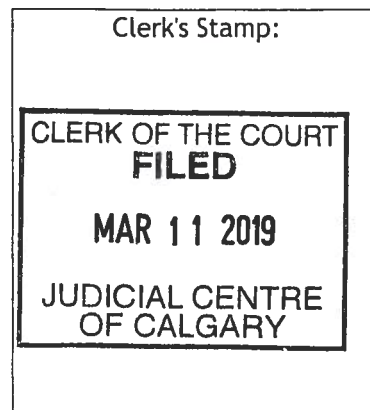


COURT FILE NUMBER 1501 - 11817
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
APPLICANT EASY LOAN CORPORATION AND MIKE TERRIGNO
RESPONDENTS BASE MORTGAGE AND INVESTMENTS LTD. AND BASE FINANCE LTD., ARNOLD BREITKREUTZ, SUSAN BREITKREUTZ, SUSAN WAY AND GP ENERGY INC.
DOCUMENT EIGHTH REPORT OF THE RECEIVER
DATED MARCH 7, 2019
PREPARED BY BDO CANADA LIMITED



ADDRESS FOR SERVICE AND OSLER, HOSKIN & HARCOURT LLP
CONTACT INFORMATION OF SUITE 2500 TRANSCANADA TOWER
PARTY FILING THIS DOCUMENT 450 - 1st Street SW
Calgary, Alberta T2P 5H1
Lawyers: Randal Van De Mosselaer
Phone Number: 403.260.7060
Fax Number: 403.260.7024
Email Address: rvandemosselaer@osler.com

Table of Contents

EXHIBITS..... 3

INTRODUCTION..... 4

PURPOSE OF THE REPORT..... 5

DISCLAIMER 6

RECEIVER’S ACTIVITIES SINCE ITS LAST REPORT 6

STATEMENT OF RECEIPTS AND DISBURSEMENTS 7

PROPERTY LOCATED AT 912A - 69 AVENUE SW..... 7

CLAWBACK CALCULATION 9

TERRIGNO ACTION AGAINST RECEIVER..... 10

BANKRUPTCY OF BASE FINANCE..... 12

OTHER MATTERS 13

PROFESSIONAL FEES..... 13

RELIEF SOUGHT 15

EXHIBITS

1. Alberta Securities Commission Decision, dated February 21, 2019
2. Statement of Receipts and Disbursements for the period, October 15, 2015 to March 7, 2019
3. Assignment Agreement (re: 69th Ave SW Property)
4. Statement of Claim, filed February 12, 2019
5. Terrigno Spreadsheet
6. Notice of Appeal filed February 22, 2019
7. Letter from the Court of Appeal, regarding Mr. Mike Terrigno's appeal, dated February 22, 2019
8. Summary of Invoices for the Receiver and its former counsel

INTRODUCTION

1. On October 15th, 2015, pursuant to an Ex Parte Order (the “**Receivership Order**”) issued by the Honourable Justice K. Yamauchi of the Court of Queen’s Bench of Alberta (the “**Court**”), 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, BDO Canada Limited (hereinafter referred to as “**BDO**” or the “**Receiver**”) was appointed Receiver of all current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situated, of Base Mortgage & Investments Ltd. and Base Finance Ltd. (“**Base Mortgage**” and “**Base Finance**” respectively, or jointly the “**Debtors**” or the “**Companies**”), including (without limitation) certain specifically enumerated property (collectively, the “**Property**”).
2. On November 5, 2015, the First Report of the Receiver (“**First Report**”) was filed with the Court.
3. On November 6th, 2015, the Court granted an Order (the “**Amended Receivership Order**”) amending the Receivership Order and making certain directions against Mr. Arnold Breitzkreutz, Mrs. Susan Breitzkreutz, Ms. Susan Way, Mr. Brian Fox, and all corporations controlled by any of them.
4. On January 19, 2016, the Second Report of the Receiver (“**Second Report**”) was filed with the Court. On January 20, 2016, the Receiver filed the First Supplement to the Second Report.
5. On May 16, 2016, the Third Report of the Receiver (“**Third Report**”) was filed with the Court. On July 29, 2016, the Supplementary Report to the Third Report was filed with the Court.
6. On April 11, 2017, the Fourth Report of the Receiver (“**Fourth Report**”) was filed with the Court.
7. On May 5, 2017, the Fifth Report of the Receiver (“**Fifth Report**”) was filed with the court.
8. On August 23, 2017, the Sixth Report of the Receiver (“**Sixth Report**”) was filed with the Court.
9. On March 2, 2018, the Alberta Securities Commission (“**ASC**”) released a decision (the “**ASC Decision**”) on their investigations into various allegations against Arnold Breitzkreutz, Base Finance Ltd., Base Mortgage and Investments Ltd., and Susan Way. The ASC Decision concluded that the named parties had contravened s.93 (b) of the *Securities Act* by engaging in prohibited acts relating to securities that they knew would perpetrate a fraud on investors, including (a) deceiving investors into thinking that they were investing in mortgages held by Base Finance rather than in a loan to an undisclosed entrepreneur involved in oil and gas developments in the US, and (b) operating a Ponzi scheme that recirculated investors’ funds to pay purported returns to existing investors. Attached, as Exhibit D to the Supplemental Report to the Sixth Report is a copy of the ASC Decision.
10. On March 14, 2018, the Supplemental Report to the Sixth Report of the Receiver (“**Supplemental Sixth**”) was filed with the Court.

Report”) was filed with the Court.

11. On January 14, 2019, the Seventh Report of the Receiver (“Seventh Report”) was filed with the Court.
12. On February 21, 2019, the ASC released a decision, regarding sanctions against Base, Mr. Breitzkreutz, Ms. Way, and (the “ASC Sanction Decision”). The table below summarizes the monetary sanctions against Mr. Breitzkreutz and Ms. Way.

Name	Disgorgement	Administrative penalty	Costs	Total
Mr. Breitzkreutz	\$2,671,406	\$1,000,000	\$100,000	\$3,771,406
Ms. Way	<u>362,049</u>	<u>150,000</u>	<u>50,000</u>	<u>562,049</u>
Total	<u>\$3,033,455</u>	<u>\$1,150,000</u>	<u>\$150,000</u>	<u>\$4,333,455</u>

In addition, to the monetary sanctions, there are nonmonetary sanctions against the parties. Attached, as Exhibit 1 is a copy of the ASC Sanction Decision.

13. A copy of the Receivership Orders, the Receivers Reports and various other relevant documents can be accessed by the public on BDO’s website at www.extranets.bdo.ca/base/.

PURPOSE OF THE REPORT

14. The purpose of the Receiver’s Eighth Report is to provide this Honourable Court with the following information:

- a) The Receiver’s activities since its last report;
- b) A Statement of Receipts and Disbursements for the period October 15, 2015, to March 7, 2019;
- c) The assignment of a potential claim against a property located at located at 912A - 69 Avenue SW to Mr. Mike Terrigno;
- d) Information related to a proposed “Clawback Calculation”;
- e) Other matters; and
- f) Provide a summary of professional fees.

15. The Receiver is seeking a Court Order:

- a) Approving the Receiver’s actions to date;
- b) Amending the Receivership Order to give the Receiver the ability to assign Base Finance into bankruptcy;

- c) Approving the assignment of a potential claim against a property located at located at 912A - 69 Avenue SW to Mr. Mike Terrigno;
- d) Approving the accounts of the Receiver and the Receiver's legal counsel; and
- e) Providing advice and directions to the Receiver with respect to its preparation of a Clawback Calculation recovery of gains from net "winners" for distribution amongst net "losers".

DISCLAIMER

16. The information contained in the Receiver's Eighth Report has been obtained from the records of the Company, publicly available information and/or based upon discussions with and representations made by the Company's management and other professional advisors retained in this matter. The information was not audited nor otherwise verified by the Receiver as to its accuracy or completeness, nor has it necessarily been prepared in accordance with generally accepted accounting principles, and the reader is cautioned that this report may not disclose all significant matters about the Company. Accordingly, we do not express an opinion or any other form of assurance on the information presented herein. The Receiver may refine or alter its observations as further information is obtained or is brought to its attention after the date of this Eighth Report.
17. The Receiver assumes no responsibility or liability for any loss or damage occasioned by any party because of circulation, publication, reproduction, or use of the Receiver's Eighth Report. Any use that any party makes of this Eighth Report or reliance on or decisions to be made based on its responsibility of such party.

RECEIVER'S ACTIVITIES SINCE ITS LAST REPORT

18. The primary activities undertaken by the Receiver since its Seventh Report, are as follows:
- a) Responded to inquiries from investors;
 - b) Continued discussions with CRA to with a view to setting up a process to assist the investors who are trying to deal with the T5 issued to them;
 - c) Engaged in numerous discussions with Mr. Mike Terrigno regarding the Receiver's ability to perform the "Clawback Calculation" and funding of same;
 - d) Performed additional investigation to determine the cost of performing a Clawback Calculation;
 - e) Engaged in discussions with former legal counsel to have the fees approved by the court;
 - f) Provided investors with an update regarding the last application; and
 - g) On March 5, 2019, the Receiver sent a letter to BMO to request missing bank statements from the records of Base Finance. This letter is the Receiver's third attempt to obtain these records.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

19. Attached as Exhibit 2 to this Eighth Report is a Statement of Receipts & Disbursements for the period October 15, 2015, to March 7, 2019. As shown, over the history of this receivership the Receiver collected approximately \$1,691,316 to date mainly from the recovery of the sale of the Properties as defined in the Fourth Report.
20. The receivership has approximately \$262,269 remaining in its bank accounts to complete the outstanding tasks (including, subject to further direction from the Court, the Clawback Calculation and recovery of “net winnings”) and if any funds remain, distribute them to the Investors of the Debtors.

PROPERTY LOCATED AT 912A - 69 AVENUE SW

21. The Receiver has one potential property for which recovery of funds may be possible. This property is 912A - 69 Avenue SW, Calgary, Alberta (the “69th Ave. Property”).
22. In 2015, the 69th Ave. Property was transferred to Mr. Quinn Breitreutz from his mother, Mrs. Susan Breitreutz. As part of this transfer, Quinn Breitreutz assumed the mortgage which was registered against title to the 69th Ave. Property (which was registered in the amount of \$250,000), and Quinn Breitreutz signed a promissory note for \$250,000 to Mrs. Susan Breitreutz.
23. The Receiver notes that on November 27, 2015 DLA Piper (Mr. Arnold Breitreutz’s former counsel) registered a “Caveat re: Agreement Charging Land” (the “DLA Caveat”) against the 69th Ave. Property. DLA Piper has advised that there is currently \$167,207 owing under this Agreement Charging Land.
24. The Receiver believes that it may have a claim against the 69th Ave. Property. As indicated in the Third Report, to the best of the Receiver’s knowledge the only source of income for the Breitreutz family was the Companies, through investor funds. As such, it would appear that the 69th Ave. Property may have been purchased with Company funds and that Company funds were used to make mortgage and other payments associated with the 69th Ave. Property. In addition, it appears that the 69th Ave. Property was transferred from Susan Breitreutz to Quinn Breitreutz for nominal consideration. Accordingly, the Receiver believes that it may be possible to establish that the 69th Ave. Property should be sold (as was the case for various other properties in this estate) and that the net sale proceeds would be available for the creditors.
25. However, the Receiver has also estimated that, if it were successful in obtaining an Order to sell the 69th Ave. Property, recovery to the estate would be nominal (if any) after payment of selling costs, and amounts owing under the mortgage and the DLA Caveat. The Receiver has concluded that net sale

proceeds would likely be (approximately) a maximum of \$80,000 - before consideration of the professional fees that would be incurred to obtain the necessary Order (including dealing with any appeal thereof) and to sell the 69th Ave. Property. Accordingly, in light of uncertainties surrounding the realization of this asset, the marginal benefit to the estate and the costs that would need to be incurred to pursue this sale, the Receiver has elected not to spend further time or estate resources pursuing this potential asset.

26. However, Mr. Terrigno has in the past expressed an interest in purchasing various claims of the estate that the Receiver may not wish to pursue. As such, the Receiver contacted Mr. Terrigno to inquire if he was interested in purchasing the claim in respect of the 69th Ave. Property. Mr. Terrigno indicated he was interested, and after some negotiation, the parties agreed that Mr. Terrigno would purchase the estate's claim against the 69th Ave. Property (the "**69th Ave. Property Claim**") for a price of \$10,000, subject to the terms of an Assignment Agreement, including approval of this Court.
27. The Receiver instructed its counsel to prepare a form of Assignment Agreement, which would have the effect of transferring the 69th Ave. Property Claim to Mr. Terrigno for a purchase price of \$10,000. That Assignment Agreement was provided to Mr. Terrigno on March 4, 2019. However, rather than executing the Assignment Agreement as presented, Mr. Terrigno returned the Assignment Agreement executed but with the indemnification clause in Article 6 crossed out. The clause which Mr. Terrigno struck out reads as follows:

"The Purchaser hereby indemnifies and saves the Vendor harmless from any and all claims, losses, expenses, costs, damages, suits, actions, proceedings, or demands which may be brought against or suffered by the Vendor subsequent to the Effective Date with respect to the Assigned Interest, the 69th Ave Property, or the Claim."

28. Mr. Terrigno returned the amended Assignment Agreement to Receiver's counsel with an email (sent on March 4, 2019 at 9:54 p.m.) which read:

"I crossed out the indemnification because you have got to be out of your mind if you think for a \$10k transaction (that is otherwise a blessing because the assignment is worth \$0) that I would be susceptible to indemnifying the receiver. Even having put that provision in the agreement is an insult to my intelligence given my courtesy paying for this assignment when I can get it for \$0 under a ss.38... let me know if you accept my change what otherwise I will simply add the assignment my application relief."

29. It is the Receiver's view that such indemnification language is standard in such circumstances and an important aspect of any such assignment by the Receiver as it ensures that the risk which may be associated with any such asset follows the asset, that the new owner of the claim would then bear all risk associated with such a claim, and that the Receiver (and estate) would have no risk arising out of

such a claim which it no longer owns. Accordingly, the Receiver was not prepared to agree to Mr. Terrigno's amendment to the Assignment Agreement.

30. When he was informed that the Receiver was not prepared to agree with his requested amendment to the Assignment Agreement, Mr. Terrigno responded with an email to Receiver's counsel (sent on March 4, 2019 at 10:02 p.m.) reading:

"Randal, you are crazy - no one who is going to pay you a nickel for that claim. I am going to add this as part of my dissipation law suit because your position is inane and you could have had \$10k instead of \$0 plus the expenses associated to dealing with my ss.38 application get it for \$0.. good job!"

31. Ultimately, the Receiver and Mr. Terrigno were able to come to an agreement on the scope of the indemnity language in Article 6 of the Assignment Agreement. Attached as Exhibit 3 is a copy of the Assignment Agreement signed by Mr. Terrigno. Assuming this Court approves this transaction (and once Mr. Terrigno forwards the purchase price under the Assignment Agreement, which as of the date of this Report has not yet been received) the Receiver will provide a fully executed copy of the Assignment Agreement to Mr. Terrigno.

CLAWBACK CALCULATION

32. In the Receiver's Seventh report, paragraphs 81 to 95, the Receiver discusses the numerous challenges it faces in performing a Clawback Calculation.
33. The main issue is to determine when Base Ponzi scheme started. Typically, a Clawback Calculation would be calculated as of the beginning of the Ponzi scheme. However, in the case of the Base Ponzi scheme, it is difficult, if not impossible, to determine when the Ponzi scheme began. Some investors have suggested that Base was always a Ponzi scheme; others have stated it became a Ponzi scheme when Base lost its investment in Powder River (setting to one side for the moment the difficulty with determining whether it actually had an investment in Powder River).
34. In addition to not knowing with certainty when the Base Ponzi scheme started, an additional challenge is that the Receiver is only in possession of banking records from 2006 onward, and that Base's records in the Receiver's possession are incomplete.
35. In its Seventh Report, the Receiver estimated the cost of performing a Clawback Calculation to be approximately \$150,000. However, in the course of engaging in discussions with an investor who was considering funding the Receiver to perform the Clawback Calculation and enforcing the same against

Net Winners, the Receiver obtained an estimate from its forensic group. This estimate was based on the work performed on the bank statements, from 2006 to 2015, as reported in the Receiver's Third Report. Based on the materials provided, the Receiver's forensics group estimated that the cost to complete a Clawback Calculation, with a report to support the calculation, would be approximately \$50,000.

36. By assigning Base Finance into bankruptcy, a claim process could be completed outside the receivership. In addition assigning Base Finance into bankruptcy would give the Receiver and interested creditors access to the provisions of section 38 of the *Bankruptcy and Insolvency Act* to deal with those potential claims and actions that the Receiver does not wish to pursue or does not have the resources to pursue.
37. However, even with these cost reductions, the Receiver still needs to be able to pay for the costs associated with performing the Clawback Calculation, and then pursuing recovery from the various net winners disclosed by the Clawback Calculation so that such gains can be recovered for the general benefit of the estate. Given the current state of the estate's finances as disclosed in the Seventh Report and as discussed further below, and given the fact that (as discussed at paragraph 116 of the Seventh Report) Mr. Terrigno has caused his company to withdraw its agreement to indemnify the Receiver, the Receiver is concerned whether it will have sufficient resources available to it to permit it to pursue recovery.

TERRIGNO ACTION AGAINST RECEIVER

38. As discussed further below, on February 19, 2019, Mr. Terrigno provided the Receiver with a Statement of Claim naming BDO Canada LLP as Defendant and alleging that the Receiver was grossly negligent in certain aspects of its duties. A copy of that Statement of Claim (the "Terrigno Claim") is attached hereto as Exhibit 4. The Plaintiffs did not have leave of this Honourable Court (or the consent of the Receiver) to file the Terrigno Claim (although the Plaintiffs have brought an application for leave, which is currently adjourned *sine die*).
39. The Terrigno Claim alleges, among other things, that the Receiver "neglected to take the Titan Proceeding within the limitation period" because "discoverability of the Titan Proceeding occurred before October 13, 2015" (paras. 49 and 50). The Receiver is unclear what event Mr. Terrigno is referring to as having occurred before October 13, 2015, as the Receiver was not appointed until October 15, 2015.
40. The Terrigno Claim further states (at para. 40) that "On September 22, 2016....BDO completed a net winner/loser analysis" and (at para. 42) that "The BDO Titan Analysis was created not only for

purposes of the Titan Proceeding, but also for the appeal of the decision of the [stet] Justice Yamauchi". Neither statement is true.

41. Counsel for the Receiver has confirmed in email communications with Mr. Terrigno that the "BDO Titan Analysis" to which the Plaintiffs refer in the Terrigno Claim is a spreadsheet provided to the Receiver by Mr. Terrigno entitled "Copy of Net Winner - Loser Analysis" (the "Terrigno Spreadsheet"). A copy of the Terrigno Spreadsheet is attached hereto as **Exhibit 5**.
42. Contrary to the allegations in the Terrigno Claim, BDO has not yet completed any Clawback Calculation, and the Terrigno Spreadsheet (which is called the "BDO Titan Analysis" in the Terrigno Claim) is not such a Clawback Calculation. The history of the Terrigno Spreadsheet is detailed below.
43. In 2016, in the course of preparing the Third Report of the Receiver, the Receiver completed a high-level reconciliation of all bank statements in its possession at that time. The spreadsheet prepared by the Receiver was entitled "Working Copy of Base Cumulative Summary - August 2016" (the "Working Copy Summary"), and is composed of a summary sheet and five underlying sheets containing background data and information. (Due to its size and format, the Working Copy Summary is not attached to this Report, but will be available at the hearing for which this Report is prepared.) The Working Copy Summary is not a Clawback Calculation. It is simply a summary of available bank statements. Even as a summary of bank statements the Working Copy Summary is (as is noted on its face) incomplete, as it is missing information from more than 40 bank statements which currently are not available to the Receiver. The Receiver is attempting to obtain these bank statements from BMO, as indicated in paragraph 18(g), above. Moreover, the Working Copy Summary was intended only to be used as an internal tool for the Receiver. The Working Copy Summary was used to prepare the summary that is contained in the table at paragraph 34 of the Receiver's Third Report.
44. Mr. Terrigno requested, and was provided with, a copy of the summary tab for the Working Copy Summary in pdf format. The Receiver did not provide Mr. Terrigno with any of the underlying data or five underlying data sheets that were included in the Working Copy Summary.
45. It appears from the Terrigno Spreadsheet that Mr. Terrigno (or some third party) took the summary tab of the Working Copy Summary which had been provided to Mr. Terrigno, converted it back into Excel format, renamed it "Copy of Net Winner - Loser Analysis", and added columns F and G (which were not contained in the first page of the Working Copy Summary which was provided to Mr. Terrigno by the Receiver). These columns were entitled, respectively, "Net Winner" and "Net Loser". (It should be noted that columns A, B, C, D and E are identical between the first sheet of the Working Copy Summary and the Terrigno Spreadsheet.)

46. The Terrigno Spreadsheet was not prepared by the Receiver and is not a Clawback Calculation. The original Working Copy Summary prepared by the Receiver is an internal working tool, is incomplete because of the missing bank statements, and does not account for any investments made by any investors prior to August 2, 2004. It also contains no information from the Company's internal investment records. It is not a Clawback Calculation, and was never intended to be a Clawback Calculation. Moreover, neither the Working Copy Summary nor the Terrigno Spreadsheet were in evidence before Justice Yamauchi at the application before him on January 8, 2016 or the hearing of the appeal from that decision which was heard by the Alberta Court of Appeal on December 6, 2016.
47. As at the date of this Report, the Receiver has not completed a Clawback Calculation to determine who are net winners and net losers in the Base Ponzi scheme, nor the quantum of any gains and losses. Accordingly, the Receiver does not know which investors are net winners in the Debtors' Ponzi scheme and which are net losers.
48. Mr. Terrigno alleged in the Terrigno Claim that the limitation period has expired. However, the Receiver is of the view that the applicable limitation period for any recovery actions against net winners has not yet commenced running and has not expired. This gives rise to a dilemma, particularly given that estate resources are extremely limited. Accordingly, the Receiver seeks the declaration requested in the Application to ensure that estate resources are not expended on the Clawback Calculation should it turn out that later recovery efforts are statute-barred as alleged.

BANKRUPTCY OF BASE FINANCE

49. The Receiver is seeking the ability to assign Base Finance into bankruptcy, and believes that this would be beneficial to the estate the following reasons:
- a) As discussed above, there would be a possible reduction in costs associated with performing the Clawback Calculation, (subject to the direction of this Honourable Court);
 - b) It would provide the Receiver/Trustee and estate creditors with access to the procedures established by section 38 of the Bankruptcy and Insolvency Act to deal with the assignment of claims which the Receiver/Trustee does not wish to pursue by which creditors may wish to pursue;
 - c) It would give the Receiver/Trustee access to the preference and transfer for undervalue provisions of the Bankruptcy and Insolvency Act (to the extent these provisions might be helpful to the estate); and
 - d) It would give the Receiver/Trustee access to the greater investigatory powers under the Bankruptcy and Insolvency Act (if required).

OTHER MATTERS

50. On February 19, 2019, Mr. Terrigno provided the Receiver with the Terrigno Claim in Action No. 1901-01990, which had been filed on February 12, 2019, naming Mr. Mike Terrigno, Easy Loan Corporation, Braille Investments Inc. and Darrell Winch as Plaintiffs (the “Plaintiffs”), and BDO Canada LLP as Defendant. Attached as Exhibit 4 is a copy of the Terrigno Claim.
51. The Plaintiffs did not obtain leave of this Court to file the Terrigno Claim. Mr. Terrigno has confirmed to Receiver’s Counsel that the Terrigno Claim was filed simply to preserve an alleged limitation period, that the Receiver need not file a Statement of Defence in response to the Terrigno Claim, and that no steps will be taken in the Terrigno Claim action at this time.
52. The Receiver denies that it was either negligent or grossly negligent during the administration of the receivership, and denies that the Plaintiffs have a cause of action against the Receiver as alleged in the Terrigno Claim.
53. On February 22, 2019, Mr. Mike Terrigno filed a Notice of Appeal, appealing the Order of this Court granted on January 23, 2019 staying the Clawback Actions (as that term is defined in the Receiver’s Seventh Report). Attached, as Exhibit 6 is a copy of the Notice of Appeal. On February 22, 2019, the Court of Appeal issued a letter to Mr. Mike Terrigno pointing out various procedural issues and required next steps in respect to this appeal. Attached, as Exhibit 7 is a copy of the February 22, 2019 Court of Appeal Letter. On March 5, 2019, the Receiver and Mr. Terrigno reached an agreement pursuant to which Mr. Terrigno agreed to discontinue his appeal in exchange for assurances from the Receiver that the Receiver would not oppose Mr. Terrigno’s application to lift the stay of the Clawback Actions provided a number of conditions were met. As at the date of this Report the filed Discontinuance of Appeal has not yet been received. Further updates in respect of this appeal will be provided to the Court at the application for which this Report is prepared.

PROFESSIONAL FEES

54. As discussed in the Seventh Report, and for the reasons discussed in detail in the Receiver’s Seventh report (paragraphs 25 through 40), on November 16, 2018 the Receiver engaged new legal counsel. Due to this change in legal counsel, the Receiver believes it is appropriate that it obtain court approval for fees of the Receiver and its legal counsel up to and including the last invoice of former legal counsel.
55. Professional fees charged by the Receiver to November 30, 2018 and its former legal counsel to December 31, 2018, excluding GST and disbursements, are \$1,090,936. Attached, as Exhibit 8 is a

summary of invoices of both the Receiver and its former legal counsel. Detailed invoices including time records are available from the Receiver upon request and will be available to the Court at the hearing of the application for which this Report is prepared.

