
EXHIBIT "1"

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



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BDO Canada Limited
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MEMO

To: Investors and Interested Parties in the matter of the Receivership of Base Finance Ltd. & Base Mortgage Investment Ltd.

From: BDO Canada LLP - The Receiver

Date: April 15, 2018

Re: An update to the investors and interested parties of the actions of the Receiver since its Sixth Report, filed August 23, 2017

On October 15, 2015, BDO Canada Limited was appointed as Receiver of the assets, undertakings, and properties of Base Mortgage & Investments Ltd. and Base Finance Ltd. pursuant to a Court Order granted in the Court of Queen's Bench of Alberta.

To date, six (6) Court reports have been filed with the Court providing information on the actions and findings of the Receiver. Copies of these reports, affidavits and Court Order can be accessed on BDO's website at www.extranets.bdo.ca/base/.

The Receiver continues to have communication with the RCMP, Alberta Securities Commission, and the British Columbia Securities Commission, assisting them with their investigations. In a decision released March 2, 2018, the Alberta Securities Commission found that Arnold Breitkreutz, Susan Way, and Base Finance perpetrated a fraud in contravention of s. 93(b) of the Securities Act by:

- Deceiving investors into thinking they were investing in mortgages held by Base Finance, and
- Operating a Ponzi scheme that recirculated investors' funds to pay purported returns to existing investors.

The ASC will address questions as to sanctions and costs in the second part of the hearing, which has not yet been scheduled.

In response to the application of appeal filed by Mr. Breitkreutz to the decision of the Honorable Justice Romaine, as outline in paragraph 3, of the Sixth Report of the Receiver, the Receiver has completed a detailed reconciliation and review of the new evidence submitted by Mr. Breitkreutz. Additionally, the Receiver assisted in compiling the supporting evidence and examination of Mr.

assisting in compiling the evidence for the examination of Mr. Breitzkreutz with respect to the application to vary. This was heard on March 20, 2018, however a decision has not yet been released.

Separately, Mr. Breitzkreutz has appealed to the Court of Appeal from the December 2, 2016 order of Justice Romaine. Legal Counsel for the Receiver has filed material in response to the appeal. The appeal was originally scheduled to be heard on February 14, 2018, but it was adjourned and a new date has been set for the appeal on June 15, 2018.

The Receiver continues to facilitate third parties, who are requesting document reviews, as well as maintain general administration for the estates. Currently, the estate holds approximately \$515,000, and all professional fees are paid in full.

Should any Investor or interested party have further questions or concerns, please do not hesitate to contact the Receiver's office detailed below:

Jacqueline Shellon
403-213-5444
jshellon@bdo.ca

Yours very truly,
BDO CANADA LIMITED
In its capacity as Court Appointed Receiver of
Base Mortgage & Investments Ltd. and
Base Finance Ltd.

Per: 

David Lewis, CPA, CIRP, Licensed Insolvency Trustee
Vice President
BDO Canada Limited