

COURT FILE NUMBER 1501 - 11817
COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

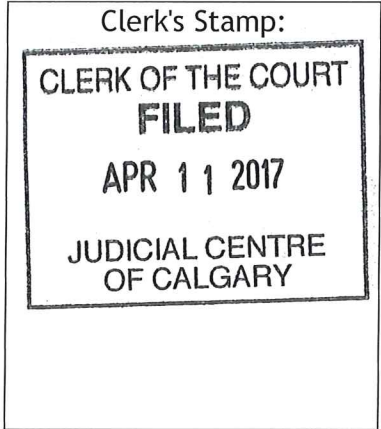
APPLICANT EASYLOAN CORPORATION AND MIKE TERRIGNO

RESPONDENTS BASE MORTGAGE AND INVESTMENTS LTD. AND BASE FINANCE LTD.,
ARNOLD BREITKRUETZ, SUSAN BREITKRUETZ, SUSAN WAY AND GP
ENERGY INC.

DOCUMENT FOURTH REPORT OF THE RECEIVER

DATED APRIL 10, 2017

PREPARED BY BDO CANADA LIMITED



ADDRESS FOR SERVICE AND BILLINGTON BARRISTERS
CONTACT INFORMATION OF 1910, 717 - 7TH AVENUE SW
PARTY FILING THIS DOCUMENT Calgary, Alberta T2P 0Z3

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Phone Number: (403) 930-4101

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rbillington@billingtonbarristers.com

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INTRODUCTION

1. On October 15th, 2015, pursuant to and Ex Parte Order filed with the Court of Queen's Bench of Alberta (the "Court") Justice K. Yamauchi, pursuant to section 13(2) of the Judicature Act, R.S.A. 2000, c.J-2 and section 99(a) of The Business Corporations Act, R.S.A. 2000, c.B-9, appointed BDO Canada Limited (hereinafter referred to as "BDO" or the "Receiver") as Receiver of all current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situated, including (without limitation) (the "Property") of Base Mortgage & Investments Ltd. and Base Finance Ltd. ("Base Mortgage" and "Base Finance" respectively, or jointly the "Debtors" or the "Companies").
2. The Receiver obtained an Amended Amended Order, (the "Order") on November 6, 2015 extending the powers of the Receiver to include Mr. Arnold Breitreutz, Mrs. Susan Breitreutz, Ms. Susan Way, Mr. Brian Fox, and all corporations controlled by any of them.
3. As directed by the Order, the Receiver applied for an order to market and sell certain properties as outlined further in this report. An application was made by the Defendants in this action, excluding Susan Way, for a variety of relief including removing the ability of the Receiver to market and sell real property registered in the name of Mr. Breitreutz, Ms. Breitreutz, and 334103 Alberta Ltd. A Memorandum of Decision of the Honourable Madam Justice B.E. Romaine dated December 2, 2016 and attached as **Appendix "A"**, denied in its entirety the application of the Defendants and granted the Receiver the ability to market and sell the real property in question. A copy of the Receivership Orders and Memorandum of Decision can be accessed by the public on BDO's website at www.extranets.bdo.ca/base/.

NOTICE TO READER

4. In preparing this report, BDO has relied upon unaudited financial information, the Companies' records and discussions with former management, interested parties, and the Companies' stakeholders. The Receiver has not performed an independent review or audit of the information provided.

5. The findings contained herein are based primarily on review of various documents made available to the Receiver and discussions and communications with various parties. The Receiver may alter or refine its observations as further information is obtained or brought to its attention after the date of this report.
6. The Receiver assumes no responsibility or liability for any loss or damage occasioned by any party as a result of the circulation, publication, reproduction or use of this report. Any use which any party makes of this report, or any reliance on or decisions to be made based on it is the responsibility of such party.

PURPOSE OF THE REPORT

7. The purpose of this report is to:
 - i) Report on the activities of the Receiver not previously reported on in prior receiver reports; and
 - ii) Outline the proposed Residential Sales Offer to Purchase Agreements (the “Offers”) on the Properties in the Receiver’s possession to assist the Court with approving the sale of the same.
8. This report constitutes the Fourth Report of the Receiver (the “Fourth Report”). The Fourth Report is being filed by the Receiver in respect of the Receiver’s application to this Honourable Court seeking the following:
 - i) Approve the sale of the following properties, jointly identified at “the Properties”:
 - (a) 724 - 55 Avenue SW, Calgary, AB (“724”);
 - (b) 728 - 55 Avenue SW, Calgary, AB (“728”);
 - (c) 735 - 55 Avenue SW, Calgary, AB (“735”); and
 - (d) 63 Suncastle Bay SE, Calgary AB (“Suncastle”).

ACTIONS TAKEN BY THE RECEIVER

9. A summary of the primary activities undertaken by the Receiver subsequent to the Supplemental Report to the Third Report of the Receiver dated July 28, 2016, are as follows:
 - i) Responded to numerous inquiries from creditors, their financial advisors and legal counsel seeking information, input, and guidance on the status of proceedings;

- ii) Participation in conversations with the Alberta and British Columbia Securities Commission and RCMP;
- iii) Facilitated access to the books and records of the Companies for third party reviews;
- iv) Provided copies of selected documents according to file review protocol;
- v) Discussed and corresponded with Companies' legal counsel and Receiver's legal counsel;
- vi) Prepare for and attended at Court for the March 14, 2017 application in relation to the stay of proceedings regarding the sales process of the Properties;
- vii) Took reasonable steps to notify the tenants of the Properties of the sales process;
- viii) Listed the Properties for sale and administer incoming offers;
- ix) Reviewed the offers for purchase received;

10. Further, the Receiver is administering and supervising the sales and marketing process that commenced March 10, 2017. The sales process involved the following actions generally:

- i. Contacted a real estate brokerage to provide comparative markets analysis' on the Properties;
- ii. Engaged Consolidated Civil Enforcement to serve Notice to the tenants located in the properties of the sales process. The affidavit for service is attached as **Appendix "B"**;
- iii. Listed the homes for sale;
- iv. Communicated with the Realtor on numerous occasions regarding incoming offers; and
- v. Reviewed and analysed all of the offers submitted to date.