56. In the Receiver's view, the services rendered by the Receiver and its former legal counsel which gave rise to these fees and disbursements have been duly rendered in response to the required and necessary duties of the Receiver, and are reasonable in the circumstances. However, the Receiver and its former legal counsel are also mindful that the total professional fees incurred to date have been significant, and that the Receiver has considerable additional work to complete on this estate (and limited resources with which to undertake such work). Accordingly, the Receiver and former legal counsel reviewed the tasks remaining to complete the administration of the estate and have each agreed to provide a goodwill discount to their fees of 15%, or approximately \$172,000. This agreed discount is subject to Court approval. As such, the Receiver is seeking approval of fees totaling \$1,012,292. As most of the invoices for the Receiver and its former legal counsel have already been paid, this will result in the estate being reimbursed \$120,000, which funds will then be available to be used to fund the necessary steps in the estate going forward.

RELIEF SOUGHT

57. The Receiver respectfully submits this Eighth Report of the Receiver in support of the Receiver's application to this Honourable Court seeking the following:
- i. Approval of the reported actions of the Receiver to date in respect of administering these receivership proceedings;
 - ii. Granting the Receiver the ability to assign Base Finance into bankruptcy;
 - iii. Approving the assignment of a potential claim against a property located at located at 912A - 69 Avenue SW to Mr. Mike Terrigno;
 - iv. Approving the accounts of the Receiver and the Receiver's former legal counsel;
 - v. Providing advice and directions to the Receiver with respect to its preparation of a Clawback Calculation recovery of gains from net "winners" for distribution amongst net "losers"; and
 - vi. A declaration that the applicable limitations period under the Limitations Act, RSA 2000, c L-12 for the Receiver to seek judgment against the Net Winners in accordance with the procedure established by this Court has not yet commenced running and has not yet expired.

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

Per:  _____

David Lewis, CA, CPA, CIRP, LIT
Vice-President

EXHIBIT 1

**To the Receiver's Eighth Report to Court
Dated March 7, 2019**

ALBERTA SECURITIES COMMISSION

DECISION

Citation: Re Breitzkreutz, 2019 ABASC 38

Date: 20190221

**Arnold Breitzkreutz, Base Finance Ltd. and
Susan Elizabeth Way**

Panel:	Bradley G. Nemetz, Q.C. Ian Beddis Maryse Saint-Laurent
Representation:	Tom McCartney Janet McCready for Commission Staff Arnold Breitzkreutz Susan Way self-represented
Submissions Completed:	December 6, 2018
Decision:	February 21, 2019

TABLE OF CONTENTS

I.	INTRODUCTION	1
II.	BACKGROUND	1
III.	APPLICATION TO VARY	2
	A. Evidence.....	2
	B. Law	4
	C. Discussion and Decision	4
IV.	SANCTION	5
	A. Evidence.....	5
	B. Parties' Positions	7
	C. Law	8
	D. Sanction Discussion	9
	1. The Seriousness of Misconduct	9
	(a) Breitzkreutz.....	9
	(b) Way.....	9
	2. Respondent's Characteristics and History	10
	(a) Breitzkreutz.....	10
	(b) Way.....	10
	3. Benefits Sought or Obtained	10
	(a) Breitzkreutz.....	10
	(b) Way.....	10
	4. Future Risk.....	11
	5. Mitigating Considerations.....	11
	E. Administrative Penalty.....	11
	F. Disgorgement.....	12
	1. Law	12
	2. Parties' Position.....	12
	3. Conclusion	13
	4. Calculation of Disgorgement Order.....	13
	G. Market Exclusion Orders	16
V.	COSTS	17
VI.	CONCLUSIONS.....	17

I. INTRODUCTION

[1] On March 2, 2018, the panel, following an 11-day hearing, found that Arnold Breitkreutz (**Breitkreutz**), Susan Elizabeth Way (**Way**) and Base Finance Ltd. (**Base Finance**) contravened s. 93(b) of the *Securities Act* (Alberta) (the **Act**) by engaging in prohibited acts related to securities that they knew would perpetrate a fraud on investors including:

- (1) deceiving investors into thinking that they were investing in mortgages held by Base Finance rather than in a loan to an undisclosed entrepreneur involved in oil and gas developments in the US; and
- (2) operating a Ponzi scheme that recirculated investors' funds to pay purported returns to existing investors.

[2] Allegations against another respondent, Base Mortgage & Investments Ltd (**Base Mortgage**), were dismissed. The March 2, 2018 decision, cited as *Re Breitkreutz*, 2018 ABASC 37, will be referred to as the **Merits Decision**.

[3] Thereafter we established a schedule to address what sanctions and cost-recovery orders should flow from those findings.

[4] When we reconvened on June 25, 2018, Breitkreutz, on behalf of himself, Way, and Base Finance, applied to have us reconsider and vary the Merits Decision. He relied on "existing" evidence and "some new evidence" in support of that application. Breitkreutz also testified and called two witnesses, a real estate appraiser and a lawyer. Way confirmed that Breitkreutz was speaking on her behalf when seeking to vary the Merits Decision and providing evidence, although she also questioned some of the witnesses (including Breitkreutz).

[5] Alberta Securities Commission (**ASC**) staff (**Staff**) called three witnesses during the sanction phase who testified about their involvement with Breitkreutz, Way and Base Finance (the **Respondents**) and the effect that the Respondents' fraudulent scheme had on their lives, the lives of those close to them, and the lives of other investors.

[6] We subsequently received oral and written submissions addressing the Respondents' application to vary the Merits Decision and the sanctions and cost-recovery orders. Way did not attend in person to provide oral submissions, but communicated that she would not be attending given her undisclosed health issues and discussions with legal counsel, that she was not seeking an adjournment and that she had nothing more to add to what had already been stated.

[7] For the reasons set out below, we deny the application to vary the Merits Decision and we order market-access bans against all the Respondents. In addition, we impose certain monetary sanctions. With respect to Breitkreutz, we find that he is liable for an administrative penalty of \$1,000,000, that he is liable for the disgorgement of funds he obtained as a result of the fraudulent scheme in the amount of \$2,671,406, and that he is responsible for costs totalling \$100,000. With respect to Way, we find that she is liable for an administrative penalty of \$150,000, that she is liable for the disgorgement of funds she obtained as a result of the fraudulent scheme in the amount of \$362,049, and that she is responsible for costs totalling \$50,000.

II. BACKGROUND

[8] This decision should be read in conjunction with the Merits Decision.

[9] In the Merits Decision, we determined that investors provided funds to Base Finance over the course of many years. These payments were essentially short-term loans to Base Finance, for which investors received security in the form of an "irrevocable assignment" of a mortgage interest. These assignments were said to involve "1st mortgages" held by Base Finance, who would "direct" interest payments from "borrowers" to investors and repay them the principal balance of the loan at the end of the term.

[10] We found in the Merits Decision that some Base Finance investors generally understood that their investments were secured by mortgages on real estate located in Alberta. According to Breitreutz, investor funds were loaned to Brian Fox (**Fox**) and companies that he controlled to allow him to acquire and develop oil and gas assets in the US. In return, Base Finance received a \$30 million "deed of trust" over certain oil and gas interests in the state of Texas. Breitreutz estimated that approximately \$50 to 60 million had been forwarded to Fox and his companies for more than 30 years, including cash withdrawals from Base Finance's bank accounts. Investors were not told that their security was in oil and gas assets located in the US.

[11] We also found that there was little evidence to suggest that Base Finance was operating a legitimate mortgage-lending business. Transactions in Base Finance's bank accounts showed no significant sources of business revenue throughout the relevant time, and that investors' funds were pooled together and mostly used to make payments to other investors ostensibly as principal repayments and interest payments.

[12] Breitreutz was Base Finance's founder, sole director and shareholder, and we found him to be the company's guiding mind at all relevant times. As such, his misconduct was attributable to Base Finance. Way was Base Finance's office manager and sole employee. In that capacity, she had signing authority for corporate bank accounts, signed the majority of company cheques and was responsible for the company's bookkeeping and banking. She also communicated with investors and signed the assignment agreements on behalf of Base Finance. Throughout the relevant time, she had an intimate knowledge and understanding of Base Finance's inner workings.

[13] Base Finance's operating bank account was subject to a freeze order in September 2015 and a receiver (the **Receiver**) was appointed over Base Finance and Base Mortgage in October 2015. According to the Receiver, Base Finance had, since August 2004, raised approximately \$137 million from hundreds of investors, who were collectively owed more than \$122 million at the time of Base Finance's receivership. We understand that money frozen in Base Finance's account totalling \$1,084,604 has since been paid out to some of Base Finance's investors pursuant to a court order.

III. APPLICATION TO VARY

A. Evidence

[14] During the hearing concerning sanctions, Breitreutz testified and was cross-examined by Staff. He put before us a binder of submissions and accompanying documents which we marked as Exhibit 34. It contained 27 pages of written submissions meant "to correct factual misapprehensions the Panel had in respect of the evidence before it as set out" in the Merits Decision, along with 32 tabs containing various documents. He also called his former lawyer, Mr. Smyth (**Smyth**), and an Alberta real estate appraiser, Mr. Grenkie (**Grenkie**).

[15] Generally, the evidence presented by Breitkreutz in oral evidence and in Exhibit 34, was not new evidence as most of it was already before us. Staff reviewed the documents contained in the 32 tabs of Exhibit 34 and seemed to indicate that only 13 of the tabs contained material not previously in evidence. Staff also noted that, to the extent that any of the documents or the evidence that Breitkreutz presented during this phase of the hearing was not already before us, the Respondents failed to demonstrate that the evidence was unknown or unavailable to them at the time of the merits hearing. To the extent that this "new" evidence was not before us, we admitted it and we find that the evidence presented by Breitkreutz in this phase of the hearing was not of such a nature as to lead us to change the Merits Decision.

[16] Staff objected to Smyth providing opinion evidence, particularly in relation to whether a deed of trust secures oil and gas assets in Texas. After Smyth was questioned as to his qualifications, (in which he acknowledged that he was not qualified to offer opinion evidence "on security on Texas real estate"), we heard his evidence subject to our assessment as to the appropriate weight to be afforded his testimony. Smyth testified that, in his opinion, the deed of trust over oil and gas leases in Texas constituted a first mortgage as described in the assignments of mortgages used by Base Finance to raise funds. Smyth's opinion is in turn based upon evidence already before us in the form of letters from two Texas lawyers.

[17] Grenkie testified that, shortly before the ASC froze Base Finance's bank account, he was asked by Breitkreutz to conduct an appraisal on a property located in the City of Calgary. This evidence Breitkreutz submitted in connection with a transaction described in part at para. 42 of the Merits Decision which involved attempts to get an investor to advance \$500,000 on a six-month mortgage. In fact the \$500,000 was advanced by this investor on September 23, 2015 and constituted the last transaction in Base Finance's account before the ASC froze the account. However, the evidence also showed that Breitkreutz transferred title to this property from himself to a numbered company owned by him alone on October 1, 2015 and the title of that property was subject to a bank mortgage in the stated original principal amount of \$495,000 registered June 18, 2009. No explanation is given why a transfer of that property to a numbered company would be in furtherance of any legitimate attempt to secure funding from an investor nor how the investor would be reasonably secured given the first mortgage registered against the property.

[18] Breitkreutz testified in support of the variation application. His evidence was principally directed at contesting findings of fact made in the Merits Decision by repeating evidence he gave, which was mainly rejected for the reasons set out in the Merits Decision.

[19] He also sought to impugn the credibility of another investor witness (Way's cousin), suggesting that the witness lied or that his evidence was not believable. We gave no weight to these aspects of Breitkreutz's submissions, as the panel found this witness to be credible despite Breitkreutz's cross-examination in the merits hearing.

[20] Way advised that she had no other evidence to give.

B. Law

[21] The Act provides, in s. 214(1), that:

The Commission may, if the Commission considers that it would not be prejudicial to the public interest to do so, make an order revoking or varying any decisions made by the Commission under this Act or the regulations or any former *Securities Act* or regulations.

[22] We were referred to one decision under s. 214 of the Act, *Re Kostelecky*, 2017 ABASC 44 which confirmed this jurisdiction but warned that it "is typically used in circumstances where new facts emerge or a new law is enacted that compels a change to an existing order" and warned that "[t]he provision should be used sparingly, and not resorted to as an alternative to an appeal or to retry a case where there is disagreement with the result". The application of these principles guard against serial litigation by an unsuccessful party.

[23] While the Act does not address the issue of presenting evidence following a decision of the ASC, especially if that evidence is called in support of an application to vary a prior decision, we accept that the ASC has the power to allow such evidence in a proper case.

C. Discussion and Decision

[24] As mentioned above, most of the evidence presented by Breitreutz on behalf of the Respondents is not new and was known and available. To the extent that some of the evidence on the variation application may have been new, we considered such evidence to merely reiterate facts previously established in the merits hearing.

[25] In Breitreutz's refutation of the panel's decision, he referred to certain findings made by the panel in paragraph 84 of the Merits Decision and asserted that one of the transactions discussed there reflected a typical mortgage arrangement. As discussed in the Merits Decision, the evidence before us clearly demonstrated that the mortgage in question was not held for the benefit of investors but that Base Finance acted as a conduit for the advance and repayment of funds and was, according to Breitreutz, administered "as a favour".

[26] Other mortgages referenced by Breitreutz were taken out in the mid- to late-2000s. In the case of one of those mortgages, the Receiver noted that while the mortgage appeared to be in the name of Base Finance, repayments could not be traced back to Base Finance.

[27] Another example of evidence given during the most recent case of this hearing by Breitreutz which is unhelpful to him and underlines his willingness to participate in deceptive schemes, relates to a \$30 million deed of trust for a loan to a Fox company. When asked why the face value of the deed of trust was \$30 million rather than the actual amount of money he claimed to be outstanding to Fox, he stated that the \$30 million number was used at the request of Fox as it was a "number that he [Fox] wanted to use to entice the Chinese group, I guess, to invest their [\$]50 million".

[28] Evidence from witnesses in the sanctions hearing, who testified on behalf of Staff, also confirmed our findings that the Respondents misled investors as to the security underlying their investments, with some investors clearly of the understanding that their funds would be invested in Alberta-based mortgages. As discussed below, one investor witness testified in the sanctions hearing that she and her daughter were told by Breitreutz that investment funds would be used

for properties in Alberta, "probably the Calgary area". Two other investor witnesses also testified that they understood their funds were to be secured by mortgages on properties in Alberta, with one of those witnesses stating that he and his wife (along with another investor) "were in absolute shock and dismay" to learn that they could not foreclose on their security and that their funds had been invested "in oil and gas".

[29] With or without the "new" evidence, we deny the Respondents' application to vary the findings of the Merits Decision that the Respondents were operating a Ponzi scheme and deceiving investors. We do this on the ground that the application is, in essence, an attempt to reargue the Respondents' original case that they had done nothing wrong. Their current application is, to use the words of the ASC panel in *Kostelecky*, an attempt to "appeal or to retry a case where there is disagreement with the result".

[30] In December, while this decision was under reserve, Breitkreutz submitted additional materials to the ASC, being a copy of a draft application by a Base Finance creditor seeking to remove the Receiver's counsel due to an alleged conflict of interest. Breitkreutz asserted that this application should lead us to reject the evidence given by the Receiver. This material does not cause us to vary our decision. The Receiver testified before us and was cross-examined. We accept his evidence as an unbiased description of his investigation. That the Receiver's counsel might have been in conflict does not undermine the evidence of the Receiver, nor is it relevant to the Respondents' deception of Base Finance investors, their running of a Ponzi scheme and their failure to repay their investors.

[31] The recent evidence of Messrs. Smith and Grenkie, as outlined above, and Breitkreutz's recent testimony, is little more than a repetition of his earlier position that he was operating a legitimate business, that he was candid with investors, that his relationship with Fox and his companies merely represented lending to a bona fide borrower. Further, he basically reiterated that everything would have worked out if only the bank, the Receiver, and the ASC had left him alone to carry on as he had for many years.

[32] With or without the "new" evidence, we deny the Respondents' application to vary the findings in the Merits Decision. We do this on the grounds that the application to vary, and the evidence called in support of it is, in essence, a re-argument of the Respondents' original case that they did nothing wrong. Their current application is, to use the words of the ASC panel in *Kostelecky*, an attempt to "appeal or to retry a case where there is disagreement with the result".

IV. SANCTION

A. Evidence

[33] This sanctioning decision should be read in conjunction with the Merits Decision, which sets out the nature, duration and scope of the fraud perpetrated by the Respondents. This fraud was conducted over many years, involved hundreds of investors and millions of dollars. The investors who testified during the merits phase of the hearing generally spoke to the negative effect losing their funds had on them and their confidence in the Alberta capital market.

[34] The evidence at the merits hearing showed that most of the investors' funds were taken by Breitkreutz and Way and circulated back to investors, with some money paid to Fox or companies controlled by him. Breitkreutz asserted that 80% of the \$122 million raised by Base Finance was

circulated back to investors. By the time the scheme collapsed, most of the investors recovered little, if anything.

[35] Before Breitreutz commenced calling evidence in the most recent phase of the hearing, he and Way were warned that the evidence they were proposing to call might, if it didn't persuade us to vary the Merits Decision, show that the Respondents failed to appreciate the impropriety and the gravity of their conduct. They were advised that this might count against them in sanctioning as one aspect of sanctioning relates to wrongdoers' appreciation of and insight into their actions, and the character of those actions. Despite this warning, the Respondents chose to persist in making the submissions. In particular, when given this warning, Way told the panel "we don't believe, from the bottom of our heart, that it was a fraud or a Ponzi scheme".

[36] During the sanctioning phase, Staff called three investors who provided evidence of their interactions with the Respondents and the impact that those interactions had on their lives. We will briefly summarize their evidence.

[37] One of Staff's witnesses was a 68-year-old retired businessman. He and his wife established and operated an office-staffing business. They worked long hours for over 40 years to support themselves and to build up the business. They sold the business with plans to retire and travel. They invested \$3.2 million with Base Finance and, together with family and friends, invested more than \$10 million in Base Finance. After the collapse of the Ponzi scheme, to support themselves, they had to sell two of their properties and are now considering going back into business to try, in the three to five years that they think they might still be able to work, to build something up for their retirement. He testified that Breitreutz and Way "took away our retirement and a big piece of our lives". The witness related that his brother had a workplace injury and invested his award with Base Finance and lost it. He testified that he does not trust the stock market and has little trust for most agencies involved with the stock market. He said if he had any money left he would "buy real estate and invest in property because [he] would have something that was real and was [his]".

[38] This investor also became a spokesperson for a group of Base Finance investors and in that capacity he obtained comments from those investors on the hardships they experienced and how Base Finance had "impacted their lives". The comments he received revealed that many elderly people put their retirement savings in the hands of the Respondents only to lose those hard-earned savings. The comments also revealed serious impacts on their lives, the lives of those around them and their trust in the capital market.

[39] A second witness, also retired, had been a writer, a dance teacher, a convenience store owner and a legal secretary. She invested not only the capital that she had saved during her lifetime but also compensation she received from a personal injury award. When she first invested with Base Finance in 2008, she and her daughter met Breitreutz, who told them that he would be investing her money in real estate, specifically "[i]n the Alberta area; in the Calgary area probably".

[40] She intended to use some of the money invested with Base Finance to acquire a house suitable for her disability. She is no longer able to make such a purchase, and she now subsists on government pension payments.

[41] The third witness testified about his and his wife's losses. They are both in their 80's. They immigrated to Canada and he, building on his blacksmith training, developed a manufacturing business involving farm equipment. He sold his business in 1998, at which point the couple felt they were financially independent and able to look after themselves and their family in their retirement. He described his relatively large family, including his brother, a medical doctor who worked in Africa, who could always find use for "a little extra money for people that were in his care". In retirement, as in his working life, he was active in many community and charitable organizations and helped raise funds for those organizations.

[42] He was referred to Breitreutz and Base Finance by his accountant. He met Breitreutz who explained the Base Finance business model. Breitreutz told him he had an appraiser who would go out and appraise the properties and a lawyer who handled the mortgages "and register them in Alberta". He gave the witness his lawyer's business card.

[43] As a result of their involvement with the Respondents, he and his wife lost \$1.4 million, which they had acquired "from 56 years of hard work". This loss required them to limit their spending and to reduce any risk in their other investments. It also led him to scale back on his "public life", in part from being "too embarrassed to say to the general public . . . what happened to us". He and his wife are now approximately \$3,000 a month short of being able to afford living in a reasonable local retirement facility as they had previously expected.

[44] This evidence, in conjunction with the evidence given during the merits proceeding, showed that the Respondents' misconduct had a very significant effect on a large number of investors. It is clear that the harm done by the Respondents' misconduct goes beyond the direct impact on the investors, many of whom put much of their life savings with Base Finance, and encompassed the spouses, children, and grandchildren of those investors. It also provided direct evidence of Breitreutz misleading investors into believing that the underlying mortgages were against real estate located in Alberta.

[45] Many investors testified that their experiences caused them to lose confidence in the Alberta securities market and we readily infer that their unease would have, in turn, been shared by their friends and relatives.

[46] Breitreutz's evidence during the sanctioning phase makes it clear that neither he nor Way acknowledges the impropriety of their actions. Both the evidence and the submissions of the Respondents, led through Breitreutz, represented merely a continued denial of reality, responsibility, and accountability for their actions and the harm caused by their misconduct.

B. Parties' Positions

[47] Staff sought permanent bans against Breitreutz's participation in the capital market as well as the maximum administrative penalty of \$1,000,000, disgorgement of \$4,145,350, and costs of \$112,500. As for Way, Staff sought 20-year, market-access bans, an administrative penalty of \$150,000, disgorgement of \$902,646, and costs of \$50,000.

[48] The Respondents' did not specifically address Staff's proposed orders. Rather, their submissions were almost exclusively directed to asserting that they were not operating a fraud or a Ponzi scheme, that they were engaged in a proper investment business and that, but for the

unfortunate actions of the bank, the Receiver and the ASC, it all would have worked out for the investors, themselves included. Breitkreutz chose to portray himself as a victim, injured by the unreasonable action of others. When asked what he had to say about the specific sanction orders being requested by Staff, he noted that the *Walton* decision (*Walton v. Alberta (Securities Commission)*, 2014 ABCA 273) indicated that "monetary penalties levied must be proportionate" and asserted that he had lost everything, his assets, his livelihood, and his good name, and the failure of this business venture. He also suggested that there is a difference between a respondent who "perpetrates a fraud knowingly and willingly and gains from it" and "someone who inadvertently breaks the law by not being properly registered".

C. Law

[49] The ASC's public interest sanctioning powers under ss. 198 and 199 of the Act are protective and preventative in nature, not punitive or remedial. They are available to provide both specific deterrence (discouraging repetition of misconduct by a respondent) and general deterrence (discouraging similar misconduct by others) (*Re Global Social Capital Partners, Inc.*, 2016 ABASC 97 at para. 11).

[50] Factors to be considered when assessing appropriate sanctions include the following:

- the seriousness of the respondent's misconduct and the respondent's recognition of that;
- the respondent's characteristics and history, such as capital-market experience and any prior sanctions;
- any benefit sought or obtained by the respondent, and any harm to which the capital market generally or investors were exposed by the misconduct;
- the risk to investors and the capital market if the respondent were to go unsanctioned or if others were to emulate the respondent's misconduct; and
- any mitigating or aggravating considerations.

[51] Our attention was also drawn to the following quote from the Alberta Court of Appeal in *Alberta Securities Commission v. Brost*, 2008 ABCA 326 at para. 54:

By relating the sanctions to the magnitude of the misconduct and by referring to the need to send a message, the Commission approached the case from the perspective of serving the larger objectives inherent in its oversight role. We see no error in this approach. Any penalty may well be regarded, from the perspective of the person on whom it is imposed, as "punitive". This is understandable. However, simply because sanctions may have a punitive effect on the wrongdoer does not mean that they do not also serve a valid regulatory or administrative purpose. Unless the *Act's* penalty section is found to be constitutionally infirm (and here there has been no constitutional challenge), the Commission's power to determine the quantum of sanction should not be fettered by a court-made rule limiting the Commission's scope of sanction on the basis that the penalties that might be imposed are perceived to be punitive. The Legislature has conferred on the Commission jurisdiction for administrative penalties up to \$1,000,000.00. This increase in the maximum amount of administrative penalty reflects a legislative intent that these penalties ought not to be so low that they amount to nothing more than another cost of doing business. It also signals the Legislature's

intent that the Commission should fit the sanction to the circumstances, including the magnitude of the illegality and the need to encourage lawful conduct by those involved with securities.

[52] We also acknowledge, from the *Walton* decision, the need to consider proportionality as it relates to the misconduct and the Respondents' personal circumstances.

[53] The above principles guide our consideration of sanction and we will discuss sanctions in the context of those principles. The law concerning disgorgement will be addressed separately.

D. Sanction Discussion

1. The Seriousness of Misconduct

(a) Breitreutz

[54] The findings against Breitreutz place his misconduct among the most egregious known to the capital market. The fraud he orchestrated occurred over many years, during which time he raised more than \$137 million and left hundreds of investors with little or no recovery.

