

COURT FILE NO. 1101-11811

COURT Court of Queen's Bench of Alberta

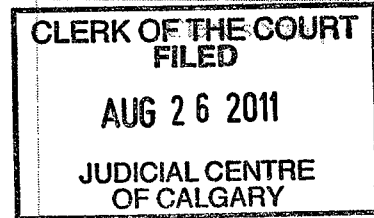
JUDICIAL CENTRE Calgary

PLAINTIFF RAE CANN

DEFENDANT(S) STRATA-TRADE CORPORATION; TRANSCAP CORPORATION; INTERNATIONAL RESOLUTION COMPANY LTD.; DALE E. ST. JEAN; GREGORY D. TINDALL;

DOCUMENT **Statement of Claim**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF THE PARTY FILING THIS DOCUMENT
Rae Cann
c/o 1250, 639 - 5 Avenue SW
Calgary, Alberta T2P 0M9
Phone: 403-992-0063 Fax: 403-475-9893



NOTICE TO DEFENDANT(S)

You are being sued. You are a Defendant.

Go to the end of this document to see what you can do and when you must do it.

Note: State below only facts and not evidence (Rule 13.6)

Statement of facts relied on:

The Parties

1. The Plaintiff, Rae Cann, is an individual ordinarily resident in Calgary, Alberta.
2. The Defendant, Strata-Trade Corporation, is a corporation registered and authorized to carry on business in the Province of Alberta.

3. The Defendant, Transcap Corporation, is a corporation registered and authorized to carry on business in the Province of Alberta.
4. The Defendant, International Resolution Company Ltd., is a corporation registered and authorized to carry on business in the Country of Belize.
5. The Defendant, Dale E. St. Jean, to the best of the Plaintiff's knowledge, is an individual ordinarily resident in Calgary, Alberta, and is a Director of the Defendants Strata-Trade Corporation and Transcap Corporation.
6. The Defendant, Gregory D. Tindall, is an individual, and until September 2, 2009, was a resident of Okotoks, Alberta. To the best of the Plaintiff's knowledge, the whereabouts of the Defendant, Gregory D. Tindall is unknown. The Defendant, Gregory D. Tindall is a Director of the Defendants Strata-Trade Corporation and Transcap Corporation.

The Facts

7. On or about May 5, 2009, the Plaintiff provided Strata-Trade Corporation the sum of \$130,000.00 in investment funds for a 1300 Series B 15% Redeemable Bond.
8. The Bond was offered according to a number of terms as outlined in an Offering Memorandum. The Plaintiff agreed to loan/invest/provide funds to Strata-Trade on the terms outlined in the Offering Memorandum, and as such, they formed material terms to the contract between the Plaintiff and Strata-Trade Corporation.
9. Pursuant to the Offering Memorandum, the net proceeds of the Offering would be loaned to Transcap Corporation and identified Transcap Corporation as a related party.
10. Pursuant to the Offering Memorandum the Plaintiff was to receive equal quarterly interest payments at the rate of 15% per annum. These interest payments were to be made on March 31, June 30, September 30 and December 31 each year during the term of the Bond.
11. The Defendants failed to make the March 31, 2010 quarterly interest payment to the Plaintiff, and have further failed, refused or neglected to make any payment to the Plaintiff of interest arrears or further interest payments due and owed under the Bond pursuant to the terms of the Offering Memorandum.

12. In July 2010, the Plaintiff received correspondence from Strata-Trade Corporation dated June 22, 2010, which stated that Strata-Trade Corporation was a lender to Transcap Corporation, and all funds invested with Strata-Trade Corporation were the ultimate responsibility of Transcap Corporation. Strata-Trade Corporation also advised that the Bonds were being assigned to International Resolution Company Ltd.
13. Together with the correspondence noted in 12 above, the Plaintiff was provided a letter dated June 17, 2010, from the lawyer for International Resolution Company Ltd., together with a copy of the assignment. The letter was purportedly notice of the assignment.
14. The Offering Memorandum provided to the Plaintiff does not permit the unilateral assignment of the Bond by Strata-Trade Corporation and/or Transcap Corporation to any entity.
15. In an email dated September 13, 2010, the lawyer for the Defendant, International Resolution Company Ltd., represented that the Plaintiff's Bond was part of the assignments to International Resolution Company Ltd.
16. Although the Plaintiff does not accept the validity of the assignment of the Bond, in any event the Defendant, International Resolution Company Ltd. should be bound by the original terms outlined in the Offering Memorandum.
17. The Plaintiff has requested the Defendants pay interest arrears to bring the Bond into good standing, but the Defendants have refused, neglected or failed to make any arrears payments to the Plaintiff.
18. Pursuant to the Offering Memorandum, at any time during the term of the Bond the bondholder may request redemption of all or a portion of the Bond prior to the Bond's maturity date.
19. The Plaintiff has demanded redemption of the Bond, but the Defendants have refused, neglected or failed to return the principal amount and arrears owed under the Bond to the Plaintiff.
20. In correspondences from the lawyer for the Defendant, International Resolution Company Limited, dated June 17, 2010 through to August 3, 2011, it is represented that the Bond is secure and the investment funds would be returned, inclusive of arrears.
21. The Plaintiff has repeatedly sought information from the Defendants as to the validity of the investment and the use of the investment funds, and the responses from the Defendants, if any, have been vague, inconsistent and misleading.

22. Based on the information provided to date, the Plaintiff has serious concerns with respect to the operations of the Defendants, and there appears to be no forthcoming information with respect to the use of the investment funds despite a stated objective of same in the Offering Memorandum.
23. The Plaintiff hereby demands from the Defendants, in accordance with the terms of the Bond, return of the initial investment and interest arrears due and owed.
24. The Plaintiff claims the costs of this action on a full indemnity basis.

Remedy sought:

Wherefore the Plaintiff claims against the Defendants, jointly and severally:

1. The sum of \$130,000.00, being the principal amount owing under the Bond;
2. Interest on the sum of \$130,000.00 at 15% per annum from and after December 31, 2009;
3. Interest pursuant to the *Judgment Interest Act*;
4. Costs of this Action; and
5. Such further and other remedy that this Honorable Court may deem just.

NOTICE TO THE DEFENDANTS

You only have a short time to do something to defend yourself against this claim:

20 days if you are served in Alberta

1 month if you are served outside Alberta but in Canada

2 months if you are served outside Canada

You can respond by filing a statement of defence or a demand for notice in the office of the clerk of the Court of Queen's Bench at Calgary, Alberta AND serving your statement of defence or a demand for notice on the plaintiff's(s') address for service.

WARNING

If you do not file and serve a statement of defence or a demand for notice within your time period, you risk losing the law suit automatically. If you do not file, or do not serve, or are late in doing either of these things, a court may give a judgment to the plaintiff(s) against you.