustee



2800 - 1055 Dunsmuir Street, PO Box 49279
Vancouver BC V7X 1P4
Phone: (604) 534-0921 Fax: (604) 534-7429

District of British Columbia
Division No. 03 - Vancouver
Court No. B-151011
Estate No. 11-2058561

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE PROPOSAL OF
EQUISHARE MORTGAGE INVESTMENT CORPORATION

TRUSTEE'S PRELIMINARY REPORT TO CREDITORS

BACKGROUND

Equishare Mortgage Investment Corporation (“Equishare” or the “Company”) is a mortgage lender that operates from Qualicum Beach, British Columbia. The Company’s shares are privately held by a broad base of investors.

Equishare was incorporated in 2007 to provide mortgages for real estate projects in British Columbia. One such mortgage was to Channel Ridge Properties Ltd (“CRP”), which planned a development of over 400 units on a 900-acre mountaintop area on Salt Spring Island (the “Salt Spring Project”). Equishare provided financing to CRP secured by mortgages totalling \$34.6 million.

A senior lender to CRP that had provided funding through a demand loan facility withdrew its funding in the midst of the economic crisis of 2008. CRP was ultimately able to find alternative financing through Mission Creek Mortgage Ltd. (“Mission Creek”) and by granting Mission Creek security senior to that held by Equishare. Following the refinancing process, Equishare funded over \$1 million per month to CRP for ongoing development of the Salt Spring Project lots.

The board of directors of Equishare (the “Board”) was replaced by its shareholders at a Special General Meeting held in September 2012. The new Board spent an extensive amount of time

exploring other real estate investment opportunities and ways in which it could revive the Salt Spring Project.

In the late fall of 2012, the Board developed several possible options to assist CRP with the Salt Spring Project. CRP held several information sessions with its own investors and invited Equishare shareholders to attend.

On December 6, 2012, Equishare held its Annual General Meeting and communicated various options to its shareholders for the revival of the Salt Spring Project. This included determining if there was an appetite from shareholders to invest further capital in to the Salt Spring Project. There were further conversations with major shareholders in early 2013 with respect to the Salt Spring Project. Through this process, Equishare determined that the majority of shareholders did not want to pursue any of the options for the Salt Spring Project. Due to continued problems with the Salt Spring Project and resultant cash flow pressures, Mission Creek appointed a Receiver over CRP and the Salt Spring Project in April 2013.

The Receiver initiated a sales process for the Salt Spring Project. The Board understands that the Receiver was ultimately unable to complete a transaction due to a moratorium placed on all future development on North Salt Spring Island by Salt Spring Waterworks District. The moratorium was put in place due to concerns of an inadequate source water capacity in the area.

The mortgages granted by CRP are Equishare's primary asset. As the mortgages rank subordinate to Mission Creek's mortgages and Equishare's ability to make recovery on them is uncertain, the Board sought alternative sources of funding in order to continue operating the Company as a going concern. With the assistance of financial advisors, Equishare initiated a strategic review process, which included the consideration of all reasonable options for monetizing Equishare's assets. Due to the impairment of the Company's mortgage investment in CRP, the Board ultimately decided that the greatest value remaining in the Company was in its tax attributes. Accordingly, Equishare concluded that it was in its best interests to seek creditor

protection under the *Bankruptcy and Insolvency Act* (“BIA”), with the intent being to reorganize its capital structure and continuing as a going concern by filing a proposal under Part III, Division I of the BIA (the “Proposal”). Under the terms of the Proposal, shares in the Company will be issued to Peterson Investment Group Inc. (“Peterson”) for consideration of \$800,000 (the “Transaction”), with all existing shares being cancelled. The Company filed the Proposal with the Office of the Superintendent of Bankruptcy on November 17, 2015.

The Company’s last audited financial statements were for the fiscal year ended April 30, 2011 (“FY11”). As the Company has not had sufficient funds in recent years to have its financial statements audited, Notice to Reader financial statements were prepared for the fiscal year ended April 30, 2012 (“FY12”). Only internal management statements have been prepared for the fiscal years ended April 30, 2013 (“FY13”), April 30, 2014 (“FY14”), and for the nine-month period to January 31, 2015 (“FY15”). Due to the financial difficulties encountered by CRP, there have not been any revenues recognized during any of the periods from FY11 to FY15. As a result of the difficulties experienced on the Salt Spring Project and the CRP receivership proceedings, the Company incurred significant legal costs of \$366,000 between FY12 and FY13. Activity decreased in FY14 onward, resulting in only minimal expenses and net losses in FY14 and FY15. As at January 31, 2015, the Company reported a cash balance of \$45.

The Company’s Statement of Affairs shows unsecured liabilities outstanding at the time of the filing of the Proposal in the amount of \$280,000 and secured liabilities owing to one creditor in the amount of \$520,000.

STRATEGIC OPTIONS ASSESSMENT

Following the difficulties experienced with the Salt Spring Project, the Board received numerous inquiries regarding the sale of the Company to real estate developers who had an interest in recapitalizing the Company to continue its operations as a real estate lender and investor, and to utilize its tax attributes.

Several management consulting and accounting firms brought potential purchasers to Equishare.

KPMG LLP (“KPMG”) was engaged as a financial advisor by Equishare to run a sales process aimed at maximizing value for creditors and shareholders. KPMG conducted a comprehensive search over eight months, contacting over 25 potential interested parties. Negotiations ultimately proceeded with Peterson. A letter of intent was signed in March 2015 and extensive due diligence was performed by Peterson. The Equishare Board continued to keep its shareholders informed and spoke with several creditors related to the Salt Spring Project to apprise them of the potential outcome in the event of a successful transaction.

Although the proposed Transaction will not produce sufficient net proceeds to allow a full recovery for the Company’s creditors and will not provide any return to the existing shareholders, the Board is firmly of the view that the Transaction is the best available option in the circumstances and is in the best interests of the Company. The Board sees no realistic prospect of any other transaction that would provide a better recovery to the unsecured creditors.

