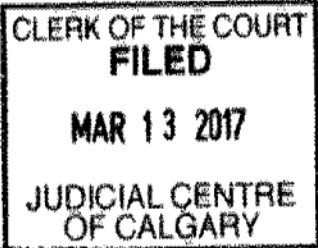


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**EXHIBIT "38"**

**To the Receiver's Seventh Report to Court  
Dated January 14, 2019**

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Clerk's stamp:

COURT FILE NUMBER	1501-11817
COURT	COURT OF QUEEN'S BENCH
JUDICIAL CENTRE	CALGARY
PLAINTIFF(S)	<b>EASYLOAN CORPORATION AND MIKE TERRIGNO</b>
DEFENDANT(S)	<b>BASE MORTGAGE &amp; INVESTMENTS LTD. AND BASE FINANCE LTD., ARNOLD BREITKREUTZ, SUSAN BREITKREUTZ, SUSAN WAY, AND GP ENERGY INC.</b>
APPLICANTS	<b>BASE MORTGAGE &amp; INVESTMENTS LTD. AND BASE FINANCE LTD., ARNOLD BREITKREUTZ, SUSAN BREITKREUTZ AND GP ENERGY INC</b>
DOCUMENT	<b><u>AFFIDAVIT OF ARNOLD BREITKREUTZ</u></b>
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	<b>Kenneth Reh DLA PIPER (Canada) LLP Barristers and Solicitors 1000, 250 - 2<sup>nd</sup> Street SW Calgary, Alberta T2P 0C1 Phone: (403) 698-8720 Fax: (403) 213-4476 Email: ken.reh@dlapiper.com File No.: 35731-00001/KPR</b>

**AFFIDAVIT OF ARNOLD BREITKREUTZ  
SWORN ON MARCH 13, 2017**

I, **Arnold Breitkreutz**, of Calgary, Alberta, **SWEAR AND SAY THAT:**

I. I am one of the Defendants in the within action as well as the sole shareholder and sole director of each of the Debtor companies and am married to the individual Defendant Susan Breitkreutz. As such, I have personal knowledge of all matters hereinafter deposed

to except where stated to be based on information and belief, and where so stated, I verily believe the same to be true.

2. The within action concerns receivership proceedings commenced in October of 2015 at the request of the Plaintiffs. BDO Canada Limited (the "**Receiver**") is the court appointed receiver and are represented by Richard N. Billington, Q.C., ("**Receiver's Counsel**")

### **Order**

3. On or about December 2, 2016 Justice Romaine ordered (the "**Romaine Order**") that the Receiver was at liberty to list and sell certain properties located at the following addresses:

- (a) 724-55 Avenue SW, Calgary, AB
- (b) 735-55 Avenue SW, Calgary, AB
- (c) 728-55 Avenue SW, Calgary, AB
- (d) 63 Suncastle Bay SE, Calgary, AB

(collectively referred to herein as the "**Properties**")

4. The Romaine Order is found at paragraph 44 of the Memorandum of Decision (the "**Decision**") issued by Justice Romaine. To date, a formal Order in respect of this the Romaine Order has not been approved by Counsel for filed with the Court.

### **Appeal**

5. On or about December 22, 2016, the Applicants appealed the Romaine Order. Attached hereto and marked as **Exhibit "A"** to this my affidavit is a copy of the Civil Notice of Appeal in Action No. 1601-0350 AC.

### **Change of Counsel**

6. On or about January 18, 2017, the Applicants changed legal counsel from Robert C.P. Smyth to Robert W. Calvert of DLA Piper LLP ("**New Counsel**") as the lawyer of record in Action Nos. 1601-0350 AC and 1501-11817. Attached hereto and marked as **Exhibit "B"** to this my affidavit is a copy of the Notice of Change of Representation ("**Original Notice of Change**").
7. On or about February 13, 2017 an amended version of the Original Notice of Change was filed to remove a co-defendant, Susan Way, as there was no agreement in place for her to be represented by New Counsel and her name had been mistakenly included in the Original Notice of Change. Attached hereto and marked as **Exhibit "C"** to this my affidavit is a copy of the amended Notice of Change of Representation.
8. It is my belief that that access to or copies of my records presently in the Receiver's possession ("**My Records**") are required to properly pursue the Appeal as well as to bring an application for a formal stay pending appeal. This records were seized by the Receiver as part of the original receivership process in this action.
9. Notwithstanding Court findings to date, it is my belief that if I had proper access to My Records, I will be able establish that the Properties were not purchased or maintained with funds from the investment business, that the investment businesses were legitimately operated and all investor funds are accounted for.

