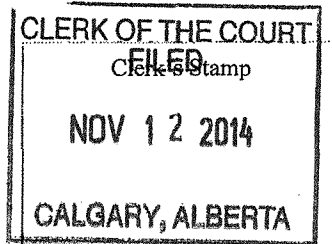


COURT FILE NUMBER 0901-17143
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
APPLICANT(S) ERNST & YOUNG INC. (FORMERLY RSM RICHTER INC.), AS
RECEIVER AND MANAGER OF THE SIGNATURE COMPANIES



IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT
R.S.C. 1985 c. B-3, AS AMENDED

AND IN THE MATTER OF THE RECEIVERSHIP OF SIGNATURE CAPITAL INC., CONB DEVELOPMENT CORP., CONB FINANCE CORP., CONB CAPITAL CORP., URBAN ELEMENTS CENTRE GP LTD., URBAN ELEMENTS CENTRE LIMITED PARTNERSHIP, SIGNATURE UEC CAPITAL INC., WESTSTONE DEVELOPMENT CORP., WESTSTONE FINANCE CORP., SIGNATURE LAKESIDE RV FINANCE CORP., ALLAN BEACH DEVELOPMENTS GP LTD., ALLAN BEACH LIMITED PARTNERSHIP, BEACHES WEST CAPITAL CORP., POPLAR GROVE DEVELOPMENTS GP LTD., POPLAR GROVE LIMITED PARTNERSHIP, BIRCH BAY DEVELOPMENTS GP LTD., BIRCH BAY DEVELOPMENTS LIMITED PARTNERSHIP, FRANÇOIS CAPITAL CORP., A VIRGINIA WILSON HOLDINGS, FIR CREST RESORT DEVELOPMENT LP, FIR CREST RESORT DEVELOPMENT GP LTD., FIR CREST FINANCE CORP., FIR CREST CAPITAL CORP., SCI FINANCE CORP., SIGNATURE US SUNBELT CAPITAL CORP., SIGNATURE US SUNBELT INVESTMENT CORP., SCI BRIDGE II FINANCE CORP., SUMMERS PLACE GP LTD., SUMMERS PLACE LIMITED PARTNERSHIP, METRO WEST I GP LTD., METRO WEST II GP LTD., SIGNATURE LETHBRIDGE FAIRVIEW CAPITAL CORP., HEARTHWOOD I LIMITED PARTNERSHIP, HEARTHWOOD II LIMITED PARTNERSHIP, HEARTHWOOD III LIMITED PARTNERSHIP, HEARTHWOOD I DEVELOPMENTS GP LTD., HEARTHWOOD II DEVELOPMENTS GP LTD., and HEARTHWOOD III DEVELOPMENTS GP LTD. (collectively the "Companies")

DOCUMENT

Tenth Report of Ernst & Young Inc. as Receiver and Manager of Signature Capital Inc. and Related Companies

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

Burnet, Duckworth & Palmer LLP
Suite 2400, 525 – 8th Avenue SW
Calgary, AB T2P 1G1
Carole J. Hunter – 403 260-0368
Fax: 1-403-260-0332

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INTRODUCTION

1. On November 13, 2009, the Court of Queen's Bench of Alberta ("Court") issued an order ("Receivership Order") appointing RSM Richter Inc. (now Ernst & Young Inc.) as receiver and manager ("Receiver") pursuant to Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended ("BIA"), of all of the property, assets and undertakings of the Signature Capital Inc. and Related Companies (the "Signature Group").
2. Capitalized terms not defined in this Tenth Report are as defined in all reports and orders previously issued in respect of these receivership proceedings.

Purpose of this Report

3. The purpose of this Report is to:
 - a) Summarize the Receiver's activities since March 1, 2013, the date of the Ninth Report to Court ("Ninth Report");
 - b) Provide an update on Signature US Sunbelt LLC ("US LLC") and related "Sunbelt" entities; and
 - c) Respectfully recommend that this Honourable Court make an order approving a final distribution in the amount of \$700,000 to the investors of the Sunbelt entities.

