

ALBERTA SECURITIES COMMISSION

AFFIDAVIT

Base Finance Ltd., Base Mortgage & Investments Ltd., and Arnold Breitzkreutz
(the "Respondents")

I, Vi Pickering, of Calgary, Alberta, make oath and say that:

1. I am a Securities Investigator employed in the Enforcement Division of the Alberta Securities Commission ("ASC"), and have personal knowledge of the matters deposed to in this Affidavit, except where stated otherwise, in which case I believe the information provided to me to be true.
2. I am investigating whether the Respondents and each of their predecessors, related entities and affiliates have contravened Alberta securities laws and acted contrary to the public interest by acting as a dealer in securities in Alberta without registration, by distributing securities in Alberta without a prospectus or applicable exemption, and/or by making material misrepresentations.

Background

3. On September 24, 2015, I was involved in a telephone conference call with Mr. Andrew Shin ("Shin"), Senior Manager, Forensic Accounting, Anti Money Laundering, Financial Intelligence Unit of the Royal Bank of Canada ("RBC"), and Mr. David Elzinga ("Elzinga") (ASC - Manager, Investigations) regarding concerns raised by Shin involving the account activities of the Respondents.
4. During the conference Shin outlined the following:
 - 4.1 An RBC Investigator in Vancouver, British Columbia had flagged for internal investigation an RBC account under the name Base Finance Ltd., with the sole signatory and owner of the company listed as Mr. Arnold Breitzkreutz ("Breitzkreutz"), because of a \$500,000 Not Sufficient Funds ("NSF") cheque issued to Base Finance Ltd.
 - 4.2 The RBC Investigator had contacted Breitzkreutz a short time ago and was provided the following information:
 - 4.2.1 Base Finance Ltd. operated as a mortgage broker;
 - 4.2.2 Base Finance Ltd. had approximately 100 mortgages that were secured on title; and
 - 4.2.3 Mortgage funds were obtained from Investors.

- 4.3 Shin had reviewed accounts associated with Base Finance Ltd., and noted that there did not appear to be any payments made out of the accounts for the purpose of lending for mortgages. More particularly:
- 4.3.1 There were various RBC accounts associated with Base Finance Ltd., Breitkreutz, and Base Mortgage & Investments Ltd. The only account which held any funds was the account held in the name of Base Finance Ltd.
 - 4.3.2 Shin found that many of the deposits and payments from the account were made to individual investors with memo notations of principal and interest payment.
 - 4.3.3 Shin found the activities in the account suspicious and representative of a Ponzi type scheme.
 - 4.3.4 Shin found that at the time of his review, on September 23, 2015, there was approximately \$600,000 remaining in the Base Finance Ltd. RBC account.

Investigation

- 5. Based on Shin's information an Investigation Order was signed by the Executive Director of the ASC ("**Executive Director**") on September 24, 2015, directing that an investigation be made in relation to the Respondents pursuant to section 41 of the *Act*.
- 6. Attached as **Exhibit "A"** is an Alberta Corporate Registries ("**CORES**") search for Base Finance Ltd. dated September 24, 2015, which indicates that the company was incorporated in Alberta on February 16, 1984 in the name of 312008 Alberta Ltd., then was re-named Base Financial Services (II) Ltd. on September 12, 1984, and then was re-named Base Finance Ltd. on May 13, 1988. The registered office address listed is 724 - 55 Avenue SW, Calgary, Alberta, T2V 0G3, and Arnold Breitkreutz is named as the sole Director and Shareholder.
- 7. Attached as **Exhibit "B"** is a CORES search for Base Mortgage & Investments Ltd., which indicates that the company was registered in Alberta on August 28, 1978 in the name of Base Mortgage & Investments Ltd. then was re-named Base Financial Services Ltd. On July 18, 1984, and then was re-named back to Base Mortgage & Investments Ltd. on September 12, 1984. The registered office address listed is 724 - 55 Avenue SW, Calgary, Alberta T2V 0G3 and Arnold Breitkreutz is named as the sole Director and Shareholder.
- 8. On September 24, 2015, I conducted a search of the Service Alberta, Motor Vehicle System ("**MOVES**") and identified that Arnold Breitkreutz resides at 724 - 55 Avenue South West, Calgary, Alberta T2V 0G3.

Registration, Prospectus and Filings

- 9. On September 24, 2015, I asked Dolores Ivany-Fagan ("**Ivany-Fagan**"), ASC Case Assessment Officer, to conduct searches of ASC and related records regarding all Respondents. The results of my request (in the form of search results from the National

Registration Database and the ASC's CRM system) were provided to me on September 24 & 28, 2015, are attached as **Exhibit "C"** to this affidavit, and indicate the following:

- 9.1 None of the Respondents are or have been registered with the Executive Director in Alberta under the section 75 of the Alberta Securities Act and Regulation (the "**Act**");
- 9.2 None of the Respondents have ever received a receipt for a preliminary or final prospectus from the Executive Director with respect to the securities of Base Finance Ltd. or Base Mortgage & Investments Ltd.; and
- 9.3 None of the Respondents have filed any reports of exempt distribution under National Instrument 45-106 - *Prospectus and Registration Exemptions* for distributions of securities of Base Finance Ltd. or Base Mortgage & Investments Ltd.

Previous Investigation

10. On September 24, 2015, I requested a search be conducted by Ivany-Fagan regarding any previous ASC investigations or action involving the Respondents. The results of my request were provided to me on September 24, 2015 and indicate that Base Finance Ltd. and Breitreutz were the subject of a previous ASC investigation in 1992 related to file B12544. I have asked that this file be retrieved from off-site storage to determine the findings of the investigation.

Previous Representations to Market Regulation

11. In response to my request referred to in paragraph 10, Ivany-Fagan also provided me with a copy of correspondence from Breitreutz to Kathy Ferguson ("**Ferguson**") of the Alberta Securities Commission dated May 9, 2012. A true copy of this letter, as retrieved from the ASC CRM system, is attached as **Exhibit "D"** to this affidavit. The letter appears to be in response to inquiries made by ASC Market Regulation staff of Breitreutz and/or Base Mortgage. In his response, Breitreutz indicates as follows:
 - 11.1.1 Base Mortgage & Investments Ltd. had been brokering mortgages for the past thirty-five (35) years;
 - 11.1.2 Very little brokering had occurred since 2009 and for the past two years no brokering had occurred because of plans for retirement;
 - 11.1.3 In response to specific questions from ASC Market Regulation:
 - 11.1.3.1 There are no debt obligations or promissory notes issued and there are no plans to issue any;
 - 11.1.3.2 There are no pooled mortgages and there are no plans to have them;
 - 11.1.3.3 There is no advising or managing of any type of mortgage investment corporation being done and there are no plans to do so;

11.1.3.4 There are no syndicated mortgages or plans to have them; and

11.1.3.5 There are no issued or sold shares or units and no plans to issue any.

No Current Registration with RECA

12. On September 24, 2015, I requested information via email from Mr. Joseph Fernandez (“**Fernandez**”) the Registrar, Real Estate Council of Alberta (“**RECA**”), regarding the registration history of the Respondents. He responded via email with the following information:

12.1 Breitreutz was registered with RECA as a Mortgage Associate from October 1, 1997 to September 30, 2013;

12.2 Base Mortgage & Investments Ltd. was registered with RECA as a Mortgage Broker for the same period;

12.3 The Respondents do not currently hold registration with RECA.

Additional RBC Information

13. On September 24, 2015, I asked Sean Bonazzo, ASC Investigative Analyst, (“**Bonazzo**”), to issue a Notice Compelling Production to RBC (“the **Production Order**”) for the production of documents related to the account opening documents, account statements, copies of cheques issued and deposited, as well as any internal RBC investigative notes and statements related to accounts held in the name of the Respondents.

