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*Caumby*  
for Clerk of the Court



COURT FILE NUMBER 1703-12765

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE EDMONTON

APPLICANTS SERVUS CREDIT UNION

RESPONDENTS CRELOGIX ACCEPTANCE CORPORATION,  
CRELOGIX PORTFOLIO SERVICES CORP.,  
CRELOGIX CREDIT GROUP INC., KARL SIGERIST,  
NICHOLAS CARTER, MIKE MCKAY AND MICHAEL  
MILLS

DOCUMENT **APPROVAL AND VESTING ORDER**  
**(Sale by Receiver)**

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**DATE ON WHICH ORDER WAS PRONOUNCED: Thursday, October 26, 2017**

**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 the Court-appointed Receiver and Manager (the "Receiver") of the undertaking, property, and assets of Crelogix Acceptance Corporation ("CAC"), Crelogix Portfolio Services Corp. ("CPS") and Crelogix Credit Group Inc. ("CCG") (together, the "Company" or "Crelogix") for an order approving the sale transaction (the "Transaction") contemplated by an agreement of purchase and sale (the "Sale Agreement") between the Receiver and Prospera Credit Union ("Purchaser") dated as of October 24, 2017, and appended to the Third Report of the Receiver dated October 24, 2017

(the "Report") and vesting in the Purchaser the Company's right, title, and interest in and to the assets described in the Sale Agreement (the "Purchased Assets");

AND UPON having read the Receivership Order dated July 6, 2017 (the "Receivership Order"), the Report and the Affidavit of Service; AND UPON HEARING the submissions of counsel for the Receiver, the Purchaser, and other interested parties;

**IT IS HEREBY ORDERED AND ADJUDGED 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.

**APPROVAL OF TRANSACTIONS**

2. The Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction or for the conveyance of the Purchased Assets to the Purchaser.

**VESTING OF PROPERTY**

3. Upon the delivery of a Receiver's Certificate to the Purchaser substantially in the form set out in Schedule "A" hereto (the "Receiver's Certificate"), all of the Company's right, title and interest in and to the Purchased Assets described in the Sale Agreement and listed on Schedule "B" hereto shall vest absolutely in the name of the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, caveats, mortgages, trusts or deemed trusts whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered, or filed and

whether secured, unsecured or otherwise (collectively, the “Claims”) including, without limiting the generality of the foregoing:

- (a) Any encumbrances or charges created by the Receivership Order;
- (b) All charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act (Alberta)* or any other personal property registry system (all of which are collectively referred to as the “Encumbrances”);

For greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

4. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets (to be held in an interest bearing trust account by the Receiver) shall stand in the place and stead of the Purchased Assets, and from and after the delivery of the Receiver’s Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.
5. The Purchaser shall, by virtue of the completion of the Transaction, have no liability of any kind whatsoever in respect of any Claims against the Company.
6. The Company and all persons who claim by, through or under the Company in respect of the Purchased Assets, save and except for the persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely barred and foreclosed from all estate, right, title, interest, royalty, rental and equity of redemption of the Purchased Assets and, to the extent that any such persons remains in possession or control of any of the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser.
7. The Purchaser shall be entitled to enter into and upon, hold, and enjoy the Purchased Assets for its own use and benefit without any interference of or by the Company, or any

person claiming by or through or against the Company.

8. Immediately after the closing of the Transaction, the holders of the Permitted Encumbrances shall have no claim whatsoever against the Receiver or the Company.
9. The Receiver is to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof to the Purchaser.
10. Pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act* and section 20(e) of the Alberta *Personal Information Protection Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Company's records pertaining to the Company's past and current employees, including personal information of those employees listed in the Sale Agreement. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all respects identical to the prior use of such information by the Company.
11. Notwithstanding:
  - (a) The pendency of these proceedings;
  - (b) Any applications for a bankruptcy order now or thereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Company and any bankruptcy order issued pursuant to any such applications; and
  - (c) Any assignment in bankruptcy made in respect of the Company,

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Company and shall not be void or voidable by creditors of the Company, nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable

federal or provincial legislation.

12. The Receiver, the Purchaser, and any other interested party shall be at liberty to apply for further advice, assistance, or directions as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.
13. Notwithstanding the provisions of the Receivership Order, upon delivery of the Receiver's Certificate pursuant to paragraph 3 of this Order, all Funders will be at liberty to cancel all Funder Agreements as those words are defined in the Sale Agreement.

#### **MISCELLANEOUS MATTERS**

14. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals regulatory and administrative bodies are hereby respectfully requested to make such orders as to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
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.

"R. GRAESSER"

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**JUSTICE OF THE COURT OF QUEEN'S BENCH OF ALBERTA**