

# Court of King's Bench of Alberta

**Citation: Alberta Finance & Mortgage Corporation v. Westana Asset Management Corp.,  
2026 ABKB 336**

**Date: 20260504**  
**Docket: 2603 07501, 2603 07503,**  
**Registry: Edmonton**

Between:

**Alberta Finance & Mortgage Corporation** **2603 07501**

Applicant

- and -

**Westana Asset Management Corp. and Westana Equipment Leasing Inc.**

Respondents

Between:

**Alberta Finance & Mortgage Corporation** **2603 07503**

Applicant

- and -

**BCCQ Global Holdings Ltd., BCCQ Real Estate Developments LP, by its general partner,  
BCCQ Developments GP LTD., BCCQ Developments FP LTD., BCCQ Real Estate Rentals  
LP, by its general partner, BCCQ Rentals GP LTD., BCCQ Rentals GP LTD.,  
945Developments LP, by its general partner, 945 GP LTD., 945 GP LTD., and  
ALTALAND Equipment Sales and Services LP, by its general partner, AES GP LTD., and  
AES GP LTD.**

Respondents

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**Reasons for Decision  
of the  
Honourable Justice Douglas R. Mah**

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### **A. What this case is about**

[1] The Applicant, Alberta Finance & Mortgage Corporation (AFMC), applies by Originating Application in two separate actions for Receivership Orders against two groups of related entities.

[2] Mr. Quilliam is the principal of AFMC. In turn, Mr. Quilliam and Mr. Cramers are, or at least were, the principals of every entity named as Respondent in the two actions. Mr. Quilliam and Mr. Cramers are locked in a stalemate about how these various businesses should be wound down and liquidated. Mr. Quilliam wants to put all the entities into receivership, at the instance of AFMC. Mr. Cramers, on the other hand, says the matter of winding down of all the entities should be referred to arbitration, as agreed to in an arbitration agreement between Mr. Quilliam and Mr. Cramers and their respective holding companies.

[3] Mr. Quilliam and Mr. Cramers accuse one another of underhanded and dishonest dealings in respect of the various businesses. There is a high degree of acrimony and antipathy between the two of them, as revealed by the affidavits each have submitted. There are two separate unresolved oppression actions, one by each against the other, and a related foreclosure action going on. There is an arbitration underway. During the hearing, I described the dispute and its circumstances as a quagmire, which (as one reads on) may be an understatement.

[4] I am not required to resolve this ultra-quagmire. I am only called upon to determine whether the Receivership Orders should be granted.

### **B. Factual Background and Litigation History**

[5] Mr. Quilliam and Mr. Cramers together own and operate what I will call the Westana companies and the BCCQ group of companies.

[6] The Westana companies consist of Westana Equipment Leasing Inc (WELI) and Westana Asset Management Corp (WAM). WELI is in the business of acquiring and leasing equipment and then factoring the leases to third party lease acceptance companies (LACs). WAM administers the leases for the LACs. The main assets are contracts, leases, and financial instruments.

[7] I refer to the Originating Application commenced by AFMC against WELI and WAM as the Westana Action.

[8] The BCCQ group is involved in real estate development, construction, and leasing. BCCQ Global Holdings Ltd (BCCQ Global) is the ultimate holding company for the BCCQ Respondent group and acts as the financial and ownership hub. Each BCCQ operating Respondent is structured as a limited partnership, with a corporate general partner (which exercises management and control) and BCCQ Global as the limited partner. The BCCQ operating entities consist of:

- BCCQ Real Estate Developments LP (BCCQ Developments) – involved in real estate development, notably Westana Industrial Park near Redwater, AB and Spring Meadows, a country residential subdivision in Parkland County;

- BCCQ Rentals LP (BCCQ Rentals) – involved in leasing commercial and retail rental assets;
- 945 Developments LP (945) - formerly the construction and contracting arm of the BCCQ group;
- Altaland Equipment Sales and Service LP (AES) – formerly involved in equipment sales and leasing.

[9] The main assets of BCCQ Developments and BCCQ Rentals consist of land. Some of those assets are encumbered by mortgages in favour of conventional lenders. AFMC claims to have mortgage security on certain of those assets. The principal assets of 945 and AES appear to be accounts receivable.

[10] I refer to the Originating Application commenced by AFMC against BCCQ and its component entities as the BCCQ Action.

[11] Across the Westana and BCCQ structures, ultimate control (at least on paper) appears to vest in the two individuals: Robert Cramers (via his holding company Winsong Holdings Ltd) and Cameron Quilliam (via his company Grandin Investment Corporation). With the exception of Winsong (100% Cramers-owned) and Grandin (100% Quilliam-owned), all operating and ownership entities are held on a 50/50 voting basis between Winsong and Grandin. Mr. Cramers and Mr. Quilliam are the joint directors of each BCCQ Respondent entity. Only Mr. Cramers is now the director of WAM and WELI. He says he found out by way of corporate searches on September 5, 2024 and September 23, 2025 respectively that Mr. Quilliam had, unbeknownst to Mr. Cramers, deleted himself as a director of both WAM and WELI.

[12] All of the Respondent entities appear to be operating except for AES. Mr. Quilliam believes that in November 2024 Mr. Cramers moved the operations and employees of 945 to an affiliated Winsong company.

[13] Mr. Quilliam is one of four directors of AFMC. Going by last name, at least two of the other directors are relatives. AFMC has four shareholders which appear to be the respective holding companies of the four directors.

[14] Mr. Quilliam deposes that, in respect of WAM and WELI:

- WAM is indebted to AMFC for \$602,000 plus interest and costs and to another creditor Altaland Industries Ltd (AIL), for \$6,944,000 prior to interest and costs. AIL is not a party to these proceedings. Mr. Quilliam is also a director of AIL.
- WAM's indebtedness to AFMC arises from a promissory note, loan agreement and security agreement dated April 23, 2013. Under the loan agreement, AFMC agreed to make credit available to WAM up to \$20 million.
- WAM's indebtedness to AIL arises from a promissory note, loan agreement and security agreement also dated April 23, 2013. Under the loan agreement, AIL agreed to make credit available to WAM up to \$20 million. There was also a security agreement dated September 28, 2010 granted by WAM to AFMC and AIL.

- WELI is indebted to AMFC for \$500,000, give or take, plus interest and costs and to AIL for approximately \$4,105,000 prior to interest and costs.
- WELI's indebtedness to AFMC arises from a promissory note, loan agreement and security agreement also dated April 23, 2013. Under the loan agreement, AFMC agreed to make credit available to WELI up to \$10 million.
- WELI's indebtedness to AIL arises from a promissory note, loan agreement and security agreement also dated April 23, 2013. Under the loan agreement, AIL agreed to make credit available to WELI up to \$10 million.
- The security agreements were all registered at Personal Property Registry shortly after their signing dates.
- WAM and WELI have defaulted under the AFMC security by failing to pay obligations as they come due, engaging in acts of insolvency or bankruptcy, undergoing adverse financial changes, rendering AFMC insecure or putting its collateral in jeopardy, among other things.