ASSETS AND SALES PROCESS

11. The Offers received and the comparative market analyses are contained within a Confidential Supplementary Report to the Fourth Report of the Receiver (the "Supplementary Report"). The Receiver is requesting that the Supplementary Report be sealed by this Honourable Court so as not to taint the sales process in the event the sale does not close.

12. The Receiver has requested mortgage and lease agreement documents on multiple occasions from Mr. Breitkruetz as well as the mortgage institution listed on title, however

these requests have not yet been responded to. Therefore, the Receiver is unable to quantify at this time the exact amount of security against the Properties.

13. The Receiver has received five (5) offers on 724, four (4) offers on 728, one (1) offer on 735 and four (4) offers on Suncastle, since listing the Properties on March 10, 2017.
14. Included in these offers is a unique bundle offer (the "Bundle Offer") which encompasses an all-or-none offer on the Properties. Some of the benefits of the Bundle Offer are that the offeror did not retain a real estate agent so as to minimize the real estate charges for the seller, the offeror will take the responsibility to evict the occupants of the properties if necessary, there are no conditions on the sale, and the offeror is prepared to close immediately.
15. The Receiver supports the sale of the Properties to the Bundle Offer for the following reasons:
 - i. During the period the homes have been on the market numerous offers have been received, all within similar range for each property;
 - ii. The proposed offer encompasses all of the properties and contains no conditions so as to reduce closing risk;
 - iii. Closing the sale transaction upon Court approval will reduce additional carrying costs that may be incurred by the estate, including monthly insurance on the homes, legal and professional fees to evict the tenants, legal and professional fees to continue to market and attend at Court for further approval on 735; and
 - iv. The total value of the Bundle Offer exceeds the sum of the individual highest offers received on all of the Properties.

RECOMMENDATIONS AND INTENDED COURSE OF ACTION

16. The Receiver respectfully submits this Fourth Report of the Receiver in support of the Receiver's application to this Honourable Court seeking the following:
 - i) Approval of the sale of the Properties to the Bundle Offer.

BDO CANADA LIMITED, solely in its capacity
As Court Appointed Receiver (as defined in
The Order), and not in its personal
Capacity

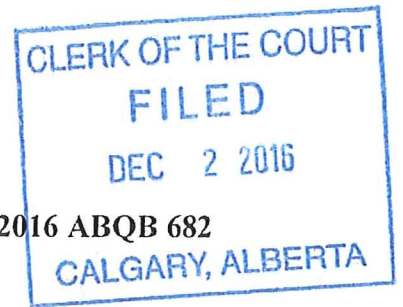
Per: _____

Name: Craig A. Fryzuk, CIRP, LIT

Title: Senior Vice-President

Tab A

Court of Queen's Bench of Alberta



Citation: Easyloan Corporation v Base Mortgage & Investment Ltd, 2016 ABQB 682

Date:
Docket: 1501 11817
Registry: Calgary

Between:

Easyloan Corporation and Mike Terrigno

Plaintiffs

- and -

Base Mortgage & Investments Ltd. and Base Finance Ltd., Arnold Breitkruetz, Susan Breitkruetz, Susan Way and GP Energy Inc.

Defendants

**Memorandum of Decision
of the
Honourable Madam Justice B.E. Romaine**

I. Introduction

[1] Base Mortgage & Industries Ltd, Base Finance Ltd, Arnold Breitkruetz, Susan Breitkruetz and GP Energy Inc, (the "Base applicants") applied for a variety of relief in this receivership. Susan Way, another defendant, was not represented in the application.

[2] The Base applicants apply:

- (a) for an order removing from the November 6, 2015 Amended Amended Order of Receivership (the "Order") the reference that extended the receivership over real property that is registered in the names of Mr. Breitkruetz, Ms. Breitkruetz, and 334103 Alberta Ltd, and that directed the Registrar of Land Titles to register the

Order against title to property notwithstanding the requirements of subsection 191(1) of the *Land Titles Act*;

- (b) for an order removing certificates of *lis pendens* against certain property;
- (c) for an order striking paragraph 14 of a Statement of Claim filed in relation to this matter on October 16, 2015, naming the Base applicants as defendants;
- (d) returning records seized by the Receiver; and
- (e) extending the time to file an affidavit of records.

[3] I denied the entirety of the application and these are my reasons.

[4] The Receiver applied for an order approving its actions taken to date, compelling production of information and permitting the Receiver to market and sell certain real properties. The Order provides the Receiver with authority to market and sell properties, subject to Court approval when individual transaction exceed \$100,000 and aggregate transactions exceed \$500,000. As the proposed transactions will exceed both the individual and aggregate limits, the Receiver sought approval to market the properties in advance.

