

COURT FILE NUMBER	1703-12765
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	EDMONTON
PLAINTIFF	SERVUS CREDIT UNION
DEFENDANTS	CRELOGIX ACCEPTANCE CORPORATION, CRELOGIX PORTFOLIO SERVICES CORP., CRELOGIX CREDIT GROUP INC., KARL SIGERIST, NICHOLAS CARTER, MIKE MCKAY AND MICHAEL MILLS
DOCUMENT	APPLICATION BY ALVAREZ & MARSAL CANADA INC IN ITS CAPACITY AS COURT APPOINTED RECEIVER OF CRELOGIX (AS DEFINED BELOW)
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Parlee McLaws LLP 1700 Enbridge Centre 10175-101 Street NW Edmonton, Alberta T5J 0H3 Attention: Jeremy Hockin, QC Telephone: (780) 423-8532 Fax: (780) 423-2870 Email: jhockin@parlee.com File: 73150-2

NOTICE TO RESPONDENTS: CRELOGIX ACCEPTANCE CORPORATION, CRELOGIX PORTFOLIO SERVICES CORP. AND CRELOGIX CREDIT GROUP INC (collectively "Crelogix"); AND THE PARTIES LISTED ON THE SERVICE LIST ATTACHED HERETO AS SCHEDULE "A"

This application is made against you. You are a respondent.

You have the right to state your side of this matter before the master/judge.

To do so, you must be in Court when the application is heard as shown below:

Date	October 26, 2017
Time	2:00 p.m.
Where	Edmonton Law Courts
Before Whom	The Honourable Mr. Justice R. Graesser

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

Remedy claimed or sought:

1. An Order abridging the time required for service of notice of this Application to that actually given, and declaring such notice as was given to be good and sufficient notice of this Application;

2. An Order permitting the Receiver to distribute certain funds held in trust by the Crelogix in the manner proposed in paragraphs 36 - 40 (inclusive) of the Receiver's Third Report, dated and filed herein on October 24, 2017.
3. An Order approving the actions taken by the Receiver since its appointment as outlined in its Third Report.
4. An Order determining the proper allocation of payment of the Receiver's costs and expenses, including without limitation its fees and disbursements and those of its legal counsel.
5. An Order approving the Asset Purchase Agreement executed by the Receiver and Prospera Credit Union.
6. Such further and other relief as this Honourable Court may grant as may be necessary to give effect to the foregoing.

Grounds for making this application:

7. Pursuant to an Order of this Honourable Court granted on September 11, 2017, the Receiver was authorized to distribute funds held in trust accounts standing in the name of Crelogix as collected during the month of July 2017 to the parties it believed were entitled thereto, in such amounts as the Receiver in its discretion believes to be surplus to its requirements, provided the Receiver was satisfied that the recipient of such distributions had entered into appropriate arrangements to permit the Receiver to require some or all of such distributed funds to be returned to it upon demand (the "Clawback Protocol").
8. All 5 Funders executed and returned the Receiver's requested form of Clawback Protocol, and the Receiver thereafter made distributions from the trust funds in its possession to each of the Funders.
9. The Receiver has continued to collect loan payments during the months of August and September, 2017, and is recommending a further interim distribution to the 5 Funders which will also be subject to the terms of the Clawback Protocol.
10. The Receiver and one of the Funders, Prospera Credit Union, have entered into an Asset Purchase Agreement (the "APA"), the terms of which are satisfactory to the holder of a general security agreement granted by Crelogix which charges all of Crelogix's personal property.
11. The Receiver has analysed four measures of cost allocation and has recommended that a pro-rata approach based on the average of the four methods reviewed would be an appropriate basis on which to allocate the costs of the Receivership.

12. The Receivership Order generally and specifically paragraphs 8, 9, 10, 12, 17, 18, 19, 24 and 25 thereof.
13. Such further and other grounds as Counsel may advise.

Material or evidence to be relied on:

14. The Receiver's First, Second and Third Reports, filed; and,
15. Such further and other material or evidence as Counsel may advise and this Honourable Court may permit.