[15] He deposes that, in respect of the BCCQ companies:

- Across the various BCCQ companies, AFMC is owed \$17,604,485.84 (particularized at para 12 and "Exhibit "A" of Mr. Quilliam's March 31, 2026 affidavit in the BCCQ Action).
- The companies are in serious financial distress and funds have been inexplicably diverted. There has been a failure of governance and financial reporting.
- AFMC is a substantial secured creditor with secured claims and broad enforcement rights on default: paras 90(a), (b) & (c) of Mr. Quilliam's BCCQ Affidavit.

[16] Mr. Cramers, in response to both applications, deposes that:

- As co-principals and owners of all these enterprises, he and Mr. Quilliam are locked in a dispute as to how to wind them down and liquidate the assets. This dispute is subject to an Arbitration Agreement made on January 14, 2025.
- PPR searches retrieved on April 6, 2026 show that all of the registrations, relating to the purported security granted by WELI as alleged by AFMC (and pertaining to AIL as well), have been discharged. Furthermore, there are no registrations in the PPR in favour of AFMC relating to any of the Respondents in the BCCQ action.
- A significant event occurred on April 1, 2019. Several related corporations involving Mr. Quilliam and Mr. Cramers were amalgamated into a single successor corporation that is now BCCQ Global. As a result of the amalgamation, the assets and liabilities of the pre-existing related corporations were rolled into BCCQ Global.

- As part of the reorganization, all of the indebtedness of WELI and WAM alleged by Mr. Quilliam in his Westana Affidavit was either paid out, forgiven or converted to unsecured debt owed by BCCQ Global.
- Prior to the amalgamation, amounts owing under a 2010 AFMC mortgage by a predecessor company had either been paid out or then addressed through the amalgamation. The land was transferred to BCCQ Developments. After April 1, 2019, financial statements for both BCCQ Global and BCCQ Developments do not show any secured indebtedness to AFMC. Any amounts shown as owing by BCCQ Global or BCCQ Developments to related parties (such as AFMC) are recorded as unsecured, non-interest bearing and without fixed repayment terms.
- Nonetheless, AFMC commenced a separate foreclosure action on December 17, 2025 against BCCQ Global and BCCQ Developments to enforce the land mortgage issued October 27, 2010 and an amending agreement dated August 6, 2015. Those Defendants have defended on the basis that (a) the claim is covered by and should be dealt with in the same Arbitration Agreement and (b) the mortgage debt was either paid out or converted to unsecured debt as a result of the 2019 amalgamation. No funds were ever advanced under the amending agreement. Apart from this mortgage, Mr. Cramers knows of no other security held by AFMC in respect of any of the Respondents in the BCCQ Action.
- In yet a further court action, Mr. Cramers and Winsong commenced an Oppression Action against AFMC, Mr. Quilliam and another of Mr. Quilliam's companies on January 23, 2026, alleging wrongdoing by the Defendants in the in the administration, financial record-keeping, management, and control of BCCQ Developments and BCCQ Global and the sale and disposition of their assets. The Plaintiffs have suggested that the whole of the subject-matter of the Statement of Claim should be referred to arbitration under the Arbitration Agreement. Mr. Quilliam agrees that this Action, to the extent it pertains to him personally, should proceed to arbitration.
- On February 11, 2026 Mr. Quilliam misappropriated \$30,000 from WELI's bank account and paid it over to Mr. Quilliam's lawyers.
- AFMC's counsel (Mr. Chapotelle of Bryan & Co LLP) acted for BCCQ Global Holdings in an action brought by Bodnar Capital Corp in 2025 and now is acting against BCCQ Holdings in this Receivership Application. Mr. Cramers alleges a conflict of interest.
- In respect of any indebtedness claimed by AFMC in either Action, no demands have ever been made. Nor in either Action, in respect of any of the security purportedly held by AFMC, has AFMC issued any Notice of Default nor Notices of Intention to Enforce Security as required under s 244 of the *Bankruptcy and Insolvency Act*.

[17] In another earlier action (also an Oppression Action) commenced by Mr. Quilliam and Grandin as Applicants against Mr. Cramer, the Winsong companies, the Respondents in both the present actions and the Elite Storage entities - more on them later – all as Respondents, the Applicants and Mr. Cramers and the Winsong companies as Respondents entered into a December 10, 2024 Consent Interim Injunction Order signed by Teskey J. The salient parts of that Order read:

- There shall be no payments made by the Corporations to or assets transferred out of the Corporations to the Respondents or Applicants without the prior written consent of the Respondents and Applicants, or further Order of the Court;
- This is an Interim Injunction that shall only expire once the issues have been determined by the Court at a subsequent application;
- No determination is being made under this Order regarding the issues raised in the originating application...

[18] The term “Corporations” in the above Order was defined to mean all of the Respondents in the present two actions plus the Elite Storage entities but excluding Mr. Cramers and the Winsong companies.

[19] The Injunction Order (Teskey Order) remains in effect to this day.

[20] As a result of this action and the Teskey Order, Mr. Quilliam and Grandin on the one hand, and Mr. Cramers in the Winsong companies on the other hand, entered into the Arbitration Agreement of January 14, 2025. The Arbitration Agreement concerns all of the “Corporations” as previously defined. The arbitration agreement states (in part):

- “... the Parties have agreed to submit their disputes, including but not really restricted to, the management, operation, accounting, investigations, administration and winding down of the Corporations, as well as the management, operation, accounting, investigations, administration of any other corporation, joint venture or partnership in which the Applicants and Respondents both have an interest in (the “dispute”) to binding and final arbitration, and that the Arbitrator appointed herein shall have the jurisdiction to deal with all matters arising out of, or in connection with, the Dispute, including all procedural and substantive issues...”
- The Arbitrator was identified as a retired senior Edmonton lawyer with intimate familiarity with the Corporations. A process was identified for replacing the arbitrator if he is unwilling or unable to act.
- Successive issues can be put before the Arbitrator for decision.

### **C. Elite Storage Litigation**

[21] The Elite Storage entities (Elite Storage) were part of the BCCQ Global group of enterprises. Elite Storage had entered into credit facilities with Connect First and Servus Credit Union (Servus), supported by certain loan and security agreements. There were various guarantors as well, including BCCQ Global, Bodnar Capital, Mr. Cramers and Mr. Quilliam. On

March 26, 2025 Servus commenced action against Elite Storage and the guarantors, seeking judgment against Elite Storage and the guarantors and Court appointment of a Receiver over the assets of Elite Storage (Servus Action).

[22] The factual background to the action is set out in more detail in Marion J's decision in *Connect First v Elite Storage North Edmonton LP*, 2025 ABKB 718 (*Elite Storage #1*) at paras 4-18.

[23] As *Elite Storage #1* recounts, Servus entered into to a Forbearance Agreement, backed up with a Consent Receivership Order, with Elite Storage and the guarantors. The space for the names of the Debtors in the executed Consent Receivership Order had been left blank. AFMC then bought the debt from Servus and took an assignment of Servus' security, including its rights under the Forbearance Agreement.

[24] On July 31, 2025, having stepped into Servus' shoes, AFMC applied to me on a without notice basis for entry of the Consent Receivership Order, now with the names of the Debtors filled in, including the name of BCCQ Global.

[25] Marion J's decision in *Elite #1*, specifically at paras 16 and 64-77, explains the circumstances in which AFMC obtained the Consent Receivership Order against BCCQ on a without notice basis. The transcript of the hearing before me on July 31, 2025 in the Servus Action is Exhibit 2 to the Affidavit of Robert Cramers of April 10, 2026 in the BCCQ Action, for anyone who wishes to read it. As a result of *Elite #1*, Mr. Cramers was successful in having BCCQ Global removed from the Consent Receivership Order.