II. Facts

[5] Arnold Breitkruetz is the sole shareholder and director of Base Mortgage, a mortgage brokerage company incorporated in 1978, and Base Finance, a private investment company incorporated in 1984 (collectively, "Base"). Base Mortgage acts as the administrator of Base Finance, and is paid an administration fee. Over the approximately 35 years of the operations of Base, Mr. Breitkruetz solicited in excess of \$120 million from approximately 240 investors and deposited these funds in Base Finance.

[6] As noted by Yamauchi, J in *EasyLoan Corporation v Base Mortgage & Investments Ltd*, 2016 ABQB 77:

Mr. Breitkruetz would inform investors that Base Finance was in the mortgage broker business, that it would obtain funds from investors that it would pool and loan to borrowers. Mr. Breitkruetz told investors that the borrowers would provide Base Finance with mortgages on real estate as security for the loans. The investors would be the beneficial holders of those mortgages, although Base Finance would be the nominal mortgagee, an intermediary in transactions involving the trustees and the borrowers.

[7] In most cases, Base Finance would provide the investors with a document entitled "Irrevocable Assignment of Mortgage Interest" that would name the investor, show the amount the investor provided to Base Finance and outline some of the terms of a mortgage that would secure the loan. As noted by Justice Yamauchi, this document did not name either the mortgagor or the lands on which the mortgage would be placed. None of the applicant investors involved in the matter before Justice Yamauchi had ever seen the mortgages that from the Assignment allegedly were security for their investments.

[8] Affidavits filed in the receivership proceeding in the matter before Justice Yamauchi and affidavits filed with the Alberta Securities Commission by investors disclose that they believed that they were investing their money with the Base corporations in order to participate in the assignment of first mortgages held on Alberta properties at attractive interest rates.

[9] Mr. Breitkruetz denies that he represented that the mortgages would be held on Alberta properties, alleging that he only said that investors would have an investment in a first mortgage held by Base Finance.

[10] The events that led to the receivership commenced on or around September 28, 2015, when the Alberta Securities Commission was advised by the Royal Bank of Canada that it had concerns about the validity of the Base businesses as a result of an investigation into a large NSF cheque issued to Base Finance.

[11] An affidavit filed by an investigator for the Alberta Securities Commission states that, prior to the Bank contacting the ASC, Mr. Breitkruetz had communicated to the Bank that Base Finance operated as a mortgage broker and had approximately 100 mortgages that were secured on title and that all mortgage funds were obtained from investors.

[12] In conducting its own review, the Bank was of the view that none of the transactions made out of the Base Finance account appeared to be for the purpose of lending for mortgages. The investigator determined activities in the account were suspicious and representative of a Ponzi-type scheme. The only Bank account that held funds was that of Base Finance and many of the deposits and payments from the account were made from and to individual investors with memo notations of principal and interest.

[13] On September 25, 2016, the Bank froze the Base Finance account, which had a balance of approximately \$1.08 million. On September 29, 2015 the Executive Director of the Alberta Securities Commission issued an order pursuant to section 47 of the *Securities Act*, RSA 2000, c S-4, freezing the Base Financial account.

[14] On October 15, 2015, this Court granted an order appointing a Receiver of all the current and future assets, undertakings and properties of every nature and kind of Base Finance and Base Mortgage and certain properties registered in the names of Mr. Breitkruetz, his spouse Ms. Breitkruetz and 334103 Alberta Ltd. The receivership order was amended twice. As part of the order, Mr. Breitkruetz, Ms. Breitkruetz, the Base corporations' sole employee Ms. Way, an individual named Brian Fox, and 334103 Alberta Ltd. (now GP Energy Inc) were also listed as respondents and subject to certain terms of the order.

[15] The Receiver's first report filed on November 5, 2016, states that, "the Receiver has not discovered any underlying Alberta based mortgages that the Debtors have invested in for the benefit of their investors."

[16] Mr. Breitkruetz appears to support his position on the basis that Base Finance is entitled to an underlying mortgage on the basis of a Deed of Trust with a face value of \$30 million. It appears from the Receiver's investigation to date that Mr. Breitkruetz maintains that Base Finance holds first charge mortgage security on leasehold interests in oil and gas properties in Texas held by Saddle Lake LLC, a company whose sole director and shareholder appears to be Mr. Fox.

[17] A Deed of Trust payable to Base Finance exists, and appears to be secured against leases outlined in the Deed of Trust documents. The Receiver has not had the funds to investigate the legitimacy or value of the Deed of Trust.

[18] Mr. Breitkruetz advised the Receiver that Base Finance has been investing in Mr. Fox and his related companies, including, most recently, Saddle Lake Energy LLC, since before 2000. At one time, Mr. Breitkruetz indicated to the Receiver that he did not know how much has

been invested in Mr. Fox and his related companies, but that it is in the range of \$30 million to upwards of \$80 million. More recently, Mr. Breitkruetz indicated on questioning that Mr. Fox borrowed approximately \$120 million from Base Finance over 35 years for the purpose of obtaining and developing oil and gas properties.

[19] The Receiver reports that Mr. Breitkruetz told the Receiver that the bulk of the investor funds from Base Finance, in the approximate amount of \$80 million, was lost when Powder River Petroleum International Inc filed for bankruptcy protection under Chapter 7 of the US *Bankruptcy Code*. Powder River was a public company of which Mr. Fox was the sole director, and president.

[20] The Receiver reports that no significant income has been earned by the Base companies since the liquidation of Powder River.

