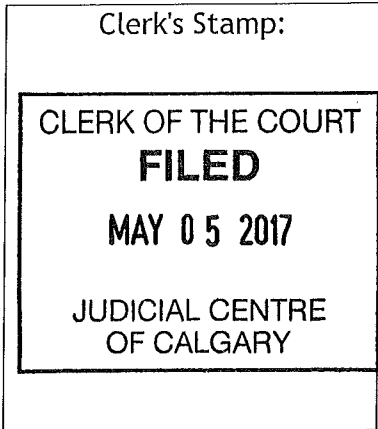


COURT FILE NUMBER 1501 - 11817
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
APPLICANT EASYLOAN CORPORATION AND MIKE TERRIGNO
RESPONDENTS BASE MORTGAGE AND INVESTMENTS LTD. AND BASE FINANCE LTD.,
ARNOLD BREITKRUETZ, SUSAN BREITKRUETZ, SUSAN WAY AND GP
ENERGY INC.
DOCUMENT FIFTH REPORT OF THE RECEIVER
DATED MAY 4, 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
Lawyers: Richard Billington
Phone Number: (403) 930-4101
Fax Number: (403) 930-4110
Email Address:
rbillington@billingtonbarristers.com

TABLE OF CONTENTS

APPENDICES	2
INTRODUCTION.....	3
NOTICE TO READER.....	4
PURPOSE OF THE REPORT	4
SALES CLOSING PROCESS	5
RECOMMENDATIONS AND INTENDED COURSE OF ACTION.....	6

APPENDICES

A - Memorandum of Decision of the Honourable Justice Romaine filed December 2, 2016

B - Order of Master Prowse filed April 18, 2017

C - Royal Bank of Canada - Payout Statements

D - Statement of Adjustments

E - Letters from Greater Calgary Real Estate Services Inc. dated April 25, 2017

F - City of Calgary Tax Notifications

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 (the "Properties") as outlined further in the fourth report of the Receiver, (the "Fourth 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 Properties.
4. On April 13, 2017 the Receiver obtained an Order by Master Prowse, attached as **Appendix "B"**, authorizing the sale of the Properties to an offer for all four properties known as the "Bundle Offer".
5. 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

6. 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.
7. 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.
8. 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

9. The purpose of this report is to:
 - i) Outline the financial security held against each of the four properties outlined in the Fourth Report; and
 - ii) Seek Court authorization to permit payouts as detailed below.
10. This report constitutes the Fifth Report of the Receiver (the "Fifth Report"). The Fifth Report is being filed by the Receiver in respect of the Receiver's application to this Honourable Court seeking the following:
 - i) Approve the disbursement of the following expenses from proceeds of the sale of the Properties :
 - (a) Mortgage payout balances;
 - (b) Realtors commissions;
 - (c) Property tax arrears; and
 - (d) Legal fees associated with closing costs.

SALES CLOSING PROCESS

11. The Receiver has obtained a legal opinion on the RBC mortgages. The RBC Mortgage Payout Statements as at April 20, 2017 with a per diem rate for payout are attached as **Appendix "C"**, and outlined in paragraph 6 of the April 13, 2017 Order. Updated Payout statements have been requested but not yet obtained. Pursuant to paragraph 5 of the April 13, 2017 Order, the Mortgagees were not to advance any further funds to any person, corporation or entity based upon security under the respective mortgages.
12. The Receiver is of the opinion these mortgages hold valid security which ought to be paid out of the proceeds of the sale, as calculated in the Statement of Adjustments for each of the Properties, (the "Statement of Adjustments") and attached as **Appendix "D"**. The Statement of Adjustments are subject to review and approval by the Purchaser's lawyer.
13. Notwithstanding that certain closing expenses are not fully known, any variation from the estimates contained herein is not expected to be material to the formation of the Receiver's opinion. If payment of the within outlined sums from sale proceeds is approved, and if any variation from the within estimates is considered by the Receiver to not materially affect the suitability of proceeding with the sale of the Properties, then pursuant to Paragraph 6 of the April 13, 2017 Order, the Receiver wishes to proceed with such sale.
14. Pursuant to the Bundle Offer as accepted in the April 13, 2017 Order, the Realtor commissions which the Receiver deems necessary to pay with the proceeds of the sale of the Properties, are detailed in the letters received by the Receivers counsel dated April 25, 2017, and attached as **Appendix "E"**.
15. The Statement of Adjustments adjusts, inter alia, the tax amount between the buyer and seller for taxes payable on June 30. Apart from the Statement of Adjustments, there are tax arrears from prior years. The current tax notifications from the City of Calgary are attached hereto as **Appendix "F"**. It is of the Receiver's opinion these arrears balances should also be paid from the proceeds of the sale of the Properties.
16. Lastly the Receiver understands an estimated \$12,000 plus disbursements and GST will be incurred for legal costs related to the closing of the sales of the Properties.

17. The closing of the transactions is scheduled by the April 13, 2017 Order to occur on May 15, 2017. Currently, transactions submitted to the Land Titles office are taking 12 to 14 business days to be registered. The Receiver proposes that closing be specified to occur on such date as proof of registration is received from the Registrar of Land Titles, with documentation to be submitted to Land Titles for registration on or before May 15, 2017.

RECOMMENDATIONS AND INTENDED COURSE OF ACTION

18. The Receiver respectfully submits this Fifth Report of the Receiver in support of the Receiver's application to this Honourable Court seeking the following:
- i) Approve the payout of the above described expenses from the proceeds of sale.

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

CLERK OF THE COURT
FILED
FEB 08 2016
CALGARY, ALBERTA

Court of Queen's Bench of Alberta

Citation: Easy Loan Corporation v Base Mortgage & Investments Ltd, 2016 ABQB 77

Date:
Docket: 1501 11817
Registry: Calgary

Between:

Easy Loan Corporation and Mike Terrigno

Plaintiffs

- and -

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

Defendants

**Reasons for Judgment
of the
Honourable Mr. Justice K.D. Yamauchi**

I. Introduction

[1] These are a number of applications being brought by persons (collectively, the "Applicants") who provided funds to the Defendant Base Finance Ltd. ("Base Finance"). They seek to recover funds they provided to Base Finance, arguing that Base Finance holds those funds in trust for them.

[2] The Receiver BDO Canada Limited (the "Receiver") opposes the Applicants' applications and seeks to have this Court remit those funds to it to allow those funds to be used by the Receiver to cover the costs of Base Finance's receivership, including the Receiver's fees and those of its solicitors.

II. Procedural Background

[3] Base Finance maintained a bank account at the Royal Bank of Canada, Britannia Branch, transit number 1004050, account number 2649003 (the "Bank Account"). As a result of certain activities allegedly undertaken by the Defendants on September 29, 2015, the Executive Director of the Alberta Securities Commission ("ASC") issued an order pursuant to section 47 of the *Securities Act*, RSA 2000, c S-4, freezing the Bank Account.

[4] On October 15, 2015, this Court granted an order (the "Receivership Order") appointing the Receiver as the receiver of all the current and future assets, undertakings and properties of every nature and kind of Base Finance and Base Mortgage & Finance Ltd. The Receivership Order was subject to 2 amendments. The second amendment is of importance to the within applications. Para 5 of the Receivership Order, as amended, reads in part, as follows:

The funds of Base Finance Ltd. on deposit in account #2649003 at the Royal Bank of Canada – Britannia Branch, 1004050 (Bank) are subject to a freeze order issued by the Executive Director of the Alberta Securities Commission (Executive Director) dated September 29, 2015. These funds shall remain on deposit with the Bank until further order or the Executive Director or this Honourable Court. No order shall be made, or application commenced, which affects the frozen funds unless five clear days' notice of same is provided to each of the Receiver and the Executive Director.

[5] On November 6, 2015, the Receiver brought an application (the "November 6th Application") for an order, among other things, directing that the funds in the Bank Account be remitted to the Receiver to fund ongoing receivership fees and expenses. Certain of Base Finance's investors attended at the November 6th Application objecting to the release of funds from the Bank Account, without first being able to assert a possible trust claim to certain of the funds in the Bank Account. On November 6, 2015, this Court directed that the funds in the Bank Account remain frozen and that a court hearing should be scheduled before a presiding Commercial List Justice to hear applications concerning entitlement to funds in the Bank Account.

[6] Ultimately, a full-day hearing before this Court was scheduled for this purpose. On December 11, 2015, Rooke ACJ granted an Order that scheduled the hearing and provided deadlines to the parties concerning filing of documents to support or contest the matters that would be addressed at that hearing. Part of Rooke ACJ's Order reads as follows:

All parties with notice of the within Order who wish to assert a trust entitlement to any specific funds in the Frozen Account as described in the First Report of the Receiver, being at the Royal Bank of Canada - Britannia Branch 1004050 - (Transit Number), account 2649003 must bring an Application to be returned on January 21, 2016 at 10:00 am before the Honourable Justice K. Yamauchi. Any person with notice of this order who does not bring such application shall be deemed to have abandoned their rights to assert a trust claim to any sums held in the Frozen Account, and forever barred from asserting a trust claim to funds in the Frozen Account.

III. Factual Background

[7] There are certain common facts, which this Court will articulate. It will then deal with the facts specific to each of the Applicants.

[8] Over a lengthy period, the Applicants at one time or another were introduced to the Defendant Arnold Breitkreutz. Mr. Breitkreutz was the sole shareholder and director of Base Finance. Mr. Brietkruetz would inform each of the Applicants that Base Finance was in the mortgage broker business. Base Finance would obtain investments from investors that it would pool and loan to borrowers. 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.

[9] 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 the terms of the mortgage into which the borrower was entering. Interestingly, this document does not name either the mortgagor or the lands on which the mortgage would be placed. There is no wording that says that the investor's funds will be held by Base Finance "in trust" for the investor. None of the Applicants has ever seen the mortgages that apparently supported their investments.

[10] All of the Applicants' claims, save one, involve monies they provided to Base Finance during September of 2015. As part of their investigation and proceeding, ASC obtained a copy of the transaction history involving the Bank Account for the period from September 1, 2015, through September 24, 2015 (the "September RBC Statement"). This Court was shown copies of all the cheques that the Applicants provided to Base Finance in support of their investments.

[11] In all cases, Base Finance represented to the investors that the loans were not being made by the investors directly to Base Finance. Rather, Base Finance was acting as an intermediary in the transactions involving the investors and the borrowers.

[12] None of the Applicants has received any monies from Base Finance or any other person for their September 2015 "investments."

[13] In the Receiver's first report that was filed on November 5, 2015 ("First Report"), the Receiver states that, "the Receiver has not discovered any underlying Alberta based mortgages that the Debtors have invested in for the benefit of their investors": First Report, para 22. The Receiver goes on to say that "Mr. Breitzkreutz continued to solicit investments from his Base Finance investor group in order to maintain the interest payment and principal redemption requirements of his investor group": First Report, para 28. Some of the Applicants have referred to the scheme that Base Finance was undertaking as a "Ponzi scheme."

[14] This Court will review the facts involving the Applicants. All the Applicants argue that the funds they invested, were deposited into the Bank Account. They concede that their invested funds were commingled with funds that other investors invested. There might be others who have claims against the Bank Account, which this Court will address later in these reasons. In the past, all of the Applicants had invested substantial funds with Base Finance. Most had received payments of "interest" or return of part of their principal amounts for those past investments.

[15] The cheques for the investments that the Applicants allegedly made are, and their corresponding credits to the Bank Account, were provided as exhibits to the Affidavit of Vi Pickering, a Securities Investigator with the ASC, Enforcement Division.

[16] The facts involving the various Applicants are as follows:

A. Thomas Wiseman

[17] In approximately 1995, Mr. Wiseman was introduced to Mr. Breitzkreutz and his company, Base Finance. Between 1995, and September 2015, Mr. Wiseman made approximately 50 to 60 different investments with Base Finance, either personally or through corporations in which Mr. Wiseman held an interest.

[18] On September 23, 2015, Mr. Wiseman invested \$500,000 (the "Wiseman Investment") with Base Finance which Mr. Breitkreutz represented was to be used for a mortgage to be placed on a property located in the Windsor Park area in Calgary, Alberta. Mr. Breitkreutz further advised Mr. Wiseman that the mortgage was to be for a 6-month term at an interest rate of 14% per annum.

[19] Mr. Wiseman delivered the Wiseman Investment to Base Financial in the form of a cheque (the "\$500k Cheque") on September 23, 2015. The \$500k Cheque was deposited into the Bank Account on September 24, 2015, and shows at line 68 of the September RBC Statement.