[26] In *Connect First and Servus Credit Union Ltd v Elite Storage North Edmonton LP*, 2026 ABKB 132 (*Elite #2*), which is the costs decision emanating from *Elite #1*, Marion J did recognize at para 12(c) that a key issue between Mr. Quilliam and Mr. Cramers "is the ongoing control and management of BCCQ which is the subject ongoing arbitral or other disputes between them." He also said at para 90 of *Elite #1* that if AFMC was to seek a new receivership Order against BCCQ Global (other than on reliance on the Consent Receivership Order and Forbearance Agreement), it had to be done on notice. I do not interpret Marion J's comments here to mean anything beyond stating the obvious about the normal requirement of giving notice to the party against whom the remedy is sought.

[27] The fact that a Receivership Order was granted in favour of AFMC in the *Elite #1* and *#2* litigation should not, as AFMC suggests, stand for some kind of precedent that the Arbitration Agreement has no relevance for these proceedings. The *Elite* litigation is quite different in that AFMC acquired the interests of a conventional third-party lender (Servus) in circumstances where the indebtedness to Servus by Elite Storage was not disputed. In obtaining the Receivership Order, AFMC took action as the assignee of Servus, not in its own right as a creditor of Elite Storage.

#### **D. Principles underlying granting of a Receivership Order**

[28] First, the Courts in Alberta have characterized the remedy of Receivership as *extraordinary*. It is extraordinary not because it is rare or unusual, since Receivership Orders are granted by this Court with regularity. It is extraordinary because of its *effect* on the entity that is placed in receivership. Appointment of a Receiver ousts the owner's control over its own property. The remedy is invasive and coercive and normally involves the cessation of business

by the owner, the sale of the business or a complete liquidation of its assets. Receivership indiscriminately affects third parties such as employees, customers, suppliers, landlords, creditors both secured and unsecured and contractors. Thus, the Court has often said, there is a need to balance interests and that receivership, as a remedy, should be granted “cautiously and sparingly”: *BG International Limited v Canadian Superior Energy Inc*, 2009 ABCA 127 At paras 16-17; *Dow Chemical Canada ULC v NOVA Chemicals Corporation*, 2025 ABKB 45 at para 3326 & *Paragon Capital Corp v Merchants & Traders Assurance Co*, 2002 ABQB 430 at para 27(i).

[29] The second principle to keep in mind is that receivership is an equitable remedy: *Royal Bank of Canada v W Got & Associates Electric Ltd*, 1997 ABCA 136 at para 31; *2531005 Alberta Ltd. v Katharine Enterprises Ltd*, 2023 ABKB 718 at para 19 and *Alexis Paragon Limited Partnership (Re)*, 2014 ABQB 65 at para 50 (which I refer to as the *APLP* case so as not to confuse it with the *Paragon* case, cited above and below). Since receivership is a discretionary remedy, its granting or refusal is subject to equitable considerations. The pre-application conduct of the parties is a relevant factor, particularly where the *BIA* is invoked and the “good faith” requirement of s 4(2) of the *BIA* is applicable: *CWB Maxium Financial Inc v 2026998 Alberta Ltd*, 2021 ABQB 137 at paras 38-60. See also *APLP* at para 14.

[30] The contractual right to appoint a receiver lessens the burden of persuasion on an applicant creditor and makes the remedy less extraordinary: *Paragon* at para 28 but it does not relieve the Court of the obligation to look at all of the circumstances to decide whether receivership is the proper remedy in any case. It is one factor of 16 in the non-exhaustive *Paragon* list.

[31] I think it fair to say that s 243 of the *BIA* codifies rather than ousts the Court’s existing equitable jurisdiction to grant or refuse a Receivership Order. Under the commentary for s 243 in Houlden, Morawetz & Sarra, *The 2025 Annotated Bankruptcy and Insolvency Act* (Toronto: Thomson Reuters), the authors list the *Paragon* factors as guiding the Court’s discretion. In Alberta, the *Paragon* factors are taken to inform the “just or convenient” test for appointment of a Receiver set out in s 13(2) of the *Judicature Act*: see, for example *Bank of Nova Scotia v Smiling Simba Learning Academy Inc*, 2025 ABKB 11 at para 30 and the cases cited therein.

#### E. AFMC’s Position

[32] With regard to WAM and WELI, AFMC relies on the security agreements to constitute itself as a secured creditor with the contractual right to appoint a Receiver.

[33] With regard to the BCCQ entities, AFMC through Mr. Quilliam’s affidavit at first asserted itself as a secured creditor with the contractual right to appoint a Receiver but attached no security documentation to that effect as Exhibits. In argument, its counsel referred to one or more land mortgages but then appeared to accept that any receivership remedy found in those mortgages would pertain only to the land. The land is not subject to claim in the BCCQ Action and indeed there is a separate foreclosure action underway in respect of one of the mortgages. That action has been defended. In the result, its counsel took the position at the hearing that AFMC, as an *unsecured* creditor, seeks a Receiver over the assets of BCCQ group.

[34] AFMC asserts the following:

- All Respondent entities in both Actions have defaulted in payment of their respective obligations to AFMC.
- There are other acts of default in respect of the security given by WAM and WELI.
- Ordinary enforcement is inadequate. In WAM and WELI, the assets are primarily contracts and financial instruments and easily transferable. The protection provided by the Teskey Order is not strong enough. Mr. Cramers already breached that Order by wrongfully transferring funds and only restored those funds after contempt proceedings were brought against him.
- Mr. Cramers has engaged in wholesale diversion of funds and assets and investigations are needed to locate and recover them.
- All the Respondents are insolvent and must be wound down. That can only be efficiently and impartially achieved by a Court-authorized Receiver imbued with sufficient powers.
- AFMC has lost its confidence in the management and control of Respondents in both Actions and is particularly concerned about the erosion and loss of assets. The most efficient and orderly way of preserving and liquidating the assets for the benefit of all creditors is by way of a Court-appointed Receiver.
- AFMC is not a party to the Arbitration Agreement and therefore its rights and the enforceability of its security is beyond the jurisdiction of the Arbitrator.

#### **F. Mr. Cramers' Position**

[35] In *Elite #1*, Marion J recognized at para 30 Mr. Cramers' standing to make submissions to the Court about the Elite entities and BCCQ Global. In the two actions before me, Mr. Cramers' standing to make submissions about both WAM/WELI and the BCCQ entities was not questioned. Mr. Cramers, as an equal equity owner and a director of each corporate entity sought to be placed in receivership, he has standing to make submissions. No counsel is actually on the record in either proceeding before me for either the Westana companies or the BCCQ companies and there is no one else to argue the other side.

[36] Mr. Cramers asserts:

- Fundamentally, what is at issue in these two Actions, as in all the other actions involving Mr. Quilliam and Mr. Cramers and the businesses under their control, is how those businesses should be wound down. That dispute is squarely within the terms of the Arbitration Agreement and therefore must be submitted to the Arbitrator for decision.
- These present applications are nothing more than an attempt at an "end-run" around the Arbitration Agreement.