[21] Mr. Breitkruetz takes the odd and incredible position that investors did not suffer loss from the Powder River insolvency. He says that "we" (unspecified as to whether this was Base or Mr. Fox or Saddle Lake) were able to re-acquire the leases, which he maintains still have a value in excess of \$100 million according to a 2013 appraisal. The appraisal is problematic in that it does not identify the oil and gas properties that were being appraised.

[22] The Receiver states that, in an effort to recover from the approximate \$80 million in losses from Powder River, Mr. Breitkruetz continued to solicit investment from his Base Finance investor group in order to maintain the interest payment and principal redemption requirements of his investor group. Mr. Breitkruetz conceded on questioning that he "probably continued soliciting funds".

[23] Mr. Breitkruetz also advises that he continued to forward investors funds to Mr. Fox and his related companies in an effort to recover the leases lost in the Powder River liquidation, as evidenced by the purchase of the Saddle Lake leases and the Deed of Trust.

[24] Mr. Breitkruetz advised that investor funds in the approximate amount of \$200,000 were used to pay for legal fees related to SEC allegations against Mr. Fox relating to Powder River. Mr. Fox did not quantify the amounts paid to his legal counsel but agrees that Base Finance helped fund his legal costs.

[25] At the time of the receivership, the Texas properties were non-producing. Mr. Breitkruetz stated on questioning that Mr. Fox was attempting to obtain financing in the amount of \$50 million from unidentified Chinese investors to develop the properties but that this fell through for vague and confusing reasons.

[26] The Receiver has determined that Mr. Breitkruetz and his companies have engaged in very little mortgage brokering since 2009, and none in the past two years, because Mr. Breitkruetz says he plans to retire.

[27] Mr. Breitkruetz admits that funds borrowed from investors were advanced to Mr. Fox so that he could then make payments to other investors and sometimes make payments to Base investors, which payments were represented to be "interest payments". In fact, no investments were made and no interest was earned, but the payments gave the illusion that the Base corporations were continuing to earn significant returns on investments. Investors were not advised of the loss in the Powder River insolvency or the investment in Mr. Fox's oil and gas activities.

[28] Mr. Fox has stated in an affidavit filed in related proceedings that he believes that Mr. Breitkruetz, the Base corporations and 334103 Alberta Ltd are parties to a Ponzi scheme that involves almost 300 investors, and that in excess of \$122 million of funds that were advanced are now lost. He also says:

I'm also informed and believe that although the investors believed they were investing in Alberta mortgages and, in fact, there was only one Alberta mortgage that existed, and that mortgage was filed on the lands once they were fraudulently transferred and converted to 334103 Alberta Ltd and Arnold Mr. Breitkruetz, Base Mortgage & Investment Ltd and Base Finance Ltd.

[29] Mr. Breitkruetz denies this.

III. Analysis

A. The Base Applicants' Application

[30] With respect to the application to remove certain properties from the Order, the Base applicants rely on the fact that amendments to the original receivership order were made in an application on November 6, 2015 without notice of the application to their counsel.

[31] First, and most importantly, the provisions incorporating the properties in question were not added in the November amendments but have been in the order since it was first made on October 15, 2015. That original order was never appealed, nor did the Base applicants take advantage of the come-back provision in the order. The Base applicants do not dispute the evidence that was before Justice Yamauchi on October 15, 2015 that led to the original order but rely on two irregularities:

- (a) They allege that the affiant for the plaintiff, Mike Terrigno, misrepresented to the Court that Base Finance had no valid security on the leases of its borrower, Saddle Lake Energy LLC. As noted previously, the Base applicants allege that Base Finance holds security in the amount of \$30 million based on the Deed of Trust. As described in the Receiver's reports, there are a number of irregularities and unanswered questions with respect to the Deed of Trust and the leases alleged to be held by Saddle Lake. At best, it appears that the Deed of Trust, if valid, would secure only \$30 million of an alleged \$80 million invested by Base Finance in Saddle Lake. The Receiver has not been able to determine the authenticity and validity of the Deed of Trust, given the financial statues of the receivership. Thus, if there was a misrepresentation in the affidavit, which is not clear at this point, it was made at the commencement of an investigation into the complex and poorly documented affairs of Base. I am not persuaded that this misrepresentation, if it was one, would have made a difference to Justice Yamauchi, in granting the initial order, given the weight of other evidence that was before him.
- (b) They allege that counsel for the Plaintiffs and the Receiver failed to give notice of the November 6, 2015 application to counsel for the Base applicants. The Base applicants were previously represented by different counsel who had not yet filed a Notice of Ceasing to Act on November 6, 2015. Current counsel had contacted counsel for the plaintiffs with respect to the Statement of Claim, asking him not to take further steps to note Base in default. This new counsel had not yet identified

which of the Base defendants he was acting for. The fact that some Base applicants were retaining counsel was disclosed to Justice Yamauchi during the hearing. It is noteworthy that the amendments made to the Order were clarification amendments. The amendment to section 3(O) did not add to the Receiver's existing powers, but merely added the specific wording required by officials at the Land Titles office. The amendment to section 5 is not at issue. The amendment to section 6 merely clarifies existing powers. Therefore, while it would have been advisable and appropriate for counsel to the Receiver to have given notice to new counsel for Base, despite his failure to specify for whom he was acting, the type of amendment requested did not result in any greater prejudice to the Base applicants than the original order.

[32] I declined to amend the Amended Amended Order by reason of these alleged irregularities.