[20] Following the deposit of the \$500k Cheque, four withdrawals were made from the Bank Account on September 24, 2015, in the form of 4 cheques totaling \$39,581. These transactions are all contained in the September RBC Statement.

B. Sandra Unger and Ken Unger

[21] Mr. and Ms. Unger began investing with Base Finance in 2002. On or about September 11, 2015, Ms. Unger received a telephone call from Mr. Breitkreutz, who encouraged Mr. and Ms. Unger to make an investment with Base Finance. As a result of that telephone conversation, on or about September 17, 2015 they sent a cheque to Base Finance in the sum of \$100,000.

[22] They did not receive any documentation from Base Finance at the time of this investment, but expected to receive the standard Irrevocable Assignment of Mortgage Interest.

[23] Line item 61 of the September RBC Statement shows a deposit into the Bank Account on September 22, 2015 in the sum of \$300,000. The copy of the cheque that was provided to this Court is the cheque that Ms. Unger issued to Base Finance in the amount of \$100,000 (the "\$100k Cheque") and it appears that the \$100k Cheque was deposited in the Bank Account on September 22, 2015. It further appears that a cheque from another investor, Larry Revitt, in the amount of \$200,000 (the "\$200k Cheque") was also deposited into the Bank Account on September 22, 2015. Therefore, it appears that the \$300,000 deposit listed at line item 61 of the September RBC Statement is the aggregate deposit amount of the \$100k Cheque and the \$200k Cheque and that those amounts remain in the Bank Account.

C. Larry Revitt and Shirley Revitt

[24] On or about September 17, 2015, Larry and Shirley Revitt delivered a cheque for \$200,000 to Mr. Breitkreutz. The Revitts gave the \$200k Cheque to Mr. Breitkreutz as partial funding of a represented \$3,000,000 mortgage.

[25] On September 22, 2015, the \$200k Cheque was deposited to the Bank Account, together with the \$100k Cheque. These cheques were then simultaneously commingled with \$391,295.03 already on deposit in the Bank Account. Following the deposit of these cheques, \$67,110 was withdrawn from the Bank Account on September 22, 2015, and September 23, 2015.

D. Raymond Sampert and Margaret Sampert

[26] Mr. and Ms. Sampert have been making investments through Base Finance since 2002. On or about September 13, 2015, Mr. Breitkreutz contacted Mr. Sampert by telephone and asked him to make another investment in Base Finance. Mr. Breitkreutz informed Mr. Sampert that there were 5 properties that required financing and that it was Mr. Breitkreutz's intention to encumber them with a single mortgage.

[27] Based on this information, Mr. Sampert wrote a cheque to Base Finance on September 15, 2015, from a joint account shared with his wife Ms. Sampert for the amount of \$100,000 (the \$100,000 Cheque) and mailed the \$100,000 Cheque to Base Finance. Base Finance did not provide the Samperts with an Irrevocable Assignment of Mortgage Interest, which was the usual document they would receive.

[28] On September 25, 2015, Mr. Sampert tried to deposit a cheque for \$10,000 from Base Finance for "interest" owing from another purported Irrevocable Assignment of Mortgage Interest. That cheque was returned to him by ATB Financial which noted that the account for Base Finance had been frozen by the ASC.

[29] The September RBC Statement shows a deposit of \$100,000 on September 21, 2015, at line 57.

E. Calgary Aggregate Recycling Ltd.

[30] Calgary Aggregate Recycling Ltd. ("Calgary Aggregate") had invested about \$1.3 million with Base Finance over several years. On September 3, 2015, it drew a cheque in favour of Base Finance in the amount of \$200,000 (the "\$200,000 Cheque") for a proposed mortgage investment. Base Finance deposited the \$200,000 Cheque into the Bank Account on or about September 4, 2015.

[31] Base Finance never provided Calgary Aggregate with any mortgage security for this investment.

F. John Davies

[32] John Davies, personally or through his corporation, has invested about \$940,000 through Base Finance over the years. On September 2, 2015, he withdrew \$100,000 from his account with the Bank of Montreal - South Trail Crossing branch through a bank draft (the "\$100k Bank Draft"). The \$100k Bank Draft was made payable to Base Finance in respect of a proposed \$100,000 mortgage investment. Base Finance deposited the \$100k Bank Draft in the Bank Account, on or about September 4, 2015.

[33] Base Finance has never provided Mr. Davies with any mortgage security for this investment.

G. Fred Dowe and Carol Dowe

[34] Between August 2011, and October 2014, the Doves have invested \$230,000 with Base Finance. They have received "interest" throughout the years, and were expecting, but never received, payments on their principal and interest during 2015. They made no payments that appear in the September RBC Statement.

H. Resch Construction Ltd.

[35] When Mr. Resch first met with Mr. Breitreutz in December of 2011, Mr. Breitreutz advised Mr. Resch that the funds he was investing would be "pooled" into funds used to grant mortgages. In other words, they would be commingled, although Mr. Breitreutz did not use this wording.

[36] On August 31, 2015, Darren Resch, on behalf of Resch Construction Ltd. delivered a cheque to Mr. Breitreutz, payable to Base Finance in the amount of \$100,000, which was deposited into the Bank Account on September 1, 2015.

IV. Discussion

[37] The Applicants ask this Court to find that all or part of the monies they paid to Base Finance are trust monies and either to distribute those invested monies in their entirety to them, or determine a methodology for calculating the amounts to which they are entitled.

[38] Easy Loan Corporation and Mike Terrigno, the original applicants who sought and obtained the appointment of the Receiver (collectively, Easy Loan”), and the Receiver, ask that this Court direct RBC to provide the funds to the Receiver to continue preserving and investigating the affairs of Base Finance and its various related parties with a view to maximizing recoveries for “all known investors in a fair and equitable manner.”

[39] The Receiver has been candid with this Court in advising it that the Receiver currently has no funds that will permit it to continue performing its duties. It requires the funds in the Bank Account to do this. As well, it is clear to this Court that Easy Loan seeks the same result, as it undoubtedly provided the Receiver with an indemnity for any costs the Receiver incurs.

[40] In the Second Receiver’s Report that was filed with this Court on January 19, 2016, the Receiver says the following:

... From the work already performed by the Receiver, a number of strong leads have been identified that could result in further assets being realized by the Receiver. It would follow that all creditors will benefit by the Receiver’s actions and investigations and, at some point in the future, a claims process to determine the priorities of each creditor will be established by the Receiver and any funds will be systematically distributed in accordance with the same.

[41] The difficulty with this position is that all these steps cost money. No doubt the Receiver has already expended time investigating these matters, and “all creditors” include the Applicants. If the Applicants are entitled to receive all or some of the monies currently in the Bank Account, and this Court permits the Receiver to use those monies to continue its investigations, the Receiver is doing so on the backs of the Applicants. Said differently, “other creditors” would benefit from the use of the funds to which the Applicants are otherwise entitled. While this Court has some sympathy for the positions articulated by the Receiver and Easy Loan, it must examine this issue on a principled basis.

A. Are the Monies in the Bank Account Impressed with a Trust?

[42] The first question that this Court must address is whether the monies in the Bank Account are trust monies. The Receiver and Easy Loan argue that they are not, as the so-called 3 certainties, *viz*, certainty of intention, certainty of subject-matter and certainty of objects, do not exist. It is important to differentiate between what the Applicants are claiming and what the Receiver and Easy Loan are challenging.

[43] The Applicants ask this Court to find a constructive trust. It appears that the Receiver and Easy Loan are asking this Court to find that there is no express or implied trust. What makes an express or implied trust and a constructive trust different? In the case of an express or implied trust, the existence of the 3 certainties is critical. The leading Canadian text on the law of trusts says, “If any one of these three certainties does not exist, the trust fails to come into existence or, to put it differently, is void”: Donovan W.M. Waters, Mark R. Gillen & Lionel D. Smith, eds, *Waters’ Law of Trusts in Canada* (Toronto: Thomson, 2005 [*Waters*] at 132. Why are the 3 certainties important in the case of an express or implied trust? In those types of trust, we are

trying to determine the settlor's intention. What was its intention? What is the subject-matter of the trust? Who is to benefit from the trust?

[44] In the case of a constructive trust, intention is not of much importance. *Waters* says the following:

The trust is "constructive" because, regardless of anyone's intent, the law constructs a trust in order to enforce the obligation. In Canada that obligation is now recognized as arising out of unjust enrichment and "good conscience."

Waters at 22.

[45] *Waters* cites the leading Canadian cases of *Becker v Pettkus* (1980), 117 DLR (3d) 257 (SCC) and *Soulos v Korkontzilas*, [1997] 2 SCR 217, 146 DLR (4th) 214 [*Soulos*, cited to DLR], for this proposition.

[46] What is the meaning of "good conscience"? In *Hussey v Palmer*, [1972] 1 WLR 1286 at 1289-90, [1972] All ER 744 (Eng CA), Lord Denning MR said the following:

By whatever name it is described, it is a trust imposed by law whenever justice and good conscience require it. It is a liberal process, founded upon large principles of equity, to be applied in cases where the defendant cannot conscientiously keep the property for himself alone, but ought to allow another to have the property or a share in it ... It is an equitable remedy by which the court can enable an aggrieved party to obtain restitution.

[47] How might a court determine whether "good conscience" will permit it to impose a trust? If there is no agreement that creates or implies a trust, courts may draw an inference from words and conduct, or conduct alone, that property should be held beneficially otherwise than according to the legal title. Moreover, where it is impossible to determine what was the parties' actual intention, "each is entitled to that share which the court considers fair having regard to the whole course of dealing between them in relation to the property": *Waters* at 462.

[48] Typically we see constructive trusts argued in the context of an unjust enrichment. In *Soulos*, however, the Supreme Court of Canada has emphatically broadened the scope within which courts might impose a trust. It said the following:

I conclude that in Canada, under the broad umbrella of good conscience, constructive trusts are recognized both for wrongful acts like fraud and breach of duty of loyalty, as well as to remedy unjust enrichment and corresponding deprivation. While cases often involve both a wrongful act and unjust enrichment, constructive trusts may be imposed on either ground: where there is a wrongful act but no unjust enrichment and corresponding deprivation; or where there is an unconscionable unjust enrichment in the absence of a wrongful act, as in *Pettkus v. Becker*, *supra*. Within these two broad categories, there is room for the law of constructive trust to develop and for greater precision to be attained, as time and experience may dictate.

Soulos at 229-30 (emphasis added).

[49] In *International Corona Resources Ltd v Lac Minerals Ltd*, [1989] 2 SCR 574, 61 DLR (4th) 14 [*Lac*, cited to SCR], LaForest J said that there is no requirement of any pre-existing

proprietary right and that “a constructive trust should only be awarded if there is reason to grant to the plaintiff the additional rights that flow from recognition of a right of property”: *Lac* at 678.

[50] For a court to impose a constructive trust to take away a wrongful gain (as opposed to unjust enrichment), the Supreme Court of Canada has established the following 4 conditions that must be generally satisfied:

1. The defendant must have been under an equitable obligation, that is, an obligation of the type that courts of equity have enforced, in relation to the activities giving rise to the assets in his hands;
2. The assets in the hands of the defendant must be shown to have resulted from deemed or actual agency activities of the defendant in breach of his equitable obligation to the plaintiff;
3. The plaintiff must show a legitimate reason for seeking a proprietary remedy, either personal or related to the need to ensure that others like the defendant remain faithful to their duties and;
4. There must be no factors which would render imposition of a constructive trust unjust in all the circumstances of the case; e.g., the interests of intervening creditors must be protected.

Soulos at 230.

[51] The Applicants argue that they meet all 4 conditions in the following way:

- (a) They provided their investments to Base Finance based on representations that Base Finance made through Mr. Breitzkreutz, that their investments would be used to fund mortgages and that their investments would be protected through security in the form of first mortgages on the properties that their investments were funding. Base Finance was not only under a legal obligation, but it was under an equitable obligation, to use (and secure) those funds in that manner. This meets condition 1 of the *Soulos* test.
- (b) The Applicants provided their investments to Base Finance on the understanding that Base Finance was the conduit through which the investments would flow through to the mortgagors. Professor Fridman describes agency as follows:

Agency is the relationship that exists between two persons when one, called the *agent*, is considered in law to represent the other, called the *principal*, in such a way as to be able to affect the principal's legal position in respect of strangers to the relationship by the making of contracts or the disposition of property: GHL Fridman, *The Law of Agency*, 7th ed (London: Butterworths, 1996) at 11.