### **Repeated Attempts to Obtain Records from the Receiver**

10. On or about January 25, 2017 New Counsel emailed Counsel for the Receiver ("**Receiver's Counsel**") requesting confirmation as to whether the Romaine Order had been finalized as well as a copy of the same if it had in fact been finalized. Attached hereto and marked as **Exhibit "D"** to this my affidavit is a copy of the email from New Counsel to Receiver's Counsel. As of the date of this Affidavit, Receiver's Counsel has yet to provide a response or acknowledge receipt of said email.

11. On or about January 26, 2017, Receiver's counsel, by email, sent correspondence acknowledging the January 25, 2017 correspondence from New Counsel shown at Exhibit "D" and enclosing and requesting comments from New Counsel with respect to a form of proposed order. Attached hereto and marked as **Exhibit "E"** to this my affidavit is copy of the January 26, 2017 correspondence from the Receiver's counsel.
12. On or about January 30, 2017, New Counsel emailed Receiver's Counsel seeking clarification regarding provisions of the proposed Order. Attached hereto and marked as **Exhibit "F"** to this my affidavit is a copy of the email from New Counsel to Receiver's Counsel. As of the date of this Affidavit, Receiver's Counsel has yet to provide a response or acknowledge receipt of said email.
13. On or about January 30, 2017, New Counsel also emailed Receiver's Counsel inquiring as to the procedural mechanics of the protocol to access My Records, as referenced in the Decision. Attached hereto and marked as **Exhibit "G"** is a copy of the email from New Counsel to Receiver's Counsel. As of the date of this Affidavit, Receiver's Counsel has yet to provide a response or acknowledge receipt of said email.
14. On or about February 14, 2017, New Counsel emailed Receiver's Counsel requesting a response to the previous email inquiries. Attached hereto and marked as **Exhibit "H"** to this my affidavit is a copy of the email from New Counsel to Receiver's Counsel. As of the date of this Affidavit, Receiver's Counsel has yet to provide a response or acknowledge receipt of said email.
15. On or about February 23, 2017, New Counsel emailed Receiver's Counsel again requesting a response to the previous email inquiries. Attached hereto and marked as **Exhibit "I"** to this my affidavit is a copy of the email from New Counsel to Receiver's Counsel. As of the date of this Affidavit, Receiver's Counsel has yet to provide a response or acknowledge receipt of said email.

### **Receiver's Moves to List the Properties**

16. On or about March 8, 2017, I received notice that the Receiver intended to immediately list and sell the property located at 724 - 55 Avenue SW, Calgary Alberta. Attached

hereto and marked as **Exhibit "J"** to this my affidavit is a copy of the letter from the realtor to the occupants of 724 - 55 Avenue SW, Calgary Alberta. Also attached hereto and marked as **Exhibit "K"** to this my affidavit is a copy of the letter from the Receiver to the occupants of 724 - 55 Avenue SW, Calgary Alberta informing the same of their obligations during the listing period of the property.

### **Sales would be Disruptive**

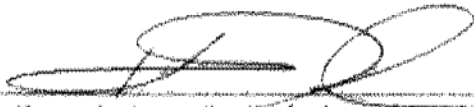
17. The home located at 724 - 55 Avenue is my business location and is, in part, leased to residential tenants. It would be extremely disruptive to me and to my tenants to be forced out of this property. My computer, email and fax are all located in this location. Because of the receivership, I am not maintaining any active business at this time other than dealing with matters related to the receivership. However, I have no funds available to relocate these items which are vital in order for me to communicate with my counsel.
18. Susan Way, also a party to this receivership, who has entered bankruptcy because of the proceedings has prepaid her rent for this property through the end of August, 2017. Ms. Way advises me that she has stage 2 cancer and other health issues.
19. The homes located at 735 and 728 55 Avenue are residential properties and also leased to tenants. Barb Eaton is my tenant at 735 - 55 Avenue. She is 64 years old and retiring due to her ill health including 2 aneurysms. Ms. Eaton has prepaid her rent through August 2017. Shauna Mundle is my tenant at 728 - 55 Avenue. She is a recent widow, has prepaid her rent on this property through July 2017.
20. The rents on these properties were pre-paid in order to keep the mortgages on the properties current, which they are. . It would be extremely disruptive to my tenants to be forced out of this property. Attached to this my Affidavit and marked as **Exhibit "L"** are copies of the rental agreements for the three rental properties.
21. The home located at 63 Suncastle Bay is my and Susan Breitkreutz' personal residence. It would be extremely harmful and disruptive for me and Susan to be forced out of this property. Because of the receivership we have no assets or funds, and virtually no income, with which we could resettle elsewhere. Our only funds are old age security