14. Shin had advised me in our telephone call on September 24, 2015 that there was only one active account related to the Respondents. On September 25, 2015, in response to the Production Order, RBC provided the following documents and information related to an account in the name of Base Finance Ltd., being RBC account #02649-003-100-405-0 (“the **RBC Base Finance Ltd. Account**”)

14.1 A copy of notes entitled “Summary of CIS Inquiries with respect to Base Finance and Easy Loan”, is attached as “**Exhibit E**” to this affidavit. I confirmed through a telephone call with Mr. Ross Genge (“**Genge**”), Investigator for RBC in Vancouver, British Columbia, that these notes were prepared by him on August 31, 2015 and that they summarize his investigation, including his telephone conversations with Breitreutz on June 30, 2015, August 27 and 29, 2015. Genge’s notes outline the following:

14.1.1 Breitreutz is the principal of the RBC bank account under the name of Base Finance Ltd.;

14.1.2 He has been a client since 1975 but the account was established on May 16, 2014;

- 14.1.3 \$4.275 million had been transacted through the account in the past 2.5 months with high disbursements of funds via cheques with numerous memo items noting "interest payments" to different parties;
- 14.1.4 Base Finance Ltd. appears to use pooled funds and distributes interest for a specific term back to investors;
- 14.1.5 Account records show funds going into the account from investors of large even dollar amounts such as \$150,000 and \$200,000 and then payments out of the account for repayment to investors;
- 14.1.6 There is "no evidence of funds out of acct for the actual loans to persons - leaving a void as to if it is actually directly involved in loaning funds as a private lender";
- 14.1.7 Breitzkreutz's wife, a Ms. Susan Way ("Way") also has signing authority on the account;
- 14.1.8 During the telephone calls with Genge, Breitzkreutz stated as follows:
 - 14.1.8.1 Base Finance Ltd. is a private equity lending company;
 - 14.1.8.2 Mortgages are extended to people who do not qualify for a mortgage at the bank;
 - 14.1.8.3 He uses pooled funds to become first on the mortgage with the lender;
 - 14.1.8.4 The company goes on title as opposed to individuals;
 - 14.1.8.5 Base Mortgage & Investments Ltd. is the administrator and is not involved in brokering or carrying on active mortgages;
 - 14.1.8.6 He locates investors through referrals from banks and friends;
 - 14.1.8.7 He has approximately 100 mortgages outstanding with most of them interim or short term;
 - 14.1.8.8 He confirmed that a number of deposits and cheque payments were for investments and the payments were for interest and/or principal and interest payments;
 - 14.1.8.9 He was not required to be registered as a mortgage lender in Alberta as it was not required; and
 - 14.1.8.10 He was not under any review or investigation with the Alberta Securities Commission.

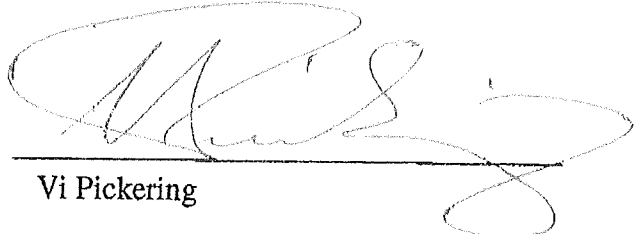
- 14.2 On September 25 and 28, 2015, I reviewed the bank documents received from RBC which included copies of bank statements and issued cheques for a period from May 16, 2014 to the present for the RBC Base Finance Ltd. Account.
- 14.3 A copy of the "Transaction History" for the RBC Base Financial Ltd. Account from 01 September 2015 through 24 September 2015 is attached to this affidavit as "Exhibit F".
- 14.4 Copies of the three most recent cheques deposited into the RBC Base Financial Ltd. Account during September, 2015, for a total of \$800,000, are attached to this Affidavit as "Exhibit G". A memo entry on one of these cheques indicates "mortgage investment -12 month" and an entry on another cheque indicates "6 month mortgage". The third cheque has a blank memo entry space.
- 14.5 Copies of cheques cleared out of the RBC Base Financial Ltd. Account during September, 2015 are attached to this Affidavit as "Exhibit H". I reviewed these cheques and note that the vast majority of them indicate "Int" along with what appears to be a file or account number in the memo field. Some include a notation of "pr repay". The substantial majority of the cheques are issued in amounts of less than \$10,000.00. None have notations that are indicative of funds being used to invest in mortgages.
- 14.6 Copies of Business Account Statements for the RBC Base Finance Ltd. Account for the period December 31, 2014 through August 31, 2015 are attached to this Affidavit as "Exhibit I". I have carefully reviewed these statements, together with copies of cheques and deposit slips provided for this account in respect of this period, and confirm that a similar, suspicious pattern of large deposits into the account and numerous small payments by cheque out of the account is evident throughout the period. No outgoing cheques during this period have notations suggesting they were directed to fund mortgages.
- 14.7 Overall, my review of the bank documents supports the information outlined in Genge's statement.
15. On September 25, 2015, I conducted an Internet search to identify the RBC branch location for RBC bank account #02649-003-100-405-0 and found that it was located at the RBC Britannia branch at 807 - 49 Avenue South West, Calgary, Alberta T1S 1G8. This branch is in proximity to the residence of Breitkreutz.
16. On September 25, 2015, I spoke to Shin and he stated that RBC became aware of a \$500,000 deposit placed into the account on September 24, 2015 with every indication that it was funds from an investor for an investment for a short term of six (6) months. Shin informed me that because of RBC's concerns that there was no legitimate lending occurring, RBC intended to freeze the account as of the afternoon of September 25, 2015.
17. Shin indicated that the RBC-imposed account freeze could be disputed and hoped than an ASC Freeze Order would be issued to ensure the \$1,084,604.03 in the RBC Base Finance Ltd. Account would be preserved.

- 18. On September 25, 2015 I spoke to Genge on the telephone and he confirmed that RBC had frozen the RBC bank account #02649-003-100-405-0 belonging to Base Finance Ltd., which has a balance of \$1,084,604.03 as of September 25.

Summary

- 19. Based on my investigation to date and on my experience, the evidence provided by RBC bank statements and information from Shin and Genge with respect to the account activities for the Respondents identify that there may be very serious breaches of Alberta securities laws occurring, including possible securities fraud contrary to Section 93 of the *Act*.
- 20. To prevent further harm and loss to investors' funds, I believe an order should be issued to freeze the funds in the RBC Base Financial Ltd. Account.
- 21. I make this Affidavit in support of an application by Staff of the ASC for the Executive Director to issue a Freeze Order to RBC related to accounts held in the name of Base Finance Ltd., RBC bank account # 02649-003-100-405-0 in the amount of \$1,084,604.03 pursuant to sections 47(2) of the *Act*.

SWORN BEFORE ME at the)
 City of Calgary, in the Province)
 of Alberta, this 28th day of)
 September, 2015.)
 _____)
 _____)



 Vi Pickering

A COMMISSIONER FOR OATHS
in and for the Province of Alberta

LORENZ BERNER
Barrister & Solicitor

TAB A

Government
of Alberta ■

Corporation/Non-Profit Search

Corporate Registration System

Date of Search: 2015/09/24
Time of Search: 09:02 AM
Search provided by: ALBERTA SECURITIES COMMISSION

Service Request Number: 23974287

Customer Reference Number:

This is Exhibit "A" referred to in the
Affidavit of

Vi Pickering

Sworn before me this 28 day

of Sept A.D. 2015

A Notary Public, Commissioner for Oaths
in and for the Province of Alberta

Corporate Access Number: 203120084

Legal Entity Name: BASE FINANCE LTD.

LORENZ BERNER
Barrister & Solicitor

Name History:

Previous Legal Entity Name	Date of Name Change (YYYY/MM/DD)
312008 ALBERTA LTD.	1984/09/12
BASE FINANCIAL SERVICES (II) LTD.	1988/05/13

Legal Entity Status: Active
Alberta Corporation Type: Named Alberta Corporation
Registration Date: 1984/02/16 YYYY/MM/DD

Registered Office:

Street: 724 55 AVENUE SW
City: CALGARY

Province: ALBERTA

Postal Code: T2V 0G3

Records Address:

Street: 724 55 AVENUE SW

City: CALGARY

Province: ALBERTA

Postal Code: T2V 0G3

Directors:

Last Name: BREITKREUTZ

First Name: ARNOLD

Street/Box Number: 724, 55TH AVE. S.W.

City: CALGARY

Province: ALBERTA

Postal Code: T2V 0G3

Voting Shareholders:

Last Name: BREITKREUTZ

First Name: ARNOLD

Street: 724, 55TH AVE. S.W.

City: CALGARY

Province: ALBERTA

Postal Code: T2V 0G3

Percent Of Voting Shares: 100

Other Information:

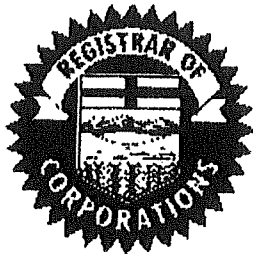
Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)
2015	2015/03/16

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2015/03/16	Enter Annual Returns for Alberta and Extra-Provincial Corp.

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



TAB B

COPY

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

Date of Search: 2015/09/24
 Time of Search: 10:17 AM
 Search provided by: ALBERTA SECURITIES COMMISSION

Service Request Number: 23975299
 Customer Reference Number:

This is Exhibit "B" referred to in the
 Affidavit of

VI PICKERING
 Sworn before me this 28 day

of Sept A.D., 2015

[Signature]
 A Notary Public, Commissioner for Oaths
 in and for the Province of Alberta

Corporate Access Number: 201235959

Legal Entity Name: BASE MORTGAGE & INVESTMENTS LTD.