The Receiver argues that nowhere in the Irrevocable Assignment of Mortgage Interest document is the word “agent” or “agency” used. That is not the test. The Court can look at the surrounding circumstances to determine whether such a “relationship” exists between the parties in the manner that Professor Fridman describes. This Court finds that Base Finance held itself out as the investors' agent in using their invested funds for loans that were to be secured by a mortgage for their benefit. In this way, Base was representing them in such a way as to be able to affect their legal position in respect of the various mortgagors. This meets condition 2 of the *Soulos* test.

- (c) Base Finance did not obtain any mortgages using the investors' money. The investors' monies as they relate to the September RBC Statement, can be easily and clearly traced to the Bank Account. Base Finance's banking records of the Bank Account, including the cancelled cheques, point to the individual investment amounts, and the timing of the deposits. As well, the parties and Ms. Pickering have produced the cancelled cheques for those deposits that show the date of the deposit into the Bank Account. Accordingly, this Court finds that the Applicants have a legitimate reason for seeking a proprietary remedy. The Receiver does not challenge this. This meets condition 3 of the *Soulos* test.
- (d) The Receiver argues that the imposition of a constructive trust, as it relates to the September 2015 advances that the Applicants made would be unjust inasmuch as this elevates their claims over those of previous investors. This is a timing issue, which this Court will discuss later in these reasons. If this Court were to accede to the Receiver's argument, the funds in the Bank Account could be used by the Receiver for purposes other than the payment to the investors. This would be unjust. This Court finds that there are no factors that would render the imposition of a constructive trust of the Applicants' investments unjust, as the whereabouts of those investments are contained in the Bank Account, and their respective deposits can be readily identified. This meets condition 4 of the *Soulos* test.

[52] Thus, this Court imposes a trust over funds in the Bank Account for the benefit of the Applicants, and other investors who were defrauded by Base Finance, through Mr. Breitkreutz's various fraudulent misrepresentations.

[53] The Receiver argued that *Re Titan Investments Limited Partnership*, 2005 ABQB 637, somehow has some bearing on the issues before this Court. It does not. Hawco J, in that case, was dealing with an allegation that certain amounts that certain investors in a Ponzi scheme received were fraudulent preferences. That is not the issue before this Court. Hawco J did not have to deal with characterization and entitlement to a finite fund, which is the issue before this Court.

B. How does this Court Distribute the Trust Monies?

[54] Even with respect to the monies that the Applicants provided to Base Finance in September of 2015, and the amount that remained in the Bank Account when the ASC froze the Bank Account, there is a shortfall. In other words, what this Court is undertaking essentially amounts to a loss allocation among the various investors.

[55] Canadian courts have determined that there are the 3 ways in which this Court could order the distribution of the monies in the Bank Account among the Applicants and other investors, which are as follows:

- (1) "First in, first out": this is derived from the *Dvaynes v Noble: Clayton's Case* (1816), 1 Mer 572 [*Clayton's Case*], where the court held that the first money deposited into the account is presumed to be the first money withdrawn;
- (2) *Pro rata* or *pro rata ex post facto* sharing based on the original contribution that the various claimants made, regardless of the time they made their contributions. If there is a shortfall, between the amount the claimant's claim and the amount remaining in the account, the claimants share proportionately, based on the amount of their original contribution;

- (3) *Pro rata* sharing based on tracing or the lowest intermediate balance rule ("LIBR") which says that a claimant cannot claim an amount in excess of the lowest balance in a fund subsequent to their investment but before the next claimant makes its investment.

[56] Although the rule in *Clayton's Case* has been used by Canadian courts, practically it has fallen in disuse because it is "arbitrary and unfair": *Ontario (Securities Commission) v Greymac Credit Corp* (1986), 55 OR (2d) 673, 20 DLR (4th) 1 (CA) [*Greymac*, cited to DLR], aff'd [1988] 2 SCR 172.

[57] In *Greymac*, the Ontario Court of Appeal provided the following quotation from *Re Walter J Schmidt & Co*, 298 F. 314 at 316 (Dist Ct, 1923) in support of its holding:

The rule in Clayton's Case is to allocate the payments upon an account. Some rule had to be adopted, and though any presumption of intent was a fiction, priority in time was the most natural basis of allocation. It has no relevancy whatever to a case like this. Here two people are jointly interested in a fund held for them by a common trustee. There is no reason in law or justice why his deprecations upon the fund should not be borne equally between them. To throw all the loss upon one, through the mere chance of his being earlier in time, is irrational and arbitrary, and is equally a fiction as the rule in Clayton's Case, *supra*. When the law adopts a fiction, it is, or at least it should be, for some purpose of justice.

Greymac at 15.

[58] Of course, the reason why the rule in *Clayton's Case* is considered arbitrary and unfair is because it is prejudicial to those who contributed earliest to the fund. The reason it is a fiction is that no one knows with any certainty that the withdrawals from the fund were taken from the money first deposited. There is no allocation of loss. It places the loss squarely at the feet of those who deposited their funds earliest.

[59] None of the parties in the case at bar has asked this Court to apply the rule in *Clayton's Case* to the loss allocation it is considering. This Court agrees and will not discuss that case any further.

[60] The LIBR approach assumes that the investor can identify the monies it has deposited into the fund. The sum of the amount existing in the fund at the time of the investor's deposit and the investor's deposit make up the total of the fund at that time. A simple calculation will determine the percentage of each to the total amount that makes up the fund. Sulatycky ACJ in *Elliott (Re)*, 2002 ABQB 1122, 11 Alta LR (4th) 358, 333 AR 39 [*Elliott*] then outlines the way in which LIBR will work as follows:

... [W]here the funds in an account are depleted below the trust money balance, further deposits by the trustee cannot be accessed by the beneficiaries. They are, instead, limited to the lowest intermediate balance of the account. This is rational, because the entire line of cases being discussed is based on equitable rules of tracing. It is impossible to affix money subsequently deposited with the imprint of tracing. Only the money still remaining can be traced.

[61] In *Boughner v Greyhawk Equity Partners Limited Partnership (Millenium)*, 2012 ONSC 3185, 111 OR (3d) 700, 95 CBR (5th) 239, aff'd 2013 ONCA 26, 5 CBR (6th) 113 [*Boughner*, cited to ONSC], Morawetz J provides the following example of how LIBR works:

... A invests \$100 in a fund. The value of the fund then declines to \$50. B invests \$100, bringing the balance in the fund to \$150. The value of the fund then declines to \$120.

In this fact pattern, if LIBR were applied, A could not claim more than \$50, because that is the lowest balance in the fund prior to B's investment. In other words, the initial decline in the value of the fund from \$100 to \$50 is borne entirely by A. When B contributes \$100, her investment constitutes 2/3 of the \$150 in the fund. As a result, when the fund declines to \$120, 2/3 of the decline is borne by B, while 1/3 is borne by A. Therefore, of the \$120 remaining in the fund, A can claim \$40 while B can claim \$80.

Boughner at paras 4-5.

[62] In the end, the LIBR approach does not permit an investor to receive more than what can be traced from their contribution. Timing is important.

[63] Timing is not so important in the *pro rata ex post facto* approach, which Sulatycky ACJ described in *Elliott* as follows:

In the *pari passu ex post facto* approach applied in *Law Society of Upper Canada v. Toronto Dominion Bank*, the total quantum of available assets is determined — i.e., the amount remaining in the trust accounts. The funds are then shared proportionally among the contributors to the fund (except for any money contributed by the trustee, as that is considered applied to the shortfall). The date of deposits is ignored.

[64] Thus, in the example that Morawetz J provides in *Boughner*, A and B would receive \$60, as each invested an equal amount of \$100.

[65] Thus, there are 2 approaches that this Court can consider when determining how best to distribute the monies in the Bank Account. Both have their advantages and disadvantages, which this Court will discuss in a moment. The overarching aspect, however, is that this Court must apply an approach that is logical, just, equitable and convenient: *Greymac* at 7; *Law Society of Upper Canada v Toronto Dominion Bank* (1998), 169 DLR (4th) 353, 42 OR (3d) 257, 44 BLR (2d) 72 [*TD Bank*, cited to DLR] at para 31.

[66] The LIBR approach has been criticized as being the reverse of the rule in *Clayton's Case* in the sense that it is a "last in, first out" approach: *TD Bank* at para 9. As well, the LIBR approach is more difficult and more complicated than the *pari passu ex post facto* approach and, accordingly, the court should try to find a solution that is workable: *TD Bank* at paras 33-34; *Greymac* at 17. Furthermore, the LIBR approach is difficult to apply "where there are numerous deposits and withdrawals, as the LIBR has to be determined at multiple points throughout the account's history: *Elliott* at para 37.

[67] The *pari passu ex post facto* approach, on the other hand, "seems unfair to late investors": *Boughner* at para 42, quoting *Barlow Clowes International Ltd v Vaughan*, [1992] 4 All ER 22 (CA). As stated in *Waters* at 1283, "Although there is a certain fairness in proportionate sharing, this approach shifts earlier losses onto later contributions, whose money could not possibly have been implicated in those losses." Furthermore, in the case at bar, certain of the Applicants have acknowledged that they received payments of some form or another from Base Finance. As Morawetz J said in *Boughner*, "Just as earlier investors would not have

expected to share their gains with later investors, they should not be allowed to so share their losses”: *Boughner* at para 56.

[68] The *pari passu ex post facto* is more simple to apply. One simply takes the total amount remaining in the Bank Account and divides it proportionately among the investors in accordance with the deposits they made into the Bank Account. There is a certain complexity, however, in this approach. The Bank Account had an opening balance. How does one distribute the opening balance among the investors? Did those earlier investors, or some of them, invest in a legitimate scheme, or were they similarly “duped” by Mr. Breitkreuz? Which ones were duped? Must the amounts that Applicants and others received from the Bank Account be accounted for in calculating their losses?

[69] In the case at bar, the parties have advised this Court that they have access to the complete records of the Bank Account from the date that Base Finance opened the account sometime in May of 2014, which shows not only the debits and credits, but also the balances in the account for all those transactions. As well, this Court assumes that RBC can provide the parties with the cancelled cheques that show the deposits. This differs from *Elliott*, where the parties provided Sulatycky ACJ merely with “evidence as to final balances and the dates and amounts of the claimants’ deposits”: *Elliott* at para 31. How could Sulatycky ACJ possibly come to a rational conclusion that LIBR could be applied, given the paucity of the information the parties provided to him? His only choice was to apply the *pari passu ex post facto* approach.

[70] This Court recognizes that the Ontario Court of Appeal (as affirmed by the Supreme Court of Canada) applied the *pari passu ex post facto* approach in *Greymac*. That application, however, does not derogate from Morden JA’s comment that although the *pari passu ex post facto* approach might be appropriate in some circumstances, he did not feel it would be appropriate “where the contributions to the mixed fund can be simply traced”: *Greymac* at 16. Morden JA went on to say the following:

I am not persuaded that considerations of possible inconvenience or unworkability should stand in the way of the acceptance, as a general rule, of [LIBR]. That it is sufficiently workable to be the general rule is indicated by the fact that it appears to be the majority rule in the United States.

Greymac at 17.

See also *TD Bank* at para 32.

[71] This Court recognizes that calculating entitlement to the Bank Account might be considered by some to be inconvenient and moderately complex. It is not, however, impossible to do the calculations. Inconvenience should not stand in the way of fairness.

V. Conclusion

[72] The real key is whether LIBR is workable or “practically impossible” to use. In this case, the calculations are not so complex. This Court holds that the parties will use the LIBR approach when distributing the Bank Account. The methodology will be for the parties to work backwards from the last deposit. This will allow the Bank Account to be distributed to those who most recently made their deposits. Why? Those amounts can be specifically traced. To start at some earlier time would be arbitrary, and this Court suspects, without knowing, that starting at some earlier time will deplete the funds available to those who deposited later. If there is an amount

remaining in the Bank Account after the LIBR calculations are completed, those funds will be given to the Receiver to be dealt with as part of Base Finance's property.

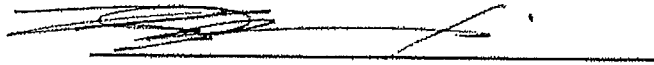
[73] How far must the parties go back? The parties will go back to the date of the opening of the Bank Account. Rooke ACJ was not provided with all the information that could be factored into a consideration of how best to distribute the funds in the Bank Account. The LIBR approach does not require the necessity of a claims bar order, as each investor's deposit can be easily traced, whether or not they participated in this hearing. Furthermore, from a practical perspective, serving notice on all potential claimants through electronic posting is manifestly unfair to many of the investors, as they are seniors who do not even have access to computers or other electronic media. Accordingly, this Court does not view Rooke ACJ's order as a claims bar order. The relative simplicity of the method of calculation obviates the necessity of a claims bar order. All those who contributed to the Bank Account must be able to receive their fair share of the funds that remain, whether or not they took place in the application that occurred before this Court.

