
EXHIBIT "31"

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

COURT FILE NUMBER

1701-12995

COURT

COURT OF QUEEN'S BENCH
ALBERTA

JUDICIAL CENTRE

CALGARY

PLAINTIFF

Easy Loan Corporation

DEFENDANTS

Lyle Hogaboam, Sandi Hogaboam, Randi Hogaboam, LDI Realty Western Ltd. Alan Deines, Sharon Deines, Shaba Holdings Ltd., Rick Evans, Carol Evans, Brian Clarke, Barb Clarke, Tove Schindler, Joachim Schindler, 697842 Alberta Ltd., George Wilson, Anna Fleming, Lawrence Miller, Judy Miller, Fred Dowe, Carol Dowe, Barry Bennett, Allanah Bennett Edward Borisenko, Iris Borisenko, George Wilson, Debbie Wilson, Claire Dowe, Brian Bolli, Nancy Bolli, Gary Meier, Denise Meier, Kim Davies Leslie Davies, Mary Braid, Elisha Barric, E.W. Trella Manufacturing Limited, Edward Trella Andrew Trella, Albin Trella Frances Trella, Kenrae Investments Ltd., Peter Siemens, John Doe and Jane Doc.



\$250



9/27/17 5:12:19 PM
1701-12995
COMMENCEMENT FEES \$250.00
TOTAL \$250.00
CHECK # 4250.00
featuring amount: 1
Trans: 238457 040103025-001001

DOCUMENT

STATEMENT OF CLAIM

ADDRESS FOR SERVICE
AND CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT

RIVERSIDE LAW OFFICE
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SCJD
No amount
SCORX
SCACCX
SCDECT

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 Plaintiff is a corporation that is duly registered pursuant to the laws of Alberta that operates in Calgary, Alberta.
2. The individual Defendants reside in British Columbia save for Elisha Barrie who resides in Henderson, Nevada, in the United States of America and Edward Trella, Andrew Trella, Albin Trella and Frances Trella who reside in Ontario.
3. The Defendants John Doe and Jane Doe are entities in receipt of the Plaintiff's money as set out in this claim whose identities are currently unknown to the Plaintiff but once known will be named accordingly and this claim amended.
4. The corporate Defendants, 697842 Alberta Ltd., LDI Realty Western Ltd. and Kenrae Investments Ltd., are duly registered pursuant to the laws of Alberta and operate in Calgary, Alberta. The corporate Defendant, E.W. Trella Manufacturing Limited, is duly registered in the Province of Ontario and operates in Calgary, Alberta.
5. The Defendants received an estimated amount of \$822,763.00 from Base Finance Ltd. ("Base Finance") withdrawn from the Base Finance RBC Account #02649, 100-405-0 ("RBC Account") between the period of May 2014 and June 2015.
6. The Plaintiff invested with Base Finance during the period of May 2014 and June 2015. All of the Plaintiff's investment monies were deposited into the RBC Account during the period of May 2014 and June 2015. The RBC Account started with a nil (\$0) balance in May 2014.
7. At all times, the Plaintiff understood that Base Finance operated a mortgage business whereby it lent money to entities secured by a 1st mortgage on residential property located in and around Calgary, Alberta. The loan to value on the said mortgages was not to exceed 75%. The loans were in the nature of mezzanine financing with terms of between 6 months and 12 months.
8. By order of Justice Yamauchi K.D on October 15, 2015, Base Finance was placed under receivership. BDO Canada Limited was appointed by the Court as the receiver (the "Receiver").

9. In a decision dated February 8, 2016, Mr. Justice Yamauchi K.D (the "Decision") found that Base Finance was fraudulent. The Receiver has determined that Base Finance was operating as a Ponzi scheme.
10. At no time did the Plaintiff know that the funds it advanced were used in a Ponzi scheme. The Plaintiff would not have invested with Base Finance had it known that Base Finance was perpetrating a fraud.
11. The Decision made the following findings:
 - a. The RBC Account is imposed with a trust for the benefit of all investors of Base Finance.
 - b. The money of the investors of Base Finance could be traced into the RBC Account.
 - c. The tracing and distribution of the RBC Account shall be conducted by the Lowest Intermediate Balance Rule ("LIBR")
12. The Decision was appealed to the Alberta Court of Appeal and was upheld.
13. The Plaintiff claims an interest in monies the Defendants received from Base Finance, or the value thereof, received by the Defendants by virtue of a constructive trust, equitable proprietary right or otherwise. The Plaintiff claims that the Defendants have been unjustly enriched to its detriment and that there is no juristic reason for the unjust enrichment.
14. Alternatively, the Plaintiff claims that the transaction resulting from dispersing the Plaintiff's monies to the Defendants and their retaining of same is invalid pursuant to the Fraudulent Preferences Act, RSA 2000, c F-24, the Fraudulent Conveyances Statute, 13 Eliz. 1, Chapter 5 (U.K.), (the "Statute of Elizabeth"), the Bankruptcy and Insolvency Act, RSC 1985, c B-3 and Judicature Act, RSA 2000, c J-2.
15. The Plaintiff claims that the controlling mind George Wilson of 697842 Alberta Ltd., the controlling mind Lyle Hogaboam of LDI Realty Western Ltd., the controlling mind Alan Deines of Shaba Holdings Ltd., the controlling mind Edward Trella of E.W. Trella Manufacturing Limited, and the controlling mind Peter Siemens of Kenrac Investments Ltd., obtained the monies paid to the corporations from Base Finance Ponzi scheme, or received the value thereof. The Plaintiff seeks a tracing through the corporations and a judgment against Lyle Hogaboam, George Wilson, Alan Deines, Edward Trella, and Peter Siemens for those monies, or the value thereof, flowing through their respective controlled corporations for their use and benefit or as otherwise directed by this Honorable Court.