[55] Rather than address the issue of potential sanctions and cost-recovery orders, Breitreutz attempted to re-argue our findings in the Merits Decision. He was cautioned that such an attempt might also reflect a refusal to acknowledge and accept the seriousness of his misconduct. He portrayed himself as a victim of circumstance and submitted that he and his investors would have been kept whole if his scheme had been permitted to continue – especially if the passage of time had allowed the purported Chinese investors to invest in the US operations, which would have allowed him to pay off most Base Finance investors. In portraying himself as a victim, Breitreutz seemingly minimized the losses to Base Finance investors. He asserted that he "lost everything" – not merely "a holiday home" or a million dollars from a portion of his investment portfolio. While Breitreutz paid lip service to the losses experienced by Base Finance investors, he clearly considered his own losses to have eclipsed that of others.

[56] Breitreutz acknowledged his responsibility for the failure to register Base Finance with the ASC. However, he maintained his denial in respect of the findings in the Merits Decision. We find Breitreutz's lack of insight into the seriousness of his actions and the harm caused to his investors to be shallow, disingenuous and overshadowed by self-pity. He still believes he did nothing wrong and that he is the victim of the bank, the Receiver, and the ASC. At no point did he acknowledge nor accept that he may have been the author of his own fate.

(b) Way

[57] Throughout the many years that Base Finance operated its fraudulent scheme, Way, as Base Finance's administrator and sole bookkeeper, had intimate knowledge of the scheme, including the amounts being put at risk by hundreds of investors. Though one could say that she had a lesser role in the fraud perpetrated against Base Finance's investors – she was Breitreutz's right hand in the operation of this fraudulent scheme and had "extensive knowledge of the nature of Base Finance's business" at all material times. She was privy to Breitreutz's email communications and she often spoke directly with investors over the telephone or in person. She was also responsible for Base Finance's banking and bookkeeping. In other words, she was well aware of the deceit Base Finance was perpetrating on investors. Way also withdrew extraordinarily large amounts of cash from corporate accounts that were dissipated without any

records. It is striking that she did not warn her own cousin about the fraud, as he invested money on behalf of himself and his wife, and on behalf of his father to help with his "financial difficulties".

[58] Way also showed no insight into, or acknowledgement of, the fraudulent nature of the scheme. Indeed, as noted above, she advised us that the Respondents did not "believe, from the bottom of our heart, that it was a fraud or a Ponzi scheme".

2. Respondent's Characteristics and History

(a) Breitreutz

[59] Breitreutz had no prior capital market experience and no evidence was put before us of any prior sanctions or convictions, although he was registered for many years in Alberta as a mortgage broker. He is not facing allegations of illegal distribution or some technical violation of Alberta securities laws. The allegations involve fraud. One does not have to have prior capital market experience to appreciate that running a Ponzi scheme and deceiving investors is wrong. The fact that he did not have any prior sanctions or convictions was merely a function of him not being caught sooner.

(b) Way

[60] Way had no prior capital market experience, no prior sanctioning history and, indeed, did not even have mortgage broker certification, however she was intimately involved in the fraud being perpetrated on investors over an extended period of time. Her culpability is not diminished by her personal circumstances, lack of prior convictions, sanctions, or capital market experience.

3. Benefits Sought or Obtained

(a) Breitreutz

[61] Breitreutz, through all phases of the hearing, made much of the fact that he did not profit from a purported Ponzi scheme that generated over \$100,000,000. However, for a number of years, he lived off of the funds put into the scheme by investors, participated in cash withdrawals from corporate bank accounts and the dissipation of that cash without records, acquired a number of properties and generally portrayed himself as a successful businessman worthy of investor confidence. Details of some of the funds taken by him personally from the operation are discussed below in the disgorgement analysis. It is clear that the scheme resulted in enormous amounts of investor funds being misappropriated and lost, and that this misappropriation impacted not only the lives of the investors but the lives of many relatives and dependents of those investors. It also shook the confidence of these investors in the Alberta capital market but also weakened the confidence of those investors' friends and family in the Alberta capital market.

(b) Way

[62] The above comments generally apply to Way. She made the cash withdrawals from Base Finance accounts, and offered no explanation for the Receiver's finding of substantial deposits into her personal bank account that were not commensurate with the income she claimed on her tax filings (and that such deposits ceased once Base Finance's account was frozen). She also benefitted from a loan using Base Finance funds, which enabled her to acquire her personal residence. She made an assignment into bankruptcy and we understand that her residence has since been sold.

4. Future Risk

[63] It is clear that neither Breitreutz nor Way understands or acknowledges that they engaged in a fraudulent scheme that had no substantive business associated with it. They withdrew significant amounts of cash, being investor funds, without records and they did not view such activities as having any overtones of impropriety. If these Respondents were to go unsanctioned, or lightly sanctioned, it would send a clear message to the Respondents and others that this type of activity can be conducted over a long period of time with minor repercussions to those involved in the scheme. These schemes are particularly pernicious in the current climate of low interest rates and an aging population looking to set aside money to secure their retirement. Impactful sanctions are warranted to provide both specific and general deterrence and ensure that others do not see these sanctions as a mere cost of doing business.

5. Mitigating Considerations

[64] The respondents are not young. Way has gone bankrupt. Breitreutz has, through Base Finance's receivership, lost most, if not all, of the properties he was known to have acquired over the years. However, evidence before us at the Merits Hearing showed large sums of cash withdrawn by Breitreutz and Way, that, except for the explanation provided by Breitreutz that the cash was used to pay Fox's employees, remains generally unaccounted for. We do not find the Respondents' explanation – that they merely handed over this cash to Fox to be credible.

[65] In Breitreutz's case we find that any possible mitigating considerations are overwhelmed by the seriousness of his actions and the harm caused to investors and the capital market. His claim of impecuniosity (which was not substantiated by other evidence) does not in our view mitigate against the seriousness of his actions. He was in fact the author of his fate. Further, his current financial situation does not necessarily dictate his future financial situation. In the case of Way, we find that her lesser role in the misconduct, her age, her bankruptcy, and the smaller amount of money that was directly traceable to her, justifies a reduced sanction.

E. Administrative Penalty

[66] Section 199(1) of the Act provides that the ASC may order a respondent "to pay an administrative penalty of not more than \$1,000,000 for each contravention or failure to comply". Staff sought an administrative penalty against Breitreutz of \$1,000,000 and an administrative penalty against Way of \$150,000.

[67] Staff submitted that Breitreutz "should be ordered to pay the maximum allowable administrative penalty" permitted by the Act, and suggested that the Respondents' misconduct arguably constituted multiple contraventions of the Act. The implication seemingly was that we might impose an administrative penalty in excess of the \$1,000,000 ceiling provided for in this section of the Act. Staff relied on an extensive list of cases in which an array of administrative penalties were ordered for fraud-related violations of security laws. We have considered those decisions in assessing the administrative penalties in this case and consider that the administrative penalties we order against the individual respondents fall within the range established by these decisions.

[68] The amounts taken from investors by Breitreutz and Way, the extended period of time over which they were taken, the number of investors affected by the Respondents' misconduct, and the Respondents' continued assertions that there was nothing wrong with their conduct apart from

not being registered with the ASC put this case among the worst frauds perpetrated in Alberta. As such, this case warrants a significant administrative penalty to be proportionate to the harm caused to Alberta investors and capital market.

[69] Taking into account the overall circumstances, applicable law, and the submissions of the parties, we find that the administrative penalty of \$1,000,000 is appropriate and in the public interest as regards Breitzkreutz and is so ordered.

[70] With respect to Way, it is our view that the nature of this scheme and Way's role in it, even after considering any mitigating factors justifies an administrative penalty in excess of \$150,000. As this is all Staff requested, and since Way did not attend to make oral submissions (due to ill health and discussions with her lawyer) we are not prepared to order a more significant administrative penalty against Way. We order that Way pay an administrative penalty of \$150,000.

F. Disgorgement

1. Law

[71] Section 198(1)(i) of the Act allows the ASC to order a respondent who has not complied with Alberta securities laws to pay to the ASC any amounts obtained or payments or losses avoided as a result of the respondent's non-compliance. This type of order is typically referred to as a "disgorgement order". Relevant principles applicable to disgorgement orders were discussed in *Re Planned Legacies Inc.*, 2011 ABASC 278 at paras. 71-75, and include the following:

- A disgorgement order may be used to achieve both specific and general deterrence by removing from a respondent all money unlawfully obtained by the respondent to ensure there is no financial benefit from non-compliance with Alberta securities laws.
- The initial burden is on Staff to prove, on a balance of probabilities, the amount obtained by the respondent as a result of the respondent's non-compliance with Alberta securities laws. The burden then shifts to the respondent, whose non-compliance resulted in funds being wrongfully obtained, to disprove the reasonableness of the amount.
- The reference to "amounts obtained" is not limited to the profit obtained by a respondent but applies to all money obtained as a result of the non-compliance.

2. Parties' Position

[72] Staff sought a disgorgement order against Breitzkreutz in the amount of \$4,145,350 and against Way in the amount of \$902,646. Staff contended these were the amounts Breitzkreutz and Way obtained as a result of their non-compliance with Alberta securities laws. No such order was sought against Base Finance.

[73] Breitzkreutz and Way did not specifically address Staff's request for disgorgement orders other than to question the quality of the evidence relied on by Staff. Breitzkreutz and Way generally took the position that they did not engage in any fraud or personally benefit at the expense of Base Finance investors.

3. Conclusion

[74] In our view, disgorgement orders should be made against both Breitreutz and Way to achieve both specific and general deterrence. By engaging in fraudulent activities – deceiving Base Finance investors and operating a Ponzi scheme – they committed serious capital market misconduct that resulted in extensive, permanent harm to Base Finance investors. In doing so, they obtained significant amounts from their misconduct. Based on the available evidence, we are prepared to make a disgorgement order against Breitreutz in the amount of \$2,671,406 and against Way in the amount of \$362,049.

4. Calculation of Disgorgement Order

[75] In respect of Breitreutz, Staff's proposed disgorgement order of \$4,145,350 was based on: (1) his employment compensation and expense reimbursements paid from August 2006 to October 2015; (2) a \$50,000 certified cheque paid to Breitreutz; (3) more than \$18,000 in sporting tickets and more than \$13,000 in golf membership and related expenses; (4) cash withdrawals and other unexplained withdrawals from corporate accounts; (5) the transfer of \$61,940 from Base Finance to a Breitreutz-controlled numbered company; and (6) rent payments made to Breitreutz's wife from August 2006 to October 2015. Although Breitreutz (and family members) also acquired several real estate properties ostensibly using Base Finance's funds, Staff made "no recommendations" as to the tracing of benefits purportedly obtained from these transactions given the "absence of clear, convincing and cogent evidence".

[76] Staff's proposed disgorgement order of \$902,646 against Way was based on: (1) amounts she received from Base Finance and Base Mortgage from August 2006 to October 2015, less payments she made to the companies; and (2) the balance of an unpaid loan she received from Base Finance in relation to the purchase of her principal residence.

[77] Staff largely relied on the Receiver's analysis of Base Finance's and Base Mortgage's banking records in attempting to quantify the amounts sought for disgorgement. In particular, Staff referred to the "Third Report of the Receiver" dated May 9, 2016. Staff suggested that we might also consider the evidence from Staff's investigative analyst, who analyzed the source and use of funds from two of Base Finance's bank accounts from January 2011 to September 2015. Breitreutz (on his own behalf and presumably that of Way) questioned the Receiver's analysis, arguing that it was only "a partial analysis", that the Receiver inappropriately drew certain assumptions, and that other evidence showed that Breitreutz did not personally benefit from the alleged Ponzi scheme.

[78] Much of the Receiver's analysis was not particularly well-suited to the task of discerning whether Breitreutz or Way personally benefitted from their respective non-compliance with Alberta securities laws. This was due in part to the time period reviewed by the Receiver, some of which predated the time period for the misconduct identified in the Merits Decision (which dated back to August 1, 2006). The Receiver also aggregated amounts from Base Finance's and Base Mortgage's banking records, although in some instances the Receiver's additional commentary clarified whether amounts derived from one company or the other. Aside from such commentary, and because we were not provided the documentation relied on by the Receiver to calculate the amounts in its analysis, we were unable to distinguish whether particular amounts derived from Base Finance's or Base Mortgage's accounts. This was important in attempting to

quantify a disgorgement order, given that Base Mortgage was not found to have contravened Alberta securities laws.

[79] Accordingly, we were unable to include in a disgorgement order any of the amounts paid by Base Mortgage for Breitreutz's and Way's employment compensation, the "sporting event tickets and related expenses" and "golf membership dues and related expenses", or the rental payments to Breitreutz's wife. As these amounts were paid by Base Mortgage (and at undetermined dates), Staff have not met their initial burden of establishing that such payments were obtained by Breitreutz or Way as a result of their non-compliance with Alberta securities laws.

[80] The Receiver's report also referred to a payment made to Breitreutz by way of a certified cheque in the amount of \$50,000. We were not provided any details regarding this payment, including whether it derived from Base Finance or Base Mortgage. Accordingly, this amount was not proven to have derived from Breitreutz's non-compliance with Alberta securities laws.

[81] We were able to identify from other evidence, notably from Staff's investigative analyst, numerous transfers totalling \$991,821 from Base Finance to two Breitreutz-controlled companies. These transactions all occurred between January 1, 2011 and September 24, 2015. In particular, transfers were made from Base Finance to a numbered company controlled by Breitreutz in the amount of \$69,940 from May to October 2012. The remaining transfers, totalling \$921,881, were made to Base Mortgage. In light of the evidence that Base Mortgage was no longer brokering mortgages after April 2010 and the lack of evidence that it had other sources of income, we considered payments made to Base Mortgage after April 2010 to have derived from Base Finance's fraudulent activities. We conclude that Breitreutz indirectly obtained the amounts transferred from Base Finance to the numbered company and Base Mortgage (companies in which he was the guiding mind at all relevant times) as a result of his non-compliance with Alberta securities laws.

[82] Staff's investigative analyst also identified transfers from Base Finance to Way totalling \$177,049, all occurring from May 2014 to September 2015. We consider this amount to have been obtained by Way as a result of her non-compliance with Alberta securities laws.

[83] Base Finance also transferred a property to Way on July 28, 2010 for \$385,000, for which she paid \$200,000 to Base Finance. We find that the balance of \$185,000 was advanced to Way in the form of a loan from Base Finance, which she has not repaid. In particular, Breitreutz testified that Way "paid back [\$]200,000 immediately", that he "agreed to carry the balance for [Way] until such time that we had expected that we would be wrapping up . . . Base Finance", and that she had not paid back the \$185,000 to Base Finance at the time of its receivership. Way's bankruptcy documents, which cited a promissory note payable to Breitreutz as creditor, confirmed to us that Way obtained this benefit and it remained outstanding at the time of her bankruptcy. In the circumstances, we find that the \$185,000 amount was obtained by Way, or that it constituted a payment or loss avoided by her, as a result of her non-compliance with Alberta securities laws, and we include this amount in the disgorgement order against her.

[84] The Receiver also identified numerous cash withdrawals made from Base Finance's accounts, which could not be traced once withdrawn from the accounts. Cash in the amount of

\$1,478,519 was withdrawn from one of Base Finance's accounts from August 1, 2006 to June 17, 2014, and cash in the amount of \$201,066 was withdrawn from a second Base Finance account from May 2014 to September 2015. This total was \$1,679,585. (The Receiver also identified an additional cash withdrawal of US\$8,307 from a third Base Finance account, but because the timeframe was from August 1, 2004 to July 2011, we were unable to determine whether these amounts derived from non-compliance with Alberta securities laws during the relevant time.)

[85] Breikreutz denied that he (or Way) personally benefitted from these cash withdrawals. He told us that Way would periodically withdraw cash from Base Finance's accounts, and that these funds would be provided to Fox (and his companies). As we understand the evidence, the rationale for these cash payments was to allow Fox to pay US employees (and perhaps other expenses), and that cash payments were preferable to Canadian cheques that were subject to lengthy hold periods by US banks.

[86] Breikreutz or Way did not apparently track cash payments made to Fox or his companies, nor did they receive receipts for such payments. Rather, Breikreutz said that he would, from time to time, have Fox sign promissory notes confirming the debt owed from the cash payments. In evidence were four promissory notes signed by Fox. One was dated May 1, 2006 in the amount of \$1,500,000, and another was dated November 24, 2008 in the amount of \$275,000. The remaining two promissory notes were undated, with the amounts left blank. As Fox did not testify, we do not have his evidence regarding these promissory notes or the cash payments generally.

[87] Other evidence indicated that both Breikreutz (and Way) made significant, unexplained deposits into their personal bank accounts between January 2009 and January 2016. In particular, the Receiver found "many untraceable deposits . . . in round numbers" into Breikreutz's personal bank account that "ranged from the tens of thousands to the hundreds of thousands". According to Breikreutz's evidence in the merits hearing, his average income in the past ten years was \$36,000 per year.

[88] We do not accept Breikreutz's explanation for the undocumented cash withdrawals, as it defies logic and business sense and is unsupported by the evidence. The veracity of Breikreutz's explanation for the cash withdrawals is dependent upon a series of separately incredible circumstances. First, that Fox needed cash to pay US oilfield workers and suppliers. Second, that he did not have or could not open bank accounts in the US from which he could withdraw cash. Third, that Canadian cash would serve Fox's needs. Fourth, that Fox would take briefcases of cash into the United States when individuals are generally required to declare and subject themselves to scrutiny by the US border agency concerning the importation of large sums of cash. Finally, that Breikreutz and Way would provide large amounts of cash to Fox without obtaining a receipt or other documentation for such amounts.

[89] We find that the cash withdrawn from Base Finance's accounts were converted to Breikreutz's own use and we therefore attribute the cash withdrawals to him. We also find that these amounts were obtained by Breikreutz as a result of his non-compliance with Alberta securities laws.

[90] The Receiver's report also identified numerous, unidentified transactions in Base Finance's accounts. The Receiver's evidence provided little detail in respect of these transactions, other than they resulted in a net loss of \$1,207,743 from Base Finance's accounts. Breitkreutz addressed these unidentified transactions in an affidavit sworn in July 2016. There, Breitkreutz attested to his belief that "the vast majority" of the unidentified transactions were advanced to Fox and his companies at Fox's request. Accompanying his affidavit was a transaction summary prepared by the Receiver in respect of the unidentified transactions. This summary also had "hand written comments" apparently made by Way to explain many of the transactions. Her comments suggested that numerous transactions involved payments designated to Fox or were payments made to, or received from, Base Finance investors. We also heard some discussion during the Sanctions Hearing that some of the cheques in the Receiver's transaction summary may have been additional cash withdrawals. We were not pointed to any supporting documentation to provide details as to the transactions in issue.

[91] In the circumstances, Staff have not met their initial burden of proving, on a balance of probabilities, that the unexplained transactions benefitted Breitkreutz as a result of his non-compliance with Alberta securities laws. We therefore do not include these amounts in our disgorgement assessment.

[92] We also make no disgorgement order in relation to the properties acquired by Breitkreutz, his family or companies he controlled. Staff failed to provide clear evidence showing that these properties were obtained by Breitkreutz as a result of his non-compliance with Alberta securities laws, and it is unclear if all properties have been sold, or are in the process of being sold, through receivership proceedings to satisfy the corporate creditors (where they may be of some potential benefit to Base Finance investors).

[93] To summarize, Staff established that Breitkreutz indirectly obtained \$2,671,406 through transfers from Base Finance to companies he controlled and from cash withdrawals obtained from Base Finance's accounts during the relevant time. Staff also established that Way obtained \$362,049 directly from Base Finance. We consider these amounts to have been obtained as a result of their respective non-compliance with Alberta securities laws.

[94] Breitkreutz and Way did not disprove the reasonableness of these amounts.

[95] Accordingly, we find that disgorgement orders should be made requiring payment to the ASC by Breitkreutz in the amount of \$2,671,406, and by Way in the amount of ASC \$362,049.

G. Market Exclusion Orders

[96] Staff requested an array of orders under s. 198 of the Act that would effectively limit the Respondents' future participation in the capital market. Given our findings as to their fraudulent misconduct and their lack of insight into, or acknowledgement of, the impropriety of their activities, and their failure to recognize the harm, we agree that extensive bans are required to protect investors and the Alberta capital market. We consider that the orders sought by Staff are appropriate and we so order.

V. COSTS

[97] Pursuant to s. 202 of the Act, cost recovery orders can be made against any person or company found to have contravened Alberta's securities laws. The purpose of these orders is to make those found to have violated Alberta's securities laws reimburse some of the costs expended by the ASC, which is in turn funded by the industry in general which abide by the rules.

[98] Staff submitted a list of costs totalling \$180,722.88, of which \$155,558.50 represented fees for the estimated time of Staff and expenses paid of \$25,164.38. Staff requested a cost order totalling \$162,500, the reduction being attributed to the use of two senior counsel where a portion of that work could have been performed by a more junior counsel at less expense. As between the Respondents, Staff suggested that Breitreutz pay \$112,500 and Way \$50,000.

[99] We find that Breitreutz and Way should be liable for these costs, and order that Breitreutz pay \$100,000 and that Way pay \$50,000.

VI. CONCLUSIONS

[100] As against Breitreutz, we order:

- under s. 198(1)(d) of the Act, he must resign all positions he holds as a director or officer of any issuer, registrant, investment fund manager, recognized exchange, recognized self-regulatory organization, recognized clearing agency, recognized trade repository or recognized quotation and trade reporting system;
- with permanent effect:
 - under ss. 198(1)(b) and (c), he must cease trading in or purchasing securities or derivatives, and all of the exemptions contained in Alberta securities laws do not apply to him;
 - under s. 198(1)(e), he is prohibited from becoming or acting as a director or officer (or both) of any issuer (or other person or company that is authorized to issue securities), registrant, investment fund manager, recognized exchange, recognized self-regulatory organization, recognized clearing agency, recognized trade repository or recognized quotation and trade reporting system;
 - under s. 198(1)(c.1), he is prohibited from engaging in investor relations activities;
 - under s. 198(1)(e.1), he is prohibited from advising in securities or derivatives;
 - under s. 198(1)(e.2), he is prohibited from becoming or acting as a registrant, investment fund manager or promoter; and

- under s. 198(1)(e.3), he is prohibited from acting in a management or consultative capacity in connection with activities in the securities market;
- under s. 198(1)(i), he must pay to the ASC \$2,671,406 obtained as a result of his non-compliance with Alberta securities laws;
- under s. 199, he must pay an administrative penalty of \$1,000,000; and
- under s. 202, he must pay \$100,000 of the costs of the investigation and hearing.

[101] As against Way, we order:

- under s. 198(1)(d), she must resign all positions she holds as a director or officer of any issuer, registrant, investment fund manager, recognized exchange, recognized self-regulatory organization, recognized clearing agency, recognized trade repository or recognized quotation and trade reporting system;
- until the later of 20 years from the date of this decision and the date on which the monetary orders under ss. 198(1)(i), 199 and 202, made against her have been paid in full to the ASC:
 - under ss. 198(1)(b) and (c), she cease trading in or purchasing securities or derivatives, and all of the exemptions contained in Alberta securities laws do not apply to her;
 - under s. 198(1)(e), she is prohibited from becoming or acting as a director or officer (or both) of any issuer (or other person or company that is authorized to issue securities), registrant, investment fund manager, recognized exchange, recognized self-regulatory organization, recognized clearing agency, recognized trade repository or recognized quotation and trade reporting system;
 - under s. 198(1)(c.1), she is prohibited from engaging in investor relations activities;
 - under s. 198(1)(e.1), she is prohibited from advising in securities or derivatives;
 - under s. 198(1)(e.2), she is prohibited from becoming or acting as a registrant, investment fund manager or promoter; and
 - under s. 198(1)(e.3), she is prohibited from acting in a management or consultative capacity in connection with activities in the securities market;
- under s. 198(1)(i), she must pay to the ASC \$362,049 obtained as a result of her non-compliance with Alberta securities laws;

- under s. 199, she must pay an administrative penalty of \$150,000; and
- under s. 202, she must pay \$50,000 of the costs of the investigation and hearing.

[102] As against Base Finance, we order:

- under ss. 198(1)(a), (b) and (c), all trading in or purchasing of securities or derivatives of Base Finance must cease, Base Finance must cease trading in or purchasing securities or derivatives, and all of the exemptions contained in Alberta securities laws do not apply to Base Finance, permanently;
- under s. 198(1)(c.1), Base Finance is prohibited from engaging in investor relations activities, permanently;
- under s. 198(1)(e.1), Base Finance is prohibited from advising in securities or derivatives, permanently;
- under s. 198(1)(e.2), Base Finance is prohibited from becoming or acting as a registrant, investment fund manager or promoter, permanently; and
- under s. 198(1)(e.3), Base Finance is prohibited from acting in a management or consultative capacity in connection with activities in the securities market, permanently.

[103] According to its terms, the interim cease trade order issued in relation to this proceeding expires with the issuance of this decision.

[104] This proceeding is concluded.

February 21, 2019

For the Commission:

"original signed by"
Ian Beddis

"original signed by"
Maryse Saint-Laurent

The Concurring Decision of Bradley G. Nemetz, Q.C.

[105] I concur with the majority's sanction decision. This concurring opinion addresses the administrative penalty against Breitreutz¹ and provides additional reasons that lead me to endorse this aspect of the panel's sanctions.