[74] Should those who received funds be required to account for the funds they received? This Court considers such an approach adds a level of complexity and unfairness to the LIBR approach. Beside, how does one determine the source of the funds that resulted in payment to the investor? Was it their latest deposit into the Bank Account, or an earlier deposit? Most of the investors, at some time or another, received some payment from Base Finance. There is no principled or rational reason requiring them to account for those receipts by set-off or otherwise.

[75] Obviously, the result of this decision will require someone to do the calculations. The Receiver is not getting paid, so why should the Receiver do these calculations? If the Receiver chooses to undertake these calculations, the parties may agree to pay the Receiver on a *pro rata* sharing of the Receiver's costs for this task, or on some other basis. If they choose to retain someone other than the Receiver, they will likewise have to agree on the method for remunerating that person. If they are unable to agree on how the costs should be allocated, this Court grants them leave to apply for direction.

Heard in Calgary, Alberta on the 21st day of January 2016.

Dated at the City of Calgary, Alberta this 8th day of February, 2016.



K.D. Yamauchi
J.C.Q.B.A.

Appearances:

Richard N. Billington
Billington Barristers
for the Receiver BDO Canada Limited

Christopher Souster
Riverside Law Office
for the Plaintiffs Easy Loan Corporation and Mike Terrigno

Dean A. Hutchison and Megan Kheong
MacPherson Leslie & Tyerman LLP
for the Applicant Thomas Wiseman

Arif Chowdhury and Claire Himsl
Fasken Martineau
for the Applicants Raymond Sampert and Margaret Sampert

Patrick F. Mahoney
Lawson Glod Mahoney
for the Applicant Larry Revitt and Shirley Revitt

Trevor A. Batty
Burnet Duckworth & Palmer LLP
for the Applicants Ken Unger and Sandra Unger

Paul A. Kazakoff
Paul A. Kazakoff Professional Corporation
for the Applicants Calgary Aggregate Recycling Ltd and John Davies

Kimberly Setrakov
Warren Bensen Amantea LLP
for the Applicant Resch Construction Ltd

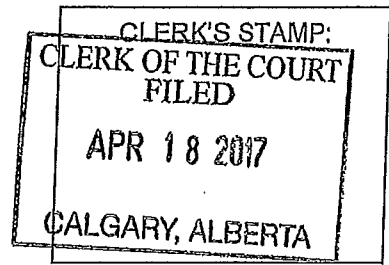
Ken J. Rogers
Inglewood Law Office
for Barton Bruce

Predrag Anic
Miles Davison LLP
for Norm and Barb Denoon

Jeffery Woodruff
Low, Glen & Card
for Fred and Carol Dowe

TAB B

COURT FILE NUMBER: 1501-11817
COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE: CALGARY
PLAINTIFFS / RESPONDENTS: EASYLOAN CORPORATION AND MIKE TERRIGNO
DEFENDANTS / APPLICANTS: BASE MORTGAGE & INVESTMENTS LTD. AND BASE FINANCE LTD., ARNOLD BREITKRUETZ, SUSAN BREITKRUETZ, SUSAN WAY AND GP ENERGY INC.



DOCUMENT: ORDER

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

Billington Barristers
1910 Elveden House
717 - 7th Avenue SW
Calgary, AB T2P 0Z3
Main: (403) 930-4100
Fax: (403) 930-4110

Richard Hayles
Direct: (403) 930-4106
File: 15047-002

**Counsel for the Receiver,
BDO Canada Limited**

DATE ON WHICH THIS ORDER WAS PRONOUNCED:

April 13, 2017

LOCATION OF HEARING:

Calgary, Alberta

NAME OF MASTER WHO MADE THIS ORDER:

Master J.T. Prowse, Q.C.

UPON the Application of the Receiver BDO Canada Limited, and upon reading the Fourth Report of the Receiver dated April 10, 2017, filed, and the Confidential Supplementary Report to the Fourth Report of the Receiver dated April 10 2017, and the previous orders herein, and upon hearing from counsel for the interested parties;

IT IS HEREBY ORDERED THAT:

1. The time for service of this application and the Fourth Report of the Receiver is abridged, and service thereof is deemed good and sufficient.

2. The actions of the Receiver in the administration of these receivership proceedings to date, as described in the Fourth Report of the Receiver, are approved.
3. The Receiver is hereby authorized to immediately sell the following properties, in accordance with the Receiver's recommendations as set out in the Fourth Report of the Receiver, filed, and the Confidential Supplementary Report to the Fourth Report of the Receiver:

- a) 724-55 Avenue SW, Calgary, Alberta;

Legal Description:

Plan 1693AF

Block 24

The easterly 50 feet throughout of all that portion of Lot B
Which is shown on Plan 1559EO and thereon outlined in red
Excepting thereout all mines and minerals

- b) 735-55 Avenue SW, Calgary, Alberta;

Legal Description:

Plan 3701GA

Block 27

Lot 9

Reserving unto Her Majesty all coal

- c) 728-55 Avenue SW, Calgary, Alberta;

Legal Description:

Plan 1559EO

The west 50 feet of the south 120 feet of the parcel
Excepting thereout all coal

- d) 63 Suncastle Bay SE, Calgary, Alberta.

Legal Description:

Plan 8410877

Block 26

Lot 20

Excepting thereout all mines and minerals

(the "Properties")

And for greater clarity, the Receiver is authorized to sell the Properties under the terms of the "Bundle Offer" to 2025876 Alberta Ltd., as referred to in the Fourth Report of the Receiver and the Confidential Supplementary Report to the Fourth Report of the Receiver.

4. The Royal Bank of Canada as Mortgagee of the respective lands shall within 7 days disclose to the Receiver BDO Canada, the amounts outstanding inclusive of principal, interest and costs plus *per diem* interest until payout of amounts owing on their respective mortgages which are instruments:

<u>Property</u>	<u>Registration No.</u>	<u>Address of Bank</u>
724-55 Avenue SW, Calgary, Alberta	051 142 229	Royal Bank of Canada 5104 Donnelly Crescent Regina Saskatchewan S4X 4C9
735-55 Avenue SW, Calgary, Alberta	091 172 341	Royal Bank of Canada 180 Wellington Street West Toronto Ontario M5J 1J1
728-55 Avenue SW, Calgary, Alberta;	131 029 632	Royal Bank of Canada 10 York Mills Road 3 rd Floor Toronto Ontario M2P 0A2
63 Suncastle Bay SE, Calgary, Alberta	101 347 313	Royal Bank of Canada 180 Wellington Street West Toronto Ontario M5J 1J1

5. The Mortgagees shall not advance any further funds to any person, corporation or entity based upon security under the respective mortgages.
6. The sale of each of the specified properties herein is conditional on the Receiver obtaining and being satisfied about the amounts due to the mortgagees registered on the respective titles, and to the Receiver then determining whether it wishes to proceed with the sale of the respective properties.

7. All other offers are hereby rejected and all deposits received from any other offerors shall be returned to them immediately.
8. Compliance with Rule 9.34(4) and the requirement for service of documents prior to entry of this Order, set out in Rule 9.35(1)(a), are hereby waived.
9. The Purchaser shall, on or before the 15th day of May (the "Closing Date") either pay to the Receiver the adjusted purchase price, or enter into reasonable conveyancing arrangements with the Receiver's counsel to assure payment of the adjusted purchase price, and upon doing so the Purchaser is entitled to obtain possession of the properties pursuant to paragraph 3 of this Order.
10. The Defendants, any tenants, and any other occupants shall, on or before the 15th day of May deliver up to the Purchaser vacant possession of the properties. Service of this Order may be made on the occupants by posting same on the main entrance door to the properties. A Civil Enforcement Agency has authority, after service of this Order has been effected, to evict any occupant of the properties on the later of the aforesaid date or 30 days after posting has occurred.
11. Upon written confirmation from the Receiver that it has received or is satisfied that it will receive payment from the Purchaser, the Registrar of Land Titles shall cancel the existing certificate of title to the properties and shall issue a new certificate of title in the name of:

2025876 Alberta Ltd.

(or such other transferee as directed by the Receiver's counsel in correspondence sent to the Registrar of Land Titles at the time this Order is submitted for registration) free and clear of all mortgages and all subsequent encumbrances, but subject to:

- a) 63 Suncastle Bay SE, Calgary, Alberta.

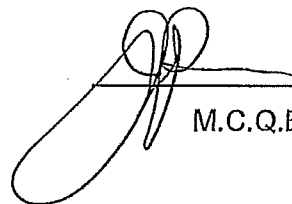
Legal Description:

Plan 8410877
Block 26

Lot 20
Excepting thereout all mines and minerals

841 139 168	16/08/1984	Utility Right of Way
851 071 423	03/05/1985	Encumbrance
861 045 883	18/03/1986	Restrictive Covenant

12. Any interest in the properties of the Defendants anyone claiming through the Defendants, or any other subordinate encumbrancer is hereby extinguished.
13. The said purchase does not include unattached goods. On or before April 19, 2017, the Defendants shall provide to the Receiver's lawyer a written description of all appliances they propose to remove from the property and shall not remove any that the Receiver objects to, *without the Defendants applying for leave of the Court.*
14. Pursuant to s. 191(2) of the *Land Titles Act*, the Registrar of Titles shall cancel the certificates of title for the Properties, terminate the Defendants' interests in the Properties, and register this Order and the transfers in favour of the purchaser forthwith notwithstanding the requirements of s-s. 191(1) of the *Land Titles Act*.
15. The Confidential Supplementary Report to the Fourth Report of the Receiver is sealed, and shall not be available to be inspected or copied by anyone without the written consent of the Receiver or further order of this court.



M.C.Q.B.A

TAB C



RBC Banque Royale®

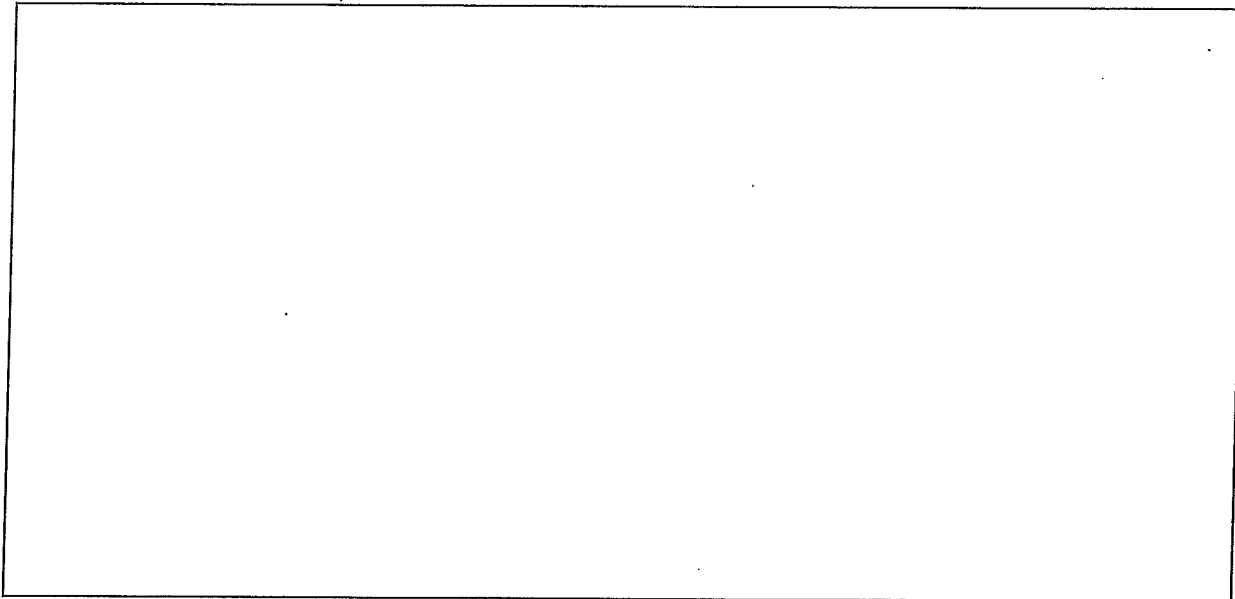


RBC Royal Bank®

Télécopie / Facsimile

To/Destinataire: RICHARD N. BEILLINGTON
Tel.#/Tel.#:
Fax no#: 4039304110
From/Exp: PAYOUT STATEMENT DEPT (RO)
Date: Thursday, April 20, 2017 3:46:14 PM
Number Pages: 03

Voici la liste des documents qui sont joints à cet envoi /
Included below, is a list of the documents you will find enclosed in this fax:



This fax may be privileged and/or confidential, and the sender does not waive any related rights and obligations. Any distribution, use or copying of this fax or the information it contains by other than an intended recipient is unauthorized. If you received this fax in error, please advise the sender (by return fax or otherwise) immediately. You have consented to receive the attached electronically; please retain a copy of this confirmation for future reference.