Documents Filed in these Proceedings

4. The Receiver has posted documents filed with the Court in these proceedings on its website at: <http://documentcentre.eycan.com/Pages/Main.aspx?SID=198>.

Terms of Reference

5. In developing this Report, the Receiver has relied upon unaudited financial information prepared by the Company's management, the Company's books and records and discussions with its management. The Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the *Chartered Professional Accountants Canada Handbook* and, accordingly, the Receiver expresses no opinion or other form of assurance in respect of the information presented in this Report, or relied upon by the Receiver in preparing this Report.

Currency

6. All currency references in this Report are in Canadian dollars.

BACKGROUND

7. The Companies owned real estate, or were directly or indirectly invested in real estate projects, located in Alberta, British Columbia, Saskatchewan, and Arizona.

8. Additional background information concerning the Companies is contained in the nine reports to this Honourable Court previously filed by the Receiver and in the affidavit of Simone Rousseau, former President of Signature Capital Inc. ("SCI"), sworn on November 12, 2009, filed with the receivership application materials.

RECEIVER'S ACTIVITIES

9. In addition to the foregoing, the Receiver's activities since the date of the Ninth Report have included, *inter alia*, the following:
- Corresponding with Olympia Trust Company, which managed RSP investments made by bondholders in the Signature Group;
 - Administering the final distributions as outlined in the Ninth Report;
 - Preparing financial statements and tax returns for certain of the companies subject to the Receivership Order;
 - Corresponding on a periodic basis with Ms. Rousseau;
 - Paying for post-filing goods and services;
 - Responding to telephone and e-mail inquiries from the Signature Group's unsecured creditors;
 - Liaising with Revenue Canada in respect of the possible recovery of input tax credits;
 - Addressing several matters in respect of US LLC;
 - Drafting, reviewing and finalizing this Report; and
 - Other matters pertaining to the administration of this mandate.

SUNBELT LLC

10. In previous reports the Receiver has provided background information on the related "Sunbelt" entities comprising US LLC, Signature US Sunbelt Capital Corp ("Sunbelt Capital"), Signature US Sunbelt Investment Corp. ("Sunbelt Investment") and US Sunbelt Development Corp. ("USDC").
11. SCI incorporated Sunbelt Capital and Sunbelt Investment to raise funds for real estate development opportunities in the United States. Pursuant to the offering memoranda dated May 1, 2008 and October 20, 2009, Sunbelt Capital and Sunbelt Investment raised approximately \$3 million from 93 bondholders.
12. In addition to the funds it raised through the offering, Sunbelt Investment received a loan from Sunbelt Capital (net of marketing costs, legal fees and management fees) of approximately \$1.84 million. These funds were subsequently invested, as equity, in USDC, which in turn made a capital contribution of the same amount to US LLC. The funds were used for the purchase of 37 residential condominium units in a property

known as the "Biltmore Palms" in Phoenix, Arizona ("Biltmore").