Name History:

LORENZ BERNER
 Barrister & Solicitor

Previous Legal Entity Name	Date of Name Change (YYYY/MM/DD)
BASE MORTGAGE & INVESTMENTS LTD.	1984/07/18
BASE FINANCIAL SERVICES LTD.	1984/09/12

Legal Entity Status: Active
Alberta Corporation Type: Named Alberta Corporation
Registration Date: 1978/08/28 YYYY/MM/DD

Registered Office:

Street: 724 55 AVE SW
City: CALGARY

Province: ALBERTA

Postal Code: T2V 0G3

Directors:

Last Name: BREITKREUTZ

First Name: ARNOLD

Street/Box Number: 724, 55TH AVE. S.W.

City: CALGARY

Province: ALBERTA

Postal Code: T2V 0G3

Voting Shareholders:

Last Name: BREITKREUTZ

First Name: ARNOLD

Street: 724, 55TH AVE. S.W.

City: CALGARY

Province: ALBERTA

Postal Code: T2V 0G3

Percent Of Voting Shares: 100

Other Information:

Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)
2015	2015/08/17

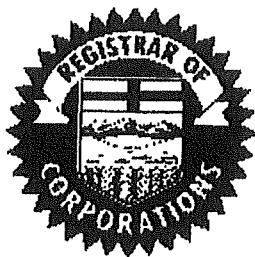
Continued Under the Business Corporations Act on:

1983/10/21
YYYY/MM/DD

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
1998/09/23	Change Address
2015/08/17	Enter Annual Returns for Alberta and Extra-Provincial Corp.

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



TAB C

SEARCH

ADMIN TOOLS

- Home
- Individual**
- Firm Submission
- Individual Submission

Alberta Securities Commission

There is no result found based on the search criteria provided

Search Criteria

Enter information in at least one of the text boxes below to begin your search:

Firm Status: Current Only All

Name Starts with: base finance

OR

Name Contains:

OR

NRD No.:

SEARCH | ADMIN TOOLS

This is Exhibit "C" referred to in the Affidavit of

VI PICKERINB.

Sworn before me this 28 day

of SEPT A.D., 2015

A Notary Public, Commissioner for Oaths in and for the Province of Alberta

LORENZ BERNER
Barrister & Solicitor

LB

SEP 28 2015

SEARCH

ADMIN TOOLS

- Home
- Individual
- Firm Submission
- Individual Submission

Alberta Securities Commission

There is no result found based on the search criteria provided

Search Criteria

Enter information in at least one of the text boxes below to begin your search:

Firm Status: Current Only All

Name Starts with: base mortgage

OR

Name Contains:

OR

NRD No.:

SEARCH | ADMIN TOOLS

SEP 28 2015

SEARCH

ADMIN TOOLS

- Firm
- Individual
- Firm Submission**
- Individual Submission

Alberta Securities Commission

There is no result found based on the search criteria provided

Search for Individual

Search Criteria

Enter information in at least one of the text boxes below to begin your search:

Individual Status: Current Only All

NRD No.:

OR

Enter information in at least one of the text boxes below to begin your search:

Last Name: breitkreutz

First Name: arnold

Second Name (if applicable):

Third Name (if applicable):

Date of Birth (optional): / /
(YYYY/MM/DD)

Province/Territory/State of Residence: Select One ▼

Province/Territory of Registration/Acceptance: Select One ▼

OR

Business Name Starts With:

OR

Business Name Contains:

[Search] [Reset]

SEARCH | ADMIN TOOLS

DS

SEP 28 2015

Company

Base Finance Ltd

Assigned To
CF Admin


Modified On
25/09/2015 1:29 PM

Relationship to ASC

Market Cap

General

Company Overview

Company Number	CMP-0032236	Main Phone	(403) 255-3100
Company Name	Base Finance Ltd	Other Phone	
Parent Company		Fax	
Primary Contact	 Arnold Breitkreutz	Web Site	
Relationship to ASC		E-mail	
Relationship Sub-Type		Status Reason	Active

Shared Company/Organization Details

Industry		School Language	
Head Office Address			
Address Name		City	Calgary
Street 1	724 -55 Avenue SW	Province/State	AB
Street 2		Country	Canada
Street 3		Postal Code/ZIP	T2V 0G3

Mailing Address

Address Name		City	
Street 1		Province/State	
Street 2		Country	
Street 3		Postal Code/ZIP	

Reporting Issuer

Overview

Action Required Date

Filings Frequency

CTO Status

FS Filing Regime

CPC

51-102 Issuer Category

Market Capitalization

TSX-V Tier

Market Cap Date

RI Details

How Issuer Became RI

Date Issuer Became RI

Qualifying Transaction Completion Date

Date RI Became Inactive

OTC Info

OTC Ticker

OTC Market

Ticker Symbol Date

Alberta OTC Reporting Issuer Reason

3(a) Business

3(b) Promotional

3(c) Securities

Unable to Confirm Connection

Filing Types

FS No

MD&A No

CERT No

AIF

O&G No

INV-FS No

MRFP No

INV-AIF

ASC Records & SEDAR Profile

Fiscal Year End (Mmm-DD)

SEDAR:

Floating Year End No

Discretionary Change in PR

PR

SEDAR:

Basis for PR

Year of IFRS Adoption

Short Form No Issuer

SEDAR:

Notice of Intention Filed

Notice of Withdra... Filed

Grandfat... No Under 44-101

Date of Current Prospectus (81-106)

SEDAR Profile

SEDAR Issuer Number

SEDAR Link

Company Name

Contact Name

Industry

Stock Symbol

CUSIP

Auditor

General Partner

Transfer Agent

Date of Formation

Jurisdiction Formed

Size

Last Updated

Validated

Reporting Jurisdiction(s)

Alberta	No	British Columbia	No	Manitoba	No	New Brunswick
Newfoundl...	No	Northwest Territories	No	Nova Scotia	No	Nunavut
Ontario	No	Prince Edward Island	No	Quebec	No	Saskatchewan
Yukon	No	Not Applicable	No			

Listings

Australia	CA-Alpha Main	CA-Alpha Venture+	CA-CDN-OTC
CA-CDNX - AB	CA-CDNX - BC	CA-ME	CA-NEX
CA-OTHER	CA-TSX	CA-TSX Venture	CA-WSE

CNSX	Frankfurt	Hong Kong	London-AIM
London	Mexico	OTCBB	Over-the-counter markets
Paris	Pink Sheets	Shanghai	Shenzen
Taiwan	Tokyo	US-AMEX	US-BSE;CBOE;CSISE; Phix; PCX
US-NASDAQ	US-NYSE	US-Other	Not Applicable
51-105	Other		

Defaults

System Generated Defaults

1a) Unfiled Annual FS	No	Excluded	No	Exclusion Reason	Exclusion Expiry
1b) Unfiled Interim FS	No	Excluded	No	Exclusion Reason	Exclusion Expiry
1c) Unfiled MD&A/MRFP	No	Excluded	No	Exclusion Reason	Exclusion Expiry
1d) Unfiled AIF	No	Excluded	No	Exclusion Reason	Exclusion Expiry
1e) Unfiled Cert's	No	Excluded	No	Exclusion Reason	Exclusion Expiry
1g) No SEDI Profile	No	Excluded	No	Exclusion Reason	Exclusion Expiry
1k) Unfiled O&G	No	Excluded	No	Exclusion Reason	Exclusion Expiry

Manual Defaults

Note: Entering 'Date Resolved' & saving record will clear your entry & record it in Audit History

1f) Unfiled Info Circ	No	Default Date	Date Resolved	Period (YYYY-Q#)
1h) Unfiled MCR	No	Default Date	Date Resolved	Period (YYYY-Q#)
1i) No MCR Update	No	Default Date	Date Resolved	Period (YYYY-Q#)
1j) Unfiled BAR	No	Default Date	Date Resolved	Period (YYYY-Q#)
1k) Unfiled Mining Report	No	Default Date	Date Resolved	Period (YYYY-Q#)
1l) Unfiled News Release	No	Default Date	Date Resolved	Period (YYYY-Q#)
1m) Missing Corporate Gov.	No	Default Date	Date Resolved	Period (YYYY-Q#)
1n) Missing Audit Committee	No	Default Date	Date Resolved	Period (YYYY-Q#)

DBT

1o) Missing DC&P/ICFR	No	Default Date	Date Resolved	Period (YYYY-Q#)
2a) FS - Content	No	Default Date	Date Resolved	Period (YYYY-Q#)
2b) FS - Unreliable	No	Default Date	Date Resolved	Period (YYYY-Q#)
2c) AIF, MD&A, etc - Content	No	Default Date	Date Resolved	Period (YYYY-Q#)
2d) O&G/Mining - Content	No	Default Date	Date Resolved	Period (YYYY-Q#)
3) Fees	No	Default Date	Date Resolved	Period (YYYY-Q#)
4) Other	No	Default Date	Date Resolved	Period (YYYY-Q#)

Comments Regarding Exclusions & Manual Defaults

Regulatory Details

Current Regulatory Action?