Cette transmission est confidentielle et protégée. L'expéditeur ne renonce pas aux droits et obligations qui s'y rapportent. Toute diffusion, utilisation ou copie de ce message ou des renseignements qu'il contient par une personne autre que le (les) destinataire(s) désigné(s) est interdite. Si vous recevez cette transmission par erreur, veuillez en aviser l'expéditeur immédiatement, par retour de transmission ou par un autre moyen. Vous avez accepté de recevoir le document ci-joint par voie électronique ; veuillez conserver une copie de cette confirmation à titre de référence.



ROYAL BANK OF CANADA
 TOR PSC-MTGS ALBERTA & NWT
 10 YORK MILLS RD-3RD FLR
 TORONTO ON M2P 0A2

Royal Bank of Canada
**Mortgage
 Payout Statement**

RICHARD N. BEILLINGTON
 BARRISTER AND SOLICITOR

Mortgage Number: 44290682-001 (02769)
 SRF Number: 204697031
 Issue Date: APRIL 20, 2017
 How to reach us: 1-800-974-1163

FAX NUMBER: 403-930-4110

Payout Statement for Mortgage 44290682-001

Client(s): SUSAN BREITKREUTZ

Property Address: 724 55TH AVENUE SW , CALGARY, AB T2V0G3

This statement sets out the amount required to pay Mortgage 44290682-001 in full on the requested payout date of APRIL 20, 2017. The amount to be paid, an explanation of any charges and instructions for making payment are detailed below. If payment is not received by the statement expiry date of APRIL 25, 2017 a new Mortgage Payout Statement will be required, and any prepayment charges may change.

Total Amount Due for Payout on APRIL 20, 2017	\$64,807.89
Interest per diem	\$6.38
HomeProtector insurance premium per diem	\$0.00

Balances are based on the assumption that all regular scheduled payments are made including HomeProtector® insurance premiums, if any, up to but not including APRIL 20, 2017. If a scheduled payment is not made, for any reason, the missed payment must be paid (together with any additional interest) before the mortgage will be discharged.

This mortgage is currently in arrears. The mortgagee expressly reserves all of its rights under the mortgage arising from non-payment. The balance shown is based on the assumption that no further payments have been made since APRIL 3, 2017, the date of the first missed payment.

Payment Instructions

1. Payment in full must be received by us no later than 3:00 p.m. on the requested payout date of APRIL 20, 2017. If funds are not received by 3:00 p.m., interest per diem of \$6.38 and HomeProtector insurance premium per diem of \$0.00 must be added to the "Total Amount Due for Payout", for each additional day, including the payout date, to a maximum of 5 calendar days after the requested payout date. If funds have not been received by the 5th calendar day after the requested payout date, this statement will be null and void and a new payout statement must be obtained.
2. To ensure that there are funds to cover scheduled payments due before the payout date (in the event these are returned to us unpaid for any reason), please retain an amount equivalent to the "Total Regular Payment" indicated below. Unless otherwise instructed by RBC Royal Bank®, this amount may be released 10 business days after the "Total Amount Due for Payout" has been paid.
3. Ensure any correspondence includes the mortgage number and is forwarded to the above address.

Details for Mortgage 44290682-001

Term	060 (MONTHS)
Maturity Date	MAY 3, 2018
Interest Rate Type	VARIABLE
Interest Rate	3.600000% (PRIME RATE -0.100000%)
Payment Frequency	MONTHLY
Principal & Interest Payment	\$759.90
Tax Payment	\$0.00
HomeProtector Insurance Premium	\$0.00
Total Regular Payment	\$759.90
Annual Prepayment Option Anniversary Date	MAY 3, 2017

Explanation of Balances and Charges

Mortgage Balance **\$64,694.41**

This is the principal amount and interest owing on the mortgage up to the date of the last regularly scheduled payment date before the requested payout date.

Accrued Interest **\$108.48**

This is the amount of interest that will accrue between the last regularly scheduled payment date and the requested payout date.

HomeProtector Insurance Premium Due **\$0.00**

This is the amount of HomeProtector insurance premium due for the period from the last regularly scheduled payment date until the requested payout date.

For information on your insurance coverage, please call the Insurance Service Centre at 1-800-769-2523.

Administration Fee **\$0.00**

A fee of \$0.00 will be charged for the preparation of the documents required to switch the mortgage to another lender.

Registration Fee **\$5.00**

A fee of \$5.00 will be charged to register the discharge of the mortgage.

Prepayment Charge **N/A**

This is an "open" mortgage, which means that \$500 or more of the outstanding amount can be prepaid at any time without a prepayment charge.

® Registered trademarks of Royal Bank of Canada. RBC and Royal Bank are registered trademarks of Royal Bank of Canada.



RBC Banque Royale®



RBC Royal Bank®

Télécopie / Facsimile

To/Destinataire: RICHARD N. BILLINTON
Tel.#/Tel.#:
Fax no#: 4039304110
From/Exp: PAYOUT STATEMENT DEPT (RO)
Date: Thursday, April 20, 2017 3:55:58 PM
Number Pages: 03

Voici la liste des documents qui sont joints à cet envoi /
Included below, is a list of the documents you will find enclosed in this fax:

This fax may be privileged and/or confidential, and the sender does not waive any related rights and obligations. Any distribution, use or copying of this fax or the information it contains by other than an intended recipient is unauthorized. If you received this fax in error, please advise the sender (by return fax or otherwise) immediately. You have consented to receive the attached electronically; please retain a copy of this confirmation for future reference.

Cette transmission est confidentielle et protégée. L'expéditeur ne renonce pas aux droits et obligations qui s'y rapportent. Toute diffusion, utilisation ou copie de ce message ou des renseignements qu'il contient par une personne autre que le (les) destinataire(s) désigné(s) est interdite. Si vous recevez cette transmission par erreur, veuillez en aviser l'expéditeur immédiatement, par retour de transmission ou par un autre moyen. Vous avez accepté de recevoir le document ci-joint par voie électronique ; veuillez conserver une copie de cette confirmation à titre de référence.



ROYAL BANK OF CANADA
 TOR PSC-ONT MORTGAGE OPS #1
 10 YORK MILLS ROAD - 3RD FLOOR
 TORONTO ON M2P 0A2

Royal Bank of Canada
 RBC Homeline Plan
 Payout Statement

RICHARD N. BILLINTON
 BARRISTER AND SOLICITOR

FAX NUMBER: 403-930-4110

RBC Homeline Plan Number: 00713439-001 (02649)

SRF Number: 204697023

Issue Date: APRIL 20, 2017

How to reach us: 1-800-974-1163

Payout Statement for RBC Homeline Plan® 00713439-001

Client(s): ARNOLD BREITKREUTZ; SUSAN BREITKREUTZ

Property Address: 728-55 AVE., , CALGARY, AB, T2V 0G3

This statement sets out the amount required to pay RBC Homeline Plan 00713439-001 in full on the requested payout date of APRIL 20, 2017. The amount to be paid, an explanation of any charges and instructions for making payment are detailed below. If payment is not received by the statement expiry date of APRIL 25, 2017 a new RBC Homeline Plan Payout Statement will be required, and any prepayment charges may change.

Total Amount Due for Payout on APRIL 20, 2017	\$251,101.97
Interest per diem	\$21.98
HomeProtector® insurance premium per diem	\$0.00

Balances are based on the assumption that any regular scheduled mortgage loan payments are made including HomeProtector insurance premiums, if any, up to but not including APRIL 20, 2017. If a scheduled mortgage loan payment is not made, for any reason, the missed payment must be paid (together with any additional interest) before the collateral mortgage will be discharged.

Payment Instructions

1. Payment in full must be received by us no later than 3:00 p.m. on the requested payout date of APRIL 20, 2017. If funds are not received by 3:00 p.m., interest per diem of \$21.98 and HomeProtector insurance premium per diem of \$0.00 must be added to the "Total Amount Due for Payout", for each additional day, including the payout date, to a maximum of 5 calendar days after the requested payout date. If funds have not been received by the 5th calendar day after the requested payout date, this statement will be null and void and a new payout statement must be obtained.
2. To ensure that there are funds to cover scheduled payments due before the payout date (in the event these are returned to us unpaid for any reason), please retain an amount equivalent to the "Total Regular Payment" indicated below. Unless otherwise instructed by RBC Royal Bank®, this amount may be released 10 business days after the "Total Amount Due for Payout" has been paid.
3. Ensure any correspondence includes the RBC Homeline Plan number and is forwarded to the above address.

Explanation of Balances and Charges

Administration Fee	\$0.00
A fee of \$0.00 will be charged for the preparation of the mainlevée/discharge of the collateral mortgage.	
Registration Fee	\$5.00
A fee of \$5.00 will be charged to register the mainlevée/discharge of the collateral mortgage.	

Royal Credit Line Related Balances and Charges

Royal Credit Line Number	88045687-001	N/A	N/A	N/A	N/A
Outstanding Principal Balance	\$250,723.29				
Accrued Interest	\$373.68				
LoanProtector® Insurance Premium Due	\$0.00				
Late Payment Fees	\$0.00				
Extra Royal Credit Line Cheque Fees	\$0.00				
Total Amount Due	\$251,096.97				

Outstanding Principal Balance

This is the principal amount owing on the loan as of the date of issue of this statement, plus any capitalized interest (if applicable) up to the last regularly scheduled interest payment date. In addition, this balance includes any fees already charged before the issue of this statement (including any overlimit fees, stop payment fees, or processing fees).

Accrued Interest

This is the amount of interest that will accrue between the last regularly scheduled payment date and the requested payout date.

LoanProtector Insurance Premium

This is the amount of Insurance Premium owing to cover the period between the last regularly scheduled insurance payment date and the requested payout date.

Late Payment Fees

"Non Sufficient Funds" (NSF) charges are applied if a financial institution returns a cheque or refuses the pre-authorized debit used to make a Loan payment. We charge the amount of any fee imposed on us by that financial institution.

Extra Royal Credit Line Cheque Fees

Two Royal Credit Line Cheques may be written each monthly cycle without charge. There is a \$2.00 fee for each additional cheque.

® Registered trademarks of Royal Bank of Canada. RBC and Royal Bank are registered trademarks of Royal Bank of Canada.

Issued by a duly authorized representative of Royal Bank of Canada / The Royal Trust Company / Royal Trust Corporation of Canada



RBC Banque Royale®

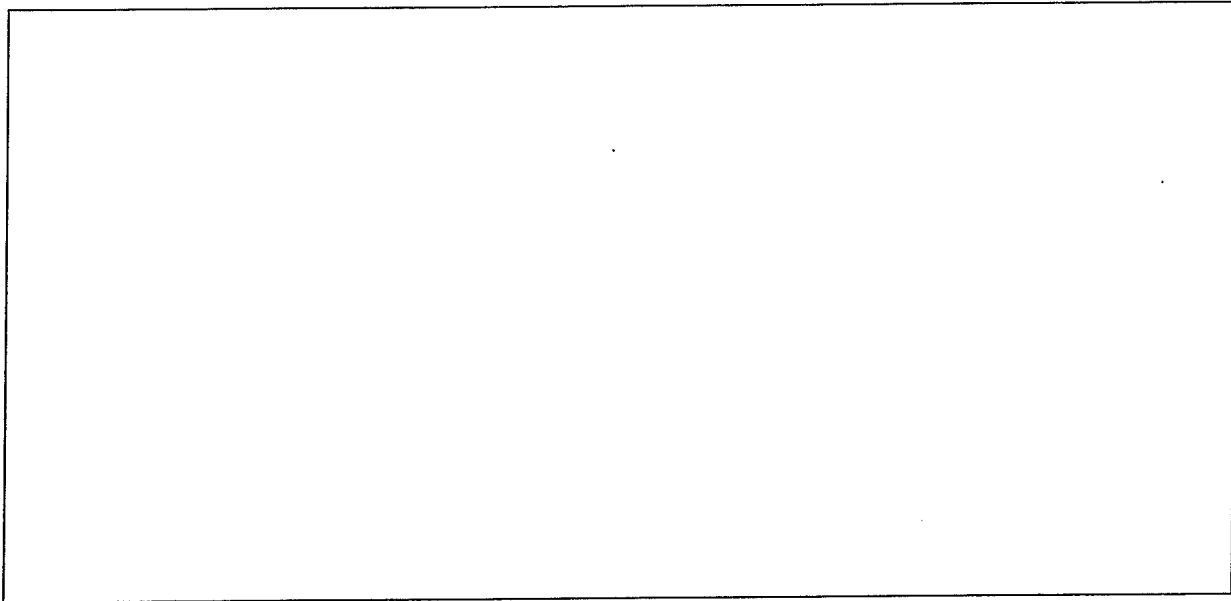


RBC Royal Bank®

Télécopie / Facsimile

To/Destinataire: RICHARD N. BILLINGTON
Tel.#/Tel.#:
Fax no#: 4039304110
From/Exp: PAYOUT STATEMENT DEPT (RO)
Date: Thursday, April 20, 2017 4:06:44 PM
Number Pages: 03

Voici la liste des documents qui sont joints à cet envoi /
Included below, is a list of the documents you will find enclosed in this fax:



This fax may be privileged and/or confidential, and the sender does not waive any related rights and obligations. Any distribution, use or copying of this fax or the information it contains by other than an intended recipient is unauthorized. If you received this fax in error, please advise the sender (by return fax or otherwise) immediately. You have consented to receive the attached electronically; please retain a copy of this confirmation for future reference.

