

Michael A. Loberg Professional Corporation

Barrister & Solicitor

1000 Bankers Hall West
888 – 3rd Street SW
Calgary, AB T2P 5C5

Direct: (403) 668-6561
Office: (403) 444-6935
Fax: (403) 668-6505

February 26, 2015

By E-Mail

To: The Creditors of Assistive Financial Corp.

Dear Sir or Madam:

**Re: *In the Matter of the Bankruptcy of Assistive Financial Corp. and
The s. 38 Bankruptcy and Insolvency Act Notice of Michael Kallis***

We are the solicitors for Michael Kallis.

Please take notice that on February 18, 2015 the Court of Queen's Bench of Alberta issued the attached Order pursuant to section 38 of the *Bankruptcy and Insolvency Act* (the “**Order**”) authorizing Michael Kallis, a creditor of the Bankrupt, to take conduct of proceedings presently in progress as Court of Queen's Bench action #1401-04781 in the *Amended Statement of Claim* filed on June 12, 2014, currently under the style of cause of *Hardie & Kelly Inc., in its Capacity as Trustee in Bankruptcy of Assistive Financial Corp. v. Randy Schiffner, Slade Schiffner, Brandon Schiffner, Elayne Schiffner, Cameron Schiffner and Brandi Schiffner* (the “**Action**”) and assigning the claims therein to Michael Kallis.

Pursuant to the terms of the Order you are hereby served with notice of the Order and the assignment.

Please note that the Action is in respect of the matters described in the Action only, and **not with respect to the RTF claims or any of the Cash Store entities**. Particulars of the Action can be found on the Trustee's website at <http://relieffromdebt.ca/assistive-financial-corp/> as set out in the *Amended Statement of Claim* filed on June 12, 2014.

Pursuant to the terms of the Order and section 38 of the *Bankruptcy and Insolvency Act* you may elect to participate in the Proceedings (as defined in the Order) by providing your confirmation in writing that you wish to become a Participating Creditor, within 10 days of receipt of this notice, **by reply e-mail to mloberg@loberg-law.com**.

Please take careful note that if you wish to participate in the Proceedings as a Participating Creditor:

1. You must agree to and will be liable for your proportionate share of all costs and expenses of conducting the Proceedings, inclusive of the costs of obtaining the

section 38 Order, howsoever and wheresoever incurred. The projected costs to trial are \$750,000.00, plus the costs of any appeals estimated at \$100,000.00 if needed (the "**Litigation Funding**") and you must pay your proportionate share thereof;

2. You must agree to and will be continuously liable to provide the Litigation Funding for the conduct of the Action by way of an Initial Retainer and all Subsequent Retainers as may be required from time to time. Failure to pay the Initial Retainer or any Subsequent Retainers for any reason will disqualify you from receiving any proceeds of the Action, and your agreement now to participate in the Proceedings will obligate you to pay your proportionate share of all Subsequent Retainers irrespective of the progress or status of the Action. You may not withdraw in the future as a Participating Creditor and you will continue to be liable for your proportionate share of all Subsequent Retainers;
3. You must agree to and will be liable for your proportionate share of all of the Trustee's and Trustee's counsel's reasonable fees and disbursements to give effect to the section 38 Order, including future costs as may be incurred;
4. You must agree to and will be liable for your proportionate share of indemnifying the Trustee against any costs orders as may be granted in the Action, for any period past or future, and any costs orders made against the Trustee in respect of the section 38 Application; and
5. You must agree to and will be liable for your proportionate share of paying all future costs awards made against Michael Kallis or the Participating Creditors in the Action including, without limit, in the event the Action fails.

Please take note that your liability for the expenses described above is inversely proportionate to the value of the claims of the Participating Creditors who join. If very few Participating Creditors join then your liability increases accordingly; you may be the only Participating Creditor and may be responsible for a majority of the expenses.