ESTIMATED FINANCIAL POSITION

The total assets and liabilities of the Company as reported in its Statement of Affairs dated November 17, 2015 are as follows:

Assets	\$1
Liabilities	\$799,822

As of the date of its Statement of Affairs, the Company had \$1 in cash or cash equivalents. As reflected on the cash flow projection prepared by management for the period of November 16, 2015 to February 21, 2016, this balance is expected to remain unchanged over the cash flow projection period. There are no expenses projected to be incurred during this period. Any costs of the Proposal are to be funded out of the proceeds from the Transaction or by Peterson in accordance with a fee guarantee provided to the Proposal Trustee, the Company’s legal counsel and the Company’s financial advisor.

As listed in the Statement of Affairs, Equishare has a debt owing from CRP in the amount of \$34.6 million, but it is estimated to have a realizable value of potentially \$nil as a result of the

receivership proceedings and the senior debt which ranks ahead of the amounts owing to Equishare. The Proposal Trustee understands that Equishare has a first mortgage registered on the show homes at the Salt Spring Project; however, DLA Piper LLP (“DLA”) and Gehlen Dabbs (“Gehlen”) (unsecured creditors affected by the Company’s Proposal) have a first mortgage on Equishare’s mortgage. Based on discussions with the Company, the value of the show home is unlikely to exceed \$100,000, which will not be sufficient to repay the amounts owed to DLA and Gehlen. As a result, in a bankruptcy scenario no proceeds would be anticipated to be available to the general body of unsecured creditors of Equishare.

SUMMARY OF PROPOSAL

A copy of the Proposal is included as an enclosure. The terms of the Proposal are summarized as follows:

1. THAT the Directors of the Company will pass a resolution to consolidate all existing Class A Common and Series 1 Preferred Shares on the basis of 100,000,000,000 to one. Fractional shares created through this consolidation will be rounded to nil and cancelled.
2. THAT no compensation is to be paid to existing shareholders.
3. THAT through the Transaction the Company will become a wholly owned subsidiary of Peterson.
4. THAT in consideration of the Transaction, Peterson is to make a cash payment of \$800,000.
5. The Company is not making a proposal to its secured creditors; there is only a single secured creditor owed approximately \$520,000. The Company has reached an agreement with that creditor whereby that creditor agrees to reduce its claim to \$400,000 if the Proposal is successful. After paying this secured creditor and deducting Proposal and Transaction costs, the balance of the Transaction proceeds will be used to fund the Proposal and will be available for distribution to creditors with priority and unsecured claims.

6. THAT if accepted by the proven creditors and the Supreme Court of British Columbia (the "Court"), the Proposal would become binding on the Company, the Company's shareholders and all affected creditors.
7. THAT priority claims will be paid as follows:
- (i) The claims of Her Majesty the Queen in right of Canada or of any province for unremitted employee remittances for income tax, Canada Pension Plan or Employment Insurance and of any related interest, penalties or other amounts that were outstanding at the time of the filing of the Proposal shall be paid in their entirety, without interest, within six months after the approval of the Proposal.
 - (ii) The claims of any employee who is owed wages, salaries, commissions or compensation for services rendered during the period beginning on the day that is six months before the date of the filing of this Proposal up to a maximum of \$2,000 will be paid in their entirety as soon as reasonably practicable after the approval of the Proposal.
 - (iii) All Proposal costs, including Trustee costs and obligations as well as legal and financial advisor fees are to be paid in their entirety.
8. THAT costs and debts incurred after the filing of the Proposal and before the completion of the transactions proposed in the Proposal, including any employee wages (none projected), will be paid in full on their respective due dates and shall be paid in priority to all claims of the priority and unsecured creditors.
9. THAT each unsecured creditor will, in full and final satisfaction of its claims, be paid an amount determined by applying the following formula:

$$\begin{array}{l} \text{The total amount available} \\ \text{to distribute to unsecured} \\ \text{creditors after deducting} \\ \text{for all amounts discussed} \\ \text{in Paragraphs 7 to 8 above} \end{array} \quad \times \quad \frac{\begin{array}{l} \text{The amount of the unsecured} \\ \text{creditor's proven claim} \end{array}}{\begin{array}{l} \text{The total amount of all unsecured} \\ \text{creditors' proven claims} \end{array}}$$

10. THAT all distributions for proven claims will be net of the statutorily required 5% Office of the Superintendent of Bankruptcy's levy ("OSB Levy").
11. THAT the unsecured creditors shall agree to accept the amounts realizable and payable in full settlement and satisfaction of the balances owing to them on their provable claims against the Company under the BIA.
12. That any claims against the directors of the Company by creditors, where the claims arose before the Proposal date related to the obligations of the Company for which the directors of the Company are by law liable in their capacity as directors shall be satisfied in full and discharged upon fulfillment of the Proposal.

FINANCIAL INFORMATION TO EVALUATE THE PROPOSAL

A Statement of Estimated Realizations comparing the estimated outcome for unsecured creditors under both the terms of the Proposal and in the event of a Bankruptcy scenario is enclosed as **Appendix A**. The estimated amount available for distribution to creditors is as follows:

Proposal	\$126,000 (net of 5% OSB levy)
Bankruptcy	\$nil

Based on the listing of unsecured creditors included in the Company's Statement of Affairs, under the Proposal it is estimated that the five creditors will receive approximately 47% of their proven claim, less the OSB Levy.

In a Bankruptcy scenario, the ability of a Bankruptcy Trustee to realize any significant proceeds from the sale of the Company's assets will be significantly restricted. As discussed earlier in this report, the Company had previously undertaken an extensive exploration of options for realizing value from the Company. The impact of a Bankruptcy would be likely to further weaken interest in the Company's assets and would compromise the ability of any potential purchaser to utilize

the Company's tax attributes. The estimated amount available for distribution to creditors under a Bankruptcy scenario of \$nil will result in no funds being available to unsecured creditors.