Cette transmission est confidentielle et protégée. L'expéditeur ne renonce pas aux droits et obligations qui s'y rapportent. Toute diffusion, utilisation ou copie de ce message ou des renseignements qu'il contient par une personne autre que le (les) destinataire(s) désigné(s) est interdite. Si vous recevez cette transmission par erreur, veuillez en aviser l'expéditeur immédiatement, par retour de transmission ou par un autre moyen. Vous avez accepté de recevoir le document ci-joint par voie électronique ; veuillez conserver une copie de cette confirmation à titre de référence.

© Registered trademark of Royal Bank of Canada / Marque déposée de la Banque Royale du Canada.



ROYAL BANK OF CANADA
 TOR PSC-ONT MORTGAGE OPS #1
 10 YORK MILLS ROAD - 3RD FLOOR
 TORONTO ON M2P 0A2

Royal Bank of Canada
RBC Homeline Plan
Payout Statement

RICHARD N. BILLINGTON
 BARRISTER AND SOLICITOR

RBC Homeline Plan Number: 07508161-001 (02649)
 SRF Number: 204697023
 Issue Date: APRIL 20, 2017
 How to reach us: 1-800-974-1163

FAX NUMBER: 403-930-4110

Payout Statement for RBC Homeline Plan® 07508161-001

Client(s): ARNOLD BREITKREUTZ; SUSAN BREITKREUTZ

Property Address: 735 55 AVE SW , CALGARY, AB, T2V 0G3

This statement sets out the amount required to pay RBC Homeline Plan 07508161-001 in full on the requested payout date of APRIL 20, 2017. The amount to be paid, an explanation of any charges and instructions for making payment are detailed below. If payment is not received by the statement expiry date of APRIL 25, 2017 a new RBC Homeline Plan Payout Statement will be required, and any prepayment charges may change.

Total Amount Due for Payout on APRIL 20, 2017	\$251,101.97
Interest per diem	\$21.98
HomeProtector® insurance premium per diem	\$0.00

Balances are based on the assumption that any regular scheduled mortgage loan payments are made including HomeProtector insurance premiums, if any, up to but not including APRIL 20, 2017. If a scheduled mortgage loan payment is not made, for any reason, the missed payment must be paid (together with any additional interest) before the collateral mortgage will be discharged.

Payment Instructions

1. Payment in full must be received by us no later than 3:00 p.m. on the requested payout date of APRIL 20, 2017. If funds are not received by 3:00 p.m., interest per diem of \$21.98 and HomeProtector insurance premium per diem of \$0.00 must be added to the "Total Amount Due for Payout", for each additional day, including the payout date, to a maximum of 5 calendar days after the requested payout date. If funds have not been received by the 5th calendar day after the requested payout date, this statement will be null and void and a new payout statement must be obtained.
2. To ensure that there are funds to cover scheduled payments due before the payout date (in the event these are returned to us unpaid for any reason), please retain an amount equivalent to the "Total Regular Payment" indicated below. Unless otherwise instructed by RBC Royal Bank®, this amount may be released 10 business days after the "Total Amount Due for Payout" has been paid.
3. Ensure any correspondence includes the RBC Homeline Plan number and is forwarded to the above address.

Explanation of Balances and Charges

Administration Fee	\$0.00
A fee of \$0.00 will be charged for the preparation of the mainlevée/discharge of the collateral mortgage.	
Registration Fee	\$5.00
A fee of \$5.00 will be charged to register the mainlevée/discharge of the collateral mortgage.	

Royal Credit Line Related Balances and Charges

Royal Credit Line Number	00894485-001	N/A	N/A	N/A	N/A
Outstanding Principal Balance	\$250,723.29				
Accrued Interest	\$373.68				
LoanProtector® Insurance Premium Due	\$0.00				
Late Payment Fees	\$0.00				
Extra Royal Credit Line Cheque Fees	\$0.00				
Total Amount Due	\$251,096.97				

Outstanding Principal Balance

This is the principal amount owing on the loan as of the date of issue of this statement, plus any capitalized interest (if applicable) up to the last regularly scheduled interest payment date. In addition, this balance includes any fees already charged before the issue of this statement (including any overlimit fees, stop payment fees, or processing fees).

Accrued Interest

This is the amount of interest that will accrue between the last regularly scheduled payment date and the requested payout date.

LoanProtector Insurance Premium

This is the amount of Insurance Premium owing to cover the period between the last regularly scheduled insurance payment date and the requested payout date.

Late Payment Fees

"Non Sufficient Funds" (NSF) charges are applied if a financial institution returns a cheque or refuses the pre-authorized debit used to make a Loan payment. We charge the amount of any fee imposed on us by that financial institution.

Extra Royal Credit Line Cheque Fees

Two Royal Credit Line Cheques may be written each monthly cycle without charge. There is a \$2.00 fee for each additional cheque.

® Registered trademarks of Royal Bank of Canada. RBC and Royal Bank are registered trademarks of Royal Bank of Canada.

Issued by a duly authorized representative of Royal Bank of Canada / The Royal Trust Company / Royal Trust Corporation of Canada



RBC Banque Royale®

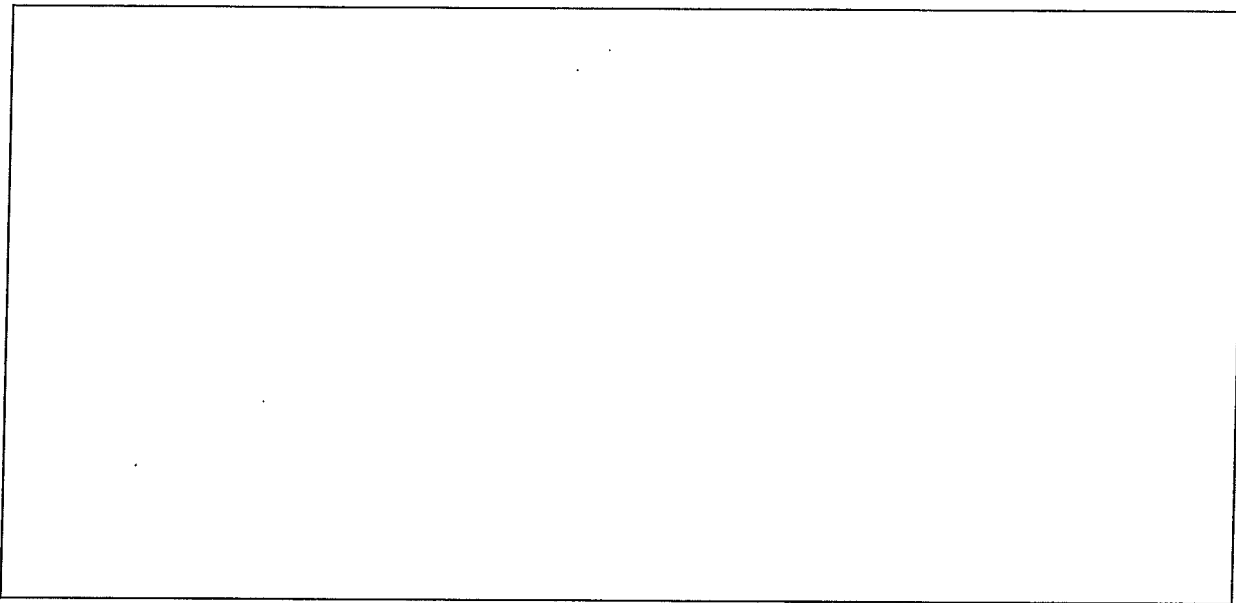


RBC Royal Bank®

Télécopie / Facsimile

To/Destinataire: RICHARD N. BILLINGTON
Tel.#/Tel.#:
Fax no#: 4039304110
From/Exp: PAYOUT STATEMENT DEPT (RO)
Date: Thursday, April 20, 2017 4:14:22 PM
Number Pages: 03

Voici la liste des documents qui sont joints à cet envoi /
Included below, is a list of the documents you will find enclosed in this fax:



This fax may be privileged and/or confidential, and the sender does not waive any related rights and obligations. Any distribution, use or copying of this fax or the information it contains by other than an intended recipient is unauthorized. If you received this fax in error, please advise the sender (by return fax or otherwise) immediately. You have consented to receive the attached electronically; please retain a copy of this confirmation for future reference.

Cette transmission est confidentielle et protégée. L'expéditeur ne renonce pas aux droits et obligations qui s'y rapportent. Toute diffusion, utilisation ou copie de ce message ou des renseignements qu'il contient par une personne autre que le (les) destinataire(s) désigné(s) est interdite. Si vous recevez cette transmission par erreur, veuillez en aviser l'expéditeur immédiatement, par retour de transmission ou par un autre moyen. Vous avez accepté de recevoir le document ci-joint par voie électronique ; veuillez conserver une copie de cette confirmation à titre de référence.

® Registered trademark of Royal Bank of Canada / Marque déposée de la Banque Royale du Canada..



ROYAL BANK OF CANADA
 TOR PSC-ONT MORTGAGE OPS #1
 10 YORK MILLS ROAD - 3RD FLOOR
 TORONTO ON M2P 0A2

Royal Bank of Canada
 RBC Homeline Plan
 Payout Statement

RICHARD N. BILLINGTON
 BARRISTER AND SOLICITOR

FAX NUMBER: 403-930-4110

RBC Homeline Plan Number: 09358656-001 (02649)
 SRF Number: 204697023
 Issue Date: APRIL 20, 2017
 How to reach us: 1-800-974-1163

Payout Statement for RBC Homeline Plan® 09358656-001

Client(s): ARNOLD BREITKREUTZ; SUSAN BREITKREUTZ

Property Address: 63 SUNCASTLE BAY SE , CALGARY, AB, T2X 2M1

This statement sets out the amount required to pay RBC Homeline Plan 09358656-001 in full on the requested payout date of APRIL 20, 2017. The amount to be paid, an explanation of any charges and instructions for making payment are detailed below. If payment is not received by the statement expiry date of APRIL 25, 2017 a new RBC Homeline Plan Payout Statement will be required, and any prepayment charges may change.

Total Amount Due for Payout on APRIL 20, 2017	\$502,198.94
Interest per diem	\$43.96
HomeProtector® insurance premium per diem	\$0.00

Balances are based on the assumption that any regular scheduled mortgage loan payments are made including HomeProtector insurance premiums, if any, up to but not including APRIL 20, 2017. If a scheduled mortgage loan payment is not made, for any reason, the missed payment must be paid (together with any additional interest) before the collateral mortgage will be discharged.

Payment Instructions

1. Payment in full must be received by us no later than 3:00 p.m. on the requested payout date of APRIL 20, 2017. If funds are not received by 3:00 p.m., interest per diem of \$43.96 and HomeProtector insurance premium per diem of \$0.00 must be added to the "Total Amount Due for Payout", for each additional day, including the payout date, to a maximum of 5 calendar days after the requested payout date. If funds have not been received by the 5th calendar day after the requested payout date, this statement will be null and void and a new payout statement must be obtained.
2. To ensure that there are funds to cover scheduled payments due before the payout date (in the event these are returned to us unpaid for any reason), please retain an amount equivalent to the "Total Regular Payment" indicated below. Unless otherwise instructed by RBC Royal Bank®, this amount may be released 10 business days after the "Total Amount Due for Payout" has been paid.
3. Ensure any correspondence includes the RBC Homeline Plan number and is forwarded to the above address.