[106] The \$1,000,000 administrative penalty is the maximum provided under the Act. In this case we are assessing that maximum.

[107] Of particular importance to my decision is the passage from the Alberta Court of Appeal's decision in *Alberta Securities Commission v. Brost*, 2008 ABCA 326 as quoted in para 51 of the sanction decision.

[108] In *Brost*, at para 54, the Court of Appeal endorsed the Commission's position that sanctions were to be set by reference to "the magnitude of the conduct and by referring to the need to send a message".

[109] The Court went on to indicate that while sanctions might have a punitive effect on the wrongdoer, they serve a valid regulatory purpose. It noted that "the Commission's power to determine a question of sanction should not be fettered by a court-made rule limiting the Commission's scope of sanction on the basis that the penalties that might be imposed are perceived to be punitive." The Court stated that the legislative intention in increasing the administrative penalty to \$1,000,000 signaled its intent that "the Commission should fit the sanctions to the circumstances, including the magnitude of the illegality and the need to encourage lawful conduct by those involved with securities."

[110] The question posed by our case is whether, in all the circumstances, the imposition of the maximum administrative penalty as against Breitreutz, together with the disgorgement of those investor funds that we were able to trace to him, is appropriate. Of particular importance, in the protection of the capital market, is a concern that the administrative penalty levied not be reduced to such a level that it would be seen by the public and people involved in the securities industry as a modest (when compared with the gain) cost of doing business.

[111] The seriousness of Breitreutz's fraud, his character, his history, the benefits he sought and those that he obtained, and the future risk (if those involved in the securities industry see a paltry penalty for a massive fraud) place this case well into the group of cases that warrant the maximum \$1,000,000 administrative penalty. Breitreutz's professed impecuniosity cannot remove this case from that category and result in a reduction from the maximum.

[112] Breitreutz told the Receiver's counsel, under oath, that he had been funding Fox for 35 years which included, from time to time, funding Fox's living expenses. The money raised from investors was used to fund Breitreutz's lifestyle, to see that Way received funds greatly in excess of her supposed income, to fund Fox's oil and gas endeavours, and for Fox's personal expenses. The balance was recirculated to investors under the guise of interest or principal repayments of investor funds advanced under mortgages.

¹ Unless otherwise noted, this decision uses the defined terms from the sanctioning decision.

[113] When the Ponzi scheme collapsed it had over 200 investors who were owed in excess of over \$100,000,000. In these circumstances, even a \$1,000,000 administrative penalty is a modest cost of doing business, but it is the most we can impose.

[114] Further exacerbating Breitreutz's misconduct is the fact that he was a fiduciary of the funds that investors placed with him. This is a case of fraud by a fiduciary against vulnerable individuals. That Breitreutz was a fiduciary is evident from the terms of the Assignment of Mortgage under which he raised the funds. The document made it clear that the funds advanced would be used to fund mortgages, that investors' security was a partial assignment of those mortgages, and that repayments of principal and interest under the mortgages would be passed through Base Finance to the investors. The assignments also make it clear that Base Finance accepted no responsibility for the loss of the investors' money and that the investors' sole recourse was to pursue recovery under the mortgages. Thus, the investors' funds were not loaned to Base Finance. Rather, Base Finance undertook to use the investors' money for a specific purpose. This places Base Finance (and by extension its controlling mind – Breitreutz) in a classic fiduciary role and aggravates the misconduct as this is a fraud perpetrated by a fiduciary against beneficiaries.

[115] Also, Breitreutz and Base Finance, in handling investors' funds, had little regard for creating paperwork that would allow investors to understand where their money went and, if that money was not repaid, how they could recover it. As a result it was very difficult for the Receiver to trace the funds and there was a significant dispute between Fox and Breitreutz as to the amounts owed by Fox and his companies. As has been shown, large amounts were withdrawn by Breitreutz and Way in cash such that they could not be traced. We disbelieve Breitreutz's evidence that the funds were turned over in cash to Fox, but if they were, the absence of any meaningful receipt or acknowledgement by Fox of the amounts advanced is startling. The disgorgement order does not encompass all the funds likely diverted by Breitreutz and therefore does not fully address his misappropriation and use of investor funds.

[116] Another result of Breitreutz's lack of proper accounting and records, together with the massive withdrawals, is that it is difficult, and in many cases impossible, to ascertain what Breitreutz did with the funds and whether his assertion that the Receiver had been able to locate and recover all of his assets is true.

[117] While disbelieving Breitreutz's assertions that he has no assets does not lead to a conclusion that he in fact has assets, it undermines his protestations of impecuniosity and leads to a reluctance to reduce the otherwise appropriate administrative penalty.

[118] The individual circumstance of the offender, including age, can serve to reduce what is an otherwise appropriate sanction. The fact that he was able to run this scheme for 35 years, being able to induce enough new investors to cover payouts to old investors, accounts for a good bit of his current age. We also have evidence that he lived a good life, had numerous cars, homes and a golf membership. As a result of the scheme, he was, for decades, able to live a comfortable life and see to Fox's needs. Also to be noted is that portion of the Receiver's report which points out that one of Breitreutz's personal bank accounts, into which

investor money from Base Finance flowed, had frequent cash withdrawals at a casino, leading to a reasonable inference that he was using investors' funds for gambling.

[119] The ASC should be given the opportunity to inquire into his alleged impecuniosity by pursuing normal civil remedies to determine the true facts surrounding Breitreutz's financial situation, what he did with misappropriated funds, and potentially recover the appropriate sanctions.

[120] Another mitigating factor in assessing administrative penalties is the Respondent's insight into the misconduct. As noted in the decision sanction, the Respondents continued to deny that they did anything wrong, continued to portray themselves as the biggest victims in this piece, and blame others for the collapse of the scheme. In these circumstances the Respondents get no credit for insight.

[121] In this case, a reduction from the maximum \$1,000,000 administrative penalty authorized by the Legislature would thwart the intention of the Legislature when it increased the maximum administrative penalties. In authorizing a \$1,000,000 maximum, the Legislature was seeking to send a signal to those who would benefit from participation in the capital market that there are significant consequences for breaches of securities law. To diminish an otherwise appropriate sentence in the circumstances of this case and this fraud on the basis of alleged impecuniosity would send a signal to those who would take advantage of the public that they can obtain a reduction in an otherwise appropriate sanction by living a high life but keeping a low balance in their chequing accounts.

[122] I am of the opinion that a global \$1,000,000 administrative penalty, coupled with the cost of the disgorgement order made against Breitreutz, are appropriate sanctions having regard to the conduct, the victims, and all mitigating and aggravating circumstances, including Breitreutz's age and potential inability to pay.

[123] Before concluding, I wish to address the administrative penalty ordered against Way. Staff requested only a \$150,000 administrative penalty. Way, faced with this position, did not appear for argument at the conclusion of the sanctioning hearing. The extent and duration of her participation in the fraud would, in my opinion, have warranted an administrative penalty in excess of \$150,000. However, given that she abstained herself from the conclusion of the hearing and therefore did not have an opportunity to address the possibility of a higher administrative penalty, I am not prepared to assess against her an administrative penalty in excess of that sought by Staff.

February 21, 2019

"original signed by"

Bradley G. Nemetz

EXHIBIT 2

**To the Receiver's Eighth Report to Court
Dated March 7, 2019**

BDO CANADA LIMITED
INTERIM STATEMENT OF RECEIPTS AND DISBURSMENTS FOR
BASE FINANCE LTD. AND BASE MORTGAGE & INVESTMENT LTD.
FOR THE PERIOD FROM OCTOBER 15, 2015 - MARCH 7, 2019

Receipts:

Sale of assets enbloc	\$ 1,478,129	
Sale of Ceduna property	203,944	
Recoverable expenses paid by Trustee	16,728	
Cash on hand	5,381	
Interest	6,157	
Miscellaneous income	3,465	Note 1
Insurance refund	357	
Utilities refund	109	
Total receipts	\$ 1,714,270	

Disbursements:

Legal fees	\$ 707,404	
Receiver's fees	545,756	
Pre and post Receivership costs settlement	90,476	
GST on Legal fees	39,885	
GST on Receiver's fees	28,164	
Administrative disbursement	17,457	
Insurance	15,744	
Commission	3,890	
Bailiff	1,000	
Consulting fees	921	
Change of locks	486	
GST on Disbursements	329	
Rental fees	285	
Fees paid to the Official Receiver	140	
Travel	65	
Total disbursements	\$ 1,452,000	

Funds on hand at March 11, 2019	\$ 262,269
---------------------------------	------------

Notes

- (1) These funds are attributable to the payment of invoices of professional fees and copy charges for document reviews facilitated by the Receiver, as per the Document Review protocol established at the onset of the receivership.

- (2) The business operations of Base Finance Ltd. and Base Mortgage & Investments Ltd. were co-mingled and effectively possessed the same assets. The Court Order appointing the Receiver dated October 15, 2015 refers to the Companies collectively as the Debtor and the Receiver attributes any realizations for the Debtor to be for the benefit of both Companies. For efficiency, the Receiver has used the receivership account of Base Finance Ltd. as the general operating account for the entities of the receivership and will from time-to-time transfer funds to cover the general administrative costs of the receivership estate of Base Mortgage & Investment Ltd., as necessary.

EXHIBIT 3

**To the Receiver's Eighth Report to Court
Dated March 7, 2019**

ASSIGNMENT AGREEMENT

THIS ASSIGNMENT AGREEMENT is made as of the _____ day of March, 2019

BETWEEN:

BDO CANADA LIMITED, in its capacity as
Court-appointed Receiver of Base Mortgage & Investments Ltd. and Base Finance Ltd. (collectively, the
“**Debtors**”), and not in its personal capacity

(the “**Vendor**”)

- and -

MIKE TERRIGNO,
an individual resident in the City of Calgary, in the Province of Alberta

(the “**Purchaser**”)

RECITALS:

A. The Vendor was appointed Receiver, without security, of all the Debtors’ current and future assets, undertakings and properties of every nature and kind whatsoever and wherever situate (the “**Property**”), pursuant to the Order of the Honourable Mr. Justice K. Yamauchi, granted October 15, 2015, in Court of Queen’s Bench Action No. 1501-11817 (as amended, the “**Receivership Order**”).

B. Pursuant to the Receivership Order, the Vendor was empowered to, among other things: (i) take possession and control of the Property and any and all proceeds, receipts and disbursements arising out of or from the Property; (ii) initiate, prosecute, and continue the prosecution of any and all proceedings with respect to the Debtor, the Property or the Receiver, or to settle or compromise any such proceedings; and (c) sell, convey, transfer, lease or assign the Property or any part or parts thereof on the terms outlined therein.

C. The Receiver has identified the property located at 912A – 69 Avenue SW, Calgary AB (the “**69th Ave Property**”) as potentially forming part of the Property.

D. The Purchaser wishes to purchase, acquire and assume from the Vendor all of its right, title and interest in, or to, any claim or chose of action which the Receiver may have with respect to the 69th Ave Property (the “**Claim**”) and, in accordance with the terms of the Receivership Order, the Receiver wishes to sell, transfer and assign same to Purchaser.

THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Vendor and the Purchaser (collectively, the “**Parties**”) agree as follows:

1. **Transfer and Assignment**

Subject to section 2 below, the Vendor hereby sells, transfers and assigns to the Purchaser all of the Vendor’s right, title and interest, both at law and at equity, in and to the Claim and all related rights, benefits and obligations thereto (the “**Assigned Interest**”).

The Purchaser hereby purchases and acquires the Assigned Interest for a purchase price of \$10,000.00 CAD (the “**Purchase Price**”) payable to the Vendor in accordance with section 2 below, and assumes all of the Vendor’s obligations, right, title and interest in and to the Assigned Interest.

2. Conditions Precedent

The transfer and assignment of the Assigned Interest shall take effect on (the "Effective Date") and be subject to:

- a) the Vendor obtaining a Court Order approving this Assignment Agreement; and
- b) the Purchaser paying the Purchase Price by certified cheque or bank draft payable to the Vendor drawn by a Schedule I Canadian chartered bank, or such other method as agreed upon by the Parties.

The Vendor shall use all commercially reasonable efforts to seek the necessary Court Order and the Parties shall each act in good faith to obtain the Court Order and complete payment of the Purchase Price.

3. "As Is, Where Is"

The Purchaser acknowledges and agrees that it has done all appropriate and necessary investigations with respect to the Assigned Interest and the 69th Ave Property and that it is accepting the transfer and assignment thereof on an "as if, where is" basis.

4. Representations and Warranties

The Purchaser acknowledges and agrees that no representations and warranties of any kind whatsoever have been made by the Vendor or may be implied with respect to the Assigned Interest, the 69th Ave Property, or any outcome or value of the Claim.

5. Vendor Support

The Purchaser acknowledges and agrees that, from the Effective Date, the Vendor shall have no further obligations with respect to the Assigned Interest and the Purchaser shall not be entitled to, nor shall the Vendor be required to provide, any support or resources with respect to the Claim, the 69th Ave Property, or any other matter subject to this Assignment Agreement.

If, at the request of the Purchaser, and in the sole discretion of the Vendor, the Vendor incurs costs providing information to, or otherwise assisting the Purchaser with any matter relating to the Claim, the 69th Ave Property or the Assigned Interest, such costs shall be for the account of, and shall be paid by, the Purchaser.

6. Indemnification

The Purchaser acknowledges and agrees that the Purchaser will in no way bring or advance any claim, suit, action, proceeding or demand whatsoever against the Vendor for any claims, losses, expenses, costs, or damages suffered by the Purchaser in connection with the Assigned Interest, the Claim or the 69th Ave Property.

The Purchaser hereby indemnifies and saves the Vendor harmless from any and all claims, losses, expenses, costs, damages, suits, actions, proceedings, or demands which may be brought against or suffered by the Vendor subsequent to the Effective Date with respect to the Assigned Interest, the 69th Ave Property, or the Claim; provided, however, that the indemnification contemplated by this Section 6 shall not apply to expenses incurred by the Vendor in responding to applications challenging the validity of this Agreement, or the assignment of the Assigned Interest to the Purchaser, brought by any third party subsequent to the issuance of the Court Order.

7. **Further Assurances**

Each of the Parties covenants and agrees to do such things as may be necessary to give effect to this Assignment Agreement.

8. **General**

- (a) The Parties confirm that the recitals hereto are true and correct.
- (b) This Assignment Agreement shall enure to the benefit of and be binding upon each of the parties and their respective heirs, executors, administrators, successors (including any successor by reason of amalgamation) and assigns.
- (c) No amendment, supplement, modification, waiver or termination of this Assignment Agreement and, unless otherwise specified, no consent or approval by any party, shall be binding unless executed in writing by the party to be bound thereby.
- (d) This Assignment Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written. There are no representations, warranties, covenants, conditions or other agreements, legal or conventional, express or implied, collateral, statutory or otherwise, between the Parties in connection with the subject matter of this Assignment Agreement, except as specifically set forth in this Assignment Agreement. The Parties have not relied, and are not relying, on any other information, discussion or understanding in entering into and completing the transactions contemplated by this Assignment Agreement.
- (e) If any provision of this Assignment Agreement shall be determined to be illegal, invalid or unenforceable, that provision shall be severed from this Assignment Agreement and the remaining provisions shall continue in full force and effect.
- (f) This Assignment Agreement shall be governed by, interpreted and enforced in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.
- (g) The Parties agree that this Assignment Agreement may be executed in counterpart and transmitted by facsimile or e-mail (PDF). Delivery of an executed signature page to this Assignment Agreement by any Party by facsimile or e-mail (PDF) will be as effective as delivery of a manually executed copy of the Assignment Agreement by any Party.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF the Parties have executed this Assignment Agreement as of the date first written above.

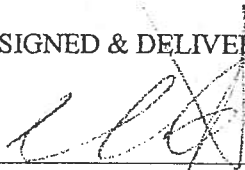
BDO CANADA LIMITED, in its capacity as Court-appointed Receiver of Base Mortgage & Investments Ltd. and Base Finance Ltd., and not in its personal capacity

By: _____

Name:

Title:

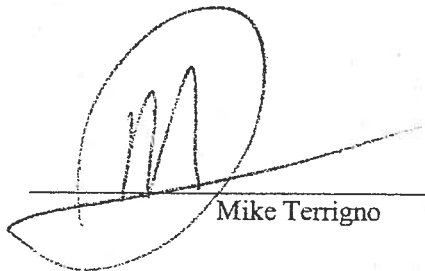
SIGNED & DELIVERED in the presence of:



Witness
MICHELE DI CESARE

Name:

Date: march 6/19



Mike Terrigno

EXHIBIT 4

**To the Receiver's Eighth Report to Court
Dated March 7, 2019**

COURT FILE NUMBER **1901-01990**

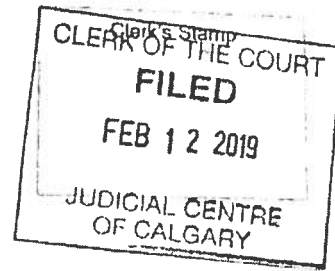
COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

PLAINTIFF MIKE TERRIGNO, EASY LOAN CORPORATION, BARILE INVESTMENTS INC., AND DARRELL WINCH

DEFENDANTS BDO CANADA LLP

DOCUMENT STATEMENT OF CLAIM



ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

RIVERSIDE LAW OFFICE
 c/o CHRISTOPHER M.A. SOUSTER
 4108 MONTGOMERY VIEW NW
 CALGARY, ALBERTA T3B 0L9
 Phone: (403) 685-4224
 Fax: (403) 685-4225
 Email: emas@riversidelawoffice.ca

NOTICE TO DEFENDANTS

You are being sued. You are a Defendant.

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

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

Statement of facts relied on:

1. The individual Plaintiffs are individuals that reside in Calgary, Alberta.
2. The corporate Plaintiffs are corporations duly registered in Alberta and operating in Calgary, Alberta.

3. The Defendant is a corporation duly registered to conduct business in Alberta and operates in Calgary, Alberta. The Defendant was at all material times hereto the Court appointed receiver over the affairs of Base Finance Ltd. ("**Base Finance**") that operated a Ponzi scheme.

INTRODUCTION

4. Base Finance was incorporated in 1984 and registered to carry on business in the Province of Alberta. Arnold Breitzkreutz (the "Fraudster") is the sole director and shareholder of Base Finance. The stated intent of the business was to act as the investment company where the investor funds were deposited and distributed. Base Finance operated out of 724- 55th Avenue SW, Calgary.
5. On September 29, 2015, the Alberta Security Commission ("ASC") froze the operating bank account of Base Finance.
6. On October 15th, 2015, Mike Terrigno ("Mike"), (pursuant to an Ex-Parte Order (the "Order") filed with the Court of Queen's Bench of Alberta (the "Court") in QB ACTION 1501-11817 (the "QB Action")), obtained from Justice K. Yamauchi, (pursuant the Judicature Act, R.S.A. 2000, c.J-2 and The Business Corporations Act, R.S.A. 2000, c.B-9), the appointment of 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 Finance.
7. According to the Receiver's review of evidence filed in the QB Action and its own investigation, the investors of the Base Finance believed that they were investing in first charge security against Alberta based mortgages.
8. The Plaintiffs were Base Finance investors and they each were told by Arnold that they were investing in a first charge security against Alberta based mortgages.
9. On or about March 2, 2018 after roughly a two (2) week hearing, the ASC declared that Base Finance operated as a Ponzi scheme.
10. On or about May 28, 2018, the RCMP charged Arnold Breitzkreutz and Susan Way for their involvement in operating the Base Finance Ponzi scheme.
11. Approximately 240 investors invested approximately \$122 Million in the Base Finance Ponzi scheme.
12. The Plaintiffs claim that they incurred damages as a result of the Receiver's negligence in administrating the estate of Base Finance as a result of 3 specific matters as follows:
 - a. Failing to appeal the Yamauchi Decision (as defined herein and below);
 - b. Failing to commence proceedings or take legal action as against Robert Smyth; and
 - c. Failing to undertake a claw back of the Base Finance bank account within the limitation period.

FACTUAL BACKGROUND

13. Base Finance maintained a bank account at the Royal Bank of Canada, Britannia Branch, transit number 1004050, account number 2649003 (the "Bank Account"). On September 29, 2015 as a result of the fraudulent activities undertaken by the Base Finance, the Executive Director of the ASC issued an order pursuant to section 47 of the Securities Act, RSA 2000, c S-4, freezing the Bank Account. The amount in the Bank Account at that time was approximately \$1,085,000.
14. On October 6, 2015, Mike was interviewed by ASC as a creditor of the Base Finance Ponzi scheme.
15. On or about October 6, 2015, Mike spoke with Richard Billington ("Richard") about the QB Action and the investigation of the ASC. As a result of that discussion, an ex-parte application against Base Finance was prepared on or about October 6, 2015.
16. On October 6, 2015, and after the meeting with the ASC, Mike swore his 1st affidavit filed in the QB Action in support of the aforesaid *ex-parte* application that requested an order to compel production of the Base Finance mortgage records and to obtain the receivership order.
17. On October 7, 2015, Mike obtained an order directing Base Finance to produce its mortgage records within 24 hours after service of that order upon Base Finance and Phillippe Lalonde ("Phillippe") who was acting for the Fraudster regarding the ASC investigation.
18. On October 9, 2015, Chris, Richard and Mike were advised by Phillippe that Base Finance did not have any Alberta residential mortgages.
19. At this point, it was clear to Richard, Chris and Mike that they were dealing with a significant fraud/Ponzi scheme. As a result, and on October 9, 2015, Richard provided a verbal opinion that Mike should apply for a court-appointed receiver.
20. Richard's legal opinion, reduced to writing on October 13, 2015, was a culmination of various meetings and fact gathering initiatives over the preceding days with the ASC, Chris, BDO principals Sarah Hawco ("Sarah") and Craig Fryzuk ("Craig") and Phillippe.
21. On October 9, 2015, Mike accepted Richard's opinion and recognized that Richard would act as the receiver's lawyer. By that time, Mike had already interviewed various accounting firms including BDO to act as the court-appointed receiver and who agreed to retain Richard as its legal counsel.
22. In those interviews with various accounting firms, Mike's principal question was whether they had experience in conducting bank account unwinding proceedings more commonly known as fraudulent preference proceedings, or net winner/loser proceedings (the "Titan Proceeding").
23. In meetings with Craig and Sarah, Mike understood that BDO had experience with Titan type proceedings. Furthermore, BDO had a forensic accounting department that could handle such an initiative and they were well-versed on fraudulent schemes.
24. Mike was advised by Sarah, Craig and Richard that, if they were handling the receivership of Base Finance, they would conduct a Titan type proceeding.

25. On October 10, 2015, BDO was cleared of conflicts and agreed to act with Richard as legal counsel for BDO. At this point Richard began providing legal advice to BDO.
26. On October 12, 2015, after much debate about taking on the receivership (as they were aware that they were taking on a fraud/Ponzi scheme file), Richard and Craig agreed to a fee postponement arrangement. The understanding was that Mike would not pay their fees, but rather they would be compensated through the recovery proceedings, whether it was a Titan Proceeding or asset sale through tracing fraudulent transactions.
27. By October 12, 2015, Mike had identified residential properties that were shown to Richard, Craig, Chris and Sarah, and for which they all agreed could be targets for recovery as they were likely part of the Base Finance fraud. As a result, a fee postpone agreement was entered into on October 12, 2015. For clarity, the aforesaid properties that Mike found have been the only properties realized on by the Receiver in the Base Finance receivership. Said differently, regarding the QB Action, there have been no other assets found other than the ones Mike located.
28. As part of the fee postponement agreement made on October 12, 2015, Richard, Craig and Sarah assured Mike that the fee postpone arrangement would not affect their services and thus Mike agreed to bring the application for a court-appointed receiver with BDO and Richard at the helm.
29. On October 15, 2015, with support from Mike's affidavits of October 6, 2015, October 13, 2015 and October 15, 2015, and the affidavit of Robert Comtois sworn on October 13, 2015, (each referencing Base Finance's deceptive and fraudulent activities), Richard and Chris attended court and obtained the receivership order in the QB Action. The aforesaid affidavits were prepared with the assistance of Craig, Sarah, and Richard.
30. On October 16, 2015, with the assistance of law enforcement officers, Craig attended at the Base Finance office located at 724-55th Avenue SW Calgary, Alberta and confiscated records. At that time, the Base Finance office locks were changed and the office was under BDO control.
31. On or about October 26, 2015, roughly 10 days after BDO obtained the Base Finance records, including specific financial records that went as far back as the mid-1990s, Mike discussed the situation with Craig and was again reassured that a Titan type proceeding would form part of the Receiver's initiative.
32. On November 6, 2015, the Receiver brought an application (the "November 6th Application") for an order, *inter alia*, directing that the funds in the Bank Account be remitted to the Receiver to fund ongoing receivership fees and expenses.
33. Some 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 against those funds. 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. Ultimately, a full-day hearing before this Court was scheduled and was heard on January 21, 2016 with the decision issued on February 8, 2016 (the "Yamauchi Decision").