In summary, the Proposal Trustee is of the view that the return to unsecured creditors under the Proposal will significantly exceed the likely return in a Bankruptcy scenario.

CONDUCT OF THE COMPANY

Prior to the filing of the Proposal, the Proposal Trustee has undertaken a limited financial review of the Company's operations and has had discussions with management regarding financial matters. The Proposal Trustee has not undertaken any examinations to identify preference transactions, settlements or other reviewable transactions. The Proposal filed by the Company specifically waives the applicability of Sections 91 to 101 of the BIA.

PREVIOUS BUSINESS DEALINGS WITH THE COMPANY

Deloitte Restructuring Inc. has had no previous business dealings with the Company and has no known conflict of interest.

REMUNERATION OF THE PROPOSAL TRUSTEE

The Proposal Trustee's fees and disbursements will be paid from the funds available in the Proposal based on the time and expenses incurred, subject to taxation by the Court. The Proposal Trustee estimates that its fees will total up to approximately \$50,000 exclusive of GST, depending on the number and complexity of the creditor claims received in the Proposal and the timely progression of the Proposal process. The Proposal Trustee will be authorized to draw fees from time-to-time subject to Inspector approval or upon taxation by the Court upon completion of the administration of the estate.

TIMING AND PROCESS

A formal meeting of creditors to consider and vote on the acceptance or rejection of the Proposal is scheduled for 10:00AM on November 30, 2015 at the offices of the Proposal Trustee.

In order for the Proposal to be approved, the Proposal has to be accepted by a majority in number and two-thirds of the value of unsecured creditors' claims, either present and voting in person or by proxy, or otherwise voting by voting letter.

Upon approval of the Proposal by the creditors, an application will be made to Court for an order approving the Proposal. The Court will set a date to hear the application and notice of the Court hearing will then be sent to every creditor with a proven claim.

Following Court approval of the Proposal and the closing of the Transaction, all funds to be distributed to creditors will be paid to the Proposal Trustee. The Proposal Trustee will in turn make all payments to creditors with proven claims in accordance with the Proposal.

Should the motion in support of the Proposal not gain the required statutory creditor majorities, the Company will be automatically deemed to have made an Assignment in Bankruptcy. In such a scenario, the creditors may elect to retain the Proposal Trustee to administer the Estate or may substitute a new Trustee in Bankruptcy.

VOTING ON THE PROPOSAL

It is required that all creditors who wish to vote on this Proposal forthwith submit to the Proposal Trustee a completed proof of claim with a statement of account supporting the claim to allow for timely processing. Those creditors who do not plan to attend the meeting in person, or to be represented by proxy, may register their vote on the Proposal by use of the enclosed voting letter. Note that creditors voting by voting letter must also submit a completed proof of claim with a statement of account attached.

In order for a vote and/or proxy to be valid, a proof of claim must be submitted to the Proposal Trustee before the scheduled meeting of creditors. Electronic submission is acceptable. You may email or fax the above documents to the attention of Mr. Ilya Margulis at

Deloitte Restructuring Inc. (email imargulis@deloitte.ca or fax (604) 602-1583). It is not necessary to mail original copies to the Proposal Trustee.

If accepted and approved by the Court, the Proposal becomes binding on all creditors, whether they voted for or against the Proposal.

PROPOSAL TRUSTEE'S RECOMMENDATION

It is the Proposal Trustee's opinion that the Proposal is in the best interests of the creditors since it provides for the going concern sale of Equishare and will provide a financial return to the unsecured creditors that will significantly exceed the likely return in a Bankruptcy scenario. The Proposal Trustee therefore recommends that the creditors accept the Company's Proposal. The Proposal Trustee intends to vote any proxies naming the Proposal Trustee in favor of the Proposal.

DATED AT the City of Vancouver, in the Province of British Columbia, this 20th day of November 2015.

DELOITTE RESTRUCTURING INC.

In its capacity as the Trustee under
the Proposal of Equishare Mortgage Investment Corporation
and not in its personal capacity



Huey Lee, MBA, CPA, CMA, CIRP
Senior Vice President

Equishare Mortgage Investment Corporation

Statement of Estimated Realizations (CDN\$'000)

	Proposal	Bankruptcy	Notes
Estimated Asset Realizations			
Sale of Company (net of \$400k escrow paid to secured creditor)	400	-	1
Third party guarantee	-	64	2
Cash and cash equivalents	-	-	2
Total Asset Realizations	400	64	
Priority Claims	-	-	3
Estimated realization costs			
Financial advisor fees (inclusive of GST)	(152)	-	4
Trustee fees (inclusive of GST)	(53)	(35)	5
Legal fees (inclusive of GST)	(53)	(29)	6
Contingency for other costs (inclusive of GST)	(10)	-	
Total estimated realization costs	(267)	(64)	
Estimated Net Realizations	133	-	
OSB Levy (5%)	(7)	-	
Available for distribution to Unsecured Creditors	126	-	
Unsecured Creditor claims per Statement of Affairs	280	280	7
Estimated deficiency to Unsecured Creditors	(154)	(280)	
<i>Estimated dividend payable to unsecured creditors, prior to OSB levy (\$ per \$claim)</i>	<i>0.47</i>	-	

Notes:

- 1) Under the Proposal, it is intended that Peterson will acquire new shares in the Company for consideration of \$800,000. Under a Bankruptcy scenario, it is unlikely that a sale of the Company's assets or tax attributes will be possible. The proceeds shown are net of \$400,000 that is to be held in escrow for the benefit of the Company's secured creditor in exchange for the discharge of the secured creditor's security.
- 2) Under the Proposal, management estimate that there will be no cash on hand as at the proposed Transaction completion date, other than the third party guarantee provided to cover the costs of the administration.
- 3) As there are currently no employees of the Company, there are not expected to be any priority claims.
- 4) In accordance with an agreement between KPMG LLP and the Company, KPMG LLP is to be paid a finders fee equivalent to 15% of the gross proceeds of the Transaction (estimated at \$120,000 plus applicable GST). KPMG LLP is in the process of completing the Company's statutory tax filings for fiscal years post 2011 as a requirement of completing the Transaction. The fees associated with this work have been estimated at \$25,000 plus applicable GST.
- 5) Trustee fees related to the Proposal are estimated at approximately \$50,000 plus applicable GST which will be drawn from the estate trust account upon taxation by the Court. Under a Bankruptcy scenario it is estimated that Trustee fees may amount to approximately \$33,333 plus applicable GST, reflecting the cost required to wind up the affairs of the Company. Trustee fees are based on actual time and fees incurred and are subject to taxation by the Court.
- 6) The cost of legal counsel for the Company is to be paid from the estate. Legal fees are subject to taxation by the Court.
- 7) The amount shown as owing to unsecured creditors is as per the Company's Statement of Affairs. Actual proven claims may differ from the amount shown.

