

I hereby certify this to be a true copy of  
the original Order

Dated this 28 day of January 2020

[Signature]  
for Clerk of the Court



COURT FILE NUMBER 1501-11817

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

APPLICANTS EASY LOAN CORPORATION AND MIKE TERRIG

RESPONDENTS BASE MORTGAGE AND INVESTMENTS LTD., BASE  
FINANCE LTD., ARNOLD BREITKREUTZ, SUSAN  
BREITKREUTZ, SUSAN WAY AND GP ENERGY INC.

DOCUMENT **ORDER**  
**(Approval of Accounts and Activities, Approval of  
Release of Settlement Funds, Striking Statement of  
Claim, Discharge of Receiver)**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT  
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Matter: 1196307

**DATE ON WHICH ORDER WAS PRONOUNCED:** January 27, 2020

**LOCATION WHERE ORDER WAS PRONOUNCED:** Calgary, Alberta

**NAME OF JUSTICE WHO MADE THIS ORDER:** The Honourable Madam Justice  
B.E.C. Romaine

**UPON THE APPLICATION** of BDO Canada Limited, in its capacity as receiver (the “Receiver”) of Base Mortgage and Investments Ltd. and Base Finance Ltd. (the “Debtors”); **AND UPON** reviewing the Ninth Report of the Receiver, dated January 17, 2020 (the “Ninth Report”) and other Reports previously filed by the Receiver in this Action; **AND UPON** hearing from counsel for the Receiver and counsel for any other interested party appearing at the hearing of the Application; **AND UPON** reviewing the Affidavit of Service of Elena Pratt, sworn January 24, 2020;

**IT IS HEREBY ORDERED AND DECLARED THAT:**

**SERVICE**

1. Service of notice of this Application and supporting materials is hereby declared to be good and sufficient, and no other person is required to have been served with notice of this Application, and time for service of this Application is abridged to that actually given.

**RELEASE OF THE SETTLEMENT FUNDS**

2. The \$5,000 (the "Settlement Funds") paid by Mr. Terrigno to the Receiver pursuant to the Omnibus Settlement Agreement between the Receiver and Mr. Terrigno (the Omnibus Settlement Agreement") and currently held in the trust account of Receiver's counsel, Osler Hoskin & Harcourt LLP ("Osler"), shall be released from any undertaking imposed on such funds by Mr. Terrigno and shall be paid to the Receiver for the benefit of the Debtors' estates.
3. The Receiver is awarded costs against Mr. Terrigno on a solicitor-client basis in the amount of \$5,000 for all costs incurred by the Receiver and Osler attempting to recover the Settlement Funds from Mr. Terrigno pursuant to the terms of the Omnibus Settlement Agreement.

**STRIKING OF STATEMENT OF CLAIM**

4. The Plaintiffs in Alberta Court of Queen's Bench Action No. 1901-01990 filed February 12, 2019 (the "**Terrigno SOC**") shall, within 30 days of the date of this Order, furnish security for the Receiver's costs in respect of the Terrigno SOC in the amount of ~~\$65,992.50~~ (the "**Security**") by paying such sum to the Clerk of the Court to the credit of the Terrigno SOC and the within Action.
5. The Security shall be held by the Clerk of the Court pending further Order of this Court.
6. If the Plaintiffs post the Security as required under paragraph 4, the Plaintiffs shall set down an application for leave to pursue the Terrigno SOC to be heard by this Honourable Court within 60 days of the date of this Order (or such other date as the Receiver may agree in writing).

BR.  
\$100,000

7. In the event the Plaintiffs fail to post the Security as required under paragraph 4 above, or fail to bring their application to leave as required under paragraph 6 above, the Terrigno SOC shall be dismissed without further order of this Honourable Court.

#### APPROVAL OF RECEIPTS, ACCOUNTS AND ACTIVITIES

8. The Receiver's accounts and the accounts of its independent counsel, Osler, as set out in the Ninth Report, are hereby approved.

9. The Receiver's Statement of Receipts and Disbursements, as set out in the Ninth Report, is hereby approved.

10. *Subject to paras 4-7, BL*  
As of the date of the Ninth Report and based on the evidence before this Honourable Court:

- (a) The Receiver has acted honestly and in good faith, and has dealt with the Property (as that term is defined in the Receivership Order of the Honourable Mr. Justice Yamauchi, granted in these proceedings on October 15, 2015, as amended) in a commercially reasonable manner;

- (b) The actions and conduct of the Receiver are approved and the Receiver has satisfied all of its duties and obligations as receiver of the Property;

- (c) The Receiver shall not be liable for any act or omission pertaining to the discharge of the Receiver's duties as court-appointed receiver of the Property, save and except for any liability arising out of fraud or gross negligence or wilful misconduct on the part of the Receiver; and

- (d) Any and all claims against the Receiver arising from, relating to or in connection with the performance of the Receiver's duties and obligations as court-appointed receiver of the Property, save and except for claims based on fraud or gross negligence or wilful misconduct on the part of the Receiver, shall be forever barred and extinguished.