34. At this hearing, the Receiver asked that the 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."
35. However, at paragraph 38 of his decision, Justice K. Yamauchi declared:

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. Breitreutz's various fraudulent misrepresentations. A trust over the RBC frozen funds for the benefit of all investors to be distributed on the basis of the lowest intermediate balance rule.
36. As a result of the decision, Mike requested that the Receiver file an appeal however, the Receiver refused to do so on the following basis:
 - a. The Receiver did not have money to pursue the appeal.
 - b. The Receiver opined that it had to stay neutral amongst the investors.
37. Mike took exception to the Receiver's position as the agreement retaining the Receiver was based on a fee postponement arrangement as aforesaid. However, as the appeal filing deadline was fast approaching, and on direction from the Receiver, the Plaintiffs Mike Terrigno and Easy Loan Corporation (the "Appellants") filed the appeal for the benefit of all investors seeking to overturn Justice K. Yamauchi decision to disburse the frozen funds in the Bank Account using LIBR instead of the *pro rata ex-post facto* approach.
38. The Appeal was denied, however, the Court of Appeal opined that, had the Receiver filed the appeal on the basis that Justice K. Yamauchi erred by finding a constructive trust as there was Receiver in place and thereby failing to satisfy the 4th part of the *Solus* test, the appeal would have been allowed. The result would have been roughly \$1,085,000 remaining with the Receiver for the benefit of the general body of creditors.
39. The Appellants incurred the following expenses in pursuing the said appeal:
 - i. Legal fees \$71,727
 - ii. filing fee of \$650
 - iii. Transcript fees \$1,080
 - iv. Costs awarded \$8,500
40. On September 22, 2016, after various meetings with Craig and Richard, and Clint Docken QC and Patrick Higgerty QC who were retained by Mike to advise in taking the Titan Proceeding, BDO completed a net winner/loser analysis.
41. The BDO net winner/loser analysis spanned from 2004 to September 2015 ("BDO Titan Analysis") when the Base Finance bank account was frozen by ASC.
42. The BDO Titan Analysis was created not only for purposes of the Titan Proceeding, but also for the appeal of the decision of the Justice Yamauchi.

43. The BDO Titan Analysis was referenced by Richard and the Appellants' legal team during the appeal and it was heavily relied upon in the appeal Yamauchi Decision. The BDO Titan Analysis was sufficiently complete and ready to be used by BDO subject to an investors' claim process.
44. The BDO Titan Analysis was a key feature of the appeal because the appeal of the Yamauchi Decision was filed on the basis that the frozen funds in the Bank Account were sought to be dispersed to all investors on a *pro rata* basis. The BDO Titan Analysis was relied upon as the basis for the appeal as the grounds for the calculation of the *pro rata* distribution.

ROBERT SMYTH

45. The Plaintiffs assert that there was a chose in action against Robert Smyth ("Robert"), legal counsel for the Fraudster by the estate. The chose in action arose from a hearing in the QB Action held before the Honorable Madam Justice Romaine B.E. on August 17, 2016, wherein Robert, stated the following:

The \$192,000 through my trust account... \$82,000 came from the line of credit of Mr. Breitkruets and \$110,000 came from the savings Mr. and Mrs. Breitkruets.... they deposited in my trust account and it was, according to the direction, given back to them in various amounts and money was retained for fees.

46. Robert has been the lawyer of the Fraudster and Base Finance for over 20 years. He was the Fraudster's lawyer when the receivership order was granted, he was served with the receivership order, he disputed the receivership order and was well aware of its terms prior to redirecting the ill-gotten investors funds through his trust account for the Fraudster's use and benefit.
47. In learning about the aforesaid, Mike contacted the receiver to find out what they were going to do about Robert's misconduct and was advised by the Receiver that it would be taking action against Robert. However, no an action was filed against Robert despite numerous discussions between Mike and the Receiver such that Mike understood that the Receiver would be commencing an action.
48. Mike offered to take the assignment of the claim for good and valuable consideration on numerous occasions and it was not until November 2, 2018 when the Receiver advised Mike that it was not in a position to proceed against Robert, but that Mike could proceed with the claim and provided him with an assignment of the claim. Mike's legal team commenced drafting a claim against Robert wherein it became evident that the claim was statute barred as the Receiver discovered the loss/damages at the aforesaid hearing on August 17, 2016. This meant that a good claim became worthless and the estate was unnecessarily dissipated in the amount of \$192,000.
49. In addition to missing the limitation period to file a claim against Robert, the Receiver neglected to take the Titan Proceeding within the limitation period. In the result, although the Titan Proceeding was to be conducted by the Receiver for the benefit of the general body of creditors, the Titan Proceeding cannot now be done resulting in a significant dissipation to the estate and damages to the general body of creditors of the estate.
50. The facts specifically related to the botched Titan Proceeding are as follows:

- a. Discoverability of the Titan Proceeding occurred before October 13, 2015.
- b. On September 27, 2017, the Plaintiffs filed actions against 140 investors seeking an unwinding of the Base Finance bank account.
- c. On October 13, 2017, the Receiver filed an application to establish the Titan Proceeding.
- d. The aforesaid application was not served on anyone and was adjourned sine die. In an email from Richard, he advised that he had filed and adjourned the application to preserve the limitation period. However, by that time the limitation period had already lapsed.
- e. In September and October 2018, as the receiver failed to take the Titan Proceeding within the limitation period, the Plaintiffs (as an act of mitigation), served their claims upon the roughly 140 investors to whom the Plaintiffs funds were traced through the Base Finance bank account.
- f. On October 31, 2018, Richard re-scheduled the October 13, 2017 Titan application for December 15, 2018. However, Richard only served the re-scheduled application to a limited group of about 5 investors' lawyers who represent only about 20 investors.
- g. Sometime between November 2 and November 28, 2018, Richard and Craig were no longer acting for the Receiver.
- h. On November 28, 2018, the receiver's new lawyer, Randal Van de Mosselaer ("Randal"), cancelled the Titan Proceeding that Richard set for December 14, 2018.
- i. Mike advised Randal of the limitation issue. In turn, Randal advised Mike that the Receiver did not take a position with the Plaintiffs' recovery claims and that they were clear to proceed.

NEGLIGENCE CLAIM

51. As a result of the Receiver's actions as set out herein above and summarized as follows:

- a. Failing to appeal the Yamauchi Decision,
- b. Failing to take legal action against Robert, and
- c. Failing to take a Titan Proceeding within the limitation period,

the Plaintiffs claim that the Receiver demonstrated a very marked departure from the standards by which responsible and competent people in such circumstances would have acted or conducted themselves or in a manner such that it knew what it was doing was wrong or was recklessly indifferent in its conduct.

52. The Plaintiffs claim that the Defendant breached a fiduciary duty of care owed to them, the damage of which falls within recognizable limits of remoteness and causation.

53. Paragraph 38 of the Receivership order states:

The Receiver shall incur no personal or corporate liability or obligation as a result of its appointment or the fulfillment of its duties in carrying out the provisions of this Order, save and except for instances of any gross negligence or wilful misconduct on its part.

54. The Plaintiffs claim that the receiver was grossly negligence or acted with wilful misconduct that caused damage to them.
55. Paragraph 3(b) & 3(j) of the Receivership order empowers the Receiver to preserve the Property of the estate, to appeal the Yamauchi Decision, and to take legal action against Robert. The said paragraph states:

3) The Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

b) to receive, preserve, protect and maintain control of the Property, or any part or parts thereof...

j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding, and provided further that nothing in this Order shall authorize the Receiver to defend or settle the action in which this Order is made unless otherwise directed by this Court.

TITAN PROCEEDING

56. Regarding the obligation of the Receiver to take the Titan Proceeding, the Plaintiffs claim that the Receiver agreed, as part of its initial retainer, to take the proceeding. Furthermore, as part of its fiduciary obligations, the Receiver is to consider the interests of all creditors and then act for the benefit of the general body of creditors. The Titan Proceeding benefited the general body of creditors and ought to have been pursued, and was at all times pursued by the Receiver until the limitation issue arose.
57. The Plaintiffs claim that the Titan Proceeding seeks a remedial order as the term is defined under the Limitations Act, RSA 2000, c. L-12 ("Limitations Act").
58. The Plaintiffs state that the Receiver discovered the claim prior to October 13, 2015, and that the Titan Proceeding application filed on October 13, 2017 did not satisfy the filing deadline under the Limitations Act.
59. The Plaintiffs claim damages for their *pro rata* share of the RBC frozen funds regarding the Yamauchi Decision in the estimated amount as follows:

Easy Loan Corporation \$18,000

Mike Terrigno: \$4,000

Barile Investments Inc: 9,000

Darrell Winch: \$4,000

or such further and other amounts as the Plaintiffs may have by obtaining assignments of claims from the general body of creditors of Base Finance or as may be proven at the trial of this action.

60. Regarding the damages incurred due to the missed action against Robert and the subsequent assignment thereof to Mike, Mike claims damages in the amount of \$192,000 or such further and other amounts as may be proven at the trial of this action.
61. Alternatively, the Plaintiffs claim their *pro rata* portion of the aforesaid dissipated amount of \$192,000 as may be proven at the trial of this action.
62. Regarding the Receiver's neglect to file the Titan Proceeding within the timeline imposed under the Limitations Act, the Plaintiffs claims damages as follows
 - a. Easy Loan Corporation \$2,500,000
 - b. Barile Investments Inc. - \$150,000
 - c. Darrell Winch - \$93,000
 - d. Mike Terrigno- \$200,000

BREACH OF CONTRACT

63. Mike and his legal team took steps to assist the receivership for the benefits of the estate and/or the general body of creditors upon the request and/or instruction of the Receiver. The Receiver supported reimbursement for those fees from the estate and acknowledged the assistance of Mike and his counsel in the Receiver's 6th Report (the "Representations"). However, since Craig left the employ of the receiver, the Receiver repudiated this agreement and, in the result, Mike has incurred damages in the approximate amount of \$200,000 due to legal expense incurred for the benefit of the estate and/or the general body of creditors.

MISREPRESENTATION

64. Alternatively, as a result of the Representations of the Receiver to Mike and/or Chris, or other legal representatives of Mike, various steps were taken that benefited the estate and the general body of creditors. This was done at Mike's expense as he incurred significant professional and legal expense that were to be recovered from the estate once funds were deposited into the account of the estate. However,

the Receiver is now denying that it may reimburse these fees and/or is disputing whether they authorized the work and/or whether it was work for the benefit of the estate.

COSTS - CONSEQUENCES FLOWING FROM CONDUCT

65. In addition to the legal and professional fees and expenses incurred by the Plaintiffs, the Plaintiffs continue to incur legal and professional fees to seek redress from the Defendant's actions as hereinabove set out.
66. But for the actions of the Defendant and, in particular the gross negligence, breach of fiduciary duties owed to the Plaintiffs, and breach of contract, none of these proceedings would have been commenced and the Plaintiffs would not have incurred the damages, costs and expenses associated with these proceedings. As a result, the Plaintiffs claims costs on a full indemnity basis, or solicitor client basis or such other basis as this Honorable Court deems fit to grant.

PUNITIVE, EXEMPLARY AND AGGRAVATED DAMAGES

67. As described herein, the conduct of the Defendants is egregious, high-handed, reprehensible and warrants the condemnation of this Court. The Defendant deliberately disregarded its fiduciary obligations to the Plaintiffs and to the general body of creditors, and has done so by focusing on its financial interest instead of its fiduciary duties at the direct expense of the Plaintiffs, the general body of creditors of Base Finance, and the estate.
68. In the circumstances, the misconduct of the Defendant warrants an award of punitive, aggravated or exemplary damages in the amount of \$100,000 or such other amount as this Honorable Court deems fit to grant.

LEGISLATION RELIED UPON

69. The Plaintiffs plead relief under the Bankruptcy and Insolvency Act, RSC 1985, c. B-3, Judicature Act, RSA 2000, c. J-2, Fraudulent Preferences Act, R.S.A. 2000, c. F-24, Civil Enforcement Act, RSA 2000, c. C-15, Business Corporations Act, R.S.A. 2000, c.B-9, Limitations Act, RSA 2000, c L-12 and regulations related thereto.

TIME AND PLACE OF TRIAL

70. The Plaintiffs propose that the trial of this action take place at the Court House in the City of Calgary in the Province of Alberta and that it should not exceed 25days.

REMEDY SOUGHT:

71. Damages for breach of fiduciary duty and gross negligence in the following estimated amounts:

- | | |
|-------------------------|---|
| Easy Loan Corporation - | \$2,500,000 for failing to take the Titan Proceeding |
| | \$18,000 for failing to file and conduct the appeal of the Yamauchi Decision |
| | \$30,000 for failing to take action against Robert or for failing to provide a valid assignment of the claim. |
| | \$200,000 for breach of contract or misrepresentation regarding professional and legal fees incurred that benefited the debtor estate on instruction from the Receiver. |
| <hr/> | |
| Mike Terrigno - | \$200,000 for failing to take the Titan Proceeding |
| | \$192,000 for failing to take action against Robert or for failing to provide a valid assignment of the claim. |
| | \$3,000 for failing to file and conduct the appeal of the Yamauchi Decision |
| <hr/> | |
| Darrell Winch - | \$93,000 for failing to take the Titan Proceeding |
| | \$5,000 for failing to take action against Robert or for failing to make a valid assignment of the claim. |
| | \$3,000 for failing to file and conduct the appeal of the Yamauchi Decision |

or such further and other amounts as may be proven at the trial of this Action.

72. An interim and interlocutory injunction extending until trial or other disposition of this action prohibiting the Defendant, their agents, officers, directors, employees from destroying, altering, or defacing documents relevant to the proceedings herein on such terms and conditions that this Honorable Court permits.
73. As deemed fit by this Honorable Court, relief under the Bankruptcy and Insolvency Act, RSC 1985, c. B-3, Judicature Act, RSA 2000, c. J-2, Fraudulent Preferences Act, R.S.A. 2000, c. F-24, Civil Enforcement Act, RSA 2000, c. C-15, Business Corporations Act, R.S.A. 2000, c.B-9, Limitations Act, RSA 2000, c. L-12 and regulations related thereto.
74. An Order of aggravated, exemplary or punitive damages in the amount of \$100,000 or in such amount as this Honorable Court deems just.
75. Pre and post judgement Interest on all damages pursuant to the Judgment Interest Act, R.S.A. 2000, c. J-1 as amended.
76. Costs on a full indemnity basis, solicitor-client basis or such other basis as this Honorable Court deems fit to grant.

77. Such further and other relief as this Honorable Court deems fit to grant.

NOTICE TO THE DEFENDANT

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

20 days if you are served in Alberta

1 month if you are served outside Alberta but in Canada

2 months if you are served outside Canada

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

WARNING

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

EXHIBIT 5

**To the Receiver's Eighth Report to Court
Dated March 7, 2019**

	Deposited	Received	Net Equity	Net Losser	Net Winner
1117257 Alberta Ltd	-	\$ 470,501.00	\$ 470,501.00	-	\$ 470,501.00
115249 Alberta Ltd	-	\$ 32,640.00	\$ 32,640.00	-	\$ 32,640.00
1315884 Alberta Ltd	-	\$ 264,439.00	\$ 264,439.00	-	\$ 264,439.00
1329351 Alberta Ltd	\$ 51,450.00	-	\$ (51,450.00)	\$ (51,450.00)	-
1518110 Alberta Ltd	\$ 260,000.00	\$ 5,000.00	\$ (255,000.00)	\$ (255,000.00)	-
2115249 Alberta Ltd	-	\$ 2,500.00	\$ 2,500.00	-	\$ 2,500.00
263787 Alberta Ltd	\$ 400,000.00	\$ 345,874.00	\$ (54,126.00)	\$ (54,126.00)	-
274311 Alberta Ltd	\$ 403,050.00	\$ 329,442.00	\$ (73,608.00)	\$ (73,608.00)	-
274333 Alberta Ltd	-	\$ 3,000.00	\$ 3,000.00	-	\$ 3,000.00
337915 Alberta Ltd	\$ 930,000.00	\$ 928,869.00	\$ (1,131.00)	\$ (1,131.00)	-
337975 Alberta Ltd	-	\$ 7,800.00	\$ 7,800.00	-	\$ 7,800.00
404571 Alberta Ltd	-	\$ 415,804.00	\$ 415,804.00	-	\$ 415,804.00
511411 Alberta Ltd	\$ 100,000.00	\$ 12,000.00	\$ (88,000.00)	\$ (88,000.00)	-
562269 Alberta Ltd	-	\$ 145,000.00	\$ 145,000.00	-	\$ 145,000.00
585038 Alberta Ltd	\$ 500,000.00	\$ 181,390.00	\$ (318,610.00)	\$ (318,610.00)	-
635042 Alberta Ltd.	-	\$ 225,244.00	\$ 225,244.00	-	\$ 225,244.00
691842 Alberta Ltd	\$ 500,000.00	-	\$ (500,000.00)	\$ (500,000.00)	-
697842 Alberta Ltd	\$ 975,000.00	\$ 93,771.00	\$ (881,229.00)	\$ (881,229.00)	-
697844 Alberta Ltd	-	\$ 42,000.00	\$ 42,000.00	-	\$ 42,000.00
706850 Alberta Ltd	\$ 1,200.00	\$ 150,242.00	\$ 149,042.00	-	\$ 149,042.00
706875 Alberta Ltd	\$ 1,350.00	-	\$ (1,350.00)	\$ (1,350.00)	-
775464 Alberta Ltd	\$ 100,000.00	\$ 110,483.00	\$ 10,483.00	-	\$ 10,483.00
786025 Alberta Ltd	\$ 550,000.00	\$ 359,995.00	\$ (190,005.00)	\$ (190,005.00)	-
811052 Alberta Ltd	-	\$ 166,000.00	\$ 166,000.00	-	\$ 166,000.00
81117257 AB Ltd	-	\$ 3,000.00	\$ 3,000.00	-	\$ 3,000.00
854366 Alberta Ltd	\$ 1,027.74	-	\$ (1,027.74)	\$ (1,027.74)	-
903838 Alberta Ltd	-	\$ 47,698.00	\$ 47,698.00	-	\$ 47,698.00
911827 Alberta Ltd	\$ 800,000.00	\$ 1,319,420.00	\$ 519,420.00	-	\$ 519,420.00

940911 Alberta Ltd	\$	680,000.00	\$	231,000.00	\$	(449,000.00)	\$	-
960097 Alberta Ltd	\$	250,000.00	\$	329,808.00	\$	79,808.00	\$	79,808.00
Aaron Tri Services	\$	-	\$	175,524.00	\$	175,524.00	\$	175,524.00
Adams	\$	-	\$	11,575.00	\$	11,575.00	\$	11,575.00
Adana	\$	30,000.00	\$	-	\$	(30,000.00)	\$	-
Ahins-Bao-Go	\$	482.00	\$	-	\$	(482.00)	\$	-
Aiello	\$	975,000.00	\$	155,415.00	\$	(819,585.00)	\$	-
Aitken	\$	150.00	\$	-	\$	(150.00)	\$	-
Aitken	\$	-	\$	17,167.00	\$	17,167.00	\$	17,167.00
Akins	\$	880.00	\$	221.00	\$	(659.00)	\$	-
Alberta Streamwatch Conservation	\$	(92,098.00)	\$	-	\$	92,098.00	\$	92,098.00
Allan Forrest Sales Ltd	\$	600,000.00	\$	941,805.00	\$	341,805.00	\$	341,805.00
Allision	\$	10,000.00	\$	49,072.00	\$	39,072.00	\$	39,072.00
Altizer	\$	125,000.00	\$	13,139.00	\$	(111,861.00)	\$	-
Anderson	\$	-	\$	1,589,995.00	\$	1,589,995.00	\$	1,589,995.00
Anderson	\$	-	\$	50,000.00	\$	50,000.00	\$	50,000.00
Armco Holdings Ltd	\$	-	\$	805,480.00	\$	805,480.00	\$	805,480.00
Armstrong	\$	150,000.00	\$	67,696.00	\$	(82,304.00)	\$	-
Armstrong	\$	-	\$	180,425.00	\$	180,425.00	\$	180,425.00
Armstrong	\$	-	\$	22,933.00	\$	22,933.00	\$	22,933.00
Arthur P Fishman Studios	\$	150,000.00	\$	409,000.00	\$	259,000.00	\$	259,000.00
Asmundson	\$	730.00	\$	100.00	\$	(630.00)	\$	-
B Ruffo Holdings Ltd	\$	-	\$	169,050.00	\$	169,050.00	\$	169,050.00
Ballard	\$	340,582.00	\$	696,377.00	\$	355,795.00	\$	355,795.00
Banks	\$	35,000.00	\$	9,878.00	\$	(25,122.00)	\$	-
Barile's Investments Ltd	\$	-	\$	16,767.00	\$	16,767.00	\$	16,767.00
Barrie	\$	30,000.00	\$	78,354.00	\$	48,354.00	\$	48,354.00
Barrie Inv	\$	150,000.00	\$	-	\$	(150,000.00)	\$	-
Basant	\$	1,100,000.00	\$	56,506.00	\$	(1,043,494.00)	\$	-
Bazant	\$	125,000.00	\$	6,905.70	\$	(118,094.30)	\$	-
Bazant	\$	695,000.00	\$	152,428.00	\$	(542,572.00)	\$	-

Beaudoin	John/Jones/Diane	\$ -	\$ 141,485.00	\$ 141,485.00	\$ -	\$ 141,485.00
Bed	Robert Carl	\$ -	\$ 6,931.18	\$ 6,931.18	\$ -	\$ 6,931.18
Bennett	Allanah or Barry	\$ 130,000.00	\$ 113,107.00	\$ (16,893.00)	\$ -	\$ -
Bennington Advisors Inc		\$ 125,000.00	\$ 144,285.00	\$ 19,285.00	\$ -	\$ 19,285.00
Berko	Avril or Greg	\$ -	\$ 136,500.00	\$ 136,500.00	\$ -	\$ 136,500.00
Binder	Walter	\$ -	\$ 85,250.00	\$ 85,250.00	\$ -	\$ 85,250.00
Bischof	F	\$ 100,000.00	\$ -	\$ (100,000.00)	\$ (100,000.00)	\$ -
Bizzotto	Norma or Angelo	\$ 30,000.00	\$ 6,000.00	\$ (24,000.00)	\$ (24,000.00)	\$ -
Blazer	Sonja	\$ -	\$ 6,000.00	\$ 6,000.00	\$ -	\$ 6,000.00
Bobrow	Stanley	\$ -	\$ 2,100.00	\$ 2,100.00	\$ -	\$ 2,100.00
Bobrow	Dan or Deborah	\$ -	\$ 25,778.00	\$ 25,778.00	\$ -	\$ 25,778.00
Bolander	Wes	\$ -	\$ 23,500.00	\$ 23,500.00	\$ -	\$ 23,500.00
Bolli	Brian or Nancy	\$ 100,000.00	\$ 338,420.00	\$ 238,420.00	\$ -	\$ 238,420.00
Bombardieri	Caurino or Bessie	\$ 470,000.00	\$ 197,870.00	\$ (272,130.00)	\$ (272,130.00)	\$ -
Boon	Edward or Virginia	\$ 150,000.00	\$ 186,342.00	\$ 36,342.00	\$ -	\$ 36,342.00
Borbridge	Al or Norma	\$ -	\$ 45,125.00	\$ 45,125.00	\$ -	\$ 45,125.00
Borisenko	Ed or Iris	\$ 60,000.00	\$ 38,700.00	\$ (21,300.00)	\$ (21,300.00)	\$ -
Boules		\$ 100,000.00	\$ -	\$ (100,000.00)	\$ (100,000.00)	\$ -
Bowles	C	\$ 9,000.00	\$ -	\$ (9,000.00)	\$ (9,000.00)	\$ -
Bowles	Dawn or Irv	\$ 550,000.00	\$ 819,545.00	\$ 269,545.00	\$ -	\$ 269,545.00
Bowles	F	\$ 11,000.00	\$ -	\$ (11,000.00)	\$ (11,000.00)	\$ -
Bowman	Kay	\$ -	\$ 150.00	\$ 150.00	\$ -	\$ 150.00
Braid	Mary	\$ 140,000.00	\$ 39,700.00	\$ (100,300.00)	\$ (100,300.00)	\$ -
Brencorp Ltd		\$ 900,000.00	\$ 110,916.00	\$ (789,084.00)	\$ (789,084.00)	\$ -
Bridges	Helen	\$ 95,000.00	\$ 226,376.00	\$ 131,376.00	\$ -	\$ 131,376.00
Bridges	Scott	\$ 20,000.00	\$ 88,912.00	\$ 68,912.00	\$ -	\$ 68,912.00
Brockmeyer	Holly	\$ -	\$ 121,477.00	\$ 121,477.00	\$ -	\$ 121,477.00
Brown	Barry or Diane	\$ 100,000.00	\$ 57,306.00	\$ (42,694.00)	\$ (42,694.00)	\$ -
Bruce	Barton	\$ 600,000.00	\$ 649,981.00	\$ 49,981.00	\$ -	\$ 49,981.00
Bruce	Vivian	\$ -	\$ 22,156.00	\$ 22,156.00	\$ -	\$ 22,156.00
Bryanton	Carl or Esther	\$ 50,000.00	\$ 25,097.00	\$ (24,903.00)	\$ (24,903.00)	\$ -
Bullard	MaryAnn or Garry	\$ -	\$ 37,110.00	\$ 37,110.00	\$ -	\$ 37,110.00
Bumphrey	Cheryl or Rick	\$ 150,000.00	\$ 35,000.00	\$ (115,000.00)	\$ (115,000.00)	\$ -