[33] With respect to the filing of certificates of *lis pendens*, the Base applicants allege that these were improperly filed as they do not represent an interest in land. The Order authorized the registration of the Order against title, and that is what the Receiver has done by way of certificates of *lis pendens*. These certificates are evidence of the Receiver's claim to an equitable lien on the properties through a tracing claim that will be determined by the Court. The evidence is clear that Mr. Breitkruetz commingled all the funds raised from investors and that the properties were, at least in part, purchased from commingled funds. Thus, the Receiver has established a *prima facie* case supporting the certificates of *lis pendens*.

[34] The certificate of *lis pendens* will not be removed, pending the outcome of these proceedings.

[35] There is no reason to strike paragraph 14 of the Statement of Claim, which alleges that misappropriated funds were invested in certain properties held in the name of the defendants. This is an allegation in a Statement of Claim. There is no evidence that would lead me to conclude that the allegation is frivolous or without merit.

[36] It appears from the evidence that the Base applicants not been denied access to the records in the possession of the Receiver. A protocol has been established that would allow them to obtain copies of material. There is no reason to return records to the defendants, and given the allegations and the evidence gathered by the Receiver so far, the return would risk the alteration or destruction of valuable evidence.

[37] The plaintiffs advise that they are not in a hurry to require the defendants to file an affidavit of records, and would give the defendants appropriate notice if that position changed.

B. The Receivers's Application

1. Approval of the Receiver's Reported Actions

[38] I have reviewed the Receiver's reports and supplemented reports issued to date and see no reason not to approve its reported actions as reasonable and appropriate to date.

[39] Mr. Breitkruetz submits that the Receiver's actions should not be approved because the Receiver has failed to recognize and develop the Texas security. He suggests that the Receiver has "destroyed the security through inactivity", that the Receiver has "let it expire through inactivity".

[40] The Receiver has limited funds to investigate the Base corporations and no funds to pursue the Texas property beyond a review of the limited documentation and discussion with Texas-based counsel. That counsel advises that the cost of determining ownership of land and validity of title would be in excess of \$50,000. The evidence is clear, and Mr. Breitkruetz concedes, that the properties were inactive at the time of the receivership, and that Mr. Fox was seeking capital of about \$50 million to develop the properties. Mr. Breitkruetz' criticism of the Receiver is disingenuous in the circumstances.

[41] Mr. Breitkruetz' allegations of misrepresentation and failure to grant him access to the records have been addressed previously in this decision, and are unfounded.

[42] I approve the Receiver's reported actions to date.

2. Compelling Production of Information

[43] Given that the information is relevant and required by the Receiver in conducting its investigations, I direct specific financial institutions as requested to provide historical to current banking information for all named parties as well as Mr. Fox and Lyle Hogaboam; and direct that Mr. Breitkruetz provide the Receiver with the names and contact information of the tenants at the properties at issue.

3. Approval to Market

[44] The relief sought by the Receiver is corollary to the Order which gave the Receiver its original authority to market and sell assets for the benefit of creditors. Given that it is clear from the Receiver's investigations to date that substantial funds raised from investors have gone to the Base corporations and then into the real properties at issue without adequate documentary support or proof of bona fide consideration, and given that, if any valid security exists, there would be a massive shortfall for investors, it is appropriate and reasonable to authorize the Receiver to list the following properties for sale immediately:

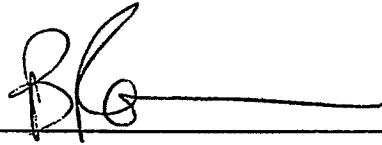
- a) 724-55 Avenue SW, Calgary, AB;
- b) 735-55 Avenue SW, Calgary, AB;
- c) 728-55 Avenue SW, Calgary, AB;
- d) 63 Suncastle Bay SE, Calgary, AB; and
- e) 27 Ceduna Park SW, Calgary, AB.

[45] The Base applicants applied to vary the receivership order to grant them access to what they allege is equity in their personal real estate. Given the clear shortfall in the security available to investors, the lack of co-operation by Mr. Breitkruetz with respect to his sources of income and line of credit, his use of identified accounts, and the lack of any evidence of need, I dismiss this application on the basis of insufficient evidence.

IV. Conclusion

[46] I grant the Receiver's application in its entirety. If the parties are unable to agree on costs, they may make written submissions of no more than five pages within the next 90 days.

Dated at the City of Calgary, Alberta this 2nd day of December, 2016.

A handwritten signature in black ink, appearing to be 'B.E. Romaine', written over a horizontal line.

B.E. Romaine
J.C.Q.B.A.

Appearances:

Richard N. Billington, Q.C.
for the Receiver

Robert C.P. Smyth
for the Base applicants

Christopher M.A. Souster
For the Plaintiffs

Predrag Anic
for Interested Parties

Tab B



Tel: 403 266 5608
 Fax: 403 233 7833
 Toll-Free: 888 444 4840
 www.bdo.ca

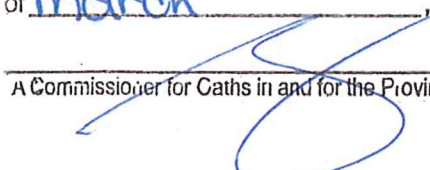
BDO Canada LLP
 903 - 8th Avenue SW, Suite 620
 Calgary AB T2P 0P7 Canada

March 8, 2017

VIA: HAND DELIVERED

Attn: Current Occupant
 735 55 Avenue SW
 Calgary, Alberta T2V 0G4

This is Exhibit " 1 " referred to in the affidavit
 of Terry Wagnan
 Sworn before me this 14 day
 of March, 20 17


 A Commissioner for Oaths in and for the Province of Alberta
 Cathy Jean Sherger
 A Commissioner for Oaths in and
 for the Province of Alberta
 My Commission Expires July 22, 20 17

Dear Occupant:

RE: The Estate of BASE MORTGAGE & INVESTMENTS LTD. - IN RECEIVERSHIP
 The Estate of BASE FINANCE LTD. - IN RECEIVERSHIP

Please be advised that we have been appointed as Receiver of Base Mortgage & Investment Ltd. and Base Finance Ltd. pursuant to a Receivership Order, enclosed within, as of the 15th day of October, 2015.

