In the Matter of
***The Securities Act, 1988,* S.S. 1988, c. S-42.2**

and

In the Matter of

Ronald James Aitkens, also known as Ron Aitkens,
Legacy Communities Inc.,
Spruce Ridge Capital Inc.,
Spruce Ridge Estates Inc.,
Railside Capital Inc.,
Railside Industrial Park Inc.,
1252064 Alberta Ltd.,
1330075 Alberta Ltd.,
Harvest Capital Management Inc., and
Harvest Group GP Corporation

NOTICE OF APPLICATION BY SPRUCE RIDGE CAPITAL INC. FOR DISCHARGE OF STATEMENT OF ALLEGATIONS AS AGAINST SPRUCE RIDGE CAPITAL INC.

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Robyn Gurofsky Borden Ladner Gervais LLP 1900, 520 3rd Ave. S.W. Calgary, AB T2P 0R3 Telephone: (403) 232-9774 Facsimile: (403) 266-1395 Email: RGurofsky@blg.com File No. 440553-000003

TO: **Ronald James Aitkens, also known as Ron Aitkens**
Legacy Communities Inc.
Spruce Ridge Estates Inc.
Railside Capital Inc.
Railside Industrial Park Inc.
1252064 Alberta Ltd.
1330075 Alberta Ltd.
Harvest Capital Management Inc.
Harvest Group GP Corporation

TAKE NOTICE that a Panel of Financial and Consumers Affairs Authority of Saskatchewan (the Panel") will hear an application by Spruce Ridge Capital Inc. via teleconference on November 1, 2013 at 9:00 am (CST).

The teleconference number is: [redacted]

Pass code: [redacted]

Application:

Counsel on behalf of Spruce Ridge Capital Inc. will ask the Panel to consider making an order discontinuing the Statement of Allegations as against Spruce Ridge Capital Inc. pursuant to section 158 of *The Securities Act, 1988,* S.S. 1988, c. S-42.2 (the "*Securities Act*").

Grounds:

Counsel on behalf of Spruce Ridge Capital Inc. will make its application for a discontinuance based on the following grounds:

1. Spruce Ridge Capital Inc. ("SRC") filed proceedings under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the "CCAA Proceedings") on August 24, 2012. At the same time, [redacted] ("[redacted]") and his company [redacted] ("[redacted]") were appointed the chief restructuring officer of SRC pursuant to a Court order (the "CRO Order").

2. After August 24, 2012, as a result of the CCAA Proceedings and the CRO Order, Mr. Ron Aitkens, formerly the sole directing mind of SRC, had no ability to direct the business of SRC.

3. A Plan of Arrangement (the "Plan") was developed in the CCAA Proceedings by [redacted] Ernst and Young Inc., the Court appointed Monitor of SRC, and their respective legal counsel. The Plan was presented to SRC's creditors, consisting primarily of the investors, at a creditors' meeting held on January 28, 2013 and the Plan was approved by an overwhelming majority of those investors and thereafter sanctioned by the Court.

4. Pursuant to the terms of the Plan, SRC undertook a debt restructuring as well as a corporate restructuring, both of which are more particularly outlined in the Affidavit of [redacted] filed in these proceedings on October 17, 2013 (the "[redacted]

5. Briefly, as a result of the debt and corporate restructurings, SRC is the direct registered owner of the Spruce Ridge lands, the primary asset formerly owned by Spruce Ridge Estates Inc., and 100% of the shares of the restructured SRC are held by the investors. All of the commons shares issued by SRC prior to the Plan, 40% of which were held by Mr. Aitkens and 60% of which were held by Eyelogic Systems Inc., were cancelled, and as a result, neither Mr. Aitkens nor Eyelogic Systems Inc. holds any ownership interest in the restructured SRC.

6. The Plan also restructured management of SRC pursuant to a Director Solicitation Process (the "DRP") implemented by the Monitor and approved by the Court in the CCAA Proceedings. As a result of the DRP, an interim board was appointed consisting of investors with a direct financial interest in the outcome of the company, and Mr. Aitkens was discharged as director and given no further role or involvement in SRC. None of the interim directors is related to Mr. Aitkens, nor are they taking any direction from him in their capacity as interim directors, or otherwise.

7. The restructured SRC, under the guidance of the interim board of directors as well as [redacted] as president of SRC, has entered into an agreement with a third party unrelated to Mr. Aitkens, being [redacted] (the "[redacted] Agreement") designed to address the immediate financial and development needs of SRC. The Simmons Agreement, more particularly described in the [redacted] Affidavit, currently represents the best and only feasible option available to SRC to maximize the value from the Spruce Ridge lands and the return of capital to investors over time.

8. [redacted] the sole director of [redacted] has advised that it will not complete the [redacted] Agreement if the Statement of Allegations filed by the FCAA remains outstanding, the result of which is that SRC will lose its only feasible opportunity to maximize value for the benefit of its investors.

9. As a result of the unique circumstances surrounding SRC and the cleansing process established in the CCAA Proceedings and through the implementation of the Plan, the Statement of Allegations does not advance the principles or purpose of the *Securities Act* in that it does not provide protection to investors, nor does it foster fair and efficient capital markets; rather, the effect of the Statement of Allegations is that it punishes the very investors that the *Securities Act* is intended to protect.

FURTHER TAKE NOTICE that the following documents will be relied upon by Spruce Ridge Capital at the Application:

1. Affidavit of [redacted] sworn October 17, 2013;

2. Affidavit of [redacted] sworn October 16, 2013;

3. Affidavit of [redacted] sworn October 17, 2013;

4. Affidavit of [redacted] sworn October 16, 2013;

5. Affidavit of [redacted] sworn October 16, 2013; and

6. Affidavit of [redacted] sworn October 16, 2013.

AND FURTHER TAKE NOTICE that you are entitled to be represented by legal counsel on the return date;

AND FURTHER TAKE NOTICE that you may call witnesses and submit such evidence relevant to the Application;

AND FURTHER TAKE NOTICE that if you do not attend at the time and place as aforesaid, the hearing of the Application will proceed in your absence and the Panel may make or give any decision or order as they deem fit in the circumstances, as though you were present.

DATED at Calgary, Alberta on October 23, 2013.

[redacted]

Robyn Gurofsky
Borden Ladner Gervais LLP
Legal Counsel for Spruce Ridge Capital Inc.

NOTE: Saskatchewan Policy Statement 12-602 *Procedure on Hearings and Reviews* (SP 12-602) sets out information on the procedures for this hearing. SP 12-602 can be found on the Authority's website at www.fcaa.gov.sk.ca