No opinion or advice is provided with respect to the likelihood of success of the Action or the ability to achieve any financial recovery against the Defendants in the event a judgment is obtained against one or any of them. The Defendants may be or may become insolvent and may be incapable of paying any judgment obtained against them.

You must seek your own independent legal advice with respect to becoming a Participating Creditor and the solicitors for Michael Kallis are not and will not be your solicitors with respect to the Action or any related matter.

Please take note that Michael Kallis will at all times have the exclusive conduct of the Action and exclusive authority to instruct counsel in respect of the Action. You will not have the ability to participate in instructing counsel in the Action or in determining the course of conduct of the Action, including any settlement thereof.

In the event that you wish to become a Participating Creditor pursuant to the Order the provisions of section 38 of the *Bankruptcy and Insolvency Act* and the terms herein, please complete and sign bottom portion of this Notice and return to our offices by e-mail to mloberg@loberg-law.com for processing within 10 days of receipt of this Notice. You will be advised thereafter of the amount of the Initial Retainer you will be required to fund.

Yours truly,

Michael A. Loberg Professional Corporation

Per:



Michael A. Loberg

MAL/dd

File no: 47,002.016

Encl: BIA s.38 Order Granted February 18, 2015

Agreement to Become a Participating Creditor

Name: _____

Address: _____

Phone(s): _____

E-mail(s): _____

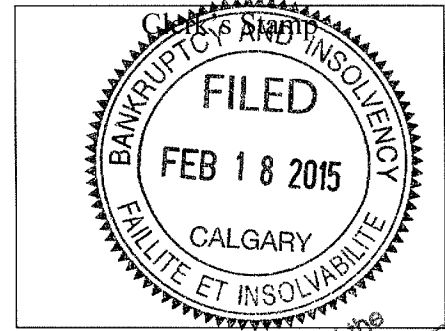
I agree to become a Participating Creditor pursuant to the terms of the Order, the provisions of section 38 of the *Bankruptcy and Insolvency Act*, and the terms herein.

Signature

Date

COURT FILE NO. **BK01-094419**
COURT **Court of Queen's Bench of Alberta
In Bankruptcy and Insolvency**
JUDICIAL CENTRE **Calgary**

MATTER **In the Matter of the Bankruptcy of
Assistive Financial Corp.**



APPLICANT **Michael Kallis**

RESPONDENT **Hardie & Kelly Inc.,
(in their capacity as Trustee in Bankruptcy of
Assistive Financial Corp.)**

I hereby certify this to be a true copy of the original of which it purports to be a copy.
Dated this 18 day of Feb. 2015
T. K. Registrar of Calgary
Bankruptcy Division of the
Court of Queen's Bench of Alberta

DOCUMENT **Order
(s. 38 Bankruptcy and Insolvency Act)**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT **Michael A. Loberg Professional Corporation
Barrister & Solicitor
1000 Bankers Hall West (403) 668-6561 (Direct)
888 - 3rd Street SW (403) 444-6935 (Office)
Calgary, AB T2P 5C5 File No: 47,002.016**

DATE ON WHICH ORDER WAS PRONOUNCED: **February 18, 2015**

NAME OF JUSTICE WHO MADE THIS ORDER: C. Jones

UPON THE APPLICATION of Michael Kallis, a creditor of Assistive Financial Corp. (“Assistive”); **AND UPON** reading the Affidavit of Michael Kallis sworn the 23rd day of December 2014 (the “Kallis Affidavit”) and the Exhibits thereto; **AND UPON** reviewing the Affidavit of Verification of Spencer M. Copeland sworn the 17th day of January 2014 and the Schedule “A” thereto; **AND UPON** considering the claim (the “Claim”) described in the

Amended Statement of Claim marked as Exhibit 1 to the Kallis Affidavit (the "**Action**"); **AND UPON** hearing counsel for the trustee in bankruptcy of Assistive in this matter, Hardie & Kelly Inc. (the "**Trustee**"); **AND UPON** hearing counsel for the Applicant; **AND UPON** the Court being satisfied that the requirements under s. 38 of the *Bankruptcy and Insolvency Act* have been met and that is just and equitable to grant the within Order;