13. The two Canadian companies, Sunbelt Capital and Sunbelt Investment, are subject to the Receivership Order. The two U.S. companies, USDC and US LLC, are not subject to insolvency proceedings. Ms. Rousseau remains a director of the two U.S. companies.
14. On August 12, 2011, the Court approved the sale of the remaining 10 units at the Biltmore. The sale price was US \$902,500.
15. The Receiver, on behalf of Sunbelt Investment and USDC, finalized all necessary U.S. tax returns and forms related to Sunbelt funds, and all funds have been repatriated to Canada.
16. The proceeds from the unit sales have been used to pay:
 - a) Ongoing operating costs, including insurance, condominium corporation fees, sales commissions, property management fees, renovation costs and repairs and maintenance;
 - b) The mortgage to Paragon Capital Corporation Ltd. totalling approximately \$2.5 million;
 - c) Condo Condo Consulting Services Inc. pursuant to a management fee previously approved by this Honourable Court; and
 - d) Reimbursement in respect of interim funding provided by other SCI entities to meet the ongoing expenditures and certain fees and costs of the Receiver and its legal counsel.
17. The US LLC statement of receipts and disbursements is attached as Appendix "A" and reflects the administration of US LLC and shows the funds available for distribution to the investors.
18. 92 out of 93 investor proofs of claims have been received and reviewed by the Receiver. The Receiver has made several attempts to contact the investor in respect of the outstanding proof of claim; however, the Receiver has been unable to make contact. The Receiver will continue its attempts to contact the investor. Failing contact the Receiver, upon its eventual discharge from the receivership proceedings, will take steps to have the undistributed funds deposited with the public trustee.
19. In the Ninth Report the Receiver estimated that there would be approximately \$728,617 available for distribution. Since the date of the Ninth Report the Receiver determined that there was additional work to be completed in respect of certain US tax filings to ensure the "Sunbelt" entities were compliant with US tax regulations. The costs required to complete the US tax filings has reduced the amount of funds available for distribution to \$700,000. The proposed distribution is outlined in the attached Appendix "B".
20. The Receiver proposes to hold back the balance of funds in US LLC on account of professional fees and other costs related directly to US LCC in respect of expenses incurred to complete the filing of US tax materials, the administration of the proposed distribution and the Signature Group's discharge.

RECOMMENDATION

21. Based on the foregoing, the Receiver recommends that this Honourable Court grant the relief detailed in Section 3(c) herein.

* * *

All of which is respectfully submitted this 10th day of November 2014.

**ERNST & YOUNG INC.,
IN ITS CAPACITY AS RECEIVER AND MANAGER OF
SIGNATURE CAPITAL INC. AND ITS RELATED COMPANIES
AND NOT IN ITS PERSONAL CAPACITY**



Per: _____

Robert J. Taylor

Signature US Sunbelt LLC**Statement of Receipts and Disbursements November 13, 2009 to October 31, 2014**

C\$, unaudited

Receipts	Notes	
Sale of assets		1,051,743.57
Transfer from Signature Group bank account	1	231,840.42
Cash in bank		152,331.80
Miscellaneous other receipts		1,200.75
Interest income		63.86
		1,437,180.40
 Disbursements		
Transfer to Signature Group bank account	2	355,000.00
Interest paid		120,062.00
Home owner association fees		67,048.88
Repairs & maintenance		49,649.07
Property tax		35,085.95
Site management fees		31,500.00
Advertising		26,192.45
Legal fees		5,912.50
Appraisal fees		2,500.00
US representation & franchise fees		2,398.45
Bank charges		273.73
Courier		35.62
		695,658.65
 Balance in the estate	 3	 741,521.75

Notes:

- Operational expenses were required to fund management and consulting fees in respect to the sale of the Biltmore Palms.
- Repayment of the \$231,840.42 and allocation of Signature Group expenses to Signature US Sunbelt LLC.
- The difference between the distribution amount of \$700,000 and the balance in the estate is in respect of expenses incurred to complete the filing of US tax materials, the administration of the proposed distribution and the Signature Group's discharge.

US Sunbelt Capital Corp.
Proposed Distribution
As at November 10, 2014
(\$Cdn, Unaudited)

