



**INSTRUCTIONS LETTER FOR MERCHANT CLAIM PROCESS OF CRELOGIX ACCEPTANCE CORPORATION, CRELOGIX PORTFOLIO SERVICES CORP., CRELOGIX CREDIT GROUP INC. (“CRELOGIX”)**

**TO: ALL MERCHANTS PARTY TO AN UNFUNDED LOAN AGREEMENT**

On or about July 27, 2017 the Receiver notified Merchants that the Receiver would not be funding certain contracts acquired by Crelogix just prior to the Receivership and that Crelogix by its Receiver would be collecting the loan payments and holding the funds in trust until future direction from the Courts was obtained. The Receiver, on September 11, 2017 scheduled an application seeking the advice and direction of the Court on the entitlement to the funds and the merchant contracts. The Second Report of the Receiver sets out the Receiver’s position that Crelogix acquired the rights to the Unfunded Loan Agreements and accordingly Servus as the first secured creditor is entitled to the funds collected to date and future funds collected. The Receiver’s Application was adjourned sine die and is now being set down for July 11 and 12, 2018. The Second Report of the Receiver, other reports of the Receiver and other documentation and information is available on the Receiver’s website at [www.alvarezandmarsal.com/crelogix](http://www.alvarezandmarsal.com/crelogix).

On April 12, 2018, the Court issued an Order providing for the identification and resolution of Merchant Claims regarding Unfunded Loan Agreements (the “Merchant Claim Process Order”). A copy of the Merchant Claim Process Order is enclosed herewith. Capitalized terms used herein and not otherwise defined have the meaning ascribed to them in the Merchant Claim Process Order. This package is sent to you pursuant to the Merchant Claim Process Order.

The Merchant Claim Process is for those Merchants who are asserting a claim in priority to Crelogix and/or Servus Credit Union Ltd. (“Servus”) to any Unfunded Loan Agreements or funds collected by the Receiver pursuant to any Unfunded Loan Agreement. If you do not file a Merchant Claim Application you will have no further rights in your Unfunded Loan Agreement regardless of the decision of the Court and your claim will rank as an unsecured creditor of Crelogix. Based on information currently available to the Receiver there will be no funds available for unsecured creditors.

The Merchant Claim Process Order provides that any Merchant who wishes to advance a Merchant Claim must on or before May 16, 2018:

- (a) file a Merchant Claim Application with the Court that is returnable at 10:00 a.m. on July 11 and July 12, 2018;
- (b) file all supporting evidence the Merchant shall rely upon in asserting the Merchant Claim, in affidavit form;
- (c) provide an email address for service in these proceedings; and
- (c) serve the filed Merchant Claim Application and any supporting affidavits on each of the Receiver and Servus.

In the event that either:

- (a) a Merchant does not file a Merchant Claim Application as provided for in the Merchant Claim Process Order;

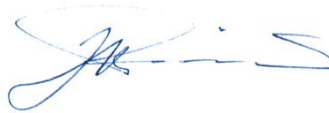
- (b) a Merchant Claim Application that is filed in accordance with the Merchant Claim Process Order is dismissed by the Court;

the Unfunded Loan Agreements to which that Merchant is a party and any funds collected by the Receiver pursuant to such Unfunded Loan Agreements shall be declared to be the property of Crelogix and such Merchants shall be considered as unsecured creditors with respect to any claims they may have pursuant to the Unfunded Loan Agreements.

Dated the 16<sup>th</sup> day of April, 2018.

**ALVAREZ & MARSAL CANADA INC. in its capacity as  
Receiver and Manager of Crelogix Acceptance Corporation,  
Crelogix Portfolio Services Corp., Crelogix Credit Group Inc.**

Per:



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Tim Reid