Market Regulation	No	Corporate Finance	No	Enforcement	No
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Sanctions

CF - CTO	No	CF - CTO Revocation/Expiry Date
ENF - CTO	No	ENF - CTO Expiry Date
ICTO	No	ICTO Expiry Date

Market Regulation

Firm Overview

From NRD?	No	NRD Number
Registration Date		Monthly UN Reporting?
CORES Checkdate		Principal Regulator
Director's Resolution Date		Firm Status - AB
Other Jurisdictions - T&C	No	Firm Status - Other No
Terms & Conditions - AB		
Comments		

Contact Details

AFR Name	CCO Name	UDP Name
AFR Phone	CCO Phone	UDP Phone
AFR Email	CCO Email	UDP Email
UN Reporting Email	CCO Location	UDP Location

Registration Details

Exempt Market Dealer	No	International - Other Exemption	No	International Adviser - Exemption	No
International Dealer - Exemption	No	Mutual Fund Dealer	No	Investment Dealer	No
Investment Fund Manager	No	Restricted Dealer	No	Restricted Portfolio Manager	No
Portfolio Manager	No	Scholarship Plan Dealer	No		

Insurance Details

Insurance	Insurance Expires
------------------	--------------------------

Market Intelligence Details

Total Number of Offices	Total Employees
Total Branches	Total Employees in AB
Total Sub-Branches	Total Registrants
Alberta Branches	Total Registered in AB
Alberta Sub-Branches	AB-Based Registrants
Business Services Provided	

Firm Created By	Legal Structure
------------------------	------------------------

Firm Created Date

Investment Strategies

Commodities	Derivatives	Equities	Exchange Traded
Fixed Income	Investment Funds	Leverage	

**Mortgage
Syndicator**

Mutual Funds

Pooled Funds

eg. Client Accounts

Short-Selling

Third Party Dealer

Alberta Business Functions

Administration

Compliance

Dealer

IFM

PM

**Registered for Other
Products**

Carrying Broker

**Other Financial
Products**

Financial Details

**AB Revenue Sole
Client**

Auditor Name

Fiscal Year End

Custodian Name

Current AUM

Custody of Assets

**Excess Working
Capital**

**Subordinated Loan
Agreement**

**Excess Working
Capital Date**

Firm History

**Last Oversight
Examination**

Bankruptcy History

Criminal Convictions

**Refusal of
Registration**

Exemptions

Member of an SRO

SRO Exemption

SRO/Exchange

General Information

Business Description

**ASC Recognition
Date**

**Commencement
Date**

Lead Jurisdiction

**Other Lead
Jurisdiction**

Recognizing Jurisdiction(s)

Alberta	British Columbia	Manitoba
New Brunswick	Newfoundland	Northwest Territories
Nova Scotia	Nunavut	Ontario
Prince Edward Island	Quebec	Saskatchewan
Yukon		

Exempting Jurisdiction(s)

Alberta	British Columbia	Manitoba
New Brunswick	Newfoundland	Northwest Territories
Nova Scotia	Nunavut	Ontario
Prince Edward Island	Quebec	Saskatchewan
Yukon		

Documents

Administration

History

Created On	20/11/2009 8:41 PM	Modified On	25/09/2015 1:29 PM
Previous Names	BASE FINANCE LTD		

DAF

Assigned To  CF Admin Currency  Canadian Dollar

1g Exclusion Expiry

Oil & Gas Assets

ASCIS Legacy Fields

ASCIS ID Code 13716

Listed CDN Date

ASCIS File Number 812544

Listed ASE Date

Listed On

Section 145 Date

Issuer Type

FP Receipt Date

Categorization

Take Over Date

Basis

1st Amalgamation Date

On Passport

2nd Amalgamation Date

Inactive Reason

Inactive Date

Active Section 153 No

Section 153 Date

Comments (From ASCIS)

Notes

Status Active

Received Filing Associated View

Filing Date	Document Description	Filing Type	SEDAR Project	Filing Number	Delivery Method	Status Reason	DM Document No.	Expected Filing	Filing Class	Rejectin
-------------	----------------------	-------------	---------------	---------------	-----------------	---------------	-----------------	-----------------	--------------	----------

Received Filing records are available in this view.



Company

Base Mortgage & Investment Ltd

Assigned To
CF Admin

Modified On
25/09/2015 1:30 PM

Relationship to ASC

Market Cap

General

Company Overview

Company Number	CMP-0041203	Main Phone	
Company Name	Base Mortgage & Investment Ltd	Other Phone	
Parent Company		Fax	
Primary Contact		Web Site	
Relationship to ASC		E-mail	
Relationship Sub-Type		Status Reason	Active

Shared Company/Organization Details

Industry **School Language**

Head Office Address

Address Name	City
Street 1	Province/State
Street 2	Country
Street 3	Postal Code/ZIP

Mailing Address

Address Name	City
Street 1	Province/State
Street 2	Country
Street 3	Postal Code/ZIP

1007

Reporting Issuer

Overview

Action Required Date

Filings Frequency

CTO Status

FS Filing Regime

CPC

51-102 Issuer Category

Market Capitalization

TSX-V Tier

Market Cap Date

RI Details

How Issuer Became RI

Date Issuer Became RI

Qualifying Transaction Completion Date

Date RI Became Inactive

OTC Info

OTC Ticker

OTC Market

Ticker Symbol Date

Alberta OTC Reporting Issuer Reason

3(a) Business

3(b) Promotional

3(c) Securities

Unable to Confirm Connection

Filing Types

FS No

MD&A No

CERT No

AIF

O&G No

INV-FS No

MRFP No

INV-AIF

ASC Records & SEDAR Profile

Fiscal Year End (Mmm-DD)

SEDAR:

Floating Year End No

Discretionary Change in PR

PR

SEDAR:

Basis for PR

Year of IFRS Adoption

Short Form No Issuer

SEDAR:

Notice of Intention Filed

Notice of Withdra... Filed

Grandfat... No Under 44-101

Date of
Current
Prospectus
(81-106)

SEDAR Profile

SEDAR Issuer Number **SEDAR Link**

Company Name

Contact Name

Industry

Stock Symbol

CUSIP

Auditor

General Partner

Transfer Agent

Date of Formation

Jurisdiction Formed

Size

Last Updated

Validated

Reporting Jurisdiction(s)

Alberta	No	British Columbia	No	Manitoba	No	New Brunswick
Newfoundl...	No	Northwest Territories	No	Nova Scotia	No	Nunavut
Ontario	No	Prince Edward Island	No	Quebec	No	Saskatchewan
Yukon	No	Not Applicable	No			

Listings

Australia	CA-Alpha Main	CA-Alpha Venture+	CA-CDN-OTC
CA-CDNX - AB	CA-CDNX - BC	CA-ME	CA-NEX
CA-OTHER	CA-TSX	CA-TSX Venture	CA-WSE

CNSX	Frankfurt	Hong Kong	London-AIM
London	Mexico	OTCBB	Over-the-counter markets
Paris	Pink Sheets	Shanghai	Shenzen
Taiwan	Tokyo	US-AMEX	US-BSE;CBOE;CS ISE; Phix; PCX
US-NASDAQ	US-NYSE	US-Other	Not Applicable
51-105	Other		

Defaults

System Generated Defaults

1a) Unfiled Annual FS	No	Excluded	No	Exclusion Reason	Exclusion Expiry
1b) Unfiled Interim FS	No	Excluded	No	Exclusion Reason	Exclusion Expiry
1c) Unfiled MD&A/MRFP	No	Excluded	No	Exclusion Reason	Exclusion Expiry
1d) Unfiled AIF	No	Excluded	No	Exclusion Reason	Exclusion Expiry
1e) Unfiled Cert's	No	Excluded	No	Exclusion Reason	Exclusion Expiry
1g) No SEDI Profile	No	Excluded	No	Exclusion Reason	Exclusion Expiry
1k) Unfiled O&G	No	Excluded	No	Exclusion Reason	Exclusion Expiry

Manual Defaults

Note: Entering 'Date Resolved' & saving record will clear your entry & record it in Audit History