Burns	Jean or Ken	-	\$	359,358.00	\$	359,358.00	\$	-	\$	359,358.00
Burt Consulting & Development		(78,750.00)	\$		\$	78,750.00	\$	-	\$	78,750.00
C. Red (Pitt)		-	\$	327,893.00	\$	327,893.00	\$	-	\$	327,893.00
Cahoon	Harlan or Jane	-	\$	37,520.00	\$	37,520.00	\$	-	\$	37,520.00
Cahoon	Kyli	-	\$	34,612.00	\$	34,612.00	\$	-	\$	34,612.00
Calgary Aggregate		1,150,000.00	\$	153,133.00	\$	(996,867.00)	\$	(996,867.00)	\$	-
Cameron	Brett	300,000.00	\$	82,833.00	\$	(217,167.00)	\$	(217,167.00)	\$	-
Campbell	Tom	-	\$	17,000.00	\$	17,000.00	\$	-	\$	17,000.00
Campbell	Michener or Lee	-	\$	69,625.00	\$	69,625.00	\$	-	\$	69,625.00
Camponi	Dean	50,000.00	\$	5,667.00	\$	(44,333.00)	\$	(44,333.00)	\$	-
Camponi	Helena	50,000.00	\$	27,611.00	\$	(22,389.00)	\$	(22,389.00)	\$	-
Camponi	Vic or Ann	-	\$	179,329.00	\$	179,329.00	\$	-	\$	179,329.00
Cardiff	Gary	-	\$	100.00	\$	100.00	\$	-	\$	100.00
Cat	Jill	-	\$	14,458.40	\$	14,458.40	\$	-	\$	14,458.40
Cathy Foster "In Trust"		-	\$	7,500.00	\$	7,500.00	\$	-	\$	7,500.00
Caton	William or Sophie	75,000.00	\$	5,312.00	\$	(69,688.00)	\$	(69,688.00)	\$	-
Celestial Bld		100,000.00	\$	-	\$	(100,000.00)	\$	(100,000.00)	\$	-
Chen	Hui Zhu	-	\$	26,255.00	\$	26,255.00	\$	-	\$	26,255.00
Chomyn	Gary or Jane	140,000.00	\$	70,333.00	\$	(69,667.00)	\$	(69,667.00)	\$	-
Citizens Bk		50,000.00	\$	-	\$	(50,000.00)	\$	(50,000.00)	\$	-
City Frame & Woodworking Co		500,000.00	\$		\$	(416,788.00)	\$	(416,788.00)	\$	-
		83,212.00	\$		\$	(100,000.00)	\$	(100,000.00)	\$	-
Clark	Jennifer L	100,000.00	\$	-	\$	(100,000.00)	\$	-	\$	-
Clarke	Brian or Barb	350,000.00	\$	725,487.00	\$	375,487.00	\$	-	\$	375,487.00
Clean Up Doctor Ltd		125,000.00	\$	138,750.00	\$	13,750.00	\$	-	\$	13,750.00
Clem's Holdings Ltd.		1,000,000.00	\$	1,027,980.00	\$	27,980.00	\$	-	\$	27,980.00
Coldwell	Sydney John	-	\$	163,875.00	\$	163,875.00	\$	-	\$	163,875.00
Coldwell Holdings		1,775,000.00	\$	1,455,313.00	\$	(319,687.00)	\$	(319,687.00)	\$	-
Comtois	Marie	-	\$	30,000.00	\$	30,000.00	\$	-	\$	30,000.00
Comtois	Robert	1,300,000.00	\$	1,568,769.00	\$	268,769.00	\$	-	\$	268,769.00
Comtois	Shane	200,000.00	\$	170,094.00	\$	(29,906.00)	\$	(29,906.00)	\$	-
Cook	Bruce or Vanessa	200,000.00	\$	185,792.00	\$	(14,208.00)	\$	(14,208.00)	\$	-

Cote	Monique	\$	1,792.00	\$	1,792.00	\$	-	\$	-	1,792.00
Crackers Promotions		\$	195,000.00	\$	-	\$	(195,000.00)	\$	(195,000.00)	-
Craven	Diane	\$	50,000.00	\$	13,028.00	\$	(36,972.00)	\$	(36,972.00)	-
Creemers	Hans	\$	-	\$	4,350.00	\$	4,350.00	\$	-	4,350.00
Creemers & Elliott Professional Corp		500,000.00								
		110,785.00								
Curry	Joyce	\$	300,000.00	\$	136,500.00	\$	(163,500.00)	\$	(163,500.00)	-
Dalyka Ventures Ltd		\$	-	\$	105,918.00	\$	105,918.00	\$	-	105,918.00
Dana Dow Jewellers Ltd		\$	200,000.00	\$	224,805.00	\$	24,805.00	\$	-	24,805.00
Daner	Mac	\$	1,028.00	\$	-	\$	(1,028.00)	\$	(1,028.00)	-
Davies	John	\$	200,000.00	\$	91,056.00	\$	(108,944.00)	\$	(108,944.00)	-
Davies	Kim or Leslie	\$	355,000.00	\$	125,299.00	\$	(229,701.00)	\$	(229,701.00)	-
Davies	Lillian	\$	-	\$	120,000.00	\$	120,000.00	\$	-	120,000.00
Dean-Milino	Connie	\$	1,581,000.00	\$	1,137,278.00	\$	(443,722.00)	\$	(443,722.00)	-
Deheer	Petronella	\$	40,000.00	\$	87,861.00	\$	47,861.00	\$	-	47,861.00
Deines	Al or Sharon	\$	250,000.00	\$	700,185.00	\$	450,185.00	\$	-	450,185.00
Deines	Ron or Sylvia	\$	-	\$	539,668.00	\$	539,668.00	\$	-	539,668.00
Denis	Al or Kim	\$	-	\$	305,878.00	\$	305,878.00	\$	-	305,878.00
Denis	Mason	\$	130,000.00	\$	1,019.00	\$	(128,981.00)	\$	(128,981.00)	-
Dennison	Dean	\$	545,000.00	\$	150.00	\$	(544,850.00)	\$	(544,850.00)	-
Denoon	Barbara	\$	1,530,000.00	\$	3,807,979.00	\$	2,277,979.00	\$	-	2,277,979.00
Denoon	Karley	\$	200,000.00	\$	210,222.00	\$	10,222.00	\$	-	10,222.00
Denoon	N/B	\$	300,000.00	\$	-	\$	(300,000.00)	\$	(300,000.00)	-
Denoon	Norm	\$	1,900,000.00	\$	1,701,940.00	\$	(198,060.00)	\$	(198,060.00)	-
Denoon	Phyllis or Stan	\$	50,000.00	\$	172,000.00	\$	122,000.00	\$	-	122,000.00
Denoon	S/B	\$	500,000.00	\$	-	\$	(500,000.00)	\$	(500,000.00)	-
Denoon		\$	100,000.00	\$	-	\$	(100,000.00)	\$	(100,000.00)	-
DFW		\$	60,000.00	\$	-	\$	(60,000.00)	\$	(60,000.00)	-
Don McMullen Equipment Ltd		\$	(210,333.00)	\$		\$	210,333.00	\$	-	210,333.00
Dondrian Diversified Sales		\$	(12,000.00)	\$		\$	12,000.00	\$	-	12,000.00
Donnison	Dean	\$	-	\$	3,500.00	\$	3,500.00	\$	-	3,500.00
D'Orazio	Valentino or Bibian	\$	100,000.00	\$	5,069.00	\$	(94,931.00)	\$	(94,931.00)	-
Dorchak	John or Susan	\$	325,000.00	\$	212,856.00	\$	(112,144.00)	\$	(112,144.00)	-
Douglas	James Allan	\$	200,000.00	\$	721,604.00	\$	521,604.00	\$	-	521,604.00

Douglas	Scott or Netta	\$ -	\$ 342,208.00	\$ 342,208.00	\$ -	\$ -	\$ 342,208.00
Doutre	Alec	\$ 100,000.00	\$ 123,694.00	\$ 23,694.00	\$ -	\$ -	\$ 23,694.00
Dow	Clair L.	\$ 365,000.00	\$ 1,402,258.00	\$ 1,037,258.00	\$ -	\$ -	\$ 1,037,258.00
Dowe	Carol or Fred	\$ 1,480,000.00	\$ 30,697.00	\$ (1,449,303.00)	\$ (1,449,303.00)	\$ -	\$ -
Drabinsky	Lorne	\$ -	\$ 40,347.00	\$ 40,347.00	\$ -	\$ -	\$ 40,347.00
Drabinsky	Sara	\$ 360,000.00	\$ 24,938.00	\$ (335,062.00)	\$ (335,062.00)	\$ -	\$ -
Drabinsky	Zena	\$ -	\$ 117,526.00	\$ 117,526.00	\$ -	\$ -	\$ 117,526.00
Drazinsky		\$ 214,000.00	\$ -	\$ (214,000.00)	\$ (214,000.00)	\$ -	\$ -
DTIG Inc		\$ -	\$ 802,903.00	\$ 802,903.00	\$ -	\$ -	\$ 802,903.00
E. W. Trella Manufacturing		150,000.00		\$ 676,153.00	\$ -	\$ -	\$ 676,153.00
Easy Loan Corporation	(note 1)	\$ 8,902,000.00	\$ 7,001,842.12	\$ (1,900,157.88)	\$ (1,900,157.88)	\$ -	\$ -
Edgar	Rosemarie	\$ 115,000.00	\$ 341,016.00	\$ 226,016.00	\$ -	\$ -	\$ 226,016.00
Eric	David	18,000.00		\$ (18,000.00)	\$ (18,000.00)	\$ -	\$ -
Estate of Albert		\$ -	\$ 30,000.00	\$ 30,000.00	\$ -	\$ -	\$ 30,000.00
Estate of Ruth Rasmussen		\$ (59,514.00)		\$ 59,514.00	\$ -	\$ -	\$ 59,514.00
Evans	Rick or Carol	\$ 325,000.00	\$ 136,623.00	\$ (188,377.00)	\$ (188,377.00)	\$ -	\$ -
Eykelenboom	Hans or Maureen	\$ 392,500.00	\$ 123,173.00	\$ (269,327.00)	\$ (269,327.00)	\$ -	\$ -
Farn	Ken	\$ -	\$ 159,750.00	\$ 159,750.00	\$ -	\$ -	\$ 159,750.00
Farn	Patricia	\$ 115,000.00	\$ 167,083.00	\$ 52,083.00	\$ -	\$ -	\$ 52,083.00
Feil	Art or Nadia	\$ -	\$ 321,333.00	\$ 321,333.00	\$ -	\$ -	\$ 321,333.00
Firkus	Joan	\$ -	\$ 21,900.00	\$ 21,900.00	\$ -	\$ -	\$ 21,900.00
Fishman	Nancy	\$ -	\$ 16,250.00	\$ 16,250.00	\$ -	\$ -	\$ 16,250.00
Fitzgerald	Darlene	\$ 100,000.00	\$ 5,306.00	\$ (94,694.00)	\$ (94,694.00)	\$ -	\$ -
Fleming	Ana Marie	\$ -	\$ 16,111.00	\$ 16,111.00	\$ -	\$ -	\$ 16,111.00
Fleming	D/A	\$ 100,000.00	\$ -	\$ (100,000.00)	\$ (100,000.00)	\$ -	\$ -
Fleming	James	\$ -	\$ 31,500.00	\$ 31,500.00	\$ -	\$ -	\$ 31,500.00
Fleming	Jim	\$ 30,000.00	\$ 7,525.00	\$ (22,475.00)	\$ (22,475.00)	\$ -	\$ -
Fonteynf	D	\$ 100,000.00	\$ -	\$ (100,000.00)	\$ (100,000.00)	\$ -	\$ -
Forbes	Kathleen	\$ 190,000.00	\$ 44,100.00	\$ (145,900.00)	\$ (145,900.00)	\$ -	\$ -
Formac Investments Ltd		\$ 75,000.00	\$ 87,125.00	\$ 12,125.00	\$ -	\$ -	\$ 12,125.00
Forrest	A.	\$ 1,150,500.00	\$ -	\$ (1,150,500.00)	\$ (1,150,500.00)	\$ -	\$ -
Fortini	Adele or Mario	\$ 32,000.00	\$ 94,643.00	\$ 62,643.00	\$ -	\$ -	\$ 62,643.00
Fortini	Luciana or Ada	\$ 15,000.00	\$ 20,960.00	\$ 5,960.00	\$ -	\$ -	\$ 5,960.00

Fortini	Peter or Piera	-	\$	195,742.00	\$	195,742.00	\$	-	\$	195,742.00
Foster	Gordon	\$	100,000.00	\$	51,653.00	\$	(48,347.00)	\$		-
Foster, Cathy "In Trust"		-	\$	99,122.00	\$	99,122.00	\$	-	\$	99,122.00
Fralick	Raymond	-	\$	2,569.00	\$	2,569.00	\$	-	\$	2,569.00
Franjon Excavating & Trucking Ltd		\$	225,000.00	\$	114,300.00	\$	(110,700.00)	\$		-
Fredlund	Keith	-	\$	10,615.00	\$	10,615.00	\$	-	\$	10,615.00
Frei	Roger or Angelina	\$	125,000.00	\$	76,722.00	\$	(48,278.00)	\$		-
Frelund	Peggy	-	\$	52,500.00	\$	52,500.00	\$	-	\$	52,500.00
Friday National & Associates Inc		\$	100,000.00	\$	123,875.00	\$	23,875.00	\$		23,875.00
Frost	Joy	\$	10,000.00	\$	32,948.00	\$	22,948.00	\$		22,948.00
Fulton	David	\$	180,000.00	\$	65,384.00	\$	(114,616.00)	\$		-
Gandalf's Service		\$	57,893.96	\$	-	\$	(57,893.96)	\$		-
Gart	Elena	-	\$	273,485.00	\$	273,485.00	\$	-	\$	273,485.00
GCG Holdings Corp		-	\$	126,209.00	\$	126,209.00	\$	-	\$	126,209.00
George	Michael	\$	125,000.00	\$	15,000.00	\$	(110,000.00)	\$		-
George Merynn Projects		-	\$	1,060.00	\$	1,060.00	\$	-	\$	1,060.00
Gerdits	Janice	-	\$	322,712.00	\$	322,712.00	\$	-	\$	322,712.00
Gerdits	Rosemary	-	\$	1,995,706.00	\$	1,995,706.00	\$	-	\$	1,995,706.00
Gerdts	N	\$	615,000.00	\$	-	\$	(615,000.00)	\$		-
Gerdts	Robert	\$	1,500,000.00	\$	5,000.00	\$	(1,495,000.00)	\$		-
Gerdts	Walter	\$	1,550,000.00	\$	1,509,396.00	\$	(40,604.00)	\$		-
Gerrard	Gail or Ken	-	\$	133,003.00	\$	133,003.00	\$	-	\$	133,003.00
Gesell	Alan or Nina	\$	50,000.00	\$	834.00	\$	(49,166.00)	\$		-
Gesell	Erika or Max	\$	60,000.00	\$	395,589.00	\$	335,589.00	\$		335,589.00
Gesell	F	\$	200,000.00	\$	-	\$	(200,000.00)	\$		-
Gesell	W/A	\$	475,000.00	\$	-	\$	(475,000.00)	\$		-
Gething	Al or Ella	\$	160,000.00	\$	173,889.00	\$	13,889.00	\$		13,889.00
Gillespie	Judy	-	\$	15,330.00	\$	15,330.00	\$	-	\$	15,330.00
Gillis	Leo	-	\$	362.00	\$	362.00	\$	-	\$	362.00
Glenn	Greg or Roxanne	\$	200,000.00	\$	2,528.00	\$	(197,472.00)	\$		-
Graff	Elma or Emil	-	\$	95,896.00	\$	95,896.00	\$	-	\$	95,896.00
Graham	Victoria	\$	70,000.00	\$	83,669.00	\$	13,669.00	\$		13,669.00
Grant	Marie J.	\$	125,000.00	\$	31,513.00	\$	(93,487.00)	\$		-

Graves	Gray or Susan		\$	\$	160,564.00	\$	160,564.00	\$	-	\$	-	160,564.00
	Great West Feeds Ltd	\$	1,870,000.00	\$	1,497,995.00	\$	(372,005.00)	\$	(372,005.00)	\$	-	-
	Greenline Survey and Mapping Ltd	\$	1,000,000.00	\$	253,888.00	\$	(746,112.00)	\$	(746,112.00)	\$	-	-
	Grinman			\$	611,130.00	\$	611,130.00	\$	-	\$	-	611,130.00
	Grinman			\$	56,000.00	\$	56,000.00	\$	-	\$	-	56,000.00
	Grondives			\$	677.78	\$	677.78	\$	-	\$	-	677.78
	Gruszecki	\$	417,500.00	\$	49,571.00	\$	(367,929.00)	\$	(367,929.00)	\$	-	-
	Gruszecki			\$	35,000.00	\$	35,000.00	\$	-	\$	-	35,000.00
	Gruszecki	\$	37,500.00	\$	23,061.00	\$	(14,439.00)	\$	(14,439.00)	\$	-	-
	GSE Scale Systems	\$	360,000.00	\$	371,110.00	\$	11,110.00	\$	-	\$	-	11,110.00
	Guadagnin	\$	102,000.00	\$	19,895.00	\$	(82,105.00)	\$	(82,105.00)	\$	-	-
	Guittner/NGS Asset/Woods	\$	2,850,000.00	\$	221,375.00	\$	(2,628,625.00)	\$	(2,628,625.00)	\$	-	-
	Hackman	\$	100,000.00	\$	671,546.00	\$	571,546.00	\$	-	\$	-	571,546.00
	Halcrow	\$	280,000.00	\$	354,347.00	\$	74,347.00	\$	-	\$	-	74,347.00
	Hancock			\$	122,128.00	\$	122,128.00	\$	-	\$	-	122,128.00
	Hanish			\$	100.00	\$	100.00	\$	-	\$	-	100.00
	Hans Peter Cremers Prof. Corp			\$	37,000.00	\$	37,000.00	\$	-	\$	-	37,000.00
	Harbidon	\$	550.00	\$	-	\$	(550.00)	\$	(550.00)	\$	-	-
	Harbison	\$	350,000.00	\$	1,215,313.00	\$	865,313.00	\$	-	\$	-	865,313.00
	Harhmon			\$	100,000.00	\$	100,000.00	\$	-	\$	-	100,000.00
	Harrison	\$	100,000.00	\$	32,000.00	\$	(68,000.00)	\$	(68,000.00)	\$	-	-
	Harvey, Joanne "in Trust"			\$	100,000.00	\$	100,000.00	\$	-	\$	-	100,000.00
	Hedlund			\$	55,980.00	\$	55,980.00	\$	-	\$	-	55,980.00
	Hedlund	\$	70,000.00	\$	-	\$	(70,000.00)	\$	(70,000.00)	\$	-	-
	Heine	\$	50,000.00	\$	-	\$	(50,000.00)	\$	(50,000.00)	\$	-	-
	Hertz			\$	35,000.00	\$	35,000.00	\$	-	\$	-	35,000.00
	Hockaday			\$	57,220.00	\$	57,220.00	\$	-	\$	-	57,220.00
	Hoffman	\$	493,977.20	\$	-	\$	(493,977.20)	\$	(493,977.20)	\$	-	-
	Holderbein	\$	10,000.00	\$	20,000.00	\$	10,000.00	\$	-	\$	-	10,000.00
	Houle	\$	30,000.00	\$	271,717.00	\$	241,717.00	\$	-	\$	-	241,717.00
	Houssian			\$	617,305.00	\$	617,305.00	\$	-	\$	-	617,305.00
	Hunter			\$	131,170.00	\$	131,170.00	\$	-	\$	-	131,170.00
	Investissement Adma Inc.	\$	2,383,000.00	\$	2,244,369.00	\$	(138,631.00)	\$	(138,631.00)	\$	-	-

Irwin	Ellen or John	\$	250,000.00	\$	471,919.00	\$	221,919.00	\$	-	\$	221,919.00
Isaac	Kay	\$	-	\$	192,000.00	\$	192,000.00	\$	-	\$	192,000.00
Jack	Elizabeth	\$	-	\$	10,111.00	\$	10,111.00	\$	-	\$	10,111.00
Jack	F	\$	200,000.00	\$	-	\$	(200,000.00)	\$	(200,000.00)	\$	-
Jackson	Joan Nonie	\$	50,000.00	\$	13,833.00	\$	(36,167.00)	\$	(36,167.00)	\$	-
Jackson	N	\$	50,000.00	\$	-	\$	(50,000.00)	\$	(50,000.00)	\$	-
Jacob Holdings or Bernice Smit		100,000.00		\$		\$	1,441,290.00	\$	-	\$	1,441,290.00
		1,541,290.00		\$		\$		\$		\$	
Jakubec	Albert	\$	550,000.00	\$	63,208.00	\$	(486,792.00)	\$	(486,792.00)	\$	-
Janman	Barb or Bill	\$	1,890,000.00	\$	1,356,137.00	\$	(533,863.00)	\$	(533,863.00)	\$	-
Janman	R	\$	130,000.00	\$	-	\$	(130,000.00)	\$	(130,000.00)	\$	-
Jantz, Wes "In Trust"		\$	-	\$	15,317.00	\$	15,317.00	\$	-	\$	15,317.00
Jaroc Holdings	(note 2)	\$	5,563,066.62	\$	-	\$	(5,563,066.62)	\$	(5,563,066.62)	\$	-
Jasper Construction Services		\$	(228,646.00)	\$		\$	228,646.00	\$	-	\$	228,646.00
Jones	Erene	\$	125,000.00	\$	586,760.00	\$	461,760.00	\$	-	\$	461,760.00
Jones	Mark	\$	50,000.00	\$	-	\$	(50,000.00)	\$	(50,000.00)	\$	-
Jones	Norm	\$	100,000.00	\$	593,112.00	\$	493,112.00	\$	-	\$	493,112.00
Joslin		\$	100,000.00	\$		\$	(100,000.00)	\$	(100,000.00)	\$	-
Jubenville	Marcia	\$	-	\$	232,000.00	\$	232,000.00	\$	-	\$	232,000.00
Jubenville	Jack	\$	150,000.00	\$	150.00	\$	(149,850.00)	\$	(149,850.00)	\$	-
Jubilee Sports		\$	140,000.00	\$	-	\$	(140,000.00)	\$	(140,000.00)	\$	-
Kaidyn Holdings Ltd		\$	125,000.00	\$	71,250.00	\$	(53,750.00)	\$	(53,750.00)	\$	-
Kay	Cheryl	\$	-	\$	420.00	\$	420.00	\$	-	\$	420.00
KDW Property Management Ltd		\$	-	\$	7,311.00	\$	7,311.00	\$	-	\$	7,311.00
Kennedy	Al	\$	-	\$	78,265.00	\$	78,265.00	\$	-	\$	78,265.00
Kenrae Investments Ltd		\$	100,000.00	\$	386,709.00	\$	286,709.00	\$	-	\$	286,709.00
Kerunsky	Glen	\$	-	\$	536,000.00	\$	536,000.00	\$	-	\$	536,000.00
Killick	John or Sonia	\$	150,000.00	\$	30,074.00	\$	(119,926.00)	\$	(119,926.00)	\$	-
Kint	Dale or Sharon	\$	-	\$	4,500.00	\$	4,500.00	\$	-	\$	4,500.00
Kits	M	\$	16,500.00	\$		\$	(16,500.00)	\$	(16,500.00)	\$	-
Kleiber	Grant	\$	-	\$	38,526.00	\$	38,526.00	\$	-	\$	38,526.00
Klint	Bruce or Gwen	\$	205,000.00	\$	217,313.00	\$	12,313.00	\$	-	\$	12,313.00
Klint	Dale or Sharon	\$	-	\$	105,793.00	\$	105,793.00	\$	-	\$	105,793.00
Klint	Kimberley	\$	-	\$	13,494.80	\$	13,494.80	\$	-	\$	13,494.80