It should be noted that our estimates are indicative only. Realizations have been estimated based on discussions with management and management's Statement of Affairs, in addition to the various assumptions as set-out in the notes above. Readers are cautioned that actual realizations will vary and variations could be material. Deloitte Restructuring Inc. has not audited, reviewed or otherwise verified this information.



B-151011

Estate No. 11-2058561
Court No. _____
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

**IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. C-
B3**

AND

**IN THE MATTER OF THE *BRITISH COLUMBIA BUSINESS CORPORATIONS ACT*,
S.B.C. 2002, c. 57**

**IN THE MATTER OF THE PROPOSAL OF
EQUISHARE MORTGAGE INVESTMENT CORPORATION**

PROPOSAL

EQUISHARE MORTGAGE INVESTMENT CORPORATION (hereinafter referred to as the "**Company**"), in order to prevent an assignment and the termination of its mortgage lending business, submits the following Proposal under the *Bankruptcy and Insolvency Act* (the "**Act**"), Part III, Division 1, Section 50:

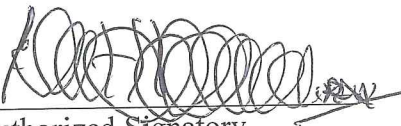
1. **Definitions.** Defined terms not otherwise defined in the body of this Proposal shall have the meaning set out in **Schedule "A"** attached hereto.
2. THAT payment in priority to all other claims of all claims directed by the Act to be so paid in the distribution of the property of an insolvent person shall be paid in the following manner:
 - (a) The claims of the Secured Creditors shall be paid in accordance with the present arrangements existing between the Company and each of those parties or as may be arranged between the Company and each of those parties.
 - (b) Preferred Creditors (if any) shall be paid in full as set forth in Section 136(1) of the Act in priority to all claims of Unsecured Creditors. Employees and former employees shall be paid, immediately after Court Ratification, amounts equal to the amounts that they would be qualified to receive under Section 136(1) if the Company became bankrupt on the Filing Date, as well as wages, salaries, commissions or compensation for services rendered after the Filing Date and before Court Ratification, together with, in the case of traveling salesmen, disbursements properly incurred by those salesmen in and about the Company's business during the same period.

3. THAT, notwithstanding anything to the contrary in this Proposal, payment of the Levy and all Administrative Fees and Expenses shall be made in priority to all claims of Preferred Creditors and Unsecured Creditors.
4. THAT, notwithstanding anything to the contrary in this Proposal, claims arising in respect of Post Filing Goods and Services shall be paid in full by the Company in the ordinary course of business in priority to the claims of Preferred Creditors and Unsecured Creditors.
5. THAT, during the Proposal period, all newly arising obligations of the Company to CRA for source deductions, goods and services tax and other amounts required to be withheld or collected by the Company on behalf of CRA shall be paid in full as they fall due.
6. THAT, unless the Crown otherwise consents, all claims of Her Majesty in right of Canada or of a Province of Canada coming within Section 60(1.1) of the Act shall be paid in full within six months after Court approval of this Proposal.
7. THAT payment of all amounts to be paid by the Company pursuant to paragraphs 1 to 6 of this Proposal will be paid from the proceeds of the issuance of the Class A Common Shares of the Company as described in **Schedule "B"** attached hereto (the "**Transaction**").
8. THAT the Company will complete the steps set out in **Schedule "B"**, including without limitation the consolidation of the Company's issued and outstanding Class A Common Shares and Series 1 Preferred Shares and, subject to satisfaction of the terms and conditions of the Subscription Agreement, the issuance of 800,000 Class A Common Shares to the Purchaser.
9. THAT the balance of the proceeds of the Transaction, after payment of all amounts due and owing pursuant to paragraphs 1 to 6 of this Proposal, shall be distributed to the Unsecured Creditors on a *pro rata* basis.
10. THAT at the First Meeting of Creditors to be held to consider this Proposal the Creditors may appoint one or more, but not exceeding five, inspectors (each an "**Inspector**") to advise the Trustee in respect of such matters as may be appropriate, including:
 - (a) to advise the Trustee concerning any dispute which may arise as to the validity of claims of Creditors in this Proposal;
 - (b) to advise the Trustee in respect of such other matters as may be referred to the Inspectors by the Trustee; and
 - (c) to extend the time for any payment or distribution required to be made pursuant to this Proposal.

11. THAT this Proposal may be amended by the Company at any time prior to or at the First Meeting of Creditors, provided that any such amendments shall be considered by the Company to be in the best interests of the Creditors. This Proposal may be amended or further amended by the Company after the First Meeting of Creditors:
 - (a) if the amendment is considered by the Trustee and the Inspectors to be non-substantive in nature or in the interest of all of the Creditors, with the approval of the Inspectors only; or
 - (b) upon a vote conducted by the Trustee at a further meeting of Creditors and upon approval of the Court.
12. THAT the Trustee and Inspectors shall be exempt from any personal liability in fulfilling their duties or exercising any powers conferred on them hereunder, or generally in carrying out the terms of this Proposal, and each of them shall be liable only for any wilful and wrongful act, default or neglect.
13. THAT any claims against the directors of the Company by the Creditors, where such claims arose before the Filing Date and relate to the obligations of the Company where the directors of the Company are by law liable in their capacity as directors for the payment of such obligations, shall be satisfied in full and discharged upon payment by the Company in full of all amounts payable to Preferred Creditors and Unsecured Creditors hereunder.
14. THAT any claims that may arise pursuant to sections 91 to 101 of the Act shall not apply to the Proposal.
15. THAT the Trustee, the Company or the Inspectors may apply to the Court for directions from time to time.