16. The Plaintiff claims the full amount received by the Defendants in the amount shown in Figure 1 or such amounts this Honorable Court deems fit to grant to be returned to the Plaintiff.
Figure 1:

Mary Braid	\$	10,500.00	Barry & Alanah Bennett	\$	3,150.00
Lyle HOGABOAM	\$	36,750.00	Ed or Iris Borisenko	\$	6,300.00
LDI Realty Western Ltd. (Lyle Hogaboam)	\$	65,650.00	George or Debbie Wilson	\$	36,750.00
Sandi Hogaboam	\$	9,750.00	Clair Dow	\$	421,208.00
Randi Hogeboam	\$	9,750.00	Brian & Nancy Bolli	\$	19,840.00
Rick & Carol Evans	\$	6,250.00	Gary or Denise Meier	\$	14,500.00
Brian & Barb Clarke	\$	21,000.00	Kim & Leslie Davies	\$	5,000.00
Tove & Joachim Schindler	\$	4,250.00	Shaba Holdings Ltd.	\$	9,000.00
697842 Alberta Ltd	\$	6,250.00	Alan & Sharon Deines	\$	25,000.00
Anna Marie Fleming	\$	5,000.00	Elisha Barrie	\$	58,187.00
Lawrence & Judy Miller	\$	5,000.00	E.W. TRELIA MANUFACTURING LIMITED	\$	25,833.00
Fred & Carol Dowe	\$	2,500.00	Edward Trelia	\$	2,000.00
KENRAE INVESTMENTS LTD. (Peter Siemens)	\$	5,000.00	Andrew Trelia	\$	6,500.00
			Albin & Frances Trelia	\$	1,845.00

Real and Substantial Connection to Calgary Alberta

17. Base Finance operated from Calgary, Alberta since about 1985. The RBC Account is situated in Calgary, Alberta and the funds which are sought for recovery were dispersed from Calgary, Alberta. The Plaintiff is resident in Calgary, Alberta and the witnesses to this matter are situated in Calgary, Alberta. This claim relates to a contract or alleged contract made, performed or breached in Calgary, Alberta. Lastly, this action relates to a breach of an equitable duty in Calgary, Alberta.

18. The Plaintiff proposes that the trial of this action take place at the Court House in the City of Calgary in the Province of Alberta and the trial is not expected to exceed 25 days.

Remedy sought:

19. An order for an accounting and tracing of the monies received by the Defendants from Base Finance from the RBC Account.
20. A declaration that the money, in the estimated amount of \$822,763.00, or the value thereof, received by the Defendants from the RBC Account is the rightful property of the Plaintiff. Furthermore, that the said money or value thereof is held in trust for and on behalf of the Plaintiff and a vesting order to those monies, or the properties into which the money, or value thereof, can be traced.
21. An order directing the Defendants to pay to the Plaintiff the amounts identified in the Plaintiff's tracing analysis, or as otherwise subscribed by the Court, failing which the Plaintiff shall be entitled to judgment against those Defendants for the amount unpaid.
22. Leave to amend this pleading to properly record the names of the recipients of the Ponzi scheme monies received from the RBC Account that rightfully belong to the Plaintiff.
23. Costs
24. Interest pursuant to the Judgment Interest Act, R.S.A. 2000, c. J-1 as amended.
25. Such further and other relief as this Honourable Court may see fit to grant.

NOTICE TO THE DEFENDANTS

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

20 days if you are served in Alberta

1 month if you are served outside Alberta but in Canada

2 months if you are served outside Canada.

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