1f) Unfiled Info Circ	No	Default Date	Date Resolved	Period (YYYY-Q#)
1h) Unfiled MCR	No	Default Date	Date Resolved	Period (YYYY-Q#)
1i) No MCR Update	No	Default Date	Date Resolved	Period (YYYY-Q#)
1j) Unfiled BAR	No	Default Date	Date Resolved	Period (YYYY-Q#)
1k) Unfiled Mining Report	No	Default Date	Date Resolved	Period (YYYY-Q#)
1l) Unfiled News Release	No	Default Date	Date Resolved	Period (YYYY-Q#)
1m) Missing Corporate Gov.	No	Default Date	Date Resolved	Period (YYYY-Q#)
1n) Missing Audit Committee	No	Default Date	Date Resolved	Period (YYYY-Q#)

1a) Missing DC&P/ICFR	No	Default Date	Date Resolved	Period (YYYY-Q#)
2a) FS - Content	No	Default Date	Date Resolved	Period (YYYY-Q#)
2b) FS - Unreliable	No	Default Date	Date Resolved	Period (YYYY-Q#)
2c) AIF, MD&A, etc - Content	No	Default Date	Date Resolved	Period (YYYY-Q#)
2d) O&G/Mining - Content	No	Default Date	Date Resolved	Period (YYYY-Q#)
3) Fees	No	Default Date	Date Resolved	Period (YYYY-Q#)
4) Other	No	Default Date	Date Resolved	Period (YYYY-Q#)

Comments Regarding Exclusions & Manual Defaults

Regulatory Details

Current Regulatory Action?

Market Regulation	No	Corporate Finance	No	Enforcement	No
-------------------	----	-------------------	----	-------------	----

Sanctions

CF - CTO	No	CF - CTO Revocation/Expiry Date
ENF - CTO	No	ENF - CTO Expiry Date
ICTO	No	ICTO Expiry Date

Market Regulation

Firm Overview

From NRD?	No	NRD Number
Registration Date		Monthly UN Reporting?
CORES Checkdate		Principal Regulator
Director's Resolution Date		Firm Status - AB
Other Jurisdictions - T&C	No	Firm Status - Other No
Terms & Conditions - AB		
Comments		

Contact Details

AFR Name	CCO Name	UDP Name
AFR Phone	CCO Phone	UDP Phone
AFR Email	CCO Email	UDP Email
UN Reporting Email	CCO Location	UDP Location

Registration Details

Exempt Market Dealer	No	International - Other Exemption	No	International Adviser - Exemption	No
International Dealer - Exemption	No	Mutual Fund Dealer	No	Investment Dealer	No
Investment Fund Manager	No	Restricted Dealer	No	Restricted Portfolio Manager	No
Portfolio Manager	No	Scholarship Plan Dealer	No		

Insurance Details

Insurance **Insurance Expires**

Market Intelligence Details

Total Number of Offices	Total Employees
Total Branches	Total Employees in AB
Total Sub-Branches	Total Registrants
Alberta Branches	Total Registered in AB
Alberta Sub-Branches	AB-Based Registrants
Business Services Provided	

Firm Created By **Legal Structure**

Firm Created Date

Investment Strategies

Commodities	Derivatives	Equities	Exchange Traded
Fixed Income	Investment Funds	Leverage	

Mortgage Syndicator	Mutual Funds	Pooled Funds	Mortgage Invest Corporation ("M Private Equity
Seg. Client Accounts	Short-Selling	Third Party Dealer	
Alberta Business Functions			
Administration		Compliance	
Dealer		IFM	
PM		Registered for Other Products	
Carrying Broker		Other Financial Products	
Financial Details			
AB Revenue Sole Client		Auditor Name	
Fiscal Year End		Custodian Name	
Current AUM		Custody of Assets	
Excess Working Capital		Subordinated Loan Agreement	
Excess Working Capital Date			
Firm History			
Last Oversight Examination			
Bankruptcy History		Criminal Convictions	
Refusal of Registration		Exemptions	
Member of an SRO		SRO Exemption	
SRO/Exchange			
General Information			
Business Description			
ASC Recognition Date		Commencement Date	
Lead Jurisdiction		Other Lead Jurisdiction	

Recognizing Jurisdiction(s)

Alberta	British Columbia	Manitoba
New Brunswick	Newfoundland	Northwest Territories
Nova Scotia	Nunavut	Ontario
Prince Edward Island	Quebec	Saskatchewan
Yukon		

Exempting Jurisdiction(s)

Alberta	British Columbia	Manitoba
New Brunswick	Newfoundland	Northwest Territories
Nova Scotia	Nunavut	Ontario
Prince Edward Island	Quebec	Saskatchewan
Yukon		

Documents

Administration

History

Created On	20/11/2009 9:00 PM	Modified On	25/09/2015 1:30 PM
Previous Names	BASE MORTGAGE & INVESTMENT LTD		

083



Assigned To  C. Adair

Currency  Canadian Dollar

1g Exclusion Expiry

Oil & Gas Assets

ASCIS Legacy Fields

ASCIS ID Code 55832

Listed CDNX Date

ASCIS File Number

Listed ASE Date

Listed On

Section 145 Date

Issuer Type

FP Receipt Date

Categorization

Take Over Date

Basis

1st Amalgamation Date

On Passport

2nd Amalgamation Date

Inactive Reason

Inactive Date

Active Section 153 No

Section 153 Date

Comments (From ASCIS)

Notes

Status Active



Received Filing Associated View

Filing Date	Document Description	Filing Type	SEDAR Project	Filing Number	Delivery Method	Status Reason	DM Document No.	Expected Filing	Filing Class	Rejects
1/05/2012	RESPONSE LETTER	3003		REC-00753537	Calgary Office	Active				No

Contact

Arnold Breitkreutz

E-mail

Preferred Method of Contact
Any

Owner
CF Admin

General

Contact Number	IND-0036354	Parent Company	Base Finance Ltd
Salutation	Mr.	Job Title	President
Full Name (SEDAR)	Arnold Breitkreutz	Contact Type	Suspect
First Name	Arnold	Business Phone	(403) 255-3100
Last Name	Breitkreutz	Extension	
Middle Name		Mobile Phone	
Goes By		Home Phone	(403) 255-3100

Alias

Designation

Fax

Email

Secondary Email

Mailing Address

Use Company Address? No

Address Name	City
Street 1	Province/State
Street 2	Country
Street 3	Postal Code/ZIP

Home Address

Street 1	724 - 55 Avenue SW	City	Calgary
Street 2		Province/State	AB
Street 3		Country	Canada
		Postal Code/ZIP	T2V 0G3

1087

Related Parties To

<input type="checkbox"/>	Relationship Type	Company	Contact	Created On
<input type="checkbox"/>	Suspect		Arnold Breitkreutz	24/09/2015 10:21 AM
<input type="checkbox"/>	Suspect	Base Finance Ltd	Arnold Breitkreutz	24/09/2015 10:28 AM
<input type="checkbox"/>	Suspect	Base Mortgage & Investmen	Arnold Breitkreutz	24/09/2015 10:57 AM

1 - 3 of 3 (0 selected) Page 1

ClickDimensions

Age	Facebook
	LinkedIn
IP	Twitter
Analytics Score	Identified On
Total Score	

Contact Details

Professional Information

Department	Assistant
Role	Assistant Phone
	Assistant Email
Description	

Regulatory Details

Current Regulatory Action?