DATED at Vancouver, this 17th day of November, 2015.

**EQUISHARE MORTGAGE INVESTMENT
CORPORATION**

By: 
Authorized Signatory

SCHEDULE "A"

Definitions

"Administrative Fees and Expenses" means the Trustee's proper fees and expenses, including legal fees and disbursements (if any) incurred by the Trustee, the proper fees and expenses of the Company's tax advisors, and any legal fees and disbursements incurred by the Company, on or incidental to the appointment of the Trustee, the negotiations in connection with the preparation of this Proposal and any subsequent proposals and any proceedings relating to, arising out of, or under this Proposal including the preparation and implementation of any Proposal and any subsequent Proposals, including bankruptcy proceedings and including advice to the Company;

"Company" means Equishare Mortgage Investment Corporation, the insolvent debtor;

"Court" means the Supreme Court of British Columbia;

"Court Ratification" means (a) the approval of the Proposal by Order of the Court having received the report of the Trustee and other relevant information from the Company or any interested Creditor, and (b) the expiry of all appeal periods in relation to such Order of the Court;

"CRA" means Canada Revenue Agency;

"Creditors" means the Preferred Creditors and Unsecured Creditors;

"Filing Date" means the date this Proposal is filed by the Company with the Office of the Superintendent of Bankruptcy;

"First Meeting of Creditors" means the meeting of Creditors at which the Proposal, including any amendments thereto, will be tabled and voted upon;

"Levy" means the levy payable to the Superintendent of Bankruptcy pursuant to Section 147 of the Act;

"Post Filing Goods and Services" means the goods supplied or services rendered to the Company in respect of this Proposal, with the approval of the Company, after the Filing Date;

"Preferred Creditors" means those persons with claims that are provable and proved under the Act and which are required by Section 136 of the Act to be paid in priority to claims of Unsecured Creditors;

"Proven Claim" means the proven claim of an Unsecured Creditor;

“**Purchaser**” means Peterson Investment Group Inc. or its designated nominee.

“**Secured Creditors**” means those persons with claims in respect of debts and liabilities present or future to which the Company was subject at the Filing Date or to which the Company may become subject by reason of any obligations incurred before the Filing Date that are secured by, among other things, the proceeds of the Transaction;

“**Subscription Agreement**” means the subscription agreement between the Company and the Purchaser pursuant to which the Purchaser will agree to purchase 800,000 Class A Common Shares of the Company for a purchase price of \$1.00 per share;

“**Trustee**” means Deloitte Restructuring Inc. or its duly appointed successor or successors appointed under or in connection with the carrying out of this Proposal;

“**Trustee’s proper fees**” means the time charges incurred, at normal hourly rates, by the Trustee or its duly appointed successor or successors appointed under or in connection with the carrying out of this Proposal; and

“**Unsecured Creditors**” means those persons with claims that are proved in respect of debts and liabilities present or future to which the Company was subject at the Filing Date or to which the Company may become subject by reason of any obligations incurred before the Filing Date that are not secured by the proceeds of the Transaction, including for certainty all claims that would be treated as unsecured claims of the Company in a bankruptcy of the Company, except for those claims:

- (a) that have been finally and conclusively disallowed or found by the Court not to be provable claims;
- (b) that are by Preferred Creditors; or
- (c) that are for Administrative Fees and Expenses.

SCHEDULE "B"

Transaction

Immediately following Court Ratification, the following transactions will be deemed to occur in the order that they appear below:

1. Subject to approval by the board of directors of the Company in accordance with applicable law at or prior to Court Ratification, the Company will consolidate the issued and outstanding Class A Common and Series 1 Preferred Shares of the Company on a 100,000,000,000:1 basis (in this Schedule "B", the "**Consolidation**"). The directors' resolution approving the Consolidation will provide that (a) fractional shares created as a result of the Consolidation will be rounded down to zero and cancelled and (b) no compensation will be paid to the holders of such cancelled shares in connection with the Consolidation or the cancellation of their shares.
2. Subject to satisfaction of all of the terms and conditions set forth in the Subscription Agreement at or prior to Court Ratification, the Purchaser will subscribe for, and the Company will issue to the Purchaser, 800,000 Class A Common Shares of the Company for an aggregate purchase price of \$800,000.

Estate No. _____
Court No. _____
Vancouver Registry

**IN THE MATTER OF THE PROPOSAL OF
EQUISHARE MORTGAGE INVESTMENT CORPORATION**

PROPOSAL

BORDEN LADNER GERVAIS LLP
1200 Waterfront Centre
200 Burrard Street
P.O. Box 48600
Vancouver, British Columbia
V7X 1T2
Telephone: (604) 687-5744
Attn: Magnus C. Verbrugge

District of: British Columbia
 Division No. 03 - Vancouver
 Court No.
 Estate No. 11-2058561

B-151011

Original Amended

-- Form 78 --

Statement of Affairs (Business Proposal) made by an entity
 (Subsection 49(2) and Paragraph 158(d) of the Act / Subsections 50(2) and 62(1) of the Act)

In the matter of the proposal of
 Equishare Mortgage Investment Corporation
 of the City of Qualicum Beach, in the Province of British Columbia

To the debtor:


You are required to carefully and accurately complete this form and the applicable attachments showing the state of your affairs on the date of the filing of your proposal (or notice of intention, if applicable), on the 17th day of November 2015. When completed, this form and the applicable attachments will constitute the Statement of Affairs and must be verified by oath or solemn declaration.