- Current counsel (Mr. Chapotelle) and his firm (Bryan & Co LLP) are in conflict of interest, having acted for the BCCQ Global and now purporting to put it into receivership on behalf of a different client.
- The alleged indebtedness in both actions was compromised in 2019 as a result of a reorganization of the joint business interests of Mr. Quilliam and Mr. Cramers. At best, there is an unsecured debt owed by BCCQ Group and/or BCCQ Developments to AFMC, but it is a lot less than alleged and is not yet payable.
- AFMC has issued no demands, Notices of Default or Notices of Intention to Enforce Security (under s 244) and therefore both Actions are invalid or at best premature.
- Beyond the land mortgages which are not asserted in the BCCQ Action and which Mr. Cramers disputes in any event, AFMC has no security over any assets of the BCCQ Group. Further, the security registrations from the 2010 and 2013 security agreements granted by WELI in favour of AFMC were discharged.
- The Teskey Order is sufficient to protect and preserve the assets of all Respondent companies pending the outcome of the arbitration.

### **G. Bodnar Capital's Position**

[37] Bodnar is a secured creditor of WELI and has a September 12, 2025 judgment against WELI for \$4,422,917 plus interest and costs. Bodnar says its security agreement was registered at PPR prior to any registration by AFMC or AIL and it therefore has priority over AFMC.

[38] As such, Bodnar opposes AFMC's appointment of a Receiver over WELI and in the least opposes the granting of a priming charge in favour of the Receiver that takes priority over Bodnar.

[39] With regard to the BCCQ Action, Bodnar says that it was never served with notice of AFMC's application and was only served with notice of the Westana Action.

[40] Bodnar says that BCCQ Global guaranteed the debts of WELI to Bodnar. Demand for payment on the guarantees of BCCQ Global and others has been made and there is default. Bodnar's action has been defended and hence a summary judgment application awaits.

[41] Bodnar's deponent, Mr. Conrad Bodnar, notes at para 22 of his April 10, 2026 affidavit that there are no documents in Mr. Quilliam's affidavit in the BCCQ Action evidencing loans, advances, security or demands by AFMC. He believes that AFMC is trying to delay or prejudice Bodnar's claim against BCCQ Global.

### **H. Observations worth noting**

[42] Before embarking on my ruling, there are some factual features of this case that are worth noting and which factor into the eventual outcome I reach:

- First, it is quite true the security documents granted by WELI in favour of and registered by AFMC and AIL in 2010 and 2013 were discharged. That

is how Mr. Bodnar is able to say that on February 5, 2024 Bodnar Capital registered its security interest in priority to any registrations by AFMC, AIL or the LACs.

- Although not in evidence, Mr. Chapotelle told me during the hearing that the registration of AFMC's and AIL's security over WELI had been mysteriously discharged by an unknown person and when AFMC and AIL found out, it was reinstated.
- The specific acts of financial diversion and siphoning attributed to Mr. Cramers during Mr. Chapotelle's oral submissions are also not in evidence, nor the account of the breach of the Teskey Order by Mr. Cramers and the contempt proceedings. Counsel did offer to file a further affidavit containing this information if the Court felt it was required.
- Mr. Chapotelle explained that he was not acting as such for BCCQ Global in the action brought by Bodnar Capital but rather filed a Statement of Defence on an emergency basis. He said he had BCCQ Global's consent to do so.
- Each of the loan agreements relied upon AFMC and those held by AIL in respect of both WELI and WAM state (at para 3.01) that the loan is payable within 60 days of demand (with "demand" in all-caps). Each Promissory Note states that the amount owing is payable "upon written agreement between the Payor and the Payee or on the written demand from the Payee" or (in one variation) is payable "upon written agreement between the Payor and the Payee or within Sixty (60) days of the Payor's receipt of written demand from the Payee." Mr. Chapotelle submitted that the Originating Applications functioned as the demands and, besides, everyone concerned knows that AFMC is claiming recovery of the money ostensibly owing.
- Mr. Cramers and Mr. Quilliam apparently agree that at least the oppression actions they have brought against each other personally should be dealt with in arbitration. Mr. Cramers indicates that the foreclosure action brought by AFMC is being defended on the same basis that these two applications are defended: nothing is owed (at least on a secured basis) as a result of the 2019 reorganization, and the dispute should be resolved by way or arbitration.
- Mr. Quilliam expresses an opinion that WAM and WELI are insolvent (paras 35 & 59 of Westana Affidavit) and that all of the BCCQ parties are insolvent "or are experiencing serious financial distress (para 90(d) of BCCQ affidavit). This opinion flows from his assertion that all the debts owing to AFMC and AIL are real, still owing and payable.
- Mr. Quilliam remains a director and (through Grandin) an equal owner of the BCCQ entities. He was, until he resigned as described above, a director of WAM and WELI and remains (through Grandin) an equal owner.

[43] I will now comment on some of the issues raised in these applications and how they affect the outcome.

### **I. Factual Dispute Regarding Indebtedness**

[44] Mr. Cramers contends that with respect to the alleged debts owed by WAM and WELI to AFMC, such debts were paid out, forgiven or converted to unsecured debt owing by BCCQ Global as a result of the amalgamation and restructuring of the jointly owned enterprises on April 1, 2019. He further contends that Mr. Quilliam, through another of his companies, was responsible for producing financial statements for WAM and WELI for the years 2021 to present and failed to do so. Mr. Cramers says he has separately arranged for the financial statements to be done and expects them to be completed in September 2026. I am to infer that there is no reliable financial information on which to conclude that the indebtedness exists.

[45] With regard to the BCCQ Group, Mr. Cramers says:

- The financial statements for BCCQ Global for each year from the date of the amalgamation on April 1, 2019 through March 31, 2024 do not show indebtedness of any kind to AFMC, which financial statements were prepared at the behest of Mr. Quilliam.
- The financial statements for BCCQ Developments for the years 2019 through 2023 do not indicate any secured indebtedness to AFMC. He admits that *unsecured* indebtedness to AFMC in the high seven-figure range appears as related-party indebtedness for the years 2022 and 2023 but is converted to *secured* long-term indebtedness for 2024 and 2025. All financial statements were prepared at Mr. Quilliam's behest and Mr. Cramers doubts the veracity of the secured portions in the latter years.
- With respect to BCCQ Rentals, the draft March 31, 2025 financial statements show that any amounts purportedly own to AFMC are unsecured.
- The most recent financial statements for 945 and AES indicate nothing owed to AFMC.
- There are no PPR registrations in favour of AFMC in respect of any of the BCCQ entities.

[46] Mr. Cramers asks me to infer, I suppose, that at most BCCQ Developments and BCCQ Rentals may owe some unsecured debt to AFMC as a related party, but the amounts are not established. He raises the spectre that some of the 2024 and 2025 financial information for BCCQ Developments has manipulated to enhance AFMC's position. In any event, such amounts if owing are not just unsecured, but do not bear interest and have no fixed repayment terms, so cannot really be said to be owing. If so, one would suppose that such debts would only be addressed upon the winding down of the respective companies.

[47] He contends that AFMC merely asserts that the indebtedness regarding all the Respondent entities exists but that the evidence falls short of establishing how that indebtedness was incurred or whether advances were even made.

[48] AFMC counters by saying Mr. Cramers merely asserts that there is no indebtedness and it would be an untoward result if a debtor could avoid receivership entirely simply by denying the debt. It also says the whole idea that the debts were forgiven or converted to unsecured debt is absurd and non-sensical.