	Full Name	Bond Type	Principal	Interest	Total	Distribution Amount
	947522 Alberta Ltd.	Series A	\$ 25,000.00	2,163.98	27,163.98	\$ 5,996.68
	Abdulrasul & Khatija Samnani	Series B	\$ 25,000.00	188.36	25,188.36	\$ 5,560.55
	AKW Oilfield Consulting Ltd.	Series B	\$ 25,000.00	188.36	25,188.36	\$ 5,560.55
Olympia Trust - in Trust for	Alison Fitzgerald	Series A	\$ 17,000.00	1,603.14	18,603.14	\$ 4,106.80
Olympia Trust - in Trust for	Alison Fitzgerald	Series A	\$ 8,000.00	754.42	8,754.42	\$ 1,932.61
	Alvin Yee	Series A	\$ 25,000.00	2,292.88	27,292.88	\$ 6,025.14
	Angela Marsales	Series A	\$ 25,000.00	1,935.31	26,935.31	\$ 5,946.20
Olympia Trust - in Trust for	Ann Lawson	Series A	\$ 25,000.00	2,099.75	27,099.75	\$ 5,982.50
	Anthony Puhjera	Series B	\$ 25,000.00	188.36	25,188.36	\$ 5,560.55
	B. Nagy Holdings Ltd.	Series A	\$ 200,000.00	15,737.63	215,737.63	\$ 47,625.94
Olympia Trust - in Trust for	Ben McKenzie	Series A	\$ 25,000.00	1,967.20	26,967.20	\$ 5,953.24
	Bob & Deborah Holland	Series B	\$ 25,000.00	188.36	25,188.36	\$ 5,560.55
Olympia Trust - in Trust for	Brian Burnstad	Series A	\$ 25,000.00	2,099.75	27,099.75	\$ 5,982.50
	Bryan Thompson	Series B	\$ 25,000.00	188.36	25,188.36	\$ 5,560.55
Olympia Trust - in Trust for	Carla Roosen	Series A	\$ 28,000.00	2,495.75	30,495.75	\$ 6,732.20
	Carrie & John Corbett	Series B	\$ 25,000.00	188.36	25,188.36	\$ 5,560.55
	Christopher Krukowski	Series B	\$ 100,000.00	753.42	100,753.42	\$ 22,242.19
Olympia Trust - in Trust for	Corinne Knodel	Series A	\$ 35,000.00	2,328.82	37,328.82	\$ 8,240.66
	Craig Bisschop	Series B	\$ 30,000.00	226.03	30,226.03	\$ 6,672.66
	Danielle & Craig Thorkelsson	Series B	\$ 25,000.00	188.36	25,188.36	\$ 5,560.55
Olympia Trust - in Trust for	Danuta Malczewski	Series A	\$ 50,000.00	4,456.70	54,456.70	\$ 12,021.79
Olympia Trust - in Trust for	Daphne Chandler	Series A	\$ 25,000.00	2,228.35	27,228.35	\$ 6,010.89
Olympia Trust - in Trust for	David Bailey	Series A	\$ 25,000.00	2,357.56	27,357.56	\$ 6,039.42
	Donald Dressler	Series A	\$ 25,000.00	2,099.75	27,099.75	\$ 5,982.50
	Donald Dressler	Series B	\$ 25,000.00	188.36	25,188.36	\$ 5,560.55
	Donald Lee	Series A	\$ 25,000.00	2,357.56	27,357.56	\$ 6,039.42
Olympia Trust - in Trust for	Donna Lynn Sharrun Clark	Series B	\$ 10,000.00	75.34	10,075.34	\$ 2,224.22
	Donna Lynn Sharrun Clark	Series B	\$ 15,000.00	113.01	15,113.01	\$ 3,336.33
Olympia Trust - in Trust for	Dr. James Bastian	Series A	\$ 50,000.00	3,561.82	53,561.82	\$ 11,824.23
	Elizabeth Waters	Series B	\$ 100,000.00	753.42	100,753.42	\$ 22,242.19
Olympia Trust - in Trust for	Frankie Poon	Series A	\$ 50,000.00	4,456.70	54,456.70	\$ 12,021.79