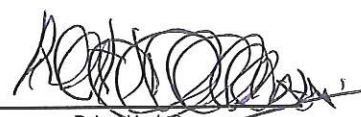


LIABILITIES (as stated and estimated by the officer)	ASSETS (as stated and estimated by the officer)
1. Unsecured creditors as per list "A" 279,822.20	1. Inventory 0.00
Balance of secured claims as per list "B" 519,999.39	2. Trade fixtures, etc. 0.00
Total unsecured creditors 799,821.59	3. Accounts receivable and other receivables, as per list "E"
2. Secured creditors as per list "B" 0.61	Good 0.00
3. Preferred creditors as per list "C" 0.00	Doubtful 0.00
4. Contingent, trust claims or other liabilities as per list "D"	Bad 34,601,534.00
estimated to be reclaimable for 0.00	Estimated to produce 0.00
Total liabilities 799,822.20	4. Bills of exchange, promissory note, etc., as per list "F" 0.00
Surplus NIL	5. Deposits in financial institutions 0.61
	6. Cash 0.00
	7. Livestock 0.00
	8. Machinery, equipment and plant 0.00
	9. Real property or immovable as per list "G" 0.00
	10. Furniture 0.00
	11. RRSPs, RRIFs, life insurance, etc. 0.00
	12. Securities (shares, bonds, debentures, etc.) 0.00
	13. Interests under wills 0.00
	14. Vehicles 0.00
	15. Other property, as per list "H" 0.00
	If debtor is a corporation, add:
	Amount of subscribed capital 0.00
	Amount paid on capital 0.00
	Balance subscribed and unpaid 0.00
	Estimated to produce 0.00
	Total assets 0.61
	Deficiency 799,821.59

I, Robert Hugh Cram, of the City of Qualicum Beach in the Province of British Columbia, do swear (or solemnly declare) that this statement and the attached lists are to the best of my knowledge, a full, true and complete statement of my affairs on the 17th day of November 2015 and fully disclose all property of every description that is in my possession or that may devolve on me in accordance with the Act.

SWORN (or SOLEMNLY DECLARED)
 before me at the City of Vancouver in the Province of British Columbia, on this 17th day of November 2015.


 Ilya Margulis, Commissioner of Oaths
 For the Province of British Columbia
 Expires Jun. 30, 2016


 Robert Hugh Cram

District of: British Columbia
 Division No. 03 - Vancouver
 Court No. B-15011
 Estate No. 11-2058561

FORM 78 -- Continued


List "A"
 Unsecured Creditors

Equishare Mortgage Investment Corporation

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
1	Borden Ladner Gervais LLP - Vancouver 558916/000002	1200 Waterfront Centre, 200 Burrard Street, PO Box 48600 Vancouver BC V7X 1T2	31,277.39	0.00	31,277.39
2	Davis & Co (DLA Piper Canada LLP) 558916/000002	Suite 2800, Park Place 666 Burrard St Vancouver BC V6C 2Z7	198,487.12	0.00	198,487.12
3	Gehlen Dabbs Lawyers 558916/000002 Equishare	1201 - 1030 W. Georgia St Vancouver BC V6E 2Y3	20,451.00	0.00	20,451.00
4	Morgan Chapman 558916/000002	Box 1812 Stettler AB T0C 2L0	0.00	519,999.39	519,999.39
5	Olympia Trust Company Attn: Dean Naugler 558916/000002	2300 - 125 9th Ave SE Calgary AB T2G 0P6	17,406.69	0.00	17,406.69
6	Property Team Inc. Attn: Lyalla	PO Box 20070 Red Deer AB T4N 6X5	12,200.00	0.00	12,200.00
Total:			279,822.20	519,999.39	799,821.59

17-Nov-2015

Date


 Robert Hugh Cram

District of: British Columbia
 Division No. 03 - Vancouver
 Court No. B-151011
 Estate No. 11-2058561

FORM 78 -- Continued


List "B"
 Secured Creditors

Equishare Mortgage Investment Corporation

No.	Name of creditor	Address	Amount of claim	Particulars of security	When given	Estimated value of security	Estimated surplus from security	Balance of claim
1	Morgan Chapman 558916/000002	Box 1812 Stettler AB T0C 2L0	520,000.00	Cash on Hand - Chequing - 0091 5210085 - TD Canada Trust Debts Due - Business - Channel Ridge Properties Ltd		0.61		
						0.00		519,999.39
Total:			520,000.00			0.61	0.00	519,999.39

17-Nov-2015

Date


 Robert Hugh Cram

District of: British Columbia
Division No. 03 - Vancouver
Court No. B-151011
Estate No. 11-2058561

FORM 78 -- Continued

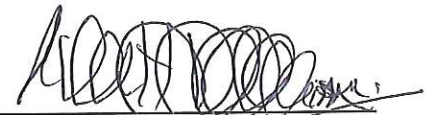
List "C"
Preferred Creditors for Wages, Rent, etc.

Equishare Mortgage Investment Corporation

No.	Name of creditor	Address and occupation	Nature of claim	Period during which claim accrued	Amount of claim	Amount payable in full	Difference ranking for dividend
Total:					0.00	0.00	0.00

17-Nov-2015

Date


Robert Hugh Cram

District of: British Columbia
Division No. 03 - Vancouver
Court No. B-151011
Estate No. 11-2058561

FORM 78 -- Continued


List "D"
Contingent or Other Liabilities

Equishare Mortgage Investment Corporation

No.	Name of creditor or claimant	Address and occupation	Amount of liability or claim	Amount expected to rank for dividend	Date when liability incurred	Nature of liability
			0.00	0.00		
Total:			0.00	0.00		

17-Nov-2015

Date


Robert Hugh Cram

District of: British Columbia
 Division No. 03 - Vancouver
 Court No. B-151011
 Estate No. 11-2058561