Market Regulation	No	Corporate Finance	No	Enforcement	No
--------------------------	----	--------------------------	----	--------------------	----

Reference Detail

ENF - CTO	No	ENF - CTO Expiry Date
ENF - ICTO	No	ENF - ICTO Expiry Date
D/O Ban	No	D/O Ban Expiry Date
Denial of Exemptions	No	Denial of Exemptions Expiry Date

Violations

Illegal Distribution	Acting Contrary to Public Interest
Market Manipulation	Insider Trading
Failure to File	Misrepresentation
Misleading Statements	Illegal Capital Market Raising
Reciprocation of Order	Prohibited Representations

Sanctions

Administrative Penalties	Prohibition as Director or Officer
CTO for All Securities	CTO for Specified Securities
Denial of All Exemptions	Denial of Specified Exemptions
Revocation	Partial Revocation
MCTO	Other Sanction
No	

Market Reg

NRD Integration

From NRD?	No	CPIC Check	No
NRD Number		Ind. Status - Other	No

Ind. Terms - AB

Other Jurisdictions No
T&C

Individual Registration Categories

Dealing Representative	Advising Representative	Associate Advising Representative
-------------------------------	--------------------------------	--

Permitted Categories

Ultimate Designated Person	Chief Compliance Officer	Officer	Director
Shareholder	Branch Manager (MFDA Members only)	IIROC Approval Only	

Investment Industry Regulatory Organization of Canada

Approval Categories

Executive	Director (Industry)	Director (Non-Industry)	Supervisor
Investor	Registered Representative	Investment Representative	Trader
Chief Financial Officer			

Products

Non-Trading	Securities	Options	Futures Contracts
--------------------	-------------------	----------------	--------------------------

Mutual Funds

Customer Type

Retail	Institutional	Not-Applicable
---------------	----------------------	-----------------------

Portfolio Management

Portfolio Management

C&IE

Event Indicators

Weekly Update	Christmas Card	Christmas Card Signature(s)
Information Seminars	Contact Reception	Contact Reception Owner(s)
Division Ownership	Corporate Finance	Derivative Mailings
	Department Ownership	

Education Indicators

Investor Alerts	Investor Updates	Teacher Updates
------------------------	-------------------------	------------------------

Reports

Annual Report

Continuous Disclosure Report

AB Capital Market Report

Oil & Gas Report

Grades & Subjects

Grade(s)

Subject(s)

Other Grade

Other Subject

Event Participation Information

Last Date Included in Event

Documents



Navigation to the webpage was canceled

What you can try:

- Retype the address.

Administration

Internal Information

ASCIS ID Code	61869	ASCIS File Number	
Owner	CF Admin	Status Reason	Active
Created On	22/11/2009 1:17 PM		
Modified On	25/09/2015 1:38 PM		

Contact Methods

DDA

Preferred Any

Send Marketing Materials Send

Do not allow Bulk E-mails Allow

Do not allow E-mails Allow

Do not allow Faxes Allow

Do not allow Mail Allow

Do not allow Phone calls Allow

Notes

Confidential Info

Confidential Info

Birthday 31/10/1947

SIN/SSN Number

Place of Birth

Activities

Activities Open Activities

Subject

Regarding

Activity Type

Activity Status

Priority

No Activity records are available in this view.

0 - 0 of 0 (0 selected)

Page 1

Status

Active

109A

TAB D

**ALBERTA SECURITIES
COMMISSION**

MAY 15 2012

CMP 0041203

IND _____

REC FILING D8753537

MATTER MRN-000986

EXP _____

MRN SCAN

May 9, 2012

Alberta Securities Commission
600, 250 - 5 St SW
Calgary AB T2P 0R4

ATTENTION: KATHY FERGUSON

Dear Madam

Re: Your letter April 27/12 re Registerable Activities

Further to your letter dated April 27, 2012, please be advised that Base Mortgage & Investments Ltd has been brokering all types of mortgages for the past thirty-five years.

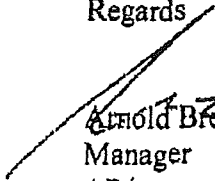
Since 2009 we have done very little brokering and for the past two years none at all as we have been winding down to retirement.

Regarding your specific questions:

- 1) re issued or sold any debts obligations or promissory notes – no we have not and do not have any future plans to do so
- 2) re pooled mortgages & interests in pools – no we do not pool mortgages and have no plans to do so
- 3) re managing or advising a Mortgage Investment Corp – we have never done so or plan to do so
- 4) re syndicated mortgages – we do not have syndicated mortgages or plan to do so
- 5) re issued or sold shares or units – no we have not issued, sold shares or units and do not plan to do so.

We trust the foregoing to be satisfactory.

Regards

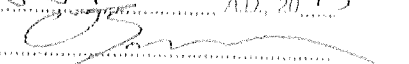

Arnold Breitkreutz
Manager
AB/sw

This is Exhibit "D" referred to in the
Affidavit of

VI PICKERING

Sworn before me this 28 day

of SEP AD, 2015


A Notary Public, Commissioner for Oaths
in and for the Province of Alberta

LORENZ BERNER
Barrister & Solicitor



BASE MORTGAGE & INVESTMENTS LTD.

724 - 55 AVENUE S.W., CALGARY, ALBERTA T2V 0G3

PHONE (403) 255-3100

BASE MORTGAGE & INVESTMENTS LTD.
724 - 55 AVE. S.W
CALGARY, AB T2V 0G3

www.canadapost.ca 120514 2

www.postescanada.ca T2E

ALBERTA SECURITIES COMMISSION
KATHY FERGUSON
600, 250 - 5 ST SW
CALGARY AB T2P 0R4

TAB E

Summary of CIS Inquiries with respect to Base Finance and Easy Loan

A CIS investigation was generated after concerns were noted within transactions the account of Base Finance. Specifically:

- A dishonoured cheque for \$500,000 payable to Base Finance from Easy Loan Consulting. Further review of acct of Base Financial account revealed that since the account was established on May 16 2014, 4.275 MM had been transacted through the account in the past 2.5 months. Unusually high disbursements of funds via cheques were noted moved out of the acct with numerous memo items noting 'interest payments' to different parties. Many cheques were of even dollar amounts.
- Further the returned cheque had been deposited to a closed account. A draft was issued by BMO payable to Base Finance for \$500,000 to make up for returned cheque and there was no loss financial loss to RBC.
- Subsequent CIS investigation was conducted to ensure that Base Finance was not involved inappropriate market activity such as a Ponzi and also to get an understanding of the nature of the business.

Base Finance:

- Principal of the account is Arnold Breikreutz (Breitkreutz) SRF# 152487518
- Client since 1975 and second subject with signing authority on the account is Susan Way SRF#879288181.
- Associated to Base Finance is GP Energy (accts inactive) and Base Mortgage Investments with two business accounts, personal deposit and credit accounts including one RBC mortgage.

Breitkreutz:

- Arnold BREITKREUTZ is listed as a mortgage broker on the SRF profile.
- There is no record of he being listed or registered as a broker within any regulatory agency
- There is no relevant enforcement action or derogatory information found through online searches of AB Real Estate Council (RECA), Canadian Securities Administrators (CSA), Investment Industry Regulatory Organization of Canada (IIROC), Mutual Fund Dealers Association of Canada (MFDA), AB Securities Commission (ASC), or Alberta Superintendent of Financial Institutions (ASFI)

Subscribed and sworn to in the
Affidavit of
VI PICKERING
Sworn before me this 28 day
of SEPT A.D. 2015
A Notary Public, Commissioner for Oaths
Province of Alberta

LORENZ BERNER
Notary & Solicitor

- Research was also conducted on his spouse, Susan BREITKREUTZ (srf#204697031)- nothing relevant was found.
- Interview with the business account manager for Base Finance- no negative information provided and no concerns with respect to the relationship.

Base Financial:

- AB incorporation record, Base Finance (active) was established on 1984/02/16 and BREITKREUTZ is the sole director and shareholder. The registered address is the same as BREITKREUTZ's personal SRF profile, 724 55 Ave SW, Calgary AB, which appears to be a residential address according to Google Map
- Unable to identify the company's registration record or relevant enforcement action through searches of RECA, CSA, IIROC, MFDA, ASC or ASFI.
- Nothing relevant was identified for the company (e.g. corporate website, ads, Dun & Bradstreet record or complaints).
- Results from public record searches always referred back to Base Mortgage & Investments Ltd.

Base Mortgage & Investments Ltd.:

- AB incorporation record, Base Mortgage (active) was formed 1978/08/28 and BREITKREUTZ is the sole director and shareholder. The registered address is also 724 55 Ave SW, Calgary AB
- A Dun & Bradstreet record was identified and the company reportedly had two employees as of December 2013. Categorized as a loan broker, Base Mortgage was estimated to have annual sales of CAD\$500,000 in 2012
- Base Mortgage advertises itself as a "mortgage broker" and in the industry of "security brokers, dealers, and flotation companies".
- Unable identify the company's registration record or enforcement action through searches of RECA, CSA, IIROC, MFDA, ASC or ASFI;
- No corporate website was found; and
- No media articles or online complaints were identified
- A post which appeared to be of advertising nature, was identified for Base Mortgage on a 2001 newsletter by Networth Asset Management Inc. The contact person was named Lyle Hogaboam. There is a possible SRF profile found for Lyle Hogaboam (srf#200164176) and no relevant hits on EIM. This individual is not registered with RECA or CSA. Hogaboam does appear to be associated to Base Mortgage any longer after his association in 2001.