[49] But, to me, there is more than mere assertion of lack of indebtedness:

- Mr. Cramers provides a fairly detailed explanation at paras 31 -37 and 47 - 52 of his BCCQ affidavit as to why he questions the existence of the BCCQ Global and BCCQ Developments indebtedness. There is the same explanation in his Westana affidavit.
- The registrations for the WELI security agreements were discharged, at least for a period of time. By whom and for what reason remains unknown but it could be taken to support Mr. Cramers' assertion that the secured debt was erased as a consequence of the amalgamation.
- The most recent financial statements for BCCQ Global, 945 and AES indicate nothing owing to AFMC and the financial statements overall do not treat any indebtedness as secured, except for recent references which Mr. Cramers says are made up.
- It is unclear to me whether there is overlap between the amounts claimed as secured in the foreclosure action and the amounts claimed as unsecured in the BCCQ Action against BCCQ Global and BCCQ Developments. The foreclosure action is defended.
- The promissory notes and loan and security documentation pertaining to the Westana companies and the indebtedness itself are historical. There have been intervening events. AFMC has not shown how the supposed indebtedness still exists.

[50] On the last point, a debtor who has granted security to a lender cannot avoid a receivership simply by denying the debt. In the usual receivership application seen in the Commercial Court, the debtor does not deny the indebtedness. There is generally an entire documented course of dealings between debtor and lender (default notices, demands, negotiations, forbearances etc) put in evidence, thus showing the debtor acknowledges the debt.

[51] But the debtor is entitled to raise "no debt" as a defence so long as it is supported by some evidence. Where that occurs, the Plaintiff or Applicant is required to prove its case to the required civil standard.

[52] Counsel for AFMC volunteered to submit further and better evidence to support its case. He also pointed out that Mr. Cramers had appended no documentation to either of his affidavits to support his contention that the debts had been repaid, forgiven, or converted. Mr. Hutchison, on behalf of Mr. Cramers, stated that if Mr. Quilliam were allowed to put in other evidence, then Mr. Cramers would be behooved to do the same.

[53] None of the counsel filed briefs as required by the Commercial Practice Note, so I had to piece together the factual events, such as I could, on my own. In these applications, the origin and history of the indebtedness are laid out in the affidavit evidence in a confusing and labyrinth manner. The Exhibits appear to me to be curated. There are significant gaps in narrative and

documentation. In saying so, I reference the evidence, taken together, from both sides. I suppose that is Mr. Cramers' point – there is an insufficiently complete picture before the Court on these Originating Applications to enable the Court to come to a reasoned decision that all of these entities should be placed in Receivership at the instance of AFMC.

[54] I find myself in the same situation as Marion J did in *Elite #1* at para 89 where he was dealing with whether BCCQ Global should remain in the Elite Storage receivership:

I have considered AFMC's argument that it would be pointless to remove BCCQ from the Order because a receivership order could be granted in any event, based on BCCQ being insolvent. I find that is not a persuasive reason to keep BCCQ subject to the Order in this Action, for at least two reasons. First, the question of whether BCCQ is insolvent is disputed, and I do not have sufficient information to decide that issue. Outdated 2024 financial statements (as provided by Cramers) and bald conclusory statements of opinion (as provided by Quilliam) are insufficient to fairly decide the question of insolvency. Second, the fact that BCCQ's own commercial property (**BCCQ Property**) is subject to a separate mortgage held by AFMC does not assist AFMC in this application in the way AFMC asserts. The state of that mortgage appears to also be in dispute and, in any event, AFMC relies on the Forbearance Agreement and the Consent Receivership Order, not the enforcement of that mortgage.

[55] While AFMC is not relying on the Forbearance Agreement and the Consent Receivership Order in this application, neither is it relying on the mortgage. The mortgage only relates to the land as an asset, not the whole of BCCQ's operations and, in any event, AFMC says it pursues this receivership application against the BCCQ entities as an unsecured creditor.

[56] Whether a debt exists and the extent of it are important questions in determining whether to grant a putative creditor the remedy of receivership.

[57] Moreover, both applications come before me in the form of Originating Applications. Rules 3.2(1) and (2)(a) read together provide that an action may be started by Originating Application only where there is no substantial factual dispute. Here, the core fact of indebtedness and its extent are disputed. In the Westana Action the validity of the security is disputed and at one point the WELI registrations were discharged. No security is relied upon in the BCCQ Action and at the same time Mr. Cramers says that if there is indebtedness, the relevant financial statements show there is no repayment imperative that goes along with it. I have heavily conflicting affidavits before me, no questioning has occurred and both sides say there is more documentation that could be produced that would support their respective cases.

[58] I do not say which of Mr. Quilliam or Mr. Cramers is factually correct about the existence or extent of the indebtedness of the various Respondents or the validity of the Westana security. It is not possible to determine to the required civil standard based on what is before me. The factual state of play in this case and the state of the record militate against granting the requested Receivership Orders.

### **J. No demands, no Notices of Default, no Notices of Intention to Enforce Security**

[59] It is quite true that no formal demands for payment were made by AFMC on any of the Respondents in either Action. As noted above, in the case of the Westana companies, any amounts owing under the promissory notes or loan agreements were not payable until agreed upon in writing and within 60 days. Mr. Cramers' counsel did not strenuously press the argument that since there has been no demand, there has been no default. Instead, he argued firmly that the indebtedness itself was not proven.

[60] AFMC's counsel argued that the Originating Applications themselves constitute demand. In reviewing them, I note they do not actually contain demands nor do they request judgment. I suppose that one could interpret the Originating Applications along with Mr. Quilliam's affidavits to infer that AFMC would be content to accept cash payment of the total amounts claimed, along with all interest and costs and call it a day, rather proceed with Receivership.

[61] I don't think that the Court should nullify the proceedings because of lack of demand. As Mr. Chapotelle says, by now everyone knows that AFMC is claiming the money it believes it is owed. To say that these proceedings are premature and make AFMC start over again is a waste of everyone's time and resources. For an Alberta case allowing an action on a promissory note to proceed notwithstanding it was commenced before demand or before expiry of the demand period, see: *Dushenski v Lymer*, 2010 ABQB 605 at para 34.

[62] As to no notices of default, the security agreements pertaining to the Westana companies do not require the giving of notice of default before the security becomes enforceable. Thus, the Westana case before me is different than the case before Marion J in *Elite #1* (at paras 55-63).

[63] Finally, in the case of the Westana companies, AFMC did not comply with s 244 of the BIA by issuing the requisite Notices of Intention to Enforce Security before commencing the within proceeding. While s 244 is mandatory, it is also procedural in nature and not a substantive requirement. The intention is permit the debtor some time to remedy the default and avoid the proceeding.

[64] Here, I must look at relative prejudice. In either action, Mr. Cramers has suffered little prejudice because he disputes the indebtedness and would have resisted these proceedings even if demand and proper notices had been given. On the other hand, as I said earlier, it would be waste of time and resources to make AFMC make demand and give the required notices and then start over.

[65] It is better practice to comply with s 244 which is a provision enacted by Parliament to govern the enforcement of security in Canada in the cases where s 244 applies. There may well be cases where failure to comply is prejudicial to the debtor such that it warrants refusal of the remedy.