FORM 78 -- Continued

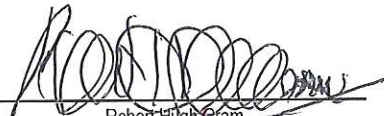
List "E"
 Debts Due to the Debtor

Equishare Mortgage Investment Corporation

No.	Name of debtor	Address and occupation	Nature of debt	Amount of debt (good, doubtful, bad)	Folio of ledgers or other book where particulars to be found	When contracted	Estimated to produce	Particulars of any securities held for debt
1	Channel Ridge Properties Ltd	110 Channel View Dr Salt Spring Island BC V8K 0A4	Mortgage	0.00 0.00 34,601,534.00		01-May-2010	0.00	Property with nil value
Total:				0.00 0.00 34,601,534.00			0.00	

17-Nov-2015

Date


 Robert Hugh Gram

District of: British Columbia
Division No. 03 - Vancouver
Court No. B-156011
Estate No. 11-2058561

FORM 78 -- Continued

List "F"

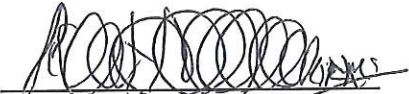
Bills of Exchange, Promissory Notes, Lien Notes, Chattel
Mortgages, etc., Available as Assets

Equishare Mortgage Investment Corporation

No.	Name of all promissory, acceptors, endorsers, mortgagors, and guarantors	Address	Occupation	Amount of bill or note, etc.	Date when due	Estimated to produce	Particulars of any property held as security for payment of bill or note, etc.
Total:				0.00		0.00	

17-Nov-2015

Date


Robert Hugh Gram

District of: British Columbia
Division No. 03 - Vancouver
Court No. B-151011
Estate No. 11-2058561

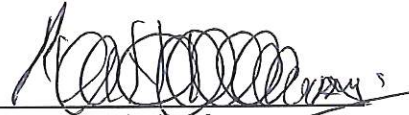
FORM 78 -- Continued

List "G"
Real Property or Immovables Owned by Debtor
Equishare Mortgage Investment Corporation

Description of property	Nature of debtor interest	In whose name does title stand	Total value	Particulars of mortgages, hypothecs, or other encumbrances (name, address, amount)	Equity or surplus
Total:			0.00		0.00

17-Nov-2015

Date


Robert Hugh Cram

District of: British Columbia
 Division No. 03 - Vancouver
 Court No. B-151011
 Estate No. 11-2058561

FORM 78 -- Concluded

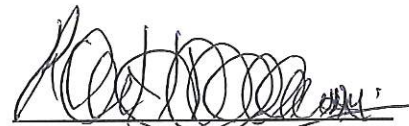
List "H"
 Property

Equishare Mortgage Investment Corporation
 FULL STATEMENT OF PROPERTY

Nature of property	Location	Details of property	Original cost	Estimated to produce
(a) Stock-in-trade			0.00	0.00
(b) Trade fixtures, etc.			0.00	0.00
(c) Cash in financial institutions	TD Canada Trust 4994 Kingsway Burnaby BC V5H 2E2	0091 5210085	0.61	0.61
(d) Cash on hand			0.00	0.00
(e) Livestock			0.00	0.00
(f) Machinery, equipment and plant			0.00	0.00
(g) Furniture			0.00	0.00
(h) Life insurance policies, RRSPs, etc.			0.00	0.00
(i) Securities			0.00	0.00
(j) Interests under wills, etc.			0.00	0.00
(k) Vehicles			0.00	0.00
(l) Taxes			0.00	0.00
(m) Other			0.00	0.00
			Total:	0.61

17-Nov-2015

Date



Robert Hugh Cram

Court No. B-151011

File No. 11-2058161

In the matter of the proposal of
Equishare Mortgage Investment Corporation
of the City of Qualicum Beach, in the Province of
British Columbia

Form 78 (Bill C-12)
Statement of affairs (Business bankruptcy)

Deloitte Restructuring Inc. - Trustee

2800 - 1055 Dunsmuir Street, PO Box 49279
Vancouver BC V7X 1P4
Phone: (604) 534-0921 Fax: (604) 534-7429

Creditor Mailing List

In the matter of the proposal of
Equishare Mortgage Investment Corporation
of the City of Qualicum Beach, in the Province of British Columbia

Creditor Type	Name	Attention	Address
Secured	Morgan Chapman		558916/000002 Box 1812 Stettler AB T0C 2L0 mlcfarms@live.ca
Unsecured	Borden Ladner Gervais LLP - Vancouver		558916/0000002 1200 Waterfront Centre, 200 Burrard Street, PO Box 48600 Vancouver BC V7X 1T2
	Davis & Co (DLA Piper Canada LLP)		558916/000002 Suite 2800, Park Place 666 Burrard St Vancouver BC V6C 2Z7
	Gehlen Dabbs Lawyers		558916/000002 Equishare 1201 - 1030 W. Georgia St Vancouver BC V6E 2Y3
	Morgan Chapman		558916/000002 Box 1812 Stettler AB T0C 2L0 mlcfarms@live.ca
	Olympia Trust Company	Dean Naugler	558916/000002 2300 - 125 9th Ave SE Calgary AB T2G 0P6 nauglerd@olympiustrust.com
	Property Team Inc.	Lyalla	PO Box 20070 Red Deer AB T4N 6X5 romyandbryce@hotmail.com

District of: British Columbia
Division No. 03 Vancouver
Court No. B-151011
Estate No. 11-2058561

FORM 37

Voting Letter
(Paragraph 51(1)(f) of the Act)

In the matter of the proposal of
Equishare Mortgage Investment Corporation
of the City of Qualicum Beach, in the Province of British Columbia

I, _____, creditor (or I, _____,
representative of _____, creditor), of _____, a creditor in
the above matter for the sum of \$ _____, hereby request the trustee acting with respect to
the proposal of Equishare Mortgage Investment Corporation, to record my vote _____ (for or
against) the acceptance of the proposal as made on the _____ day of _____,
_____.

Dated at _____, this _____ day of _____.