IT IS ORDERED THAT:

1. Michael Kallis is hereby authorized to take conduct of the Action and to take all future proceedings regarding the Claim, in his own name and at his own expense and risk, and on the terms set out herein, in respect of the whole of the interest, right, and claim of Assistive against the named Defendants in the Action (the "**Assigned Claim**").
2. The Trustee shall, upon receipt of service of this Order, assign and transfer all of the Trustee's right, title and interest in the Assigned Claim to Michael Kallis, and shall deliver to Michael Kallis all documents in support of the Assigned Claim.
3. Michael Kallis is directed to give notice to the other creditors of Assistive determined as of the date of this Order (the "**Creditors**") of the granting of this Order and of the proceedings contemplated by this Order (the "**Proceedings**"), as required by s. 38 of the *Bankruptcy and Insolvency Act* (the "**Notice**").
4. The Notice may be delivered to the Creditors by any means permitted under the *Bankruptcy and Insolvency General Rules*, including without limit the means provided under Rule 6 therein and may be delivered by e-mail to the Creditors where an e-mail address for the Creditor has been provided to Michael Kallis or the Trustee for that Creditor, and such delivery of the Notice shall be good and sufficient.
5. For the purposes of giving the Notice, the Trustee is authorized and directed to provide to Michael Kallis such e-mail addresses for the Creditors as have been provided to the Trustee.
6. The Creditors receiving the Notice may elect to participate in the Proceedings by confirming their agreement in writing (the "**Confirmation**") to Michael Kallis within 10 days of receipt of the Notice (who shall thereafter together with Michael Kallis be "**Participating Creditors**").

7. The Participating Creditors shall include with their Confirmation their agreement and undertaking to be liable for:

- (a) their proportionate share of all costs fees and expenses in conducting the Proceedings (inclusive of the costs of obtaining this Order, howsoever and whensoever incurred); and
- (b) their proportionate share for all awards of costs made pursuant to the *Alberta Rules of Court* against Michael Kallis or the Participating Creditors in the Proceedings.

8. The Participating Creditors shall, within 15 days of submitting their Confirmation to Michael Kallis, deposit with Michael Kallis funds to retain counsel having conduct of the Proceedings (the "**Initial Retainer**") as they may be advised is required following the submissions of the Confirmations, *pro rata* as the amounts of their respective claims stand to the sum of all claims of the Participating Creditors, which Initial Retainer shall be placed on deposit with counsel and used for the purposes of funding the Proceedings. The Participating Creditors shall provide such further *pro rata* deposits of funds to retain counsel as may be required from time to time (the "**Subsequent Retainers**").

9. All benefits to be derived from the Assigned Claim shall belong exclusively to the Participating Creditors who provided their Initial Retainers and Subsequent Retainers, excepting however that in case there is a surplus after paying the Participating Creditors their said claims in full and all costs and expenses of the Action, such surplus shall be paid to the Trustee in augmentation of the bankrupt estate.

10. Should any creditors fail to join in the Action as provided for in this Order, they shall thereafter be excluded from participating in the benefits to be derived from the Assigned Claim.

11. All the Trustee's reasonable fees and disbursements to give effect to this Order will be reimbursed by Michael Kallis to the Trustee within 30 days from the date of invoice or Assessment as the case may be.

12. Effective from the date of this Order, the Participating Creditors are deemed to have indemnified the Trustee against any liability for any cost orders that may be made in the Action constituting the Assigned Claim or in this S. 38 Application.

13. Service of the notice of this application and supporting materials is 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 is abridged to that actually given.

14. The Court retains jurisdiction to give such further and other directions and orders as may be required to implement and give effect to this Order.

"C. Jones"

Justice of the Court of Queen's Bench
in Chambers