

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

[Signature]
for Clerk of the Court



COURT FILE NUMBER 1703-12765
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE EDMONTON
PLAINTIFF SERVUS CREDIT UNION LTD.
DEFENDANTS CRELOGIX ACCEPTANCE CORPORATION,
CRELOGIX PORTFOLIO SERVICES CORP.,
CRELOGIX CREDIT GROUP INC., KARL SIGERIST,
NICHOLAS CARTER, MIKE MCKAY AND MICHAEL MILLS

DOCUMENT ORDER

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT Parlee McLaws LLP
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FIAT: The Clerk of the Court is directed to file this Order notwithstanding that more than 3 months have passed since its pronouncement.

[Signature]
J.C.Q.B.A. ▽ A-Hunguinneth
APRIL 20/20

DATE ON WHICH ORDER WAS PRONOUNCED: January 21, 2019

LOCATION WHERE ORDER PRONOUNCED: EDMONTON, ALBERTA

NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Mr. Justice R. Graesser

UPON the application of Alvarez & Marsal Canada Inc. in its capacity as Receiver and Manager (the "Receiver") of Crelogix Acceptance Corporation, Crelogix Portfolio Services Corp. and Crelogix Credit Group Inc. (together, "Crelogix"), filed January 29, 2018; AND UPON paragraph 4 of the January 29, 2018 Application being adjourned *sine die* by Order of the Honourable Justice J.J. Gill in the within proceedings on February 6, 2018, filed; AND UPON paragraph 4 of the January 29, 2018 Application being heard on July 11, 2018;

AND UPON reviewing the Merchant Claim Process Order granted by the Honourable Justice R.A. Graesser in the within proceedings on April 13, 2018, filed; AND UPON reviewing the

Order for Advice and Directions granted by the Honourable Justice R.A. Graesser in the within proceedings on June 13, 2018, filed;

AND UPON hearing from counsel for the Receiver, counsel for Servus Credit Union (“**Servus**”) and counsel for various Merchants who were parties to certain Loan Agreements (as defined at paragraph 9 of the Receiver’s Second Report) that were unfunded as of July 6, 2017 (“**Unfunded Merchants**” and the “**Receivership Date**”);

IT IS HEREBY ORDERED AND DECLARED THAT:

1. The time required for service of notice of this Application is abridged to that actually given and such notice as was given, and the manner of such service, is deemed to be good and sufficient notice of this Application.
2. The doctrine of *contra proforentem* does not apply to Merchant Agreement 1 with respect to the transfer of title of Loan Agreements and promissory notes.
3. The Receiver effectively disclaimed Loan Agreements and promissory notes with Unfunded Merchants under Merchant Agreement 1.
4. Merchant Agreement 1 is subject to the following implied term:
 - a. That the effectiveness of an assignment by a Merchant to Crelogix and the transfer of title of a promissory note(s) to Crelogix (or Crelogix’ subsequent assignee) is conditional upon payment by Crelogix of the amount due to the Merchant (the “**Implied Term**”).
5. As a result of the Implied Term:
 - a. Title to Loan Agreements and promissory notes under Merchant Agreement 1 did not pass from Unfunded Merchants to Crelogix;
 - b. Unfunded Merchants under Merchant Agreement 1 are not unsecured creditors of Crelogix;
 - c. Servus’ security interest did not attach to Loan Agreements and promissory notes

between Crelogix and Unfunded Merchants under Merchant Agreement 1.

Rescission

6. The remedy of rescission is not available for Unfunded Merchants under Merchant Agreement 1.

Constructive Trust

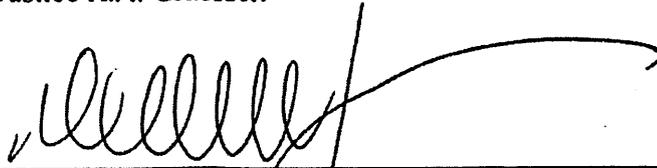
7. If the Implied Term cannot be applied to Merchant Agreement 1, the Loan Agreements and promissory notes under Merchant Agreement 1 are subject to a constructive trust in favour of the Unfunded Merchants.

Holland Contracting Limited

8. The relationship between Crelogix and Holland Contracting Limited was governed by Merchant Agreement 2 after May, 2015.

Consequential Matters

9. Any issues arising in these proceedings as a consequence of the within Order shall be heard by the Honourable Justice R.A. Graesser.



JUSTICE OF THE COURT OF QUEEN'S BENCH OF ALBERTA
D.A. YUNGWIRTH FOR R. GRAESSER