



Ernst & Young Inc.
Ernst & Young Tower
1000, 440 2nd Avenue SW
Calgary, AB T2P 5E9

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To the Creditors of
MCL Development Corp.

8 October 2014

**In the Matter of the Bankruptcy of MCL Development Corp.
Estate No.: 25-1917525**

MCL Development Corp filed an assignment into bankruptcy on the 2nd day of October, 2014 and the undersigned, Ernst & Young Inc. was appointed trustee of the bankrupt estate, subject to affirmation or substitution thereof by the creditors.

Enclosed with this letter are the following documents:

- Notice of Bankruptcy and First Meeting of Creditors;
- Statement of Affairs; and
- Proof of Claim and Proxy Form with instructions for its completion.

The first meeting of creditors of MCL Development Corp. will be held on October 21, 2014 at 10:00 am at:

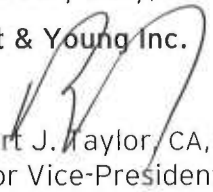
Conference Centre, 2nd Floor
Ernst & Young Tower
1000, 440 2nd Avenue SW
Calgary, AB T2P 5E9

In respect of Certified Financial, a secured creditor of the bankrupt's estate, it is the trustee's preliminary view, based on information available to the trustee that individual investors with Certified Financial are not creditors of MCL Development Corp. The enclosed documents are provided to the investors of Certified Financial for information purposes only and advise that the investors should contact Certified Financial in respect of this matter.

Should you have any questions with respect to the above, please contact Jessica Caden at 403.206.5394

Yours very truly,

Ernst & Young Inc.


Robert J. Taylor, CA, CIRP
Senior Vice-President

Attachments



Ernst & Young Inc.
1000, 440 – 2nd Avenue SW
Calgary, AB T2P 5E9

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District of: Alberta
Division No. 02 - Calgary
Court No. 25-1917525
Estate No. 25-1917525

IN THE MATTER OF THE BANKRUPTCY OF MCL DEVELOPMENT CORP

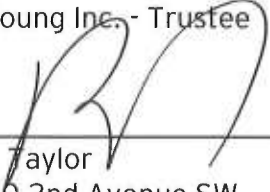
NOTICE OF BANKRUPTCY AND FIRST MEETING OF CREDITORS
(Subsection 102(1) of the *Bankruptcy and Insolvency Act*)

Take notice that:

1. MCL Development Corp. filed an assignment on the 2nd day of October 2014, and the undersigned, Ernst & Young Inc., was appointed as trustee of the estate of the bankrupt by the official receiver, subject to affirmation by the creditors of the trustee's appointment or substitution of another trustee by the creditors.
2. The first meeting of creditors of the bankrupt will be held on the 21st day of October 2014, at 10:00 AM, at the Conference Centre on the second floor of the EY Tower, 440 - 2nd Avenue SW, Calgary, Alberta.
3. To be entitled to vote at the meeting, a creditor must lodge with the trustee, before the meeting, a proof of claim and, where necessary, a proxy.
4. Enclosed with this notice is a proof of claim form, proxy form, and list of creditors with claims amounting to \$25 or more showing the amounts of their claims.
5. Creditors must prove their claims against the estate of the bankrupt in order to share in any distribution of the proceeds realized from the estate.

Dated at the City of Calgary in the Province of Alberta, this 8th day of October, 2014.

Ernst & Young Inc. - Trustee
Per:



Robert J. Taylor
1000, 440 2nd Avenue SW
Calgary AB T2P 5E9
Phone: (403) 233-7112 Fax: (403) 206-5075

District of: Alberta
 Division No. 25 - Calgary
 Court No.
 Estate No.