Knodel	Ellen	-	\$	150,333.00	\$	150,333.00	\$	-	\$	150,333.00
Kochneh	Lorne	-	\$	150.00	\$	150.00	\$	-	\$	150.00
Kochorek	Lorne or Diane	\$	175,000.00	\$	420,500.00	\$	245,500.00	\$	-	245,500.00
Kochorek	Shelly	-	\$	49,125.00	\$	49,125.00	\$	-	\$	49,125.00
Kochorek		\$	200,000.00	\$	-	\$	(200,000.00)	\$	(200,000.00)	-
Kothorer		\$	525.00	\$	-	\$	(525.00)	\$	(525.00)	-
Kostashuk	George or Shirley	-	\$	23,728.00	\$	23,728.00	\$	-	\$	23,728.00
Koza	George or Janice	-	\$	13,460.00	\$	13,460.00	\$	-	\$	13,460.00
Krill	Elizabeth	-	\$	4,600.00	\$	4,600.00	\$	-	\$	4,600.00
Kubiste	Fred or Catherine	\$	415,000.00	\$	464,282.00	\$	49,282.00	\$	-	49,282.00
Kuelker	Clem or Theresa	\$	500,000.00	\$	454,872.00	\$	(45,128.00)	\$	(45,128.00)	-
Lancaster	Richard	-	\$	208,850.00	\$	208,850.00	\$	-	\$	208,850.00
Lancaster	Rick	-	\$	5,250.00	\$	5,250.00	\$	-	\$	5,250.00
Lancaster Partners Inc		\$	325,000.00	\$	30,675.00	\$	(294,325.00)	\$	(294,325.00)	-
Lang	Don	-	\$	236,674.00	\$	236,674.00	\$	-	\$	236,674.00
Lang	Doug or Phyllis	-	\$	42,111.00	\$	42,111.00	\$	-	\$	42,111.00
Lang	Elaine	-	\$	172,531.00	\$	172,531.00	\$	-	\$	172,531.00
Lang	Jonathan	-	\$	21,000.00	\$	21,000.00	\$	-	\$	21,000.00
Langford	Bill or Marie	\$	320,000.00	\$	40,784.00	\$	(279,216.00)	\$	(279,216.00)	-
Larry Revitt Professional Corp.		\$	240,000.00	\$	14,339.00	\$	(225,661.00)	\$	(225,661.00)	-
Lauder	J	\$	150,000.00	\$	-	\$	(150,000.00)	\$	(150,000.00)	-
Lawdon Acres Ltd		\$	350,000.00	\$	1,084,980.00	\$	734,980.00	\$	-	734,980.00
Legend Marketing Ltd.		\$	675,000.00	\$	1,487,260.00	\$	812,260.00	\$	-	812,260.00
LeMay	Beverly	-	\$	19,500.00	\$	19,500.00	\$	-	\$	19,500.00
Lillo	Harry or Rosalie	\$	150,000.00	\$	53,150.00	\$	(96,850.00)	\$	(96,850.00)	-
Lis	Catherine or Leslie	\$	400,000.00	\$	154,300.00	\$	(245,700.00)	\$	(245,700.00)	-
Lunde	Lee	-	\$	32,893.00	\$	32,893.00	\$	-	\$	32,893.00
Macdonald	David or Denise	\$	350,000.00	\$	167,425.00	\$	(182,575.00)	\$	(182,575.00)	-
MacLean	Sharon	-	\$	11,000.00	\$	11,000.00	\$	-	\$	11,000.00
Macleod	James A.	\$	417,500.00	\$	187,145.00	\$	(230,355.00)	\$	(230,355.00)	-
MacPherson	Heather	\$	100,000.00	\$	15,000.00	\$	(85,000.00)	\$	(85,000.00)	-
Mald & Kechoe & FF LD		\$	18,050.00	\$	-	\$	(18,050.00)	\$	(18,050.00)	-

Maldaner	James		\$	51,375.00	\$	51,375.00	\$	51,375.00	\$	-	\$	51,375.00
Maldaner	Jim	\$	3,066.00	\$	80,733.00	\$	77,667.00	\$		-	\$	77,667.00
Maldaner	Mary Ann		\$	12,180.00	\$	12,180.00	\$	12,180.00	\$	-	\$	12,180.00
Manning	Johnston	\$	120,000.00	\$	-	\$	(120,000.00)	\$		(120,000.00)	\$	-
MAR Inc			\$	460.10	\$	460.10	\$	460.10	\$	-	\$	460.10
Marchesan	Elide or Renato		\$	308,374.00	\$	308,374.00	\$	308,374.00	\$	-	\$	308,374.00
Marilyn Investments			\$	160,000.00	\$	160,000.00	\$	160,000.00	\$	-	\$	160,000.00
Marks	Robin		\$	150.00	\$	150.00	\$	150.00	\$	-	\$	150.00
Marshall	Mary Jo		\$	98,471.00	\$	98,471.00	\$	98,471.00	\$	-	\$	98,471.00
Marshall	Megan		\$	1,400.00	\$	1,400.00	\$	1,400.00	\$	-	\$	1,400.00
Martinez		\$	5,000.00	\$	-	\$	(5,000.00)	\$		(5,000.00)	\$	-
Matson	Ken or Lana	\$	50,000.00	\$	70,250.00	\$	20,250.00	\$		-	\$	20,250.00
McDougall	Pat		\$	47,333.00	\$	47,333.00	\$	47,333.00	\$	-	\$	47,333.00
McGrath	Shaun	\$	100,000.00	\$	40,000.00	\$	(60,000.00)	\$		(60,000.00)	\$	-
McGuigan	Dan		\$	22,800.00	\$	22,800.00	\$	22,800.00	\$	-	\$	22,800.00
McKay	Barbara	\$	550,000.00	\$	669,019.00	\$	119,019.00	\$		-	\$	119,019.00
McKee	Grace	\$	50,000.00	\$	60,781.00	\$	10,781.00	\$		-	\$	10,781.00
McKittrick	Duncan or Linda	\$	100,000.00	\$	5,000.00	\$	(95,000.00)	\$		(95,000.00)	\$	-
McLean	Audry or Scott		\$	40,000.00	\$	40,000.00	\$	40,000.00	\$	-	\$	40,000.00
McLean	K	\$	100,000.00	\$	-	\$	(100,000.00)	\$		(100,000.00)	\$	-
McLean	SK	\$	20,000.00	\$	-	\$	(20,000.00)	\$		(20,000.00)	\$	-
McLeod Trail Registries			\$	-	\$	-	\$	-		-	\$	-
McMuigan	Dan		\$	75,833.00	\$	75,833.00	\$	75,833.00	\$	-	\$	75,833.00
McMullen	Don or Betty	\$	950,000.00	\$	1,503,308.00	\$	553,308.00	\$		-	\$	553,308.00
McMullen	Jan or Brian	\$	100,000.00	\$	1,145,788.00	\$	1,045,788.00	\$		-	\$	1,045,788.00
Medock	M. Terry		\$	319,398.00	\$	319,398.00	\$	319,398.00	\$	-	\$	319,398.00
Meier	Gary or Denise	\$	190,000.00	\$	638,042.00	\$	448,042.00	\$		-	\$	448,042.00
Melhorn	Bill	\$	400,000.00	\$	5,527.00	\$	(394,473.00)	\$		(394,473.00)	\$	-
Melhorn	P	\$	50,000.00	\$	-	\$	(50,000.00)	\$		(50,000.00)	\$	-
Mercantile Resources Ltd		\$	200,000.00	\$	121,250.00	\$	(78,750.00)	\$		(78,750.00)	\$	-
Michener	Patricia	\$	250,000.00	\$	7,083.00	\$	(242,917.00)	\$		(242,917.00)	\$	-
Michener	Robert		\$	16,208.00	\$	16,208.00	\$	16,208.00	\$	-	\$	16,208.00
Mikolajczyk	Krystyna	\$	100,000.00	\$	56,300.00	\$	(43,700.00)	\$		(43,700.00)	\$	-
Milino	Jack		\$	55,167.00	\$	55,167.00	\$	55,167.00	\$	-	\$	55,167.00

Milino	John		\$	559,835.00	\$	559,835.00	\$	559,835.00	\$	-	\$	559,835.00
Miloin	Jack or Patricia	\$	1,650,000.00	\$	153,633.00	\$	(1,496,367.00)	\$	(1,496,367.00)	\$	-	-
Miller	Lawrence or Judy	\$	200,000.00	\$	13,639.00	\$	(186,361.00)	\$	(186,361.00)	\$	-	-
Mitchell	Art	\$	30,000.00	\$	307,217.00	\$	277,217.00	\$	277,217.00	\$	-	277,217.00
Mitchell	C/M	\$	50,000.00	\$	-	\$	(50,000.00)	\$	(50,000.00)	\$	-	-
Mitchell	Dave or Diane	\$	-	\$	217,000.00	\$	217,000.00	\$	217,000.00	\$	-	217,000.00
Mitchell	Elizabeth	\$	-	\$	149,042.00	\$	149,042.00	\$	149,042.00	\$	-	149,042.00
Mitchell	Fraser	\$	-	\$	461,295.00	\$	461,295.00	\$	461,295.00	\$	-	461,295.00
Mitchell	Helen	\$	70,000.00	\$	324,948.00	\$	254,948.00	\$	254,948.00	\$	-	254,948.00
Mitchell	Robert	\$	300,000.00	\$	33,250.00	\$	(266,750.00)	\$	(266,750.00)	\$	-	-
Mitchell	Stephanie	\$	40,000.00	\$	150.00	\$	(39,850.00)	\$	(39,850.00)	\$	-	-
Moneith	Greg	\$	-	\$	154,232.00	\$	154,232.00	\$	154,232.00	\$	-	154,232.00
Monteith	John or Joyce	\$	4,390,000.00	\$	4,851,168.00	\$	461,168.00	\$	461,168.00	\$	-	461,168.00
Moore	Joan	\$	-	\$	50,000.00	\$	50,000.00	\$	50,000.00	\$	-	50,000.00
Moore	Ralna	\$	19,000.00	\$	23,108.00	\$	4,108.00	\$	4,108.00	\$	-	4,108.00
MP Energy	Eva	\$	-	\$	13,750.00	\$	13,750.00	\$	13,750.00	\$	-	13,750.00
Muskovitch		\$	-	\$	22,290.00	\$	22,290.00	\$	22,290.00	\$	-	22,290.00
Neidermayer	Douglas	\$	430,000.00	\$	150,147.00	\$	(279,853.00)	\$	(279,853.00)	\$	-	-
Neillissen	Edith	\$	150,000.00	\$	31,967.00	\$	(118,033.00)	\$	(118,033.00)	\$	-	-
Nelson	Bruce	\$	-	\$	47,333.00	\$	47,333.00	\$	47,333.00	\$	-	47,333.00
Nemeth	Steve	\$	100,000.00	\$	1,546,499.00	\$	1,446,499.00	\$	1,446,499.00	\$	-	1,446,499.00
Newnham	Russell K.	\$	200,000.00	\$	182,122.00	\$	(17,878.00)	\$	(17,878.00)	\$	-	-
Newton	D	\$	50,000.00	\$	-	\$	(50,000.00)	\$	(50,000.00)	\$	-	-
Newton	Daniel	\$	30,000.00	\$	33,100.00	\$	3,100.00	\$	3,100.00	\$	-	3,100.00
NGC Prod Sol Asset Prot Invs		\$	1,250,000.00	\$	22,083.00	\$	(1,227,917.00)	\$	(1,227,917.00)	\$	-	-
Nicklassen	Doug	\$	-	\$	120.00	\$	120.00	\$	120.00	\$	-	120.00
Nicola	Carla	\$	125,000.00	\$	74,685.00	\$	(50,315.00)	\$	(50,315.00)	\$	-	-
North	Carol	\$	100,000.00	\$	15,667.00	\$	(84,333.00)	\$	(84,333.00)	\$	-	-
Northland Industrial Park		\$	600,000.00	\$	2,481,210.00	\$	1,881,210.00	\$	1,881,210.00	\$	-	1,881,210.00
Northup	Charles	\$	-	\$	77,850.00	\$	77,850.00	\$	77,850.00	\$	-	77,850.00
O'Conner	K/S	\$	25,000.00	\$	-	\$	(25,000.00)	\$	(25,000.00)	\$	-	-
O'Conner	S	\$	2,000.00	\$	-	\$	(2,000.00)	\$	(2,000.00)	\$	-	-
O'Fritz Inc		\$	-	\$	179,608.00	\$	179,608.00	\$	179,608.00	\$	-	179,608.00
O'Keefe	Catherine or Scott	\$	-	\$	350,207.00	\$	350,207.00	\$	350,207.00	\$	-	350,207.00

O'Keefe	D	\$	20,000.00	\$	-	\$	(20,000.00)	\$	(20,000.00)	\$	-
O'Keefe	Danny	\$	-	\$	28,000.00	\$	28,000.00	\$	-	\$	28,000.00
O'Keefe	J	\$	156,000.00	\$	-	\$	(156,000.00)	\$	(156,000.00)	\$	-
O'Keefe	Patricia	\$	10,000.00	\$	31,383.00	\$	21,383.00	\$	-	\$	21,383.00
O'Keefe	Susan	\$	85,000.00	\$	33,067.00	\$	(51,933.00)	\$	(51,933.00)	\$	-
O'Keefe "In Trust"	Kimberley	\$	-	\$	8,476.00	\$	8,476.00	\$	-	\$	8,476.00
Olson	Judy or Perry or W	\$	750,000.00	\$	355,751.00	\$	(394,249.00)	\$	(394,249.00)	\$	-
Olson	Lavone or Wald	\$	-	\$	73,933.00	\$	73,933.00	\$	-	\$	73,933.00
Olson	Warren	\$	-	\$	22,100.00	\$	22,100.00	\$	-	\$	22,100.00
Opal Management Inc		\$	1,400,000.00	\$	197,528.00	\$	(1,202,472.00)	\$	(1,202,472.00)	\$	-
Orser	Rob or Karen	\$	55,000.00	\$	93,929.00	\$	38,929.00	\$	-	\$	38,929.00
Painted Wind Projects Inc		\$	-	\$	181,150.00	\$	181,150.00	\$	-	\$	181,150.00
Pander	Tania	\$	-	\$	4,620.00	\$	4,620.00	\$	-	\$	4,620.00
Pander	Sean or Barbara	\$	-	\$	21,250.00	\$	21,250.00	\$	-	\$	21,250.00
Pander Realty Ltd		\$	-	\$	55,833.00	\$	55,833.00	\$	-	\$	55,833.00
Parsons	Sharon	\$	-	\$	69,666.00	\$	69,666.00	\$	-	\$	69,666.00
Perpeluk	Leslie	\$	-	\$	27,472.00	\$	27,472.00	\$	-	\$	27,472.00
Perez	Deila	\$	20,000.00	\$	22,155.00	\$	2,155.00	\$	-	\$	2,155.00
Persson	M	\$	50,000.00	\$	-	\$	(50,000.00)	\$	(50,000.00)	\$	-
Persson		\$	100,000.00	\$	-	\$	(100,000.00)	\$	(100,000.00)	\$	-
Peter Bolli Holdings Ltd		\$	-	\$	193,250.00	\$	193,250.00	\$	-	\$	193,250.00
Pidkowa	Sheri	\$	51,400.00	\$	130,000.00	\$	78,600.00	\$	-	\$	78,600.00
Pisano	Domenica	\$	-	\$	39,025.00	\$	39,025.00	\$	-	\$	39,025.00
Pisano	Donald	\$	-	\$	2,000.00	\$	2,000.00	\$	-	\$	2,000.00
Pisano	Donato	\$	105,000.00	\$	55,062.00	\$	(49,938.00)	\$	(49,938.00)	\$	-
Pisano	Luigi	\$	221,000.00	\$	184,729.00	\$	(36,271.00)	\$	(36,271.00)	\$	-
Pisano		\$	3,000.00	\$	-	\$	(3,000.00)	\$	(3,000.00)	\$	-
Pisano "In Trust"	Karina	\$	-	\$	2,100.00	\$	2,100.00	\$	-	\$	2,100.00
Pisano "In Trust"	Lucas	\$	-	\$	1,260.00	\$	1,260.00	\$	-	\$	1,260.00
Pitney	Duhanne	\$	-	\$	840.00	\$	840.00	\$	-	\$	840.00
Pittner	Cameron	\$	40,000.00	\$	53,558.00	\$	13,558.00	\$	-	\$	13,558.00
Pittner	G	\$	40,000.00	\$	-	\$	(40,000.00)	\$	(40,000.00)	\$	-

Plante	Harry & Bonnie		\$	5,306.00	\$	5,306.00	\$	5,306.00	\$	-	\$	5,306.00
Pohl	Rodger	\$	1,100,000.00	\$	802,647.00	\$	(297,353.00)	\$	(297,353.00)	\$	-	-
Polovick	Jeff	\$	118,000.00	\$	42,285.00	\$	(75,715.00)	\$	(75,715.00)	\$	-	-
Porter	Arthur	\$	40,000.00	\$	16,300.00	\$	(23,700.00)	\$	(23,700.00)	\$	-	-
Porter	Mary	\$	-	\$	46,783.00	\$	-	\$	-	\$	-	46,783.00
Pratt	Fred	\$	1,050.00	\$	31,720.00	\$	-	\$	-	\$	-	30,670.00
R & M Holdings		\$	400,000.00	\$	263,883.00	\$	(136,117.00)	\$	(136,117.00)	\$	-	-
R.W. Trella Manufacturing Ltd		\$	-	\$	7,500.00	\$	-	\$	-	\$	-	7,500.00
Radum		\$	482.00	\$	-	\$	(482.00)	\$	(482.00)	\$	-	-
Rana Development Ltd		\$	-	\$	23,875.00	\$	-	\$	-	\$	-	23,875.00
Rasmussen	Ruth	\$	-	\$	32,500.00	\$	-	\$	-	\$	-	32,500.00
Rathier	Richard or Constan	\$	200,000.00	\$	40,998.00	\$	(159,002.00)	\$	(159,002.00)	\$	-	-
Rcky Mtn		\$	53,597.00	\$	-	\$	(53,597.00)	\$	(53,597.00)	\$	-	-
Rebec	Amanda	\$	-	\$	32,234.00	\$	-	\$	-	\$	-	32,234.00
Reel		\$	19,598.79	\$	-	\$	(19,598.79)	\$	(19,598.79)	\$	-	-
Reid	Diana	\$	-	\$	91,050.00	\$	-	\$	-	\$	-	91,050.00
Renor Investments Ltd		\$	-	\$	23,264.00	\$	-	\$	-	\$	-	23,264.00
Resch Construction Ltd		\$	300,000.00	\$	58,300.00	\$	(241,700.00)	\$	(241,700.00)	\$	-	-
Revitt	Larry	\$	200,000.00	\$	-	\$	(200,000.00)	\$	(200,000.00)	\$	-	-
Reynolds	Barry or Margaret	\$	100,000.00	\$	46,500.00	\$	(53,500.00)	\$	(53,500.00)	\$	-	-
Riddis Shaw		\$	27,801.34	\$	-	\$	(27,801.34)	\$	(27,801.34)	\$	-	-
RMC		\$	13,800.00	\$	-	\$	(13,800.00)	\$	(13,800.00)	\$	-	-
Roach	Greg	\$	-	\$	563.14	\$	-	\$	-	\$	-	563.14
Robb	Doug	\$	-	\$	51,000.00	\$	-	\$	-	\$	-	51,000.00
Robert K. Mast Professional Corp		\$	235,000.00	\$	191,364.00	\$	(43,636.00)	\$	(43,636.00)	\$	-	-
Robertson	Sharon	\$	10,000.00	\$	79,500.00	\$	-	\$	-	\$	-	69,500.00
Rogers	Bill or Jeanette	\$	125,000.00	\$	86,080.00	\$	(38,920.00)	\$	(38,920.00)	\$	-	-
Rogers	William	\$	150,000.00	\$	5,167.00	\$	(144,833.00)	\$	(144,833.00)	\$	-	-
Ross Investments Ltd		\$	-	\$	78,750.00	\$	-	\$	-	\$	-	78,750.00
Rudawaleit	Desiree	\$	150,000.00	\$	297,167.00	\$	-	\$	-	\$	-	147,167.00
Rudy's Lock & Key		\$	30,000.00	\$	49,018.00	\$	-	\$	-	\$	-	19,018.00

Ruffo	Benito		\$	283,445.00	\$	283,445.00	\$	-	\$	283,445.00
Salt	Bernice		\$	100,000.00	\$	100,000.00	\$	-	\$	100,000.00
Samarae Developments Ltd			\$	135,215.00	\$	135,215.00	\$	-	\$	135,215.00
Sampert	Ray or Margaret	\$	1,475,000.00	\$	1,319,555.00	\$	(155,445.00)	\$	(155,445.00)	-
Samson	Don	\$	225,000.00	\$	24,634.00	\$	(200,366.00)	\$	(200,366.00)	-
Sandwedge Investments Ltd		\$	1,000,000.00	\$	805,973.00	\$	(194,027.00)	\$	(194,027.00)	-
Sarjeant	Andrea	\$	100,000.00	\$	144,105.00	\$	44,105.00	\$	-	44,105.00
Sarjeant	James	\$	-	\$	157,836.00	\$	157,836.00	\$	-	157,836.00
Sarjeant	Jim	\$	300,000.00	\$	43,334.00	\$	(256,666.00)	\$	(256,666.00)	-
Sarjeant	Judith	\$	-	\$	130,374.00	\$	130,374.00	\$	-	130,374.00
Sarjeant	Leeann	\$	-	\$	86,572.00	\$	86,572.00	\$	-	86,572.00
Schaltz	C	\$	200,000.00	\$	-	\$	(200,000.00)	\$	(200,000.00)	-
Schindler	Tove or Joachim	\$	-	\$	105,825.00	\$	105,825.00	\$	-	105,825.00
Schinel	John	\$	70,000.00	\$	300.00	\$	(69,700.00)	\$	(69,700.00)	-
Schissel	Jacqueline	\$	-	\$	556,972.00	\$	556,972.00	\$	-	556,972.00
Schissel/Schultz	Jana/Tim	\$	-	\$	7,622.00	\$	7,622.00	\$	-	7,622.00
Schissel	A	\$	100,000.00	\$	-	\$	(100,000.00)	\$	(100,000.00)	-
Schmaltz	Aritaara	\$	-	\$	30,000.00	\$	30,000.00	\$	-	30,000.00
Schmaltz	Aritsara or Calvin	\$	-	\$	72,467.00	\$	72,467.00	\$	-	72,467.00
Schmaltz	Lorne	\$	-	\$	300.00	\$	300.00	\$	-	300.00
Schmaltz	Wendy	\$	50,000.00	\$	26,764.00	\$	(23,236.00)	\$	(23,236.00)	-
Schultz	Hazel	\$	-	\$	106,250.00	\$	106,250.00	\$	-	106,250.00
Schumcher	Marguerite	\$	-	\$	51,067.00	\$	51,067.00	\$	-	51,067.00
Scotbrid, Sus		\$	10,000.00	\$	-	\$	(10,000.00)	\$	(10,000.00)	-
Scott Bridges Services		\$	-	\$	20,750.00	\$	20,750.00	\$	-	20,750.00
Seville	Peter	\$	600,000.00	\$	956,647.00	\$	356,647.00	\$	-	356,647.00
Shaba Holdings Ltd		\$	550,000.00	\$	900,669.00	\$	350,669.00	\$	-	350,669.00
Sinde	Len or Linda	\$	-	\$	1,250.00	\$	1,250.00	\$	-	1,250.00
Single	Warren or Gale	\$	400,000.00	\$	213,280.00	\$	(186,720.00)	\$	(186,720.00)	-
Slade	Linda or Len	\$	75,000.00	\$	63,725.00	\$	(11,275.00)	\$	(11,275.00)	-
Smit	Scott	\$	330,000.00	\$	126,545.00	\$	(203,455.00)	\$	(203,455.00)	-
Smit	Bernice	\$	-	\$	90,934.00	\$	90,934.00	\$	-	90,934.00

Smoszynska	Eve		\$	7,000.00	\$	7,000.00	\$	-	\$	7,000.00
Smoszynska, Eva or Terrigno, Michael		\$	103,484.00	\$	148,000.00	\$	44,516.00	\$	-	44,516.00
Snell	Cameron	\$	200,000.00	\$	54,600.00	\$	(145,400.00)	\$	-	-
Snell	Susan or Tim			\$	156,267.00	\$	156,267.00	\$	-	156,267.00
Snyders	Linda or Marinus			\$	16,400.00	\$	16,400.00	\$	-	16,400.00
Snyders		\$	55,000.00	\$	-	\$	(55,000.00)	\$	-	-
Sodero	Pierina			\$	65,602.00	\$	65,602.00	\$	-	65,602.00
Sproule	Jacobie	\$	15,000.00	\$	22,799.00	\$	7,799.00	\$	-	7,799.00
Spurgeon	Ernest	\$	40,000.00	\$	6,733.00	\$	(33,267.00)	\$	-	-
St Clair	Michael			\$	53,644.00	\$	53,644.00	\$	-	53,644.00
Staudinger		\$	2,000.00	\$	-	\$	(2,000.00)	\$	-	-
Stevenson	Chris or Tanya			\$	40,266.00	\$	40,266.00	\$	-	40,266.00
Stevenson	Cindy	\$	15,000.00	\$	18,767.00	\$	3,767.00	\$	-	3,767.00
Stevenson	Ellen or Noel			\$	192,282.00	\$	192,282.00	\$	-	192,282.00
Stewart		\$	568,006.97	\$	-	\$	(568,006.97)	\$	-	-
Stiles	Christina	\$	400,000.00	\$	228,283.00	\$	(171,717.00)	\$	-	-
Stiles the Druggist Ltd				\$	332,667.00	\$	332,667.00	\$	-	332,667.00
Stouffer	Don or Marilyn	\$	30,000.00	\$	62,961.00	\$	32,961.00	\$	-	32,961.00
Strong	Richard or Sandra	\$	100,000.00	\$	258,264.00	\$	158,264.00	\$	-	158,264.00
Stuart	Leslie			\$	150.00	\$	150.00	\$	-	150.00
Stubbs	Thomas or Marilyn	\$	205,000.00	\$	30,334.00	\$	(174,666.00)	\$	-	-
Sztabyb, Fajga or Grinman, Jorge or Susa		\$	780,000.00	\$	594,136.00	\$	(185,864.00)	\$	-	-
T.C. Irrigation Inc		\$	200,000.00	\$	258,090.00	\$	58,090.00	\$	-	58,090.00
Tadeusz	Liz			\$	24,000.00	\$	24,000.00	\$	-	24,000.00
Tampit Inc		\$	1,850,000.00	\$	476,500.00	\$	(1,373,500.00)	\$	-	-
Tateishi	Sharon			\$	218,684.00	\$	218,684.00	\$	-	218,684.00
Terrigno	Antoinette or Rocc	\$	1,095,120.00	\$	1,844,559.84	\$	749,439.84	\$	-	749,439.84
Terrigno	Domenic			\$	100,000.00	\$	100,000.00	\$	-	100,000.00
Terrigno	Giuseppina	\$	150,000.00	\$	347,921.00	\$	197,921.00	\$	-	197,921.00
Terrigno	Josie			\$	27,000.00	\$	27,000.00	\$	-	27,000.00
Terrigno	Maria			\$	68,755.00	\$	68,755.00	\$	-	68,755.00