Explanation of Balances and Charges

Administration Fee	\$0.00
A fee of \$0.00 will be charged for the preparation of the mainlevée/discharge of the collateral mortgage.	
Registration Fee	\$5.00
A fee of \$5.00 will be charged to register the mainlevée/discharge of the collateral mortgage.	

Royal Credit Line Related Balances and Charges

Royal Credit Line Number	22946529-001	N/A	N/A	N/A	N/A
Outstanding Principal Balance	\$501,446.58				
Accrued Interest	\$747.36				
LoanProtector® Insurance Premium Due	\$0.00				
Late Payment Fees	\$0.00				
Extra Royal Credit Line Cheque Fees	\$0.00				
Total Amount Due	\$502,193.94				

Outstanding Principal Balance

This is the principal amount owing on the loan as of the date of issue of this statement, plus any capitalized interest (if applicable) up to the last regularly scheduled interest payment date. In addition, this balance includes any fees already charged before the issue of this statement (including any overlimit fees, stop payment fees, or processing fees).

Accrued Interest

This is the amount of interest that will accrue between the last regularly scheduled payment date and the requested payout date.

LoanProtector Insurance Premium

This is the amount of Insurance Premium owing to cover the period between the last regularly scheduled insurance payment date and the requested payout date.

Late Payment Fees

"Non Sufficient Funds" (NSF) charges are applied if a financial institution returns a cheque or refuses the pre-authorized debit used to make a Loan payment. We charge the amount of any fee imposed on us by that financial institution.

Extra Royal Credit Line Cheque Fees

Two Royal Credit Line Cheques may be written each monthly cycle without charge. There is a \$2.00 fee for each additional cheque.

® Registered trademarks of Royal Bank of Canada. RBC and Royal Bank are registered trademarks of Royal Bank of Canada.

Issued by a duly authorized representative of Royal Bank of Canada / The Royal Trust Company / Royal Trust Corporation of Canada

TAB D

STATEMENT OF ADJUSTMENTS

Seller: Court Ordered Sale – BDO Canada Ltd. as Receiver of Base Mortgage and Investments Ltd. and Base Finance Ltd.

Buyer: 2025876 Alberta Ltd.

Municipal Address: 724-55 Avenue S.W., Calgary, Alberta

Legal Description: Plan 1693AF, Block 24

Date of Adjustment: May 15, 2017

Today's Date: May , 2017

	Credit to Buyer	Credit to Seller
Sale Price:		\$475, 000.00
Deposit:	\$ 50, 000.00	
Property Tax Adjustment: (\$3,721.71 x 135/365)	\$ 1,376.52	
Land Titles Registration Fees (\$50.00 + \$95.00 + \$10.00)		\$ 155.00
<u>Cash to Close:</u>	<u>\$ 423, 778.48</u>	
Total:	<u>\$ 475, 155. 00</u>	<u>\$ 475, 155.00</u>

E. & O.E.

This Statement of Adjustments has been prepared upon information provided to us and believed to be correct; however, its accuracy is not guaranteed. Any adjustments not contained in this Statement of Adjustments are to be made directly between the Vendors and Purchasers. Unless otherwise expressly provided in writing, the parties to the above-noted transaction shall adjust utilities, accounts and like services themselves. The parties shall arrange for their own insurance or assignment of existing policy.

When the Vendors receive a tax credit, the Purchasers will then be responsible for payment of the full amount of the taxes for the current year and are advised to check with the municipal taxing authority to ensure that a tax notice or copy is received.

STATEMENT OF ADJUSTMENTS

Seller: Court Ordered Sale – BDO Canada Ltd. as Receiver of Base Mortgage and Investments Ltd. and Base Finance Ltd.

Buyer: 2025876 Alberta Ltd.

Municipal Address: 728-55 Avenue S.W., Calgary, Alberta

Legal Description: Plan 1559EO

Date of Adjustment: May 15, 2017

Today's Date: May , 2017

	Credit to Buyer	Credit to Seller
Sale Price:		\$ 464, 000.00
Deposit:	\$ 50,000.00	
Property Tax Adjustment: (\$3,552.68 x 135/365)	\$ 1,314.00	
Land Titles Registration Fees (\$15.00 + 92.80 + \$10.00)		\$ 117.80
<u>Cash to Close:</u>	<u>\$ 412, 803.80</u>	
Total:	<u>\$ 464, 117.80</u>	<u>\$ 464, 117.80</u>

E. & O.E.

This Statement of Adjustments has been prepared upon information provided to us and believed to be correct; however, its accuracy is not guaranteed. Any adjustments not contained in this Statement of Adjustments are to be made directly between the Vendors and Purchasers. Unless otherwise expressly provided in writing, the parties to the above-noted transaction shall adjust utilities, accounts and like services themselves. The parties shall arrange for their own insurance or assignment of existing policy.

When the Vendors receive a tax credit, the Purchasers will then be responsible for payment of the full amount of the taxes for the current year and are advised to check with the municipal taxing authority to ensure that a tax notice or copy is received.

STATEMENT OF ADJUSTMENTS

Seller: Court Ordered Sale – BDO Canada Ltd. as Receiver of Base Mortgage and Investments Ltd. and Base Finance Ltd.

Buyer: 2025876 Alberta Ltd.

Municipal Address: 735-55 Avenue S.W., Calgary, Alberta

Legal Description: Plan 3701GA, Block 27, Lot 9

Date of Adjustment: May 15, 2017

Today's Date: May , 2017

	Credit to Buyer	Credit to Seller
Sale Price:		\$ 505, 000.00
Deposit:	\$ 50, 000.00	
Property Tax Adjustment: (\$3,952.49 x 135/365)	\$ 1,461.88	
Land Titles Registration Fees (\$15.00 + \$101.00 + 10.00)		\$ 126.00
<u>Cash to Close:</u>	<u>\$ 453, 664.12</u>	
Total:	<u>\$ 505, 126.00</u>	<u>\$ 505, 126.00</u>

E. & O.E.

This Statement of Adjustments has been prepared upon information provided to us and believed to be correct; however, its accuracy is not guaranteed. Any adjustments not contained in this Statement of Adjustments are to be made directly between the Vendors and Purchasers. Unless otherwise expressly provided in writing, the parties to the above-noted transaction shall adjust utilities, accounts and like services themselves. The parties shall arrange for their own insurance or assignment of existing policy.

When the Vendors receive a tax credit, the Purchasers will then be responsible for payment of the full amount of the taxes for the current year and are advised to check with the municipal taxing authority to ensure that a tax notice or copy is received.

STATEMENT OF ADJUSTMENTS

Seller: Court Ordered Sale – BDO Canada Ltd. as Receiver of Base Mortgage and Investments Ltd. and Base Finance Ltd.

Buyer: 2025876 Alberta Ltd.

Municipal Address: 63 Suncastle Bay S.E., Calgary, Alberta

Legal Description: Plan 8410877, Block 26, Lot 20

Date of Adjustment: May 15, 2017

Today's Date: May , 2017

	Credit to Buyer	Credit to Seller
Sale Price:		\$ 1, 190, 000.00
Deposit:	\$ 50, 000.00	
Property Tax Adjustment: (\$8,776.09 x 135/365)	\$ 3,245.95	
Land Titles Registration Fees (\$15.00 + \$238.00 + \$10.00)		\$ 263.00
Community Association Fee 2016/2017 Levy: \$ 301.99 + GST Seller Paid: \$ 317.09 Buyer Portion: 46 days		\$ 39.96
<u>Cash to Close:</u>	<u>\$ 1, 137, 057.01</u>	
Total:	<u>\$ 1, 190, 302.96</u>	<u>\$ 1, 190, 302.96</u>

E. & O.E.

This Statement of Adjustments has been prepared upon information provided to us and believed to be correct; however, its accuracy is not guaranteed. Any adjustments not contained in this Statement of Adjustments are to be made directly between the Seller and Buyers. Unless otherwise expressly provided in writing, the parties to the above-noted transaction shall adjust utilities, accounts and like services themselves. The parties shall arrange for their own insurance or assignment of existing policy.

When the Sellers receive a property tax credit, the Buyers will then be responsible for payment of the full amount of the taxes for the current year and are advised to check with the municipal taxing authority to ensure that a tax notice or copy is received.

TAB E

GREATER CALGARY Real Estate Services Inc.

April 25, 2017

By Fax:

Richard N. Billington
Billington Barristers
1910 Elveden House 717 - 7 Ave SW
Calgary, Alberta, T2P 0Z3
Telephone: (403) 930-4100

RE: Our File: D01063

**BDO canada limited to Darrel Winch / 2025876 Alberta Ltd
Sale of 724 55 Avenue SW | Calgary | Alberta | T2V 0G3**

Please find a copy of the Real Estate Purchase Contract and all other pertinent information regarding the sale of the above noted property.

We understand that you will be acting on behalf of the vendor BDO canada limited. Buyer's Lawyer: Jacalyn Symonds, of the firm McCall & Associates, Ph: (403) 569-7412, Fax: (403) 569-9304.

The listing realtor is Dwayne Reilander from our Office.

The commissions agreed upon are as follows:

Commission Due	\$8,375.00
Condo Doc's, Title Searches, Other Doc's	0.00
GST #855390431	418.75
Total Commission and GST Due	<u>8,793.75</u>
Less Deposit Held in Trust	0.00
Net Due to Greater Calgary Real Estate Services Inc.	<u><u>\$8,793.75</u></u>

We respectfully request that you protect us for the "net due to our office" as outlined above, and remit this amount to our office upon completion of this transaction.

Thank you for your cooperation with regards to the above noted transaction. Our GST number is noted above. If you require and further information regarding this matter, please contact us at (403) 241-7555.

Sincerely,
Greater Calgary Real Estate Services Inc.

Patrick Rafferty
Conveyancing

Box 110, 710- 20 Crowfoot Cres NW, Calgary, Alberta, T3G 2P6 Ph. (403) 241-7555 Fax. (403) 374-0476

Email: GreaterCalgary@shaw.ca

www.GreaterCalgaryRealEstate.com

GREATER CALGARY Real Estate Services Inc.

April 25, 2017

By Fax:

Richard N. Billington
Billington Barristers
1910 Elveden House 717 - 7 Ave SW
Calgary, Alberta, T2P 0Z3
Telephone: (403) 930-4100

RE: Our File: D01065

**BDO canada limited to Darrel Winch / 2025876 Alberta Ltd
Sale of 728-55 AV Avenue SW | Calgary | Alberta | T2V 0G3**

Please find a copy of the Real Estate Purchase Contract and all other pertinent information regarding the sale of the above noted property.

We understand that you will be acting on behalf of the vendor BDO canada limited. Buyer's Lawyer: Jacalyn Symonds, of the firm McCall & Associates, Ph: (403) 569-7412, Fax: (403) 569-9304.

The listing realtor is Dwayne Reilander from our Office.

The commissions agreed upon are as follows:

Commission Due	\$8,320.00
Condo Doc's, Title Searches, Other Doc's	0.00
GST #855390431	416.00
Total Commission and GST Due	<u>8,736.00</u>
Less Deposit Held in Trust	<u>0.00</u>
Net Due to Greater Calgary Real Estate Services Inc.	<u><u>\$8,736.00</u></u>

We respectfully request that you protect us for the "net due to our office" as outlined above, and remit this amount to our office upon completion of this transaction.

Thank you for your cooperation with regards to the above noted transaction. Our GST number is noted above. If you require and further information regarding this matter, please contact us at (403) 241-7555.

Sincerely,
Greater Calgary Real Estate Services Inc.

Patrick Rafferty
Conveyancing

Box 110, 710- 20 Crowfoot Cres NW, Calgary, Alberta, T3G 2P6 Ph. (403) 241-7555 Fax. (403) 374-0476

Email: GreaterCalgary@shaw.ca

www.GreaterCalgaryRealEstate.com

GREATER CALGARY Real Estate Services Inc.

April 25, 2017

By Fax:

Richard N. Billington
Billington Barristers
1910 Elveden House 717 - 7 Ave SW
Calgary, Alberta, T2P 0Z3
Telephone: (403) 930-4100

RE: Our File: D01066

**BDO canada limited to Darrel Winch / 2025876 Alberta Ltd
Sale of 63 Suncastle Bay SE | Calgary | Alberta | T2X 2M1**

Please find a copy of the Real Estate Purchase Contract and all other pertinent information regarding the sale of the above noted property.