Original Amended

-- Form 78 --

Statement of Affairs (Business Bankruptcy) 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 Bankruptcy of MCL Development Corp

To the bankrupt:

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 bankruptcy, on the 1st day of October 2014. 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)	
1. Unsecured creditors as per list "A"	35,943,580.03
Balance of secured claims as per list "B"	57,120,424.78
Total unsecured creditors	93,064,004.81
2. Secured creditors as per list "B"	9,925,000.00
3. Preferred creditors as per list "C"	0.00
4. Contingent, trust claims or other liabilities as per list "D" estimated to be reclaimable for	0.00
Total liabilities	102,989,004.81
Surplus	NIL

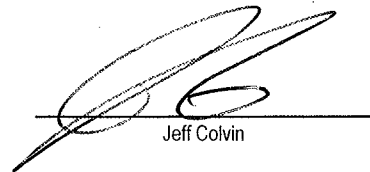
ASSETS (as stated and estimated by the officer)	
1. Inventory	0.00
2. Trade fixtures, etc.	0.00
3. Accounts receivable and other receivables, as per list "E"	
Good	0.00
Doubtful	3,772,315.79
Bad	0.00
Estimated to produce	0.00
4. Bills of exchange, promissory note, etc., as per list "F" ..	0.00
5. Deposits in financial institutions	39.44
6. Cash	0.00
7. Livestock	0.00
8. Machinery, equipment and plant	0.00
9. Real property or immovable as per list "G"	9,925,000.00
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 bankrupt 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	9,925,039.44
Deficiency	93,063,965.37

I, Jeff Colvin, of the city of Calgary in the Province of Alberta, 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 1st day of October 2014 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 Calgary in the Province of Alberta, on this 1st day of October 2014.



Lynda Huber, Commissioner of Oaths
 For the Province of Alberta
 Expires Mar. 27, 2017


 Jeff Colvin

L. R. HUBER
 MY COMMISSION EXPIRES
 MARCH 27, 20 17

Form 78

List "A"
Unsecured Creditors
MCL Developments Corp

No.	Name of Creditor	Address	Unsecured Claim	Balance of Claim	Total Claim
1	Certified Financial		\$ 33,501,438.88		\$ 33,501,438.88
2	Quest			50190379.68	\$ 50,190,379.68
3	1438725 Alberta Ltd			\$ 6,930,045.10	\$ 6,930,045.10
4	Ferris, Chester		\$ 2,102,128.08		\$ 2,102,128.08
5	BSEI - Brisbin & Sentis Engineering Inc		\$ 129,788.07		\$ 129,788.07
6	Blue-Con Excavating Ltd		\$ 29,304.09		\$ 29,304.09
7	Collins Barrow Chartered Accountants		\$ 27,646.50		\$ 27,646.50
8	WRD Borger		\$ 26,250.00		\$ 26,250.00
9	Demianschuk Milley Burke & Hoffinger LLP		\$ 22,878.32		\$ 22,878.32
10	CALGARY HERALD		\$ 18,746.29		\$ 18,746.29
11	Alberta Hydroseeding Inc		\$ 17,734.71		\$ 17,734.71
12	Rocky View County		\$ 15,722.05		\$ 15,722.05
13	Alberta Revenue Tax		\$ 14,883.81		\$ 14,883.81
14	Sun Media - The Calgary Sun		\$ 9,837.20		\$ 9,837.20
15	Witten LLP		\$ 5,240.27		\$ 5,240.27
16	Waste Management of Canada Corporation		\$ 3,265.18		\$ 3,265.18
17	Fin-Wall Site Services		\$ 2,940.40		\$ 2,940.40
18	Rogers Media Inc		\$ 2,555.73		\$ 2,555.73
19	Clear Flow Services Ltd		\$ 2,437.82		\$ 2,437.82
20	Bittner Construction		\$ 1,942.61		\$ 1,942.61
21	Tulissi Construction Ltd		\$ 1,855.35		\$ 1,855.35
22	LA West (Calgary) Inc		\$ 1,690.43		\$ 1,690.43
23	Raymac Surveys Ltd		\$ 1,321.95		\$ 1,321.95
24	Quality Hotel Calgary Airport		\$ 695.63		\$ 695.63
25	Prairie Landscapes Inc		\$ 630.00		\$ 630.00
26	Minister of Finance, Sustainable Resource Dev		\$ 595.22		\$ 595.22
27	Balloons Canada		\$ 535.50		\$ 535.50
28	McLeod & Company LLP		\$ 459.97		\$ 459.97
29	Ackerman Appraisal Services Inc		\$ 446.25		\$ 446.25
30	Trinity-One		\$ 300.00		\$ 300.00
31	UPS Canada		\$ 110.01		\$ 110.01
32	SHAW CABLE		\$ 78.79		\$ 78.79
33	BP Propane		\$ 70.92		\$ 70.92
34	Zahara		\$ 50.00		\$ 50.00
			Total: \$ 35,943,580.03	\$ 57,120,424.78	\$ 93,064,004.81