Applicable rules:

16. Rules 6.3, 11.27 and 13.5 of the *Alberta Rules of Court*.

Applicable Acts and regulations:

17. Section 99 of the *Business Corporations Act*, RSA 2000, c. B-9 (as amended);
18. Section 65(7) of the *Personal Property Security Act*, RSA 2000, c. P-7 (as amended);
19. Section 249 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (as amended); and,
20. Such further and other Acts and regulations as Counsel may advise.

Any irregularity complained of or objection relied on:

21. None.

How the application is proposed to be heard or considered:

22. In person before the Honourable Mr. Justice R. Graesser in Chambers, with some counsel appearing by teleconference pursuant to Rule 6.10 of the *Alberta Rules of Court*.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the applicant what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the form. If you intend to rely on an affidavit or other evidence when the application is heard or considered, you must reply by giving reasonable notice of the material to the applicant.

Court of Queen's Bench of Alberta, Judicial Centre of Edmonton
Court File No.: 1703 12765
Servus Credit Union Ltd. v. Crelogix Acceptance Corporation et al

Service List "A"

Party	Counsel/Contact	Email/Fax	Status
Crelogix Acceptance Corporation Crelogix Portfolio Services Corp Crelogix Credit Group Inc	Alvarez & Marsal Canada Inc. 250 6 Ave SW Suite 1110 Calgary, AB T2P 3H7 Attn.: Tim Reid	treid@alvarezandmarsal.com Fax:	Defendants/Debtors
Servus Credit Union Ltd.	Miller Thomson LLP 2700, 10155 – 102 Street Edmonton, AB Attn.: Rick T.G. Reeson, Q.C.	rreeson@millerthomson.com Fax 780.424.5866	Funder/Secured Creditor
Prospera Credit Union Prospera Holdings Ltd.	McMillan LLP 1055 W Georgia St, Royal Centre, Suite 1500, Vancouver, BC V6E 4N7 Attn.: Peter J. Reardon/Vicki Tickle	peter.reardon@mcmillan.ca vicki.tickle@mcmillan.ca Fax: (604) 685-7084	Funders
Karl Sigerist	Fasken Martineau 2900, 550 Burrard St. Vancouver, BC V6C 0A3 Attn. Kibben Jackson	kjackson@fasken.com Fax: (604) 631 3232	Former President, CEO, Director and Guarantor of Indebtedness to Servus Credit Union Ltd.
Nick Carter	Bishop & McKenzie LLP 2300, 10180 – 101 Street Edmonton, AB T5J 1V3 Attn. Jose A. Delgado	jdelgado@bmlp.ca Fax: (780) 426-1305	Guarantor and Shareholder

Bow Valley Credit Union Ltd.	HMC Lawyers LLP #320, 903 - 8th Ave. S.W., Calgary, AB T2P 0P7 Attn.: Erin Viala	eviala@hmc lawyers.com Fax: (403) 269-9304	Funder
Beaumont Credit Union	Reynolds Mirth Richards & Farmer LLP 3200, 10180 – 101 Street Edmonton, AB T5J 3W8 Attn.: Michael J. McCabe, Q.C.	mmccabe@rmrf.com Fax: (780) 429-3044	Funder
Connect First Credit Union Ltd.	Burnet Duckworth & Palmer LLP 2400, 525 – 8 th Avenue SW Calgary, AB T2P 1G1 Attn.: David LeGeyt	dlegeyt@bdplaw.com Fax: (403) 260-0332	Funder
Alvarez & Marsal Canada Inc. in its capacity as Receiver of Crelogix Crelogix Acceptance Corporation Crelogix Portfolio Services Corp Crelogix Credit Group Inc.	Parlee McLaws LLP 1700 Enbridge Centre 10175 – 101 Street NW Edmonton, AB T5J OH3 Attn.: Jeremy H. Hockin, Q.C.	jhockin@parlee.com Fax: (780) 423-2870	Receiver of Crelogix