Olympia Trust - in Trust for	Glen Mabbott	Series A	\$ 25,000.00	2,163.98	27,163.98	\$ 5,996.68
Olympia Trust - in Trust for	Glen Onyett	Series A	\$ 26,100.00	1,628.59	27,728.59	\$ 6,121.33
Olympia Trust - in Trust for	Gloria Collins	Series B	\$ 25,000.00	188.36	25,188.36	\$ 5,560.55
Olympia Trust - in Trust for	Gord Packer	Series A	\$ 25,000.00	1,663.44	26,663.44	\$ 5,886.19
Olympia Trust - in Trust for	Guy Rousseau	Series A	\$ 45,100.00	4,369.99	49,469.99	\$ 10,920.93
	Herold Wong	Series B	\$ 25,000.00	188.36	25,188.36	\$ 5,560.55
	Ivydene Designs Inc.	Series A	\$ 25,000.00	2,035.68	27,035.68	\$ 5,968.36
Olympia Trust - in Trust for	James F. Lawrence	Series A	\$ 44,100.00	2,696.35	46,796.35	\$ 10,330.70
Olympia Trust - in Trust for	James Whitelaw	Series A	\$ 30,000.00	1,871.95	31,871.95	\$ 7,036.01
Olympia Trust - in Trust for	Janet Zuidhof	Series A	\$ 25,000.00	2,099.75	27,099.75	\$ 5,982.50
Olympia Trust - in Trust for	Janet Zuidhof	Series A	\$ 25,000.00	2,099.75	27,099.75	\$ 5,982.50
Olympia Trust - in Trust for	Janie Fisher	Series A	\$ 25,000.00	2,035.68	27,035.68	\$ 5,968.36
	Jit & Mangla Davda	Series B	\$ 40,000.00	301.37	40,301.37	\$ 8,896.88
Olympia Trust - in Trust for	John Allen	Series A	\$ 28,900.00	2,725.34	31,625.34	\$ 6,981.57
Olympia Trust - in Trust for	John Fisher	Series A	\$ 25,000.00	2,035.68	27,035.68	\$ 5,968.36
	Karry Gilbert	Series B	\$ 25,000.00	188.36	25,188.36	\$ 5,560.55
	Ken & Maria DeMille	Series B	\$ 50,000.00	376.71	50,376.71	\$ 11,121.09
Olympia Trust - in Trust for	Ken Dong	Series A	\$ 25,000.00	2,292.88	27,292.88	\$ 6,025.14
Olympia Trust - in Trust for	Kenneth Rose	Series A	\$ 29,700.00	2,630.88	32,330.88	\$ 7,137.32
	Kong Lim and/or Buoy Chaing	Series B	\$ 25,000.00	188.36	25,188.36	\$ 5,560.55
Olympia Trust - in Trust for	Krisandra Rafa	Series A	\$ 25,000.00	1,967.20	26,967.20	\$ 5,953.24
Olympia Trust - in Trust for	Kristin Beardsworth	Series A	\$ 25,000.00	1,663.44	26,663.44	\$ 5,886.19
	Laurie Forster	Series B	\$ 25,000.00	188.36	25,188.36	\$ 5,560.55
Olympia Trust - in Trust for	Lawrence Lassu	Series A	\$ 28,200.00	2,219.01	30,419.01	\$ 6,715.26
Olympia Trust - in Trust for	Lennard Vanderschee	Series B	\$ 43,000.00	323.97	43,323.97	\$ 9,564.14
	M. Elaine & Robert G. Crawford	Series A	\$ 25,000.00	2,357.56	27,357.56	\$ 6,039.42
	McPherson & Hawke Associates Inc.	Series B	\$ 25,000.00	188.36	25,188.36	\$ 5,560.55
Olympia Trust - in Trust for	Melanie Eresman	Series A	\$ 25,000.00	2,292.88	27,292.88	\$ 6,025.14
	Michel Kalaszniow	Series B	\$ 25,000.00	188.36	25,188.36	\$ 5,560.55