[66] Here, the failure to make demand and give notices of any sort goes to the equities of the case. I treat it as a neutral factor here.

### **K. Arbitration Agreement**

[67] The dynamic between arbitral jurisdiction and judicial jurisdiction is described in *Alberta Medical Association v Alberta Health Services*, 2019 ABQB 82 by Feehan J (now JA) at para 21 (referring to the *Arbitration Act*):

Section 6 of the *Act* prohibits Court intervention except to assist the arbitration process, ensure that an arbitration is carried on in accordance with the arbitration agreement, prevent manifestly unfair or unequal treatment of a party to an arbitration agreement or to enforce awards. The Courts have interpreted s 6 of the *Act* as establishing a starting point of “non-intervention,” to preserve arbitral autonomy and the legislative preference for arbitration (see *Epcor Power LP v Petrobank Energy and Resources Ltd*, 2010 ABCA 378 at paras 16-18, 499 AR 193; and *Contract Policy Committee v Fortis Alberta Inc*, 2012 ABQB 653 at paras 36-37, 552 AR 11, a decision of Veldhuis J).

[68] Mr. Cramers contends that the totality of the subject-matter of both Receivership Actions should be decided by arbitration under the terms of the Arbitration Agreement. He says that AFMC’s two Originating Applications are a thinly disguised attempt by Mr. Quilliam to skirt the arbitration.

[69] AFMC submits that it is undeniable that AFMC is *not* a party to the Arbitration Agreement and cannot be forced into arbitration to deal with its claims. It says that it is not merely the alter-ego of Mr. Quilliam as there are at least three other individuals involved in AFMC who are also not party to the Arbitration Agreement.

[70] Mr. Chapotelle said, by way of submission, that he and Mr. Cramers’ previous counsel made a specific point of excluding from the Arbitration Agreement any entity in which *both* Mr. Cramers and Mr. Quilliam *did not* have an interest. AFMC is such an entity. The Agreement itself does state that only disputes involving themselves and other entities in which they both have an interest are included.

[71] The Court of Appeal in *MJS Recycling Inc v Shane Homes Limited*, 2011 ABCA 221 at paras 38-41 states that an arbitrator exceeds jurisdiction when purporting to make an award that affects the rights and interests of third parties (i.e. not party to the Arbitration Agreement)

[72] Under s 7(1) of the *Arbitration Act*, on application by a party to an arbitration agreement, the Court is required to stay an action where the dispute is covered by an arbitration agreement. There are 5 exceptions at s 7(2), none of which are relevant here. At s 7(5), the Court has discretion to grant a partial stay of an action where the action deals with matters in dispute beyond the matters covered by the arbitration agreement and it is reasonable to separate them.

[73] I realize that no one has made an application to stay either of the Actions before me. However, the principles underlying the *Arbitration Act* inform whether these Receivership Orders should be granted or denied. The refusal of a Receivership Order in these Actions, if arbitration is truly available as an alternative, has the same effect as staying the Actions.

[74] It once was that if matters both covered and not covered by the arbitration agreement could not be reasonably separated in the court action, then the arbitration must yield to the court action: *New Era Nutrition Inc v Balance Bar Co*, 2004 ABCA 280 at para 37. However, in more recent days, the Supreme Court of Canada in *TELUS Communications Inc v Wellman*, 2019 SCC 19 specifically overruled *New Era*: see *Sivitilli v PesoRama Inc*, 2025 ABCA 56 at paras 19 & 20 & *IBI Group Architects (Canada Inc) v Edmonton (City)*, [2022] AJ No 870 at para 271 (Dunlop J).

[75] As noted by Professor Tamar Meshel in her seminal Canadian text on arbitration, *Arbitration Law: Statutes, Cases and Commentary* (Toronto: LexisNexis Canada, 2026) at pages 115-116, Alberta Courts have granted a full stay of proceedings in favour of arbitration even though some parties to the action are non-parties to the arbitration agreement. These instances include where:

- The arbitration issues are closely related to the litigation, and the arbitration would provide clarity to the litigation: *Serendipity Ventures Inc v Winters*, 2016 ABQB 398 at para 42;
- It is just and equitable to stay an action in favour of arbitration: *Yaworski v Gowling Lafleur Henderson LLP*, 2013 ABCA 21 at para 20.
- It was not reasonable to separate the matters in dispute subject to arbitration from the other matters because the parties and the non-parties are related one way or another to the same subject matter: *Macdonald v Burke*, 2018 ABQB 534 at paras 50 & 54.

[76] In the Receivership of both sets of entities, their respective assets would be determined and liquidated and the proceeds distributed according to law. In an arbitration concerning the wind down of the same two sets of entities, their respective assets would be determined and liquidated and the proceeds distributed according to law. The processes would be different, but they would achieve the same objectives.

[77] In *Serendipity*, the subject-matter of both court action and arbitration were allegations of conspiracy and breach of fiduciary duty involving both parties and non-parties to the arbitration agreement. Strekof J (now JA) noted at para 18 that the *Arbitration Act* “contains a strong legislative direction to the Courts that they have a limited role where parties have agreed to resolve their disputes by arbitration.” Further, at para 20, she notes that s 17(1) of the *Arbitration Act* provides an arbitral tribunal with the ability to rule on its own jurisdiction. At para 42, Strekof J concluded:

... There was no evidence of any specific prejudice that would be suffered by the Plaintiffs if the Action was stayed pending arbitration or by the individual Defendants if the Action proceeded pending arbitration, beyond delay, and the possibility of different results. In this case, the arbitration may go a long way to resolving some of the issues as against the primary Defendants, or at least defining the nature of the dispute. As a result, the balance of convenience favours staying the remainder of the Action pending completion of the arbitration, or at least doing so until the arbitrators have determined the scope of their jurisdiction.

[78] The *Yaworski* case was about the level of compensation a lawyer was entitled to receive from the firm, where the lawyer’s PC was the party to the partnership agreement that contained an arbitration clause, but the lawyer chose to sue the firm personally. This passage from the Court of Appeal’s decision in *Yaworski* at para 20 is apposite:

Yaworski argues that section 7 of *The Arbitration Act* does not apply to him personally as he is not a party to an arbitration agreement. However, arbitrations cannot be avoided by simply

having a related party commence a lawsuit claiming relief with respect to arbitrable subject matter. In this case Yaworski PC and Gowlings agreed that all disputes between them was to be arbitrated. In fact the arbitration clause is so broad as to make the issue of whether something is subject to arbitration, arbitrable.

[79] AFMC says it is not a party but there is a fair argument based on the above authorities that it is a related party to Mr. Quilliam and given the nature of AFMC's claims against these Respondents, it is just, equitable and reasonable to include them as part of the arbitration. An arbitrator has jurisdiction to determine what is arbitrable. Further, when reading the last paragraph on page 1 of the Arbitration Agreement, what debts the Respondent entities have and what security supports those debts are, more than arguably, arbitrable subject-matter.

[80] A challenge to the arbitrator's jurisdiction must be resolved first by the arbitrator. That rule should only be departed from where the issue is based solely on a question of law, or a question of mixed fact and law where the factual issues require only superficial consideration of the documentary evidence in the record: *Dell Computer Corp v Union des consommateurs*, 2007 SCC 34 at para 84-85; *Rogers Wireless Inc v Muroff*, 2007 SCC 35 at para 11; *Seidel v TELUS Communications Inc*, 2011 SCC 15 at paras 28-29; *Peace River Hydro Partners v Petrowest Corp*, 2022 SCC 41 at paras 39-42; *Dow Chemical Canada ULC v NOVA Chemicals Corporation*, 2023 ABKB 215 at para 69.