As Receiver we kindly request the following information from you to assist us through our investigation:

- i. Your name and current contact information;
- ii. Particulars and copies of a current rental agreement, and;
- iii. Information regarding monthly rent and proof of payment.

Please be advised as the Receiver of the estate, please direct all further rent payment to:

BDO Canada LLP
 Attn: Jacqueline Shellon
 620, 903 - 8 Avenue SW
 Calgary, AB T2P 0P7

Failure to comply on a go forward basis will result in an order to vacate the premises.

Pursuant to paragraph 3(a) of the Order, we are entitled to take possession and control of this property. Please be advised the Receiver will begin the process of selling this property within 24 hours of the date of this notice. The Receiver has engaged Dwayne Reilander of Greater Calgary Real Estate as Realtor for this property. Be advised the Receiver will be seeking a 30 day vacant possession once we have received a firm offer on the property, of which we will provide notice to you in writing.

Should you need to contact him, Dwayne can be reached at 403-250-4915 or email Dwayne@PropertyWay.ca. Please be advised, the Realtor has been engaged to:

- i. Complete initial inspection of the premises;
- ii. Make reasonable arrangements for showings and open house schedules, and;
- iii. Schedule and provide written notice of all showings.

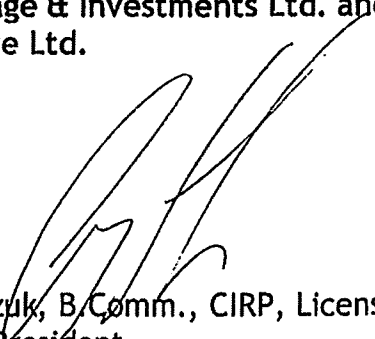
The Receiver requests that you cooperate with the realtor, maintain the property in a reasonably clean condition, are not to interfere with the realtor's key lock box and are not to remove any signs which are placed on the lawn. Failure to comply on a go forward basis will result in an order to vacate the premises.

Finally, upon 24 hour written notice and at regular intervals, the Receiver may require regular inspections of the premises, to which you are required to comply.

We thank you for your attention to this matter and please do not hesitate to contact the undersigned at 403-213-5444 or jshellon@bdo.ca if there are any questions or concerns, or should you wish to vacate the premises early rather than through the sales process.

Yours very truly,
BDO CANADA LIMITED
In its capacity as Receiver for
Base Mortgage & Investments Ltd. and
Base Finance Ltd.

Per:



Craig A. Fryzuk, B.Comm., CIRP, Licensed Insolvency Trustee
Senior Vice President
Encl:

March 9, 2017

ATTN: Occupants of 735 55 Avenue SW, Calgary, Alberta
RE: 24 hour notice of property access for pre-sale collection of property details

Hello,

My name is Dwayne Reilander. I'm a realtor with Greater Calgary Real Estate. My brokerage has been hired by BDO to put this property up for sale. In preparing to put the property on the market I need to access the premises to collect details about the property relevant to a sale.

Specifically, I plan to attend the property on Friday March 10 between 12:00 noon and 5:00 pm to take exterior photographs, to measure the lot, to measure the house and garage, to install a key lock box and to put up a for sale sign.

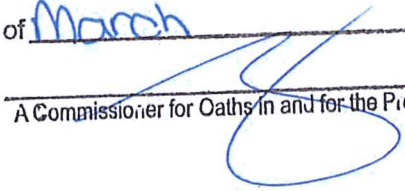
If you have any questions please contact me directly on my cell phone at 403 667 2209.

Sincerely,

Dwayne Reilander
Realtor

Greater Calgary Real Estate
Box 110, 710 – 20 Crowfoot Cres.
Calgary Alberta
T3G 2P6

This is Exhibit "2" referred to in the affidavit
of Tomy Wagman
Sworn before me this 14 day
of March, 20 17


A Commissioner for Oaths in and for the Province of Alberta

Cathy Jean Sherger
A Commissioner for Oaths in and
for the Province of Alberta
My Commission Expires July 22, 2017



Tel: 403 266 5608
 Fax: 403 233 7833
 Toll-Free: 888 444 4840
 www.bdo.ca

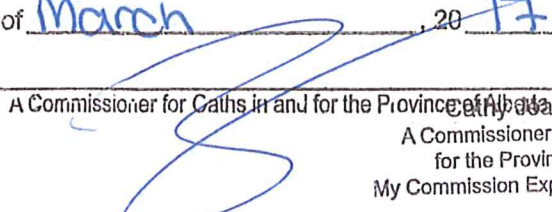
BDO Canada LLP
 903 - 8th Avenue SW, Suite 620
 Calgary AB T2P 0P7 Canada

March 8, 2017

VIA: HAND DELIVERED

Attn: Current Occupant
 724 55 Avenue SW
 Calgary, Alberta T2V 0G3

This is Exhibit " 1 " referred to in the affidavit
 of Terry Wagman
 Sworn before me this 14 day
 of March, 2017


 A Commissioner for Oaths in and for the Province of Alberta
 A Commissioner for Oaths in and
 for the Province of Alberta
 My Commission Expires July 22, 2017

Dear Occupant:

RE: The Estate of BASE MORTGAGE & INVESTMENTS LTD. - IN RECEIVERSHIP
 The Estate of BASE FINANCE LTD. - IN RECEIVERSHIP

Please be advised that we have been appointed as Receiver of Base Mortgage & Investment Ltd. and Base Finance Ltd. pursuant to a Receivership Order, enclosed within, as of the 15th day of October, 2015.