US Sunbelt Capital Corp.
Proposed Distribution
As at November 10, 2014
(\$Cdn, Unaudited)

	Full Name	Bond Type	Principal	Interest	Total	Distribution Amount
Olympia Trust - in Trust for	Michele Bentley	Series A	\$ 40,000.00	3,359.61	43,359.61	\$ 9,572.01
	Mike & Celina Dolan	Series B	\$ 25,000.00	188.36	25,188.36	\$ 5,560.55
Olympia Trust - in Trust for	Milford Taylor	Series A	\$ 50,000.00	3,119.91	53,119.91	\$ 11,726.68
	Myrtle Ruryk	Series B	\$ 25,000.00	188.36	25,188.36	\$ 5,560.55
Olympia Trust - in Trust for	Nancy Jean Evans	Series A	\$ 25,000.00	1,780.91	26,780.91	\$ 5,912.12
Olympia Trust - in Trust for	Natalka Mihaichuk	Series A	\$ 100,000.00	8,655.90	108,655.90	\$ 23,986.73
	Nathan Kopp	Series A	\$ 25,000.00	2,099.75	27,099.75	\$ 5,982.50
	Neil Mackay	Series B	\$ 100,000.00	753.42	100,753.42	\$ 22,242.19
Olympia Trust - in Trust for	Pablo Galvez	Series A	\$ 29,900.00	2,897.18	32,797.18	\$ 7,240.26
Olympia Trust - in Trust for	Patrick Veer	Series A	\$ 26,000.00	2,250.53	28,250.53	\$ 6,236.55
	Paul & Caroline Cadrin	Series B	\$ 30,000.00	226.03	30,226.03	\$ 6,672.66
	Paul Clark	Series B	\$ 25,000.00	188.36	25,188.36	\$ 5,560.55
Olympia Trust - in Trust for	Paul Woodward	Series B	\$ 65,000.00	489.73	65,489.73	\$ 14,457.42
	Perry Werbiski	Series A	\$ 40,000.00	3,484.41	43,484.41	\$ 9,599.56
Olympia Trust - in Trust for	PL Bastian	Series A	\$ 25,000.00	1,967.20	26,967.20	\$ 5,953.24
	Purvis Properties Ltd	Series B	\$ 25,000.00	188.36	25,188.36	\$ 5,560.55
	Ram Paul	Series A	\$ 25,000.00	2,099.75	27,099.75	\$ 5,982.50
	Randall Shemko	Series A	\$ 25,000.00	1,663.44	26,663.44	\$ 5,886.19
Olympia Trust - in Trust for	Rick Arsenaault	Series A	\$ 12,000.00	1,007.88	13,007.88	\$ 2,871.60
Olympia Trust - in Trust for	Rick Arsenaault	Series A	\$ 13,000.00	1,091.87	14,091.87	\$ 3,110.90
Olympia Trust - in Trust for	Rita San Martin	Series B	\$ 25,000.00	188.36	25,188.36	\$ 5,560.55
Olympia Trust - in Trust for	Roxane Lawrence	Series A	\$ 25,000.00	1,336.37	26,336.37	\$ 5,813.98
	Russ Keller	Series B	\$ 25,000.00	188.36	25,188.36	\$ 5,560.55
	Scot Elphinstone	Series B	\$ 25,000.00	188.36	25,188.36	\$ 5,560.55
Olympia Trust - in Trust for	Simone Rousseau	Series A	\$ 25,000.00	2,422.39	27,422.39	\$ 6,053.73
Olympia Trust - in Trust for	Susan Langlois	Series A	\$ 25,000.00	2,035.68	27,035.68	\$ 5,968.36
	Terry Zynych	Series A	\$ 25,000.00	1,559.96	26,559.96	\$ 5,863.34
Olympia Trust - in Trust for	Timothy Foy	Series A	\$ 25,000.00	1,030.91	26,030.91	\$ 5,746.55
Olympia Trust - in Trust for	Wei Hong Gu	Series A	\$ 21,100.00	1,935.19	23,035.19	\$ 5,085.22
Olympia Trust - in Trust for	Wei Hong Gu	Series A	\$ 3,900.00	357.69	4,257.69	\$ 939.92
Olympia Trust - in Trust for	Wendy Cathcart	Series A	\$ 25,000.00	1,967.20	26,967.20	\$ 5,953.24
	Wes & Connie Memory	Series B	\$ 25,000.00	188.36	25,188.36	\$ 5,560.55
	Yue Ming (Jason) Zhong	Series B	\$ 25,000.00	188.36	25,188.36	\$ 5,560.55
			\$ 3,014,000.00	\$ 156,883.88	\$ 3,170,883.88	\$ 700,000.00