Form 78 - Continued

List "B"
Secured Creditors
MCL Developments Corp

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	1438725 Alberta Ltd	Calgary AB	\$ 7,855,045.10	Real Property or Immovable - Land - Cochrane		\$ 925,000.00		\$ 6,930,045.10
2	Quest	Calgary AB	\$ 59,190,379.68	Real Property or Immovable - Land - Cochrane		\$ 9,000,000.00		\$ 50,190,379.68
Total:			\$ 67,045,424.78			\$ 9,925,000.00		\$ 57,120,424.78

District of: Alberta
Division No. 25 - Calgary
Court No.
Estate No.

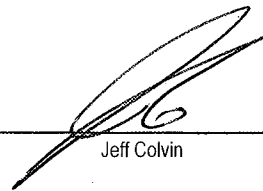
FORM 78 -- Continued

List "G"
Real Property or Immovables Owned by Bankrupt
MCL Development Corp

Description of property	Nature of bankrupt interest	In whose name does title stand	Total value	Particulars of mortgages, hypothecs, or other encumbrances (name, address, amount)	Equity or surplus
Land - Cochrane - Phase 2B 57 acres, of which 20 acres is flooded	100 %	MCL Development Corporation	925,000.00	1438725 Alberta Ltd unknown Calgary AB 7,855,045.10	0.00
Land - Cochrane - Phase 4, 5, 6 360 acres	100 %	MCL Development Corporation, MCL Development Corporation	9,000,000.00	Quest unknown Calgary AB 59,190,379.68	0.00
Total:			9,925,000.00		0.00

01-Oct-2014

Date



Jeff Colvin

District of: Alberta
Division No. 25 - Calgary
Court No.
Estate No.

FORM 78 -- Concluded

List "H"
Property

MCL Development Corp
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	BMO Bank of Montreal 2302 4 Street SW Calgary AB T2S 1X2	8099352	39.44	39.44
(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:	39.44

01-Oct-2014

Date



Jeff Colvin

INSTRUCTIONS FOR COMPLETING PROOF OF CLAIM AND PROXY

Please check each of the following requirements in order to prepare the attached forms in a complete and accurate manner.

PROOF OF CLAIM

- Give the **complete address, including postal code**, where all notices or correspondence are to be forwarded.
- If the creditor is a corporation, the full and complete legal name of the company or firm must be stated.
- Please state your name (or representative of the creditor), city of residence and province.
- The signature of a witness is required.
- The claim must be **signed personally by the individual** completing this declaration.
- The claim and/or proxy must be delivered by regular mail, registered mail, personal delivery, e-mailed (in PDF format), courier or facsimile transmission at the following address before the day of the meeting of creditors:

Ernst & Young Inc.
Attn: Jessica Caden
Ernst & Young Tower
1000, 440 – 2nd Avenue S.W.
Calgary, Alberta
T2P 5E9
E-mail: jessica.caden@ca.ey.com
Telephone: (403) 206-5394
Fax: (403) 206-5075

Paragraph (1)

- If you are completing the declaration for a corporation or another person, your **position or title**.

Paragraph (3)

- A **detailed statement of account** must be attached and must show the date, number and amount of all the invoices, charges, credits or payments.
- A statement of account is not complete if it begins with an amount brought forward.
- The amount of the statement of account **must agree** with the amount claimed on the proof of claim.