Account activity review of Base Finance:

- Numerous cheques with memo items of 'interest' noted on the cheque. Even dollar amounts out of Base acct and payable to different parties.
- Appears to be activity consistent to a private lender for mortgages.
- Of concern is a business profile of Base is very limited with no indication of advertising etc and how it attracts business for lending or for people to invest.
- Company appears to use pooled funds and distributes interest for a specific term back to investors. Acct records show funds in to the acct from investors of large even dollar amts such as cheques for \$150,000 and \$200,000 and payment out of acct such as repayment to investors as previously noted. But of concern is no evidence of funds out of acct for the actual loans to persons- leaving a void as to if it is actually directly involved in loaning funds as a private lender.

Interview of BREITKREUTZ:

Background:

- Used to work for BMO for approximately 25 years.
- Now operates solely as a private lender using pooled funds of other themselves and other individuals for property purchases
- Home based business and his spouse – Susan Way is the sole employee besides themselves
- Nature of the business – Base Finance:
 - Private lending company – equity mortgages.
 - Mortgages extended to people who do not qualify for a mortgage at bank – but the company will retain equity in the property will process a private mortgage for these clients provided they retain equity in the property and loan directly to the purchaser.
 - Also involved in business properties such as commercial properties and raw land and oil and gas mortgages.
 - Uses pooled funds to become first on the mortgage with the lender
 - The source of the pooled funds include his own funds and also puts together a group of investors who contribute funds on occasion directly to the mortgage.
 - Company goes on title as opposed to all of the individuals.
 - Contractual agreement and specific to the property.
 - Base Mortgage Investments- is the administrator and is not involved in brokering or carrying on active mortgages- so not licenced.
 - Locates clients/investors through referrals from banks etc. and friends.

- Currently Base has approximately 100 mortgages outstanding with most of it interim or short term.
- Reviewed numerous deposits/payables to and from the Base Finance account:
 - Bariele's Investments \$150,000 Sept 8, 2014- invested in a mortgage and payment of interest based on the investment
 - Rita Violini – personal cheque \$50,000 August 1, 2014- mortgage investment – a known acquaintance.
 - Simon PRIEST draft \$100,000 August 29, 2014- invested in a private mortgage
 - Easy Loan \$400,000 BMO draft August 25, 2014- Invested in a commercial deal and paid them out 5 million when it was paid out
 - Renco Energy – several cheques (property taxes) \$1700 and \$1800
 - Barbara McKAY \$150,000 Sept 17, 2014- investment in to a mortgage
 - Carol and Dr. Fredrick DOWE – cannot recall exactly but believed is was a mortgage investment- \$50,000 Sept 3, 2014
 - Allan Forest Sales \$200,000 Sept 12, 2014- long time investor and investment
 - Norman and Barbara DENOON \$100,000 Sept 4, 2014- mortgage payment or an investment.
 - Flexible payments are allowed in lump sum.
- Rate 10% is charged on private mortgages
- Offers a lot more flexibility than large financial institutions
- T5's are issued to the investors
- BREITKREUTZ explained the numerous cheques/payables out of the Base Finance acct payable to various parties with memo items saying 'Interest' or 'principal and interest':
 - Clair DOW \$310,958 - 2014-09-16- Payout on the mortgage plus interest- Clair would have been an investor on a mortgage and payment was done in one cheque as opposed to separate payments of the principal investment and another for the interest income.
 - Jorge and Susana GRINMAN- \$200,000 Sept 12, 2014- Payout on the mortgage plus interest- would have been an investor on a mortgage
 - Warrenpoint Properties \$152,883 Sept 5, 2014- payout on the mortgage plus interest- would have been an investor on a mortgage
 - R & M Holdings \$103,750 Sept 17, 2014- investment payout on a mortgage including interest.
 - Norman DENOON \$32,556 Sept 17, 2014- interest payment on a mortgage investment

- Ray or Margaret SAMPERT \$20,333 Sept 4, 2014- interest payment on a short term mortgage
- Barb DENOON \$20,000 Sept 17, 2014
- Base will only issue one cheque including principal investment return and interest with an accompanying letter which outlines specifics of the payout.
- BREITKREUTZ not registered as a mortgage lender in Alberta and it is not required.
- States he is not under any review by an investigation unit such as the Alberta Securities Commission.

Relationship between Base Finance and Easy Loan:

I was informed they had been involved in only one commercial deal only with respect Easy Loan being joint investors in a commercial property development purchase and made a payment to Base and which funded the mortgage. Payment back out of the property once investment complete was complete.

- A client of Base Finance 'J Rock' (sp) had approached Base Finance with respect to the purchase of a commercial property located on McLeod Trail.
- Base contacted Easy Loan with whom they have done business in the past and inquired if they were interested in funding a commercial mortgage through Base and their client- Easy Loan agreed and provided 5 million approximately with respect to this lender purchasing this property.
- Base subsequently went first on title with respect to this property and mortgage.
- Shortly thereafter the client went to BNS and obtained their own mortgage.
- BNS issued a draft to Base Finance for payout of the outstanding mortgage balance owing and then subsequently provided a cheque to Easy Loan for the amount of principal that was loaned plus whatever interest had accrued.
- BREITKREUTZ stated that Easy Loan and Base had been involved in several smaller joint deals for funding mortgages in the past and it is believed this was the larger joint deal to date.
- BREITKREUTZ having received the drafts from both Easy Loan and the lender issued by chartered financial institution did not have any concerns as to the legitimacy of the funds.
- BREITKREUTZ based on my inquiries expressed concern as to why RBC was asking questions about Easy Loan stating that he would like to be informed should there be concerns associated to Easy Loan as he is a middle man dealing with different parties.
- BREITKREUTZ was transparent and no sense of not wishing to answer questions associated to transactions with the business.

I inquired with BREITKREUTZ about the outflow of funds to lenders. He stated that:

- Investor funds come in to the account and drafts go out of the account from the same account direct to the lenders for whom a mortgage is being provided.
- When the mortgage is paid out, payments back to the investors who supported the mortgage go out as one cheque of principal plus interest accrued.

Easy Loan:

Calls to the business unit, and branch manager Tracy Long are still being conducted and voice mail messages left.

Further inquiries to be conducted. In conversations with the business unit associated to Easy Loan – they stated it was their intention to demarket based on the uncomfortable nature of financial transactions in the account and also the attitude and demeanor of the sole principal Mike Terrigno was with staff.

Further details to be provided.

Summary:

Further inquiries will be conducted with Base Finance and their past and current relationship to Easy Loan. I found BREITKREUTZ to be very transparent and cooperative in interviews with CIS.

Thank you,

Ross

TAB F

Transaction History Search Results

This is Exhibit "F" referred to in the Affidavit of VI. PIERRE Sworn before me this 28 day of SEP A.D., 2015
A Notary Public, Commissioner for Oaths in and for the Province of Alberta