[81] A determination about how the April 1, 2019 reorganization affected debts owing by these related companies would go a long way to determine what, if any, debt remains and is supported by security. It could include an investigation into how and why the WELI security was discharged and into what, if any, assets have spirited away by either Mr. Cramers or Mr. Quilliam. It would be up to the Arbitrator to determine what he can decide in an effort to determine the true financial status of all the Corporations in the dispute.

[82] In *Macdonald*, Tilleman J dealt with a complex contract dispute related to pipeline construction where a partnership agreement required the partners to arbitrate any differences between them, but a concurrent lawsuit also involved other parties. In staying the action in favour of arbitration, he said this at para 54:

... I find that there are similar concerns here due to the overlapping facts (which are in contention) and overlapping issues. There could be potential injustice to all parties if the actions are split in terms of inconsistent findings. Such findings might be appealed. The duplication of proceedings is costly and stressful for litigants. Having the arbitration proceed first will allow all of the parties to take appropriate further steps based on the outcome of the arbitration.

[83] Here, as Mr. Cramers says, much of what Mr. Quilliam complains about in his Affidavits is already part of the existing arbitration. There is no prejudice to AFMC in doing the arbitration first. Even if it does not or cannot resolve all of AFMC's issues, there are efficiencies to be gained in arbitration over receivership. In the least, as noted in *Macdonald*, the outcome of arbitration will tell the parties to this litigation what further steps need to be taken to resolve AFMC's claims. Thus, the balance of convenience favours arbitration.

[84] The *Arbitration Act* at s 8(1) says:

The court's powers with respect to the detention, preservation and inspection of property, interim injunctions and the appointment of receivers are the same in arbitrations as in court actions.

[85] I take this to mean that in furtherance and support of the objectives of the *Arbitration Act*, the Court may grant these Orders. I do not interpret this section as authorizing the Court to make one of these Orders *in place* of an arbitration.

[86] Finally, while neither side referred to *Peace River Hydro Partners v Petrowest Corp*, 2022 SCC 41, I feel it necessary to do so since Canada's highest court was called upon to clarify whether and in what circumstances a contractual agreement to arbitrate should give way to the public interest in the advantages offered by a court-ordered receivership.

[87] Generally commenting on the jurisdictional dynamic, the Supreme Court of Canada said at para 72:

In many cases, the shared interests in expediency, procedural flexibility, and specialized expertise will converge through arbitration. In such a scenario, the parties should be held to their agreement to arbitrate notwithstanding ongoing insolvency proceedings. In other words, the court should grant a stay of legal proceedings in favour of arbitration, and any dispute as to the scope of the arbitration agreement or the arbitrator's jurisdiction should be left to the arbitrator to resolve. As is evident from the foregoing, valid arbitration agreements are generally to be respected. This presumption in favour of arbitral jurisdiction is supported by this Court's longstanding jurisprudence, the pro-arbitration stance adopted in provincial and territorial legislation nationwide, and the foundational principle that contracting parties are free to structure their affairs as they see fit.

[88] However, the Court at paras 73-74 did recognize that the analysis is factually contextual and, in some cases where dynamic tension exists between the two forums, an exception may occur when arbitration would compromise the orderly and efficient conduct of a court-ordered receivership. The Court concluded that, in such a scenario, a Court may assert control over the proceedings, both to ensure the timely resolution of the parties' dispute and to protect the public interest in the orderly restructuring or dissolution of the debtor and the equal treatment of its creditors. The authority derives from s 243(1) of the *BIA* and the jurisdiction of the Superior Court found in s 183(1).

[89] Ultimately, in *Petrowest*, the Court declined to enforce the arbitration agreement in the middle of a commercial insolvency. The majority said the arbitral process would compromise the orderly and efficient resolution of the receivership, contrary to the objectives of the *BIA*. The minority, concurring in the result, said the Receiver had the explicit power under Court Order to disclaim contracts and had effectively disclaimed the arbitration agreement.

[90] There are significant differences between *Petrowest* and this case.

- Petrowest was already in receivership at the time the arbitrable dispute arose (with regard to collection of a large receivable from one of its partners). The partner applied (unsuccessfully in the end) to stay the Receiver's collection action in favour of arbitration. In this case, there is no Receivership as yet and no ability for

anyone to disclaim the arbitration agreement. There is no disruption of an orderly and efficient receivership process because there is no such process in place.

- Besides, as I determined above, arbitration between the parties in this case is a more expedient and less-expensive process than Receivership to achieve the same outcomes.
- Whether s 243 applies is disputed in the Westana Action as Mr. Cramers disputes both the existence of the debt and the validity of the security. In the BCCQ Action, s 243 does not apply at all because AFMC makes the application as an unsecured creditor.

[91] The *Petrowest* case is not an authority in this case that compels me to impose a Receivership Order in place of the already agreed-to arbitration between Mr. Cramers and Mr. Quilliam. If anything, the Court's dictum at para 72 directs me to enforce the arbitration process.

#### **L. Investigation Purposes**

[92] Mr. Quilliam expresses concern about what he perceives as improper and possibly illegal diversion of funds and assets by Mr. Cramers from the Respondent entities. Mr. Cramers makes a similar allegation against Mr. Quilliam concerning three sums of \$10,000 each taken from WELI's bank account at ATB on February 11, 2026 (see paras 16-20 of Mr. Cramer's April 10, 2026 Affidavit in the Westana Action). Mr. Quilliam calls for investigations to take place through a Receivership Order whereby the Receiver may conduct investigations and recover funds and assets improperly diverted through misappropriation, conveyances, and preferences.

[93] I recognize that some caselaw does speak to the investigative aspects of receivership: see *Akagi Synergy Group (2000) Inc*, 2015 ONCA 368 and *National Bank of Canada v Precision Livestock Diagnostics Ltd*, 2025 ABKB 175 at para 112. However, at this point:

- The AFMC indebtedness is disputed, AFMC does not have a judgment and granting a Receivership Order for this purpose is akin to a pre-judgment remedy;
- There is already an Interim Injunction in effect (the Teskey Order) preserving the assets of the Respondents pending the arbitration;
- Arbitration is available (and much less costly) to deal with the misappropriation concerns leveled by both sides.

#### **M. Adequacy of Teskey Order**

[94] There is concern on Mr. Quilliam's part that the Teskey Order is insufficient to protect the assets as Mr. Cramers has already breached that Order by taking funds and only restored them upon threat of contempt. That information was not in evidence. If it is true, then the restoration of the funds shows the effectiveness of the Order. Mr. Cramers has been put on notice of the consequences of breach, which under Rule 10.53 includes imprisonment for up to two years.

[95] An Injunction Order granted by this Court, binding both Mr. Quilliam and Mr. Cramers' and their respective personal companies, already exists to preserve the assets in question. If one

side or the other is concerned that certain types of assets are not adequately protected under the existing Order, I am prepared to entertain enhancements, ideally by way of Consent Order.