payments. Our available assets have either been taken through the receivership or used to pay legal fees defending the allegations against us. Susan and I would effectively be left homeless if this property is sold out from under us.

**Generally**

- 22. I am not aware of any urgency that requires the Properties be listed and sold at the present time.
- 23. I am not aware of any prejudice that would be suffered by the Receiver were the requested interim stay application be granted.
- 24. I am not aware of any special circumstances which require the immediate listing and sale of the Properties.

SWORN BEFORE ME at Calgary, Alberta, this )  
13th day of March 2017 )

  
\_\_\_\_\_  
A Commissioner for Oaths in and for the )  
Province of Alberta )

  
\_\_\_\_\_  
**ARNOLD BREITKREUTZ**

**KENNETH P. REH**  
Barrister & Solicitor

# Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2016/09/14  
Time of Search: 01:39 PM  
Search provided by: BDO DUNWOODY LIMITED, Edmonton

Service Request Number: 25750200  
Customer Reference Number:

**Corporate Access Number:** 2013390980

**Legal Entity Name:** EASY LOAN CORPORATION

**Legal Entity Status:** Active

**Alberta Corporation Type:** Named Alberta Corporation

**Method of Registration:** Amalgamation

**Registration Date:** 2007/07/31 YYYY/MM/DD

**Date of Last Status Change:** 2011/10/26 YYYY/MM/DD

## Registered Office:

**Street:** 4108 MONTGOMERY VIEW NW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T3B 0I9

## Directors:

**Last Name:** TERRIGNO  
**First Name:** MIKE  
**Street/Box Number:** 212 10A ST NW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2N 1W6

## Voting Shareholders:



**Last Name:** TERRIGNO  
**First Name:** MIKE  
**Street:** 212 10A ST NW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2N 1W6  
**Percent Of Voting Shares:** 100

## Details From Current Articles:

### The information in this legal entity table supersedes equivalent electronic attachments

**Share Structure:** SEE ATTACHED SCHEDULE "A"  
 NO SHARES OF THE CAPITAL OF THE CORPORATION ARE PERMITTED  
**Share Transfers** TO BE SOLD OR TRANSFERRED WITHOUT PRIOR EXPRESS WRITTEN  
**Restrictions:** APPROVAL OF A MAJORITY OF THE BOARD OF DIRECTORS OF THE CORPORATION.  
**Min Number Of** 1  
**Directors:**  
**Max Number Of** 7  
**Directors:**  
**Business**  
**Restricted To:** NOT RESTRICTED  
**Business**  
**Restricted** NOT RESTRICTED  
**From:**  
**Other**  
**Provisions:** SEE SCHEDULE II ATTACHED

### Associated Registrations under the Partnership Act:

Trade Partner Name	Registration Number
EL CONSULTING	TN14376057

## Other Information:

### Amalgamation Predecessors:

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Corporate Access Number	Legal Entity Name
2012903882	EASY LOAN CORPORATION
2010581094	M.T. CONSULTING INC.

**Last Annual Return Filed:**

File Year	Date Filed (YYYY/MM/DD)
2016	2016/08/09

**Filing History:**

List Date (YYYY/MM/DD)	Type of Filing
2007/07/31	Amalgamate Alberta Corporation
2008/01/24	Change Address
2011/09/02	Status Changed to Start for Failure to File Annual Returns
2015/05/27	Change Director / Shareholder
2016/08/09	Enter Annual Returns for Alberta and Extra-Provincial Corp.

**Attachments:**

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
<a href="#">Other Rules or Provisions</a>	ELECTRONIC	2007/07/31
Statutory Declaration	10000707102659313	2007/07/31
<a href="#">Share Structure</a>	ELECTRONIC	2007/07/31

This is to certify that, as of this date, the above information is an accurate reproduction of data contained within the official records of the Corporate Registry.