Transit / Account: 02649-1004050 Date (yyyy/mm/dd): 2015/09/01-2015/09/24

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View	Send Copy	Modify Search	New Search				
Date (yyyy/mm/dd)	T/C	Description	Serial #	Item Seq. #	Debits/Cheques	Credits/Deposits	Balance
1	2015/09/01	300 DEPOSIT	64			100,000.00	
2	2015/09/01	480 CHEQUE - 1537	1537	2200313608	5,000.00		
3	2015/09/01	480 CHEQUE - 1565	1565	8100368183	5,000.00		
4	2015/09/01	480 CHEQUE - 1680	1680	2200331875	5,000.00		
5	2015/09/01	480 CHEQUE - 1600	1600	2900532826	5,000.00		
6	2015/09/01	480 CHEQUE - 1550	1550	2200414627	6,000.00		
7	2015/09/01	193 SERVICE FEE	0		6.72		
8	2015/09/01	590 PAPER STMT W IMAGE - 1 @ 3.00	0		3.00		391,962.63
9	2015/09/02	480 CHEQUE - 1578	1578	2000474102	3,000.00		
10	2015/09/02	480 CHEQUE - 1588	1588	2200476279	4,200.00		
11	2015/09/02	480 CHEQUE - 1570	1570	2000498130	5,000.00		
12	2015/09/02	480 CHEQUE - 1589	1589	2000489988	5,000.00		374,762.63
13	2015/09/03	480 CHEQUE - 1579	1579	2000086929	3,750.00		
14	2015/09/03	480 CHEQUE - 1585	1585	2200058386	5,000.00		366,012.63
15	2015/09/04	714 CASH WITHDRAWAL	0		2,500.00		
16	2015/09/04	300 DEPOSIT	65			300,700.00	
17	2015/09/04	480 CHEQUE - 1572	1572	8100082396	13,980.00		
18	2015/09/04	480 CHEQUE - 1498	1498	2200103613	15,000.00		635,252.63
19	2015/09/08	480 CHEQUE - 1583	1583	4900322292	750.00		
20	2015/09/08	480 CHEQUE - 1598	1598	2200190926	2,500.00		632,002.63
21	2015/09/09	480 CHEQUE - 1603	1603	2000440587	3,825.00		
22	2015/09/09	480 CHEQUE - 1591	1591	2900130047	4,125.00		
23	2015/09/09	480 CHEQUE - 1604	1604	2000540368	4,750.00		
24	2015/09/09	480 CHEQUE - 1588	1588	8100318275	6,000.00		
25	2015/09/09	480 CHEQUE - 1603	1603	2000549359	8,250.00		
26	2015/09/09	480 CHEQUE - 1593	1593	8500241344	7,350.00		
27	2015/09/09	480 CHEQUE - 1690	1690	2900130048	9,187.00		
28	2015/09/09	480 CHEQUE - 1609	1609	2000529086	10,000.00		
29	2015/09/09	480 CHEQUE - 1605	1605	2000440588	12,500.00		
30	2015/09/09	480 CHEQUE - 1697	1697	2000542052	15,000.00		553,016.63
31	2015/09/10	480 CHEQUE - 1594	1594	1400204905	575.00		
32	2015/09/10	480 CHEQUE - 1541	1541	2000031563	5,500.00		
33	2015/09/10	480 CHEQUE - 1586	1586	8100452315	7,500.00		539,440.63
34	2015/09/11	480 CHEQUE - 1569	1569	8500381979	5,250.00		
35	2015/09/11	480 CHEQUE - 1613	1613	2200369388	6,000.00		
36	2015/09/11	480 CHEQUE - 1614	1614	2200367117	6,000.00		
37	2015/09/11	480 CHEQUE - 1615	1615	2200329154	17,860.00		504,340.63
38	2015/09/14	714 CASH WITHDRAWAL	0		2,000.00		
39	2015/09/14	480 CHEQUE - 1581	1581	2200462487	2,500.00		
40	2015/09/14	480 CHEQUE - 1534	1534	3700147854	5,000.00		
41	2015/09/14	480 CHEQUE - 1657	1657	2200416396	5,000.00		
42	2015/09/14	480 CHEQUE - 1618	1618	2200416393	7,600.00		
43	2015/09/14	480 CHEQUE - 1582	1582	2200462488	12,500.00		

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Barrister & Solicitor

44	2015/09/14	480	CHEQUE - 1619	1619	2200416394	12,500.00	
45	2015/09/14	480	CHEQUE - 1611	1611	2000313651	17,000.00	
46	2015/09/15	480	CHEQUE - 1610	1610	2000286695	33,667.00	406,673.63
47	2015/09/15	480	CHEQUE - 1617	1617	2000385411	7,500.00	
48	2015/09/16	480	CHEQUE - 1612	1612	2000438706	25,250.00	373,923.63
49	2015/09/16	714	CASH WITHDRAWAL	0		2,500.00	
50	2015/09/16	464	CHQ PRINTING FEE - CHQ/DEP ORDER	0		255.60	
51	2015/09/16	480	CHEQUE - 1607	1607	1409037364	9,333.00	
52	2015/09/16	480	CHEQUE - 1616	1616	2000458333	10,500.00	361,335.03
53	2015/09/17	480	CHEQUE - 1602	1602	2200157485	10,500.00	
54	2015/09/17	480	CHEQUE - 1630	1630	2000044174	27,000.00	319,835.03
55	2015/09/18	480	CHEQUE - 1587	1587	2900320910	3,000.00	
56	2015/09/18	480	CHEQUE - 1633	1633	2000160705	5,000.00	311,835.03
57	2015/09/21	300	DEPOSIT	66			100,000.00
58	2015/09/21	480	CHEQUE - 1621	1621	2900344004	540.00	
59	2015/09/21	480	CHEQUE - 1608	1608	2900355270	5,000.00	
60	2015/09/21	480	CHEQUE - 1624	1624	2000323147	15,000.00	391,295.63
61	2015/09/22	300	DEPOSIT	67			300,000.00
62	2015/09/22	480	CHEQUE - 1601	1601	0100248263	2,500.00	
63	2015/09/22	480	CHEQUE - 1643	1643	2000418714	5,000.00	
64	2015/09/22	480	CHEQUE - 1642	1642	2200415719	3,000.00	
65	2015/09/22	480	CHEQUE - 1644	1644	2000418713	36,000.00	641,795.03
66	2015/09/23	480	CHEQUE - 1658	1658	2900412153	5,000.00	
67	2015/09/23	480	CHEQUE - 1620	1620	1790475656	12,610.00	624,185.03
68	2015/09/24	300	DEPOSIT	68			500,000.00
69	2015/09/24	480	CHEQUE - 1641	1641	3300358176	4,231.00	
70	2015/09/24	480	CHEQUE - 1653	1653	2200012954	7,500.00	
71	2015/09/24	480	CHEQUE - 1629	1629	2000028139	10,900.00	
72	2015/09/24	480	CHEQUE - 1622	1622	2000023641	17,850.00	1,084,604.03

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TAB G

THOMAS AND/OR CATHARINE WISEMAN
88 SCANDIA HILL NW
CALGARY, AB, T3L 1T8

020

DATE 2015-09-23
Y Y Y Y M M D D

PAY TO THE ORDER OF BASE FINANCE LTD \$500,000.00
FIVE HUNDRED THOUSAND — 00/100 DOLLARS

ATB Financial
CALGARY 6TH AVENUE
SUITE 108, 601 - 6TH AVE. S.W.
CALGARY, ALTA. T2P 3W2

MEMO 6 mon. m/c [Signature]

⑈020⑈ ⑈07609⑈ ⑈219⑈ ⑈9800697⑈ ⑈41⑈ ⑈0050000000⑈

Routing Transit/Acct.:07109219-980069741 Proc Date: 2015/09/24 \$500,000.00 ISN#: 2200013

Printer ID# 1021

FOR DEPOSIT ONLY
BASE FINANCE

Endorsement - Signature or Stamp

BACK VERSO

#02645-003
d/100 9805-0

ATB
CALGARY ALBERTA
30150924

Routing Transit/Acct.:07109219-980069741 Proc Date: 2015/09/24 \$500,000.00 ISN#: 2200013

This is Exhibit "G" referred to in the Affidavit of

VI PICKERING

Sworn before me this 28 day

of SEPT A.D., 20 15

A Notary Public, Commissioner for Oaths
in and for the Province of Alberta

LORENZ BERNER
Barrister & Solicitor

MR LARRY D REVITT
MRS SHIRLEY REVITT
216 OAKSIDE BAY SW
CALGARY AB T2V 4P3

003

DATE 2015-09-20
Y Y V Y M M D D

PAY TO THE
ORDER OF

BASE FINANCE LTD.

\$ 200,000.⁰⁰

Two hundred thousand

100 DOLLARS



THE BANK OF NOVA SCOTIA

www.bankofnovascotia.com 1-800-4-SCOTIA

HERITAGE
8706 MACLEOD TRAIL SOUTH
CALGARY, ALBERTA T2H 0M6

MEMO

Mortgage investment - 12 month

00539
[Signature]

⑈003⑈ ⑆67462⑈002⑆ 38169124372⑈ ⑈0020000000⑈

Routing Transit/Acct.:67462002-38169124372 Proc Date: 2015/09/22 \$200,000.00 ISN#: 220041

Printer ID# 1021

Endorsement - Signature or Stamp

BACK/VERSO

FOR DEPOSIT ONLY
BASE FINANCE

402644-003
2/20-405-0

IBC
CALGARY ALBERTA
2015/09/22

Routing Transit/Acct.:67462002-38169124372 Proc Date: 2015/09/22 \$200,000.00 ISN#: 220041

KEN & SANDRA LINGER
20-28384 TWP ROAD 384
RED DEER COUNTY AB T4S 2B1

004

DATE 2015-09-17
Y Y Y Y M M D D

PAY TO THE
ORDER OF

Base Finance

\$ 100,000.00

One hundred thousand

100 DOLLARS



SERVUS CREDIT UNION LTD.
NORTH HILL BRANCH (403) 343-8986
8757 - 60 AVE.
RED DEER, AB T4N 4C9

S. Linger

MEMO

⑈004⑈ ⑈91629⑈899⑈ 607149745186⑈ ⑈0010000000⑈

Routing Transit/Acct.: 91629899-607149745186 Proc Date: 2015/09/22 \$100,000.00 ISN#: 2200415

Printer ID# 1021

Endorsement - Signature or Stamp

BACK/VERSO

FOR DEPOSIT ONLY
BASE FINANCE

103619-003
100,000.00

REC
CALGARY ALBERTA
25 130922

Routing Transit/Acct.: 91629899-607149745186 Proc Date: 2015/09/22 \$100,000.00 ISN#: 2200415