Terrigno	Michael	\$	21,000.00	\$	21,000.00	\$	21,000.00	\$	-	\$	-	\$	21,000.00
Terrigno Investments Inc		\$	916,000.00	\$	233,105.00	\$	(682,895.00)	\$		\$	(682,895.00)	\$	-
Teskey	Tom or Vikie	\$	60,000.00	\$	84,272.00	\$	24,272.00	\$		\$	-	\$	24,272.00
Therm-All Holdings Ltd		\$	300,000.00	\$	774,483.00	\$	474,483.00	\$		\$	-	\$	474,483.00
Thiessen	Lorraine	\$	95,000.00	\$	22,750.00	\$	(72,250.00)	\$		\$	(72,250.00)	\$	-
Thompson	David or Audrey	\$	75,000.00	\$	173,309.00	\$	98,309.00	\$		\$	-	\$	98,309.00
Thompson	Pam	\$	105,000.00	\$	24,317.00	\$	(80,683.00)	\$		\$	(80,683.00)	\$	-
Tocher	Claire M.			\$	89,998.00	\$	89,998.00	\$		\$	-	\$	89,998.00
Tocher	James			\$	49,814.00	\$	49,814.00	\$		\$	-	\$	49,814.00
Tomteskey Fuels Ltd													
Topilko	Joyce	\$	100,000.00	\$	108,300.00	\$	108,300.00	\$		\$	-	\$	108,300.00
Tovee	Lynda			\$	45,250.00	\$	(54,750.00)	\$		\$	(54,750.00)	\$	-
Tovell	Richard	\$	15,000.00	\$	4,233.00	\$	25,168.00	\$		\$	-	\$	25,168.00
Trella	Albin or Frances	\$	230,000.00	\$	524,175.00	\$	294,175.00	\$		\$	-	\$	294,175.00
Trella	Andrew	\$	440,000.00	\$	101,307.00	\$	(338,693.00)	\$		\$	(338,693.00)	\$	-
Trella	Christopher	\$	50,000.00	\$	60,570.00	\$	10,570.00	\$		\$	-	\$	10,570.00
Trella	E	\$	150,000.00			\$	(150,000.00)	\$		\$	(150,000.00)	\$	-
Trella	E/F	\$	150,000.00			\$	(150,000.00)	\$		\$	(150,000.00)	\$	-
Trella	Edward	\$	425,000.00	\$	155,026.00	\$	(269,974.00)	\$		\$	(269,974.00)	\$	-
Trella	Elizabeth			\$	63,750.00	\$	63,750.00	\$		\$	-	\$	63,750.00
Trella	Jennifer			\$	26,000.00	\$	26,000.00	\$		\$	-	\$	26,000.00
Trella	Mark	\$	350,000.00	\$	158,927.00	\$	(191,073.00)	\$		\$	(191,073.00)	\$	-
Trella Enterprises Limited		\$	150,000.00	\$	164,931.00	\$	14,931.00	\$		\$	-	\$	14,931.00
Trilogy Const & Consulting Services		\$		\$	9,640.00	\$	9,640.00	\$		\$	-	\$	9,640.00
True Health Ltd		\$		\$	100,069.00	\$	100,069.00	\$		\$	-	\$	100,069.00
Trump Card Holdings Underground (Stiles)		\$		\$	11,250.00	\$	11,250.00	\$		\$	-	\$	11,250.00
Underwood				\$	300,000.00	\$	(300,000.00)	\$		\$	(300,000.00)	\$	-
Underwood Audrey		\$		\$	41,250.00	\$	41,250.00	\$		\$	-	\$	41,250.00
Unger	Ken or Sandra	\$	150,000.00	\$	80,917.00	\$	(69,083.00)	\$		\$	(69,083.00)	\$	-
Vellner	Bob	\$	200,000.00	\$		\$	(200,000.00)	\$		\$	(200,000.00)	\$	-

Vellmer	J.R. or Loree	\$	1,258,777.00	\$	1,258,777.00	\$	8,777.00	\$	8,777.00
Vellmer Mitchell		\$	54,600.00	\$	54,600.00	\$	54,600.00	\$	54,600.00
Versailles Gate Holdings Inc		\$	48,333.00	\$	48,333.00	\$	48,333.00	\$	48,333.00
Vickers									
Gary or Lisa Vinson		\$	75,000.00	\$	27,243.00	\$	(47,757.00)	\$	(47,757.00)
Lenore		\$	10,000.00	\$	75,325.00	\$	65,325.00	\$	65,325.00
Violini		\$	110,000.00	\$	646.00	\$	(109,354.00)	\$	(109,354.00)
Glynis or Louis									
Violini		\$	230,000.00	\$	188,525.00	\$	(41,475.00)	\$	(41,475.00)
Jeanette Violini		\$	340,000.00	\$	177,991.00	\$	(162,009.00)	\$	(162,009.00)
Rita									
Wade		\$	100,000.00	\$	12,639.00	\$	(87,361.00)	\$	(87,361.00)
Robert or Elaine									
Wahl		\$	600,000.00	\$	255,914.00	\$	(344,086.00)	\$	(344,086.00)
Doug or Joan									
Warehouse Rentals		\$	275,000.00	\$	132,243.00	\$	(142,757.00)	\$	(142,757.00)
Warren Point Properties Ltd		\$	150,000.00	\$	16,231.00	\$	(133,769.00)	\$	(133,769.00)
Watt									
Joe		-	\$	2,000.00	\$	2,000.00	\$	2,000.00	\$
Watt									
Walter		-	\$	32,200.00	\$	32,200.00	\$	32,200.00	\$
Way									
Bonnie		-	\$	96,712.00	\$	96,712.00	\$	96,712.00	\$
Way									
Robert		-	\$	600.00	\$	600.00	\$	600.00	\$
Weimid									
Ed		-	\$	125.00	\$	125.00	\$	125.00	\$
Wells									
Bernadette		\$	50,000.00	\$	12,974.00	\$	(37,026.00)	\$	(37,026.00)
Weybridge Investments Ltd									
		-	\$	442,508.00	\$	442,508.00	\$	442,508.00	\$
WGS Services Ltd									
		-	\$	338,250.00	\$	338,250.00	\$	338,250.00	\$
Wheatland County Whitehawk Ranch									
		-	\$	7,948.04	\$	7,948.04	\$	7,948.04	\$
		\$	33,000.00	\$	(33,000.00)	\$	(33,000.00)	\$	(33,000.00)
Wilson	George Or Debbie	\$	1,425,000.00	\$	583,297.00	\$	(841,703.00)	\$	(841,703.00)
Winch	Darrel	\$	100,000.00	\$	(100,000.00)	\$	(100,000.00)	\$	(100,000.00)

Windigo West
Holdings Ltd

	\$	5,000.00	\$	655,234.00	\$	650,234.00	\$	-	\$	650,234.00
Winston	\$	-	\$	198,750.00	\$	198,750.00	\$	-	\$	198,750.00
Wise Capital	\$	328,000.00	\$	255,236.00	\$	(72,764.00)	\$	(72,764.00)	\$	-
Wiseman	\$	-	\$	78,873.00	\$	78,873.00	\$	-	\$	78,873.00
Wiseman	\$	-	\$	56,551.00	\$	56,551.00	\$	-	\$	56,551.00
Wiseman	\$	547,000.00	\$	417,478.00	\$	(129,522.00)	\$	(129,522.00)	\$	-
Wiseman	\$	1,000,000.00	\$	-	\$	(1,000,000.00)	\$	(1,000,000.00)	\$	-
Wiseman	\$	700,000.00	\$	-	\$	(700,000.00)	\$	(700,000.00)	\$	-
Wolf Creek Cabinets Lt	\$	125,000.00	\$	105,959.00	\$	(19,041.00)	\$	(19,041.00)	\$	-
Yee	\$	-	\$	19,500.00	\$	19,500.00	\$	-	\$	19,500.00
Yee	\$	-	\$	38,700.00	\$	38,700.00	\$	-	\$	38,700.00
Young	\$	200,000.00	\$	344,762.00	\$	144,762.00	\$	-	\$	144,762.00
Zbryski	\$	100,000.00	\$	205,852.00	\$	105,852.00	\$	-	\$	105,852.00
Zbryski	\$	-	\$	323,700.00	\$	323,700.00	\$	-	\$	323,700.00
Zbryski	\$	850,000.00	\$	789,396.00	\$	(60,604.00)	\$	(60,604.00)	\$	-
Zinck	\$	20,000.00	\$	26,872.00	\$	6,872.00	\$	-	\$	6,872.00
Zinner Law Office	\$	150,000.00	\$	0.00	\$	(150,000.00)	\$	(150,000.00)	\$	-
Zurowski Holdings Inc	\$	450,000.00	\$	20,111.00	\$	(429,889.00)	\$	(429,889.00)	\$	-
Lynda FF	\$	8,850.00	\$	0.00	\$	(8,850.00)	\$	(8,850.00)	\$	-
Rosemaire	\$	-	\$	4,200.00	\$	4,200.00	\$	-	\$	4,200.00
	\$	121,896,248.62	\$	118,778,610.10	\$	(3,117,638.52)	\$	(58,112,135.80)	\$	54,984,497.28

EXHIBIT 6

**To the Receiver's Eighth Report to Court
Dated March 7, 2019**

COURT OF APPEAL OF ALBERTA

Form AP-1
[Rules 14.8 and 14.12]

COURT OF APPEAL FILE NUMBER: 1901-0057AC

TRIAL COURT FILE NUMBER: 1501-11817

REGISTRY OFFICE: CALGARY

PLAINTIFF/RESPONDENT: MIKE TERRIGNO

STATUS ON APPEAL: Appellant

PLAINTIFF NOT PARTY TO THE APPEAL EASY LOAN CORPORATION

DEFENDANT/APPLICANT: BASE FINANCE LTD.

STATUS ON APPEAL: Respondent

DEFENDANTS NOT PARTIES TO THE APPEAL Base Mortgage & Investments Ltd.,
Arnold Breikreutz, Susan Breikreutz, Susan Way and GP Energy Inc.

DOCUMENT: **CIVIL NOTICE OF APPEAL**

APPELLANT'S ADDRESS FOR SERVICE AND CONTACT INFORMATION: MIKE TERRIGNO
212-10a ST NW
Calgary Alberta T2N 1W6
mike@terrigno.ca
403.612.9463

Registrar's Stamp



WARNING

To the Respondent: If you do not respond to this appeal as provided for in the Alberta Rules of Court, the appeal will be decided in your absence and without your input.

1. Particulars of Judgment, Order or Decision Appealed From:

Date pronounced: January 23, 2019

Date entered: January 23, 2019

Date served: January 24, 2019

Official neutral citation of reasons for decision, if any:
(do not attach copy)

(Attach a copy of order or judgment: Rule 14.12(3). If a copy is not attached, indicate under item 14 and file a copy as soon as possible: Rule 14.18(2).)

2. Indicate where the matter originated:

X Court of Queen's Bench

Judicial Centre: Calgary

Justice: Justice Romaine B.C.E

On appeal from a Queen's Bench Master or Provincial Court Judge?:

Yes X No

Official neutral citation of reasons for decision, if any, of the Master or Provincial Court Judge:
(do not attach copy)

(If originating from an order of a Queen's Bench Master or Provincial Court Judge, a copy of that order is also required: Rule 14.18(1)(c).)

Board, Tribunal or Professional Discipline Body

Specify Body:

3. Details of Permission to Appeal, if required (Rules 14.5 and 14.12(3)(a)).

X Permission not required, or Granted:

Date:

Justice:

(Attach a copy of order, but not reasons for decision.)

4. Portion being appealed (Rule 14.12(2)(c)):

Whole, or

X Only specific parts (if specific part, indicate which part):

Paragraph 5 of the said order - the finding that the Claw Back Actions are stayed pursuant to paragraph 9 of the applicable receivership order as they seek to deal with property of the Base Finance Ltd. ("Base Finance") estate.

(Where parts only of a family law order are appealed, describe the issues being appealed, e.g. property, child support, parenting, etc.)

5. Provide a brief description of the issues:

The Claw Back Actions were stayed by Madam Justice Romaine on the basis that they seek to deal with property of the Base Finance estate. Yet, portions of the Claw Back Actions claim proprietary rights arising from the Base Finance Ponzi scheme over proprietary property the traceable value should not be property within the Base Finance estate. As a result, the Appellant's position is that portions of the Claw Back Actions (excluding relief under the *Fraudulent Preferences Act*) that assert proprietary claims should not be stayed under paragraph 9 of the applicable receivership order.

The Appellant concedes that the Claw Back Actions can be stayed and should be stayed pending recovery actions that ought to be undertaken by the receiver for the benefit of the body of creditors but not stayed under paragraph 9 of the applicable receivership order.

6. Provide a brief description of the relief claimed:

The Appellant seeks a ruling that the lower Court's order be modified or corrected to clarify that the portions of the Claw Back Actions claiming proprietary rights over proprietary property the traceable value of which is not property of the Base Finance estate.

Alternatively, directing the matter back to the lower court for reconsideration in light of the decision by this Court.

Such further and other relief that this Honorable Court deems fit to grant.

7. Is this appeal required to be dealt with as a fast track appeal? (Rule 14.14)
 Yes X No

8. Does this appeal involve the custody, access, parenting or support of a child? (Rule 14.14(2)(b))
 Yes X No

9. Will an application be made to expedite this appeal?
 X Yes No

10. Is Judicial Dispute Resolution with a view to settlement or crystallization of issues appropriate? (Rule 14.60)

X Yes No

11. Could this matter be decided without oral argument? (Rule 14.32(2))

X Yes No

12. Are there any restricted access orders or statutory provisions that affect the privacy of this file? (Rules 6.29, 14.12(2)(e), 14.83)

Yes X No

If yes, provide details:

(Attach a copy of any order.)

13. List respondent(s) or counsel for the respondent(s), with contact information:

For Base Finance Ltd:

Osler, Hoskin & Harcourt LLP
Suite 2500, TransCanada Tower
450 - 1st Street S.W.
Calgary, Alberta, Canada T2P 5H1
Attn: Randal Van de Mosselaer
403.260.7060 DIRECT
403.260.7024 FACSIMILE
rvandemosselaer@osler.com

If specified constitutional issues are raised, service on the Attorney General is required under s. 24 of the Judicature Act: Rule 14.18(1)(c)(viii).

14. Attachments (check as applicable)

X Order or judgment under appeal if available (not reasons for decision) (Rule 14.12(3))

Earlier order of Master, etc. (Rule 14.18(1)(c))

Order granting permission to appeal (Rule 14.12(3)(a))

Copy of any restricted access order (Rule 14.12(2)(e))

If any document is not available, it should be appended to the factum, or included elsewhere in the appeal record.

EXHIBIT 7

**To the Receiver's Eighth Report to Court
Dated March 7, 2019**

Registrar's Office
TransCanada Pipelines Tower
2600, 450 – 1st ST SW
Calgary AB T2P 5H1

TEL: (403) 297-2206
FAX: (403) 297-5294



COURT OF APPEAL OF ALBERTA

Exhibit 7
Registrar's Office
Law Courts Building
1A Sir Winston Churchill Square
Edmonton AB T5J 0R2

TEL: (780) 422-2416
FAX: (780) 422-4127

Case Management Officer: L. Baptiste
Direct Line: (403) 297-5954
<https://albertacourts.ca>

Case Management Officer: B.J. McDevitt
Direct Line: (780) 427-8491
<https://albertacourts.ca>

February 22, 2019

Mike Terrigno
Email: mike@terrigno.ca

Re: Mike Terrigno (A) v. Base Finance Ltd. (R)
Appeal No. 1901-0057AC

Type of Appeal and Procedural Issues

Your recently filed Notice of Appeal has been reviewed and the appeal has been categorized as a **Fast Track** appeal.

From the materials filed, it appears that the following procedural issues are outstanding:

- A filed copy of the order/judgment under appeal has not been included with the Notice of Appeal. Please provide a filed copy of the order/judgment as soon as it is available.
- The Notice of Appeal indicated that this appeal was not required to be dealt with as a Fast Track appeal but it is pursuant to Rule 14.14(1) and I have categorized it as a Fast Track appeal.
- A self-represented party is involved. It is always recommended that one seek legal advice. Some lawyers may provide limited scope retainers should you wish to retain them for only a specific portion of the appeal. Please contact a Resolution Support Centre for information on free or low-cost legal advice in your area.
- The Notice of Appeal indicates that an application will be made to expedite this appeal. However, as I have categorized it as a Fast Track appeal, the deadlines are already sufficiently expedited and an application will not be necessary.
- As the Appellant has indicated an interest in Judicial Dispute Resolution, it would be **appreciated if the Respondent(s) provided their position with respect to participating in a JDR within one week of the date of this letter.**

Should you wish to provide a response, or if you require assistance with managing this appeal, please contact the Case Management Officer. Please be reminded to always copy all other parties to the appeal with any correspondence to the Court.

Deadlines / Timetables

A summarized version of appeal deadlines is available on the Court of Appeal's website under Registry > Filing Information > Filing Deadlines. **You are encouraged to review the applicable deadlines as failure to comply with them will result in the appeal being struck.** In addition, it is strongly recommended that documents be prepared and filed *in advance* of any deadline in order to allow sufficient time to address any issues or make any necessary corrections.

There is an option to submit timetables for the appeal instead of following the deadlines set by the Rules of Court. A timetable sets out mutually-agreed upon deadlines for the filing of all materials, including the hearing date. The proposed timetable is sent to the Case Management Officer for approval. A sample timetable is available on the Court of Appeal's website under Registry > Filing Information > Filing Deadlines.

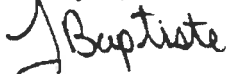
Judicial Dispute Resolution (JDR)

JDR is readily available at the Court of Appeal. Resolving a matter through JDR may result in the appeal being settled more expeditiously and at less expense than if it proceeded to hearing. A JDR may be initiated at any stage of the appeal proceedings. Further details on JDRs can be found in Division 5, Subdivision 4 of the Alberta Rules of Court, and in Part D of the Consolidated Practice Directions. Please contact the Case Management Officer if interested in JDR.

Resources

The Alberta Rules of Court and the Consolidated Practice Directions (CPD) of the Court of Appeal are available on the Court of Appeal website at <https://albertacourts.ca>. Please review the resources that are available on the website including forms, checklists, information sheets, sitting dates and more.

Thank you,



Laurie Baptiste
Case Management Officer
Court of Appeal - Calgary
/lb

cc: R.S. Van de Mosselaer
Osler, Hoskin & Harcourt LLP
Email: rvandemosselaer@osler.com

EXHIBIT 8

**To the Receiver's Eighth Report to Court
Dated March 7, 2019**

BDO CANADA LIMITED
 IN THE MATTER OF THE RECEIVERSHIP OF
 BASE FINANCE LTD. & BASE MORTGAGE & INVESTMENTS LTD.
 INVOICE SUMMARY FOR THE PERIOD OF DECEMBER 23, 2013 to NOVEMBER 31, 2018

Date	Invoice #	WIP	Disbursements	Invoice (Net)	GST	Invoice (Total)
23-Dec-15	88343072	\$ 370.00	\$ 61.00	\$ 431.00	\$ 21.55	\$ 452.55
28-Dec-15	88344827	185.00	16.50	201.50	10.08	211.58
10-Mar-16	88413467	-	70.00	70.00	-	70.00
15-Apr-16	88470918	325.00	520.50	845.50	42.28	887.78
30-May-17	88978410	356,619.90	699.77	357,319.67	17,865.98	375,185.65
30-May-17	88978411	7,264.35	16,756.81	24,021.16	1,201.06	25,222.22
24-Aug-17	89079569	26,083.05	-	26,083.05	1,304.15	27,387.20
08-Nov-17	89160404	21,363.75	-	21,363.75	1,068.19	22,431.94
08-Dec-17	89186692	12,124.30	-	12,124.30	606.22	12,730.52
11-Dec-17	89187346	1,176.90	1,968.00	3,144.90	157.25	3,302.15
28-Feb-18	89268698	21,837.40	-	21,837.40	1,091.87	22,929.27
13-Apr-18	89332490	9,529.70	-	9,529.70	476.49	10,006.19
23-Jul-18	89504839	18,043.05	-	18,043.05	902.15	18,945.20
29-Sep-18	89572587	21,281.70	64.67	21,346.37	1,067.32	22,413.69
29-Nov-18	89641056	9,054.85	-	9,054.85	452.74	9,507.59
				-	-	-

SUBTOTAL **505,258.95** **20,157.25** **525,416.20** **26,267.31** **551,683.51**

	Estimated Discount (15%)	(75,788.84)	-	(75,788.84)	(3,789.44)	(79,578.28)
--	-----------------------------	-------------	---	-------------	------------	-------------

TOTAL **\$ 429,470.11** **\$ 20,157.25** **\$ 449,627.36** **\$ 22,477.87** **\$ 472,105.23**

BILLINGTON BARRISTERS
LEGAL COUNSEL IN THE MATTER OF THE RECEIVERSHIP OF BASE FINANCE LTD.
INVOICE SUMMARY FOR THE PERIOD OF OCTOBER 15, 2015 TO DECEMBER 31, 2018

Date	Invoice #	Time	Disbursements	Invoice (Net)	GST	Invoice (Total)
31-Oct-15	3685	\$ 12,420.00	\$ 292.67	\$ 12,712.67	\$ 633.63	\$ 13,346.30
31-Oct-15	3673	15,310.00	343.46	15,653.46	777.72	16,431.18
30-Nov-15	3730	20,635.00	472.27	21,107.27	1,052.81	22,160.08
31-May-17	4227	7,410.00	-	7,410.00	370.50	7,780.50
31-May-17	4212	15,670.00	1,106.65	16,776.65	800.73	17,577.38
31-May-17	4213	230,420.00	8,756.00	239,176.00	11,852.79	251,028.79
30-Jun-17	4242	10,470.00	67.95	10,537.95	526.90	11,064.85
30-Jun-17	4243	8,700.00	244.40	8,944.40	447.22	9,391.62
30-Jun-17	4244	950.00	82.15	1,032.15	48.41	1,080.56
30-Jun-17	4245	200.00	85.00	285.00	11.05	296.05
31-Jul-17	4276	2,060.00	157.60	2,217.60	108.38	2,325.98
31-Aug-17	4294	22,050.00	1,375.80	23,425.80	1,171.29	24,597.09
31-Aug-17	4295	18,500.00	385.60	18,885.60	941.78	19,827.38
30-Sep-17	4314	6,415.00	14.00	6,429.00	321.45	6,750.45
30-Sep-17	4315	1,095.00	3.00	1,098.00	54.90	1,152.90
31-Oct-17	4337	34,165.00	1,002.35	35,167.35	1,755.87	36,923.22
31-Oct-17	4338	800.00	11.60	811.60	40.08	851.68
30-Nov-17	4360	7,065.00	67.50	7,132.50	356.63	7,489.13
31-Dec-17	4377	2,355.00	40.34	2,395.34	119.77	2,515.11
31-Jan-18	4408	16,925.00	53.68	16,978.68	848.93	17,827.61
31-Jan-18	4409	910.00	13.40	923.40	46.17	969.57
31-Jan-18	4410	360.00	3.00	363.00	18.15	381.15
28-Feb-18	4441	13,555.00	379.35	13,934.35	696.72	14,631.07
28-Feb-18	4442	1,200.00	-	1,200.00	6.10	1,206.10
31-Mar-18	4459	18,715.00	483.80	19,198.80	959.94	20,158.74
30-Apr-18	4483	7,455.00	52.20	7,507.20	375.36	7,882.56
30-Apr-18	4484	2,640.00	-	2,640.00	132.00	2,772.00
31-May-18	4508	13,040.00	12.20	13,052.20	652.61	13,704.81
31-May-18	4509	1,025.00	-	1,025.00	51.52	1,076.52
30-Jun-18	4529	10,950.00	261.50	11,211.50	557.58	11,769.08
30-Jun-18	4530	13,057.50	33.80	13,091.30	654.57	13,745.87
31-Jul-18	4544	12,580.00	329.11	12,909.11	642.71	13,551.82
31-Aug-18	4570	9,650.00	22.20	9,672.20	483.61	10,155.81
30-Sep-18	4595	7,785.00	494.55	8,279.55	413.98	8,693.53
31-Oct-18	4617	26,710.00	152.10	26,862.10	1,340.28	28,202.38
30-Nov-18	4646	10,790.00	22.52	10,812.52	540.63	11,353.15
31-Dec-18	4656	1,640.00	35.45	1,675.45	83.77	1,759.22
SUBTOTAL		585,677.50	16,857.20	602,534.70	29,896.54	632,431.24
	Estimated Discount (15%)	(87,851.63)	-	(87,851.63)	(4,392.58)	(92,244.21)
TOTAL		\$ 497,825.88	\$ 16,857.20	\$ 514,683.08	\$ 25,503.96	\$ 540,187.03