Witness

Individual Creditor

Witness

Name of Corporate Creditor

Per _____
Name and Title of Signing Officer

Return to:
Deloitte Restructuring Inc. - Trustee
Per:
Ilya Margulis
2800 - 1055 Dunsmuir Street, PO Box 49279
Vancouver BC V7X 1P4
Phone: (604) 640-3044 Fax: (604) 602-1583
E-mail: imargulis@deloitte.ca

District of: British Columbia
Division No. 03 - Vancouver
Court No. B-151011
Estate No. 11-2058561

FORM 31 / 36
Proof of Claim / Proxy
In the matter of the proposal of
Equishare Mortgage Investment Corporation
of the City of Qualicum Beach, in the Province of British Columbia

All notices or correspondence regarding this claim must be forwarded to the following address:

In the matter of the proposal of Equishare Mortgage Investment Corporation of the City of Qualicum Beach in the Province of British Columbia and the claim of _____, creditor.

I, _____, of the city of _____, a creditor in the above matter, hereby appoint _____, of _____, to be my proxyholder in the above matter, except as to the receipt of dividends, _____ (with or without) power to appoint another proxyholder in his or her place.

I, _____ (name of creditor or representative of the creditor), of the city of _____ in the province of _____ do hereby certify:

1. That I am a creditor of the above named debtor (or I am _____ (position/title) of _____, creditor).

2. That I have knowledge of all the circumstances connected with the claim referred to below.

3. That the debtor was, at the date of proposal, namely the 17th day of November 2015, and still is, indebted to the creditor in the sum of \$ _____, as specified in the statement of account (or affidavit or solemn declaration) attached and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled. (The attached statement of account or affidavit must specify the vouchers or other evidence in support of the claim.)

4. (Check and complete appropriate category.)

A. UNSECURED CLAIM OF \$ _____

(other than as a customer contemplated by Section 262 of the Act)

That in respect of this debt, I do not hold any assets of the debtor as security and
(Check appropriate description.)

Regarding the amount of \$ _____, I claim a right to a priority under section 136 of the Act.

Regarding the amount of \$ _____, I do not claim a right to a priority.
(Set out on an attached sheet details to support priority claim.)

B. CLAIM OF LESSOR FOR DISCLAIMER OF A LEASE \$ _____

That I hereby make a claim under subsection 65.2(4) of the Act, particulars of which are as follows:

(Give full particulars of the claim, including the calculations upon which the claim is based.)

C. SECURED CLAIM OF \$ _____

That in respect of this debt, I hold assets of the debtor valued at \$ _____ as security, particulars of which are as follows:
(Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.)

D. CLAIM BY FARMER, FISHERMAN OR AQUACULTURIST OF \$ _____

That I hereby make a claim under subsection 81.2(1) of the Act for the unpaid amount of \$ _____

(Attach a copy of sales agreement and delivery receipts.)

E. CLAIM BY WAGE EARNER OF \$ _____

That I hereby make a claim under subsection 81.3(8) of the Act in the amount of \$ _____,

That I hereby make a claim under subsection 81.4(8) of the Act in the amount of \$ _____,

F. CLAIM BY EMPLOYEE FOR UNPAID AMOUNT REGARDING PENSION PLAN OF \$ _____

That I hereby make a claim under subsection 81.5 of the Act in the amount of \$ _____,

That I hereby make a claim under subsection 81.6 of the Act in the amount of \$ _____,

G. CLAIM AGAINST DIRECTOR \$_____

(To be completed when a proposal provides for the compromise of claims against directors.)

That I hereby make a claim under subsection 50(13) of the Act, particulars of which are as follows:

(Give full particulars of the claim, including the calculations upon which the claim is based.)

H. CLAIM OF A CUSTOMER OF A BANKRUPT SECURITIES FIRM \$_____

That I hereby make a claim as a customer for net equity as contemplated by section 262 of the Act, particulars of which are as follows:

(Give full particulars of the claim, including the calculations upon which the claim is based.)

5. That, to the best of my knowledge, I _____ (am/am not) (or the above-named creditor _____ (is/is not)) related to the debtor within the meaning of section 4 of the Act, and _____ (have/has/have not/has not) dealt with the debtor in a non-arm's-length manner.

6. That the following are the payments that I have received from, and the credits that I have allowed to, and the transfers at undervalue within the meaning of subsection 2(1) of the Act that I have been privy to or a party to with the debtor within the three months (or, if the creditor and the debtor are related within the meaning of section 4 of the Act or were not dealing with each other at arm's length, within the 12 months) immediately before the date of the initial bankruptcy event within the meaning of Section 2 of the Act: (Provide details of payments, credits and transfers at undervalue.)

7. *(Applicable only in the case of the bankruptcy of an individual.)*

Whenever the trustee reviews the financial situation of a bankrupt to redetermine whether or not the bankrupt is required to make payments under section 68 of the Act, I request to be informed, pursuant to paragraph 68(4) of the Act, of the new fixed amount or of the fact that there is no longer surplus income.

I request that a copy of the report filed by the trustee regarding the bankrupt's application for discharge pursuant to subsection 170(1) of the Act be sent to the above address.

Dated at _____, this _____ day of _____, _____.

Witness

Individual Creditor

Witness

Name of Corporate Creditor

Per _____
Name and Title of Signing Officer

Return To:

Phone Number: _____
Fax Number: _____
E-mail Address: _____

Deloitte Restructuring Inc. - Trustee
Attention: Ilya Margulis

2800 - 1055 Dunsmuir Street, PO Box 49279
Vancouver BC V7X 1P4
Phone: (604) 640-3044 Fax: (604) 602-15830
E-mail: imargulis@deloitte.ca

NOTE: If an affidavit is attached, it must have been made before a person qualified to take affidavits.

WARNINGS: A trustee may, pursuant to subsection 128(3) of the Act, redeem a security on payment to the secured creditor of the debt or the value of the security as assessed, in a proof of security, by the secured creditor.

Subsection 201(1) of the Act provides severe penalties for making any false claim, proof, declaration or statement of account.