As Receiver we kindly request the following information from you to assist us through our investigation:

- i. Your name and current contact information;
- ii. Particulars and copies of a current rental agreement, and;
- iii. Information regarding monthly rent and proof of payment.

Please be advised as the Receiver of the estate, please direct all further rent payment to:

BDO Canada LLP
 Attn: Jacqueline Shellon
 620, 903 - 8 Avenue SW
 Calgary, AB T2P 0P7

Failure to comply on a go forward basis will result in an order to vacate the premises.

Pursuant to paragraph 3(a) of the Order, we are entitled to take possession and control of this property. Please be advised the Receiver will begin the process of selling this property within 24 hours of the date of this notice. The Receiver has engaged Dwayne Reilander of Greater Calgary Real Estate as Realtor for this property. Be advised the Receiver will be seeking a 30 day vacant possession once we have received a firm offer on the property, of which we will provide notice to you in writing.

- i. Complete initial inspection of the premises;
- ii. Make reasonable arrangements for showings and open house schedules, and;
- iii. Schedule and provide written notice of all showings.

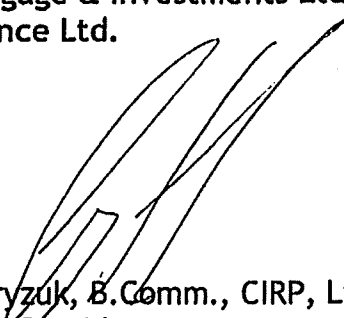
The Receiver requests that you cooperate with the realtor, maintain the property in a reasonably clean condition, are not to interfere with the realtor's key lock box and are not to remove any signs which are placed on the lawn. Failure to comply on a go forward basis will result in an order to vacate the premises.

Finally, upon 24 hour written notice and at regular intervals, the Receiver may require regular inspections of the premises, to which you are required to comply.

We thank you for your attention to this matter and please do not hesitate to contact the undersigned at 403-213-5444 or jshellon@bdo.ca if there are any questions or concerns, or should you wish to vacate the premises early rather than through the sales process.

Yours very truly,
BDO CANADA LIMITED
In its capacity as Receiver for
Base Mortgage & Investments Ltd. and
Base Finance Ltd.

Per:



Craig A. Fryzuk, B.Comm., CIRP, Licensed Insolvency Trustee
Senior Vice President
Encl:

March 9, 2017

ATTN: Occupants of 724 55 Avenue SW, Calgary, Alberta
RE: 24 hour notice of property access for pre-sale collection of property details

Hello,

My name is Dwayne Reilander. I'm a realtor with Greater Calgary Real Estate. My brokerage has been hired by BDO to put this property up for sale. In preparing to put the property on the market I need to access the premises to collect details about the property relevant to a sale.

Specifically, I plan to attend the property on Friday March 10 between 12:00 noon and 5:00 pm to take exterior photographs, to measure the lot, to measure the house and garage, to install a key lock box and to put up a for sale sign.

If you have any questions please contact me directly on my cell phone at 403 667 2209.

Sincerely,

Dwayne Reilander
Realtor

Greater Calgary Real Estate
Box 110, 710 – 20 Crowfoot Cres.
Calgary Alberta
T3G 2P6

This is Exhibit " 2 " referred to in the affidavit
of Terry Wagonman
Sworn before me this 14 day
of March, 20 17


A Commissioner for Oaths in and for the Province of Alberta

Cathy Jean Sherger
A Commissioner for Oaths in and
for the Province of Alberta
My Commission Expires July 22, 20 17

COURT FILE NUMBER 1501-11817
 COURT COURT OF QUEEN'S BENCH OF ALBERTA
 JUDICIAL CENTRE CALGARY
 PLAINTIFFS/APPLICANTS EASYLOAN CORPORATION AND MIKE TERRIGNO
 DEFENDANTS/RESPONDENTS BASE MORTGAGE & INVESTMENTS LTD. AND BASE FINANCE LTD., ARNOLD BREITKRUEZ, SUSAN BREITKRUEZ, SUSAN WAY AND GP ENERGY INC.
 DOCUMENT AFFIDAVIT OF SERVICE
 ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT BDO Canada Ltd. 620, 903 - 8 Avenue S.W. Calgary Alberta T2P 0P7

Clerk's Stamp

AFFIDAVIT OF TERRY WAGMAN

Sworn on March 14, 2017

I, Terry Wagman of Calgary, Alberta, swear and say that:

1. I have personal knowledge of the matters contained in this affidavit, unless specifically stated to be based on information known to me and believed by me.
2. On March 9, 2017, at 12:20 p.m., I served the Current Occupants with:
 - i. Receivership Notification Letter dated March 8, 2017, a copy of which is hereto attached and marked as Exhibit "1";
 - ii. Amended Amended Order, in the within action, filed in the Court of Queen's Bench of Alberta, Calgary, on November 6, 2015;
 - iii. 24 Hour Notice of Entry, a copy of which is hereto attached and marked as Exhibit "2";
 by posting the documents to the front door at 63 Suncastle Bay S.E., Calgary, AB.
3. In effecting such service I necessarily traveled 35 kilometers and made 1 attempt.