11. No action or proceeding arising from, relating to, or in connection with the performance of the Receiver's duties and obligations in respect of the Property may be commenced or

continued without the prior leave of this Honourable Court, on notice to the Receiver and on such terms as this Honourable Court may direct.

12. The Receiver shall store the books and records of the Debtor for five (5) years so that investors and other interested parties may access the records at their sole cost and expense in accordance with the following procedure:
  - (a) any interested party (the "Requestor") may make a request to the Receiver, in writing, to review the records;
  - (b) the Receiver will provide the Requestor with an estimate of costs associated with retrieving the records from storage and arranging for their review (which estimate will include the cost of retrieving the records, photocopying charges of \$.25 per page, and the hourly rate of a staff member to supervise the review);
  - (c) the Requestor will provide the Receiver with payment for such estimate within 7 days, by certified cheque or bank draft, failing which such request may be disregarded by the Receiver;
  - (d) upon receipt of payment, the requested records will be retrieved from storage, the Requestor will attend at one of the Receiver's offices in Calgary, review the records in a boardroom in the presence of a staff member of the Receiver, and mark any pages they wish to be photocopied; and
  - (e) to the extent that the costs associated with pulling the records from storage and arranging for their review exceed the initial estimate paid by the Requestor, the balance of such charges shall be paid in the same manner as specified in subparagraph (c) above before the Receiver releases photocopies of the requested records. To the extent that the total costs are less than the initial estimate paid by the Requestor, the Receiver shall refund the balance to the Requestor.

#### **DISCHARGE OF THE RECEIVER**


13. Upon the filing of the Receiver's Certificate attached hereto as Schedule "A" confirming, among other things, that: (i) the Appeal filed by Arnold Breitreutz in Alberta Court of Appeal File No. 1801-0388AC (which is schedule to be heard on June 11, 2020) has been

fully and finally determined by the Alberta Court of Appeal; (ii) all professional fees have been paid in full; and (iii) all statutory requirements under the *Bankruptcy and Insolvency Act*, RSA 1985, c B-3 have been completed, the Receiver shall be absolutely and unconditionally discharged as Receiver of the Property and shall have no further duty, liability or obligation with respect to the Property, provided however, that notwithstanding its discharge, the Receiver shall:

- (a) remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership; and
- (b) shall continue to have the benefit of the provisions of this Order and all Orders granted in these proceedings, including all approvals, protections and stays of proceedings in favor of the Receiver in its capacity as Receiver.

#### MISCELLANEOUS

- 14. The Receiver has leave to reapply to this Honourable Court for such further advice and directions as may be necessary.
- 15. This Order must be served only upon those interested parties attending or represented at the within application and service may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following the transmission or delivery of such documents.
- 16. Service of this Order on any party not attending this application is hereby dispensed with.

  
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J.C.Q.B.A.

**Schedule "A"**

COURT FILE NUMBER 1501-11817

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

APPLICANTS EASY LOAN CORPORATION AND MIKE TERRIGNO

RESPONDENTS BASE MORTGAGE AND INVESTMENTS LTD., BASE FINANCE LTD., ARNOLD BREITKREUTZ, SUSAN BREITKREUTZ, SUSAN WAY AND GP ENERGY INC.

DOCUMENT **RECEIVER'S CERTIFICATE**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

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Matter: 1196307

Clerk's Stamp

This Receiver's Certificate is the certificate referred to in paragraph 10 of the Order (Approval of Accounts and Activities, Approval of Release of Settlement Funds, Striking Statement of Claim, Discharge of Receiver) of the Honourable Madam Justice Romaine, granted January 27, 2020 (the "Order").

Capitalized terms not otherwise defined herein shall have the meanings given to those terms in the Order.

BDO Canada Limited, solely in its capacity as Court-appointed receiver (the "Receiver") of the Property (as that term is defined in the Receivership Order) and not in its personal or corporate capacity, hereby certifies that:

1. The Appeal filed by Arnold Breitkreutz in Alberta Court of Appeal File No. 1801-0388AC has been fully and finally determined by the Alberta Court of Appeal.
2. All professional fees have been paid in full.
3. All statutory requirements under the *Bankruptcy and Insolvency Act*, RSA 1985, c B-3 are complete.

4. The administration of the receivership proceedings as described in the Ninth Report have been completed.

Dated this \_\_\_ day of \_\_\_\_\_, 2020.

**BDO Canada Limited, in its capacity as  
Receiver of the undertakings, property  
and assets of Base Mortgage and  
Investments Ltd. and Base Finance Ltd.**

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**NAME:**

**TITLE:**