Paragraph (4)

- A creditor must indicate the category in which his claim falls by inserting the amount of the claim in the appropriate box, and providing in an appendix a full explanation of the basis of the claim.
- An ordinary creditor must specify if he claims or not a right to a priority under section 136 of the Act.
- A secured creditor must insert the value at which he assesses each of his securities and provide a **certified true copy** of the security documents as registered.
- In order to prepare its claim, the creditor should refer to the *Bankruptcy and Insolvency Act*, copy of which is accessible at <http://laws.justice.gc.ca/eng/StatutesByTitle>.

Paragraph (5)

- Strike out “are” or “are not” as applicable to you. You would be considered a related person if:
 - you are related to blood or marriage to the debtor;
 - if the debtor is a corporation and you were a shareholder or if your company was controlled by the same shareholders as the debtor corporation.

Paragraph (6)

- All creditors must attach a detailed list of all payments or credits received or granted, as follows:
 - within the 3 months immediately before the date of the initial bankruptcy event or proposal, if the creditor and the debtor are not related and dealt at arm’s length.
 - within the 12 months immediately before the date of the initial bankruptcy event the bankruptcy or the proposal, if the creditor and the debtor are related or did not deal at arm’s length.

PROXY

A creditor may appoint a proxy by completing the proxy form. If the creditor is a corporation, the proxy form must be completed in the corporate name and the signature witnessed.



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Calgary, AB
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PROOF OF CLAIM

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

IN THE MATTER OF THE BANKRUPTCY OF: MCL DEVELOPMENT CORP., of Calgary, Alberta, **debtor**
and the claim of _____, **creditor.**

I, _____ (name of creditor or representative of the creditor), of _____ (city and province)

DO HEREBY CERTIFY:

1. That I am a creditor of the above-named debtor, (or that I am _____ (state position or title) of _____ (name 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 the bankruptcy, namely the **2nd day of October 2014** and still is, indebted to the creditor for the amount(s) indicated below, as specified in the statement of account (or affidavit or solemn declaration) attached and marked Schedule "A" (**Note 1**), 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. That the amount(s) and category/categories of the claim of the creditor are as follows:

Category/Categories

- Employee claim for unpaid wages and allowable expenses, under section 81.3(8) or 81.4(8) of the Act
- Claim of a Pension plan, under section 81.5 or 81.6 of the Act
- Claim of a farmer, fisherman or aquaculturist, under section 81.2 of the Act
- Secured claim (**notes 2 and 3**) – Value of the assets held as security: \$ _____
- Preferred claim, under section 136 of the Act
- Claim of a lessor further to the disclaimer of a lease, pursuant to section 65.2(4) of the Act
- Claim arising from the repudiation or resiliation of an agreement, pursuant to section 65.11(8) of the Act
- Claim of a customer of a securities firm, as defined in section 253 of the Act
- Ordinary unsecured claim

Amount (CDN \$)

Total amount of the claim

(Give full particulars of the claim, including the calculations upon which the claim is based, and the details to support a right to a priority claim, as the case may be).

5. That, to the best of my knowledge, I am (or the above-named creditor is) (or am not or is not) related to the debtor within the meaning of section 4 of the Act and have (or has) (or have not or has not) dealt with the debtor in a non-arm's-length manner.
6. That the payments that I have received from, and the credits that I have allowed to, 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 (October 2, 2014) within the meaning of Section 2 of the Act are listed on Schedule "B" hereto: (**Provide details of payments and credits.**)

DATED in the city of _____ this _____ day of _____ 2014.

Signature of witness

Signature of creditor (of representative of the creditor)

Telephone no: () _____

Telecopier no: () _____

E-mail address: _____

Notes and warnings:

1. If an affidavit or solemn declaration is attached, it must have been made before a person qualified to take affidavits or solemn declarations.
2. With regards to a secured claim, provide full particulars if 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.
3. 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.
4. Subsection 201(1) of the Act provides severe penalties for making any false claim, proof, declaration or statement of account.



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PROXY

IN THE MATTER OF THE BANKRUPTCY OF: MCL DEVELOPMENT CORP.

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

Dated at _____, this _____ day of _____ 2014.
(name of town or city)

Signature of Witness

Signature of creditor (individual)

Name of Corporate Creditor

Signature of Witness

Per: _____
Name and Title of Signing Officer