SWORN BEFORE ME at Calgary, Alberta, this 14 day of March, 2017.

 Commissioner for Oaths in and for the Province of Alberta

Cathy Jean Sherger
 A Commissioner for Oaths in and for the Province of Alberta
 My Commission Expires July 22, 2017

 Signature: TERRY WAGMAN

Prepared By:
 Consolidated Civil Enforcement Inc.
 #200, 807 Manning Road NE
 Calgary, Alberta T2E 7M8
 Phone: (403) 262-8800
 Toll Free: 1-888-262-2626
 Fax: (403) 262-8801
 File: 107073-PS-2C



Tel: 403 266 5608
 Fax: 403 233 7833
 Toll-Free: 888 444 4840
 www.bdo.ca

BDO Canada LLP
 903 - 8th Avenue SW, Suite 620
 Calgary AB T2P 0P7 Canada

March 8, 2017

VIA: HAND DELIVERED

Attn: Current Occupant
 63 Suncastle Bay SE
 Calgary, Alberta T2X 2M1

This is Exhibit "1" referred to in the affidavit
 of Terry Wagon
 Sworn before me this 19 day
 of March, 2017

Cathy Jean Sherger
 A Commissioner for Oaths in and
 for the Province of Alberta
 My Commission Expires July 22, 2017

Dear Occupant:

RE: The Estate of BASE MORTGAGE & INVESTMENTS LTD. - IN RECEIVERSHIP
 The Estate of BASE FINANCE LTD. - IN RECEIVERSHIP

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Please be advised as the Receiver of the estate, please direct all further rent payment to:

BDO Canada LLP
 Attn: Jacqueline Shellon
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Failure to comply on a go forward basis will result in an order to vacate the premises.

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Should you need to contact him, Dwayne can be reached at 403-250-4915 or email Dwayne@PropertyWay.ca. Please be advised, the Realtor has been engaged to:

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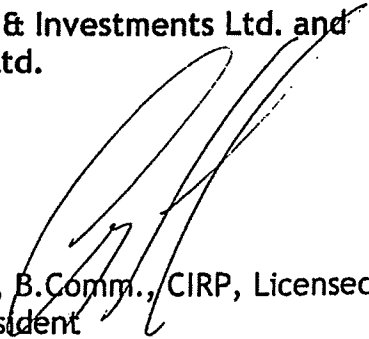
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Yours very truly,
BDO CANADA LIMITED
In its capacity as Receiver for
Base Mortgage & Investments Ltd. and
Base Finance Ltd.

Per:



Craig A. Fryzuk, B.Comm., CIRP, Licensed Insolvency Trustee
Senior Vice President
Encl:

March 9, 2017

ATTN: Occupants of 63 Suncastle Bay SE, Calgary, Alberta
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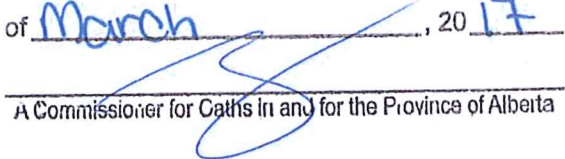
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Realtor

Greater Calgary Real Estate
Box 110, 710 – 20 Crowfoot Cres.
Calgary Alberta
T3G 2P6

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Sworn before me this 14 day
of March, 20 17


A Commissioner for Oaths in and for the Province of Alberta

Cathy Jean Sherger
A Commissioner for Oaths in and
for the Province of Alberta
My Commission Expires July 22, 20 17



Tel: 403 266 5608
Fax: 403 233 7833
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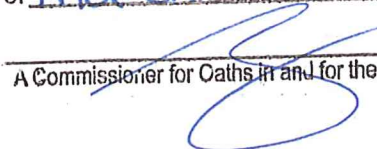
BDO Canada LLP
903 - 8th Avenue SW, Suite 620
Calgary AB T2P 0P7 Canada

March 8, 2017

VIA: HAND DELIVERED

Attn: Current Occupant
728 55 Avenue SW
Calgary, Alberta T2V 0G3

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Sworn before me this 14 day
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My Commission Expires July 22, 20 17

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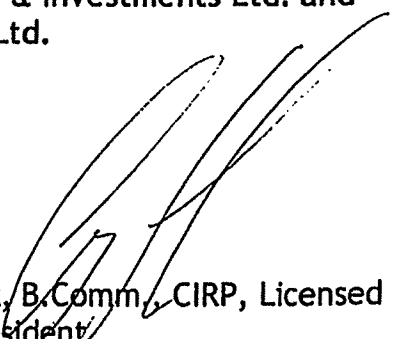
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Per:



Craig A. Fryzuk, B.Comm., CIRP, Licensed Insolvency Trustee
Senior Vice President
Encl:

March 9, 2017

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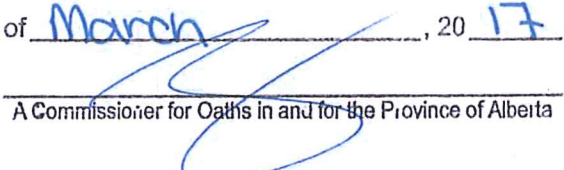
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