We understand that you will be acting on behalf of the vendor BDO canada limited. Buyer's Lawyer: Jacalyn Symonds, of the firm McCall & Associates, Ph: (403) 569-7412, Fax: (403) 569-9304.

The listing realtor is Dwayne Reifander from our Office.

The commissions agreed upon are as follows:

Commission Due	\$11,450.00
Condo Doc's, Title Searches, Other Doc's	0.00
GST #855390431	572.50
Total Commission and GST Due	<u>12,022.50</u>
Less Deposit Held in Trust	0.00
Net Due to Greater Calgary Real Estate Services Inc.	<u><u>\$12,022.50</u></u>

We respectfully request that you protect us for the "net due to our office" as outlined above, and remit this amount to our office upon completion of this transaction.

Thank you for your cooperation with regards to the above noted transaction. Our GST number is noted above. If you require and further information regarding this matter, please contact us at (403) 241-7555.

Sincerely,
Greater Calgary Real Estate Services Inc.

Patrick Rafferty
Conveyancing

Box 110, 710- 20 Crowfoot Cres NW, Calgary, Alberta, T3G 2P6 Ph. (403) 241-7555 Fax. (403) 374-0476

Email: GreaterCalgary@shaw.ca

www.GreaterCalgaryRealEstate.com

TAB F



Property Tax Statement of Account

Query Information

Account Number: 18757827	Charged: Yes	Response Date: 2017/05/02
Account ID: higgerty	User ID: RealEstate	Folio #:
Key: 724 55 AV SW		

Title Information

Address: 724 55 AV SW
 111024067
 Location: 1693AF;24;B

Assessment and Property Tax Information for 102016607

102016607	Supplementary Months: 0
Assessment Value: 572,500	Supplementary Assessment: 0
+ Balance Owing: 7,963.60	
Tax: 3,721.71	Current Penalty: 0.00
: 4,039.89	Arrears Penalty: 202.00

Property Tax Statement of Account as of 2017/05/02

For inquiries, call at 3-1-1 or (403) 268-2489 if outside the local Calgary calling area.

	<u>Transaction</u>		<u>Debits</u>	<u>Credits</u>
01	OPENING ACCOUNT BALANCE	0.00		
5/02	Property Tax Levy		2,472.70	
28	Payment			2,472.70
5/02	Property Tax Levy		2,530.76	
30	Payment			2,530.76
02	Property Tax Levy		2,620.46	
5/29	Payment			2,620.46
02	Property Tax Levy		2,933.46	
5/10	Payment			2,933.46
02	Property Tax Levy		3,237.58	
5/02	Council Approved Rebate			122.60
30	Payment			3,114.98
04	Property Tax Levy		3,236.85	

'02	Property Tax Levy	3,543.77
'01	Penalty on This Years Taxes	248.06
'01	Penalty on This Years Taxes	248.06
'01	Penalty on Past Years Taxes	40.40
'01	Penalty on Past Years Taxes	40.40
'01	Penalty on Past Years Taxes	40.40
'01	Penalty on Past Years Taxes	40.40
'20	Tax Certificate Issued	0.00
'01	Penalty on Past Years Taxes	40.40
'02	Property Tax Levy	3,721.71
'02	CLOSING ACCOUNT BALANCE	7,963.60



er: Any image or other information contained herein is the property of The City of Calgary or the respective owners of said image or information. All rights are reserved. No part of this document or information contained herein may be reproduced in any form or by any means without the prior written consent of The City of Calgary. While The City of Calgary makes every effort to ensure the accuracy and reliability of the images and information contained herein, The City of Calgary disclaims all warranties, conditions, or guarantees, express or implied, including without limitation warranties and conditions of merchantability and fitness for any particular purpose or non-infringement. The City of Calgary is not liable for any liability for any direct, indirect, incidental, consequential or other damages resulting from the use, reliance, misuse, or misrepresentation of the information contained herein.

Up



Property Tax Statement of Account

Query Information

Account Number: 18757842	Charged: Yes	Response Date: 2017/05/02
Account ID: higgerty	User ID: RealEstate	Folio #:
Key: 728 55 AV SW		

Title Information

Address: 728 55 AV SW
 City: 121103132
 Location: 1559EO;OT

Assessment and Property Tax Information for 102016706

102016706	Supplementary Months: 0
Assessment Value: 546,500	Supplementary Assessment: 0
Balance Owing: 7,567.65	
Tax: 3,552.68	Current Penalty: 0.00
Interest: 3,881.53	Arrears Penalty: 133.44

Property Tax Statement of Account as of 2017/05/02

For inquiries, call at 3-1-1 or (403) 268-2489 if outside the local Calgary calling area.

	<u>Transaction</u>	<u>Debits</u>	<u>Credits</u>
03/31	OPENING ACCOUNT BALANCE	0.00	
01/01	Payment by Instalment		201.00
02/01	Payment by Instalment		201.00
03/01	Payment by Instalment		201.00
04/01	Payment by Instalment		201.00
05/01	Payment by Instalment		201.00
05/02	Property Tax Levy	2,387.54	
06/01	Payment by Instalment		201.00
07/01	Payment by Instalment		197.00
08/01	Payment by Instalment		197.00
09/01	Payment by Instalment		197.00
10/01	Payment by Instalment		197.00
11/01	Payment by Instalment		197.00

/01	Payment by Instalment		197.00
/01	Payment by Instalment		197.00
/01	Payment by Instalment		197.00
/01	Payment by Instalment		197.00
5/01	Payment by Instalment		197.00
/02	Property Tax Levy	2,434.40	
3/01	Payment by Instalment		197.00
/01	Payment by Instalment		209.00
5/01	Payment by Instalment		209.00
/01	Payment by Instalment		209.00
/01	Payment by Instalment		209.00
1/01	Payment by Instalment		209.00
/01	Payment by Instalment		207.40
1/01	Payment by Instalment		209.00
/01	Payment by Instalment		209.00
5/01	Payment by Instalment		209.00
/01	Payment by Instalment		209.00
5/02	Property Tax Levy	2,500.23	
'28	Payment		1,455.23
5/02	Property Tax Levy	2,781.72	
'30	Payment		2,781.72
5/02	Property Tax Levy	3,088.07	
5/02	Council Approved Rebate		116.94
'30	Payment		2,971.13
5/04	Property Tax Levy	2,911.73	
'16	Payment		2,911.73
5/02	Property Tax Levy	3,404.85	
'01	Penalty on This Years Taxes	238.34	
5/01	Penalty on This Years Taxes	238.34	
1/01	Penalty on Past Years Taxes	38.82	
'01	Penalty on Past Years Taxes	38.82	
3/01	Penalty on Past Years Taxes	38.82	
'01	Penalty on Past Years Taxes	38.82	
4/20	Tax Certificate Issued	0.00	
'01	Penalty on Past Years Taxes	38.82	
5/02	Property Tax Levy	3,552.68	
5/02	Council Approved Rebate		60.66
02	CLOSING ACCOUNT BALANCE	7,567.65	



Property Tax Statement of Account

Query Information

Request Number: 18757835	Charged: Yes	Response Date: 2017/05/02
Requester ID: higgerty	User ID: RealEstate	Folio #:
Key: 735 55 AV SW		

Title Information

Address: 735 55 AV SW
 151256674
 Location: 3701GA;27;9

Assessment and Property Tax Information for 102043502

102043502	Supplementary Months: 0
Assessment Value: 608,000	Supplementary Assessment: 0
Current Balance Owing: 8,551.82	
Tax: 3,952.49	Current Penalty: 0.00
Arrears: 4,444.57	Arrears Penalty: 154.76

Property Tax Statement of Account as of 2017/05/02

For inquiries, call at 3-1-1 or (403) 268-2489 if outside the local Calgary calling area.

	<u>Transaction</u>		<u>Debits</u>	<u>Credits</u>
01	OPENING ACCOUNT BALANCE	0.00		
5/02	Property Tax Levy		2,557.87	
7/29	Payment			2,557.87
8/02	Property Tax Levy		2,649.79	
10/30	Payment			2,649.79
11/02	Property Tax Levy		2,753.03	
12/29	Payment			2,753.03
1/02	Property Tax Levy		3,085.19	
3/30	Payment			3,085.19
4/02	Property Tax Levy		3,384.06	
5/02	Council Approved Rebate			128.14
7/30	Payment			3,255.92
8/04	Property Tax Levy		3,432.50	

5/02	Property Tax Levy		3,898.75
7/01	Penalty on This Years Taxes		272.91
7/01	Penalty on This Years Taxes		272.91
7/01	Penalty on Past Years Taxes		44.45
2/01	Penalty on Past Years Taxes		44.45
1/01	Penalty on Past Years Taxes		44.45
1/01	Penalty on Past Years Taxes		44.45
1/20	Tax Certificate Issued		0.00
7/01	Penalty on Past Years Taxes		44.45
5/02	Property Tax Levy		3,952.49
7/02	Council Approved Rebate		67.49
5/02	CLOSING ACCOUNT BALANCE	8,551.82	



r: Any image or other information contained herein is the property of The City of Calgary or the respective owners of said image or information. All rights are reserved. No part of this document or information contained herein may be reproduced in any form or by any means without the prior written consent of The City of Calgary. While The City of Calgary makes every effort to ensure the accuracy and reliability of the images and information contained herein, The City of Calgary disclaims all warranties, conditions, or guarantees, express or implied, including without limitation warranties and conditions of merchantability and fitness for any particular purpose or non-infringement. The City of Calgary is not liable for any liability for any direct, indirect, incidental, consequential or other damages resulting from the use, reliance, misuse, or misrepresentation of the information contained herein.

Up



Property Tax Statement of Account

Query Information

Account Number: 18757845	Charged: Yes	Response Date: 2017/05/02
UserID: higgerty	UserID: RealEstate	Folio #:
Key: 63 SUNCASTLE BA SE		

Title Information

Address: 63 SUNCASTLE BA SE
 111024099
 Location: 8410877;26;20

Assessment and Property Tax Information for 756032108

756032108	Supplementary Months: 0
Assessment Value: 1,350,000	Supplementary Assessment: 0
Account Balance Owing: 19,711.29	
Tax: 8,776.09	Current Penalty: 0.00
Arrears: 10,557.20	Arrears Penalty: 378.00

Property Tax Statement of Account as of 2017/05/02

For inquiries, call at 3-1-1 or (403) 268-2489 if outside the local Calgary calling area.

	<u>Transaction</u>		<u>Debits</u>	<u>Credits</u>
'01	OPENING ACCOUNT BALANCE	0.00		
5/02	Property Tax Levy		7,400.48	
'29	Payment			7,400.48
5/02	Property Tax Levy		8,218.61	
'30	Payment			8,218.61
'02	Property Tax Levy		8,755.44	
3/29	Payment			8,755.44
'02	Property Tax Levy		8,977.39	
3/30	Payment			8,977.39
'02	Property Tax Levy		8,360.97	
5/02	Council Approved Rebate			316.61
'30	Payment			8,044.36
'04	Property Tax Levy		9,207.04	

5/02	Property Tax Levy	9,260.70	
7/01	Penalty on This Years Taxes	648.25	
3/01	Penalty on This Years Taxes	648.25	
7/01	Penalty on Past Years Taxes	105.57	
2/01	Penalty on Past Years Taxes	105.57	
7/01	Penalty on Past Years Taxes	105.57	
7/01	Penalty on Past Years Taxes	105.57	
1/20	Tax Certificate Issued	0.00	
7/01	Penalty on Past Years Taxes	105.57	
5/02	Property Tax Levy	8,776.09	
7/02	Council Approved Rebate		149.85
5/02	CLOSING ACCOUNT BALANCE	19,711.29	



Warning: Any image or other information contained herein is the property of The City of Calgary or the respective owners of said image or information. All rights are reserved. No part of this document or information contained herein may be reproduced in any form or by any means without the prior written consent of The City of Calgary. While The City of Calgary makes every effort to ensure the accuracy and reliability of the images and information contained herein, The City of Calgary disclaims all warranties, conditions, or guarantees, express or implied, including without limitation warranties and conditions of merchantability and fitness for any particular purpose or non-infringement. The City of Calgary is not liable for any liability for any direct, indirect, incidental, consequential or other damages resulting from the use, reliance, misuse, or misrepresentation of the information contained herein.

Up