#### **N. Allegation of Conflict of Interest**

[96] Mr. Cramers takes issue with Mr. Chapotelle and Bryan & Co LLP being counsel of record for BCCQ Global in the litigation brought against BCCQ Global by Bodnar Capital and at the same time bringing this application to put the BCCQ entities into receivership on behalf of another client. He says this is an untenable conflict of interest. Counsel for Mr. Cramers did not request that Mr. Chapotelle and his firm be removed. The conflict issue was pointed out to me as one of the equities to be considered in determining whether to grant the Receivership Order or not. Counsel for Mr. Cramers adopted the view that the Receivership Orders should not be granted so as to allow time to bring a disqualification application.

[97] I note again that no counsel is actually acting for any of the BCCQ entities (or any of the Westana companies for that matter) in these proceedings. Mr. Hutchison acts for Mr. Cramers as an individual and Mr. Cramers opposes the applications. Mr. Cramers and Mr. Quilliam are both the directing minds of the BCCQ entities. One of them objects to Mr. Chapotelle acting for AFMC here and the other doesn't. Mr. Chapotelle says that BCCQ Global gave consent to him to act in the Bodnar Capital action, but I was not told who at BCCQ did so.

[98] The leading authority for determining whether a disqualifying conflict of interest exists for counsel is the Supreme Court of Canada's decision in *MacDonald Estate v Martin*, [1990] 3 SCR 1235 where at p 1260 the Court sets out this test: (1) Did the lawyer receive confidential information attributable to a solicitor and client relationship relevant to the matter at hand? (2) Is there a risk that it will be used to the prejudice of the client?

[99] I do not purport to venture an opinion on whether the test is met based on the record before me. However, Mr. Cramers is equal to Mr. Quilliam in control and ownership of the BCCQ entities and is the sole director and equal owner along with Mr. Quilliam of the Westana companies. I feel that Mr. Cramers is entitled to raise the question. The existence of the question, which is unresolved, is an equitable consideration in these proceedings.

#### **O. Statutory Authority**

[100] As the purported secured creditor of the Westana companies, AFMC relies on s 243 of the *BIA*, s 65(7) of the *Personal Property Security Act* and s 13(2) of the *Judicature Act* (the "just or convenient" test) as authority for appointment of a Receiver.

[101] As the purported unsecured creditor of the BCCQ entities, AFMC relies on s 13(2) of the *Judicature Act*. In this regard, AFMC must meet a higher threshold in that it does not rely on a contractual right to appoint a Receiver.

[102] AFMC also invokes ss 239-242 of the *Business Corporations Act*, relating to the oppression remedy. Mr. Cramers and Mr. Quilliam have brought oppression lawsuits against one another. As I said, it appears they agree that those actions as they pertain to one another as individuals should be stayed and the disputes referred to arbitration. One of the forms of relief available from the Court in an oppression action is the appointment of a Receiver [s 242(3)(b)]. The Arbitrator does not have the authority to appoint a Receiver in this case but if the Arbitrator

concludes in his award that receivership is necessary, then the Court can support and enforce that award by way of s 8(1) of the *Arbitration Act*.

[103] The central question in both of these applications is whether AFMC has met the “just or convenient” test as informed by the *Paragon* factors. There is a higher burden of persuasion in the BCCQ Application because no contractual right to appoint a Receiver is asserted. In the Westana Application, a contractual right to appoint a Receiver is asserted but contested on the basis that the neither the underlying indebtedness nor the security itself continue to exist, and the question is unresolved.

#### **P. What to do?**

[104] I conclude that it is not just or convenient to grant a Receivership Order in either case.

[105] In so concluding I have regard to the *Paragon* factors, the extraordinary nature of the remedy and equitable considerations.

[106] My main reasons are:

- In the case of the Westana companies, there is too much factual uncertainty with regard to whether the debt exists and whether the security is valid. In the case of the BCCQ entities, there is equal uncertainty about the existence or at least the extent of the debt.
- There is an issue about whether the debt of the BCCQ entities, if unsecured, is even due and payable. Mr. Cramers asks me to note that if unsecured debt does exist, the relevant financial statements indicate there are no repayment terms and thus it is not yet due and payable.
- The extent of the factual dispute does not allow summary or uncontested determination of the facts under an Originating Application. In order for the Court to adjudicate the factual dispute, a proper evidentiary record (or maybe even a trial) is required.
- Mr. Quilliam and Mr. Cramers and their respective holding companies have entered into an Arbitration Agreement concerning their disputes regarding the Respondent companies. Because of overlapping facts and issues, there is possible unfairness in splitting the dispute between litigation and arbitration. That AFMC is not a party to the Arbitration Agreement is discussed above with reference to Alberta caselaw. It is not an insurmountable problem where it is just, equitable and reasonable to keep the dispute intact in the arbitration. In any event, it is for the Arbitrator to decide whether he has jurisdiction to deal with AFMC’s claims within the arbitration. Although the processes are different, an arbitration dealing with wind-down and a Receivership have the same objectives: to determine and liquidate the assets of these entities and distribute the proceeds according to law. The policy underlying the *Arbitration Act* calls for the Court to defer to arbitration in matters ostensibly covered by the Arbitration Agreement. If the Arbitrator concludes in his Award that a Receivership is necessary, the Court can

exercise its powers under s 8(1) of the *Arbitration Act* at that time to support the arbitration outcome.

- It is not commercially reasonable to grant a Receivership Order when arbitration has been agreed to and is a more cost-effective and efficient means to obtain the same objectives. The balance of convenience favours arbitration as opposed to Receivership.
- The investigations sought by AFMC can be accommodated within the arbitration.
- AFMC will not incur irreparable harm if no Receivership Order is granted because the Teskey Order (enhanced if need be) adequately preserves and protects the assets in question until the differences between Mr. Quilliam and Mr. Cramers can be resolved through arbitration. Similarly, the assets are not exposed to risk or waste.
- Mr. Cramers is entitled to raise the issue of conflict of interest. It is not fair to the BCCQ entities, who are not represented in these proceedings, to put them into Receivership until the question of conflict of interest is resolved.

[107] The equities do not fall in AFMC's favour. In the result, I exercise discretion to deny each of the applications.

#### **Q. Costs**

[108] If costs are not agreed to, then counsel may make written submissions to me within 30 days of the date of this decision by way of letter not longer than three pages (excluding exhibits and authorities) and supported by a draft Bill of Costs. If submissions are required, Mr. Wetmore may address the service issue in respect to the BCCQ Action at that time.

Heard on the 13<sup>th</sup> day of April, 2026.

**Dated** at the City of Edmonton, Alberta this 04<sup>th</sup> day of May, 2026.

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**Douglas R. Mah**  
**J.C.K.B.A.**

**Appearances:**

Kevin P. Chapotelle & Ryan Hamieh, Bryan & Co LLP  
for Alberta Finance & Mortgage Corporation and Cameron Colby Quilliam

Dean A. Hutchison, Caron & Partners LLP  
for Robert Cramers

Shaun D. Wetmore, McCuaig Desrochers LLP  
for Bodnar Capital Corp. and Conrad Bodnar

Daivd Archibold, Sharek Logan & van Leenan LLP  
for G. Chan & Associates, proposed Receiver

Grant Cameron, Carscallen LLP  
for Servus Credit Union Ltd

Tom Gusa, Dentons LLP  
for Servus Credit Union Ltd