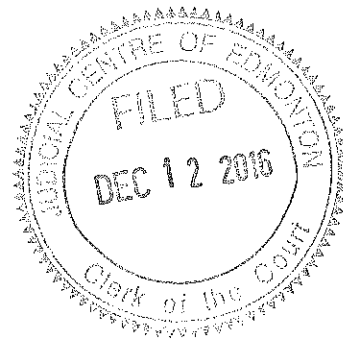


COURT FILE NUMBER 1603-13949
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE EDMONTON
APPLICANT ALBERTA LOCAL AUTHORITIES
RECIPROCAL INSURANCE EXCHANGE
RESPONDENTS Alberta Beach, Alberta Capital Region
Wastewater Commission, Alberta Municipal
Health and Safety Association, Alberta
Parks & Recreation Association, and
others
DOCUMENT AFFIDAVIT



ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT

Ogilvie LLP
1400, 10303 Jasper Avenue
Edmonton AB T5J 3N6
Attention: Grant S. Dunlop, Q.C.
Phone: 780.429.6283
Fax: 780.429.4453
email: grantdunlop@ogilvielaw.com
File No.: 62064.1

AFFIDAVIT OF ALAN WOOD

Sworn (or Affirmed) on December 10, 2016

I, ALAN WOOD, of the County of Strathcona, Alberta, SWEAR/AFFIRM AND SAY THAT:

1. I am the principal of 1041405 Alberta Ltd. ("**Wood Consulting**"), which is the manager of the Applicant, Alberta Local Authorities Reciprocal Insurance Exchange ("**ALARIE**").
2. Wood Consulting has been the manager of ALARIE since 2002. I have personal knowledge of the facts set out in this affidavit except where stated to be based on information and belief.
3. I swore two other affidavits in these proceedings; one sworn July 29, 2016 and filed August 5, 2016 and the other sworn and filed November 9, 2016.

Objections to Proposed Distribution

4. I have been informed by Grant Dunlop, and believe, that, as of December 9, 2016, he has received three objections to the proposed distribution set out in Schedule "B" to the Amended Originating Application filed November 8, 2016. Two of those objections are on behalf of Respondents, and the other is not. Specifically:

- a. Hugh Bell, the Manager, Treasury & Risk Management of the Respondent, Strathcona County, sent an email to Grant Dunlop on November 30, 2016, a copy of which is attached as Exhibit "A";
 - b. Tony Wadsworth, who was involved in the creation and management of ALARIE, but who appears not to be writing on behalf of any of the Respondents, sent an email to Grant Dunlop on November 28, 2016, a copy of which is attached as Exhibit "B"; and
 - c. Obed Ndlovu, Rick Management Coordinator of the Respondent, Rocky View County, sent an email to Aaron M. Hymes, counsel assisting Grant Dunlop, on December 7, 2016, a copy of which is attached as Exhibit "C".
5. I have been informed by Grant Dunlop, and believe, that, as of December 9, 2016, he has received the following material in relation to the objections of Strathcona County, and Tony Wadsworth:
- a. A letter from counsel, Louis M.H. Belzil, Q.C. at Reckel Belzil LLP, for the Respondent Strathcona County, a copy of which is attached as Exhibit "D";
 - b. An email from Tony Wadsworth sent on December 4, 2016, along with an attachment labeled 'Distribution of ALARIE Surplus Funds', a copy of which is attached as Exhibit "E";
6. I am informed by Aaron Hymes, and verily believe, no further materials have been received as of the close of business December 9, 2016.
7. I have been informed, and believe, that Grant Dunlop sent an email to Tony Wadsworth informing him that it was ALARIE's position that he has no standing to object. Attached as Exhibit "F" is a copy of this email.
8. In addition, I have been informed by Aaron M. Hymes, that he was contacted by Yvon V. Prefontaine, solicitor for St. Paul Education Region on December 8, 2016 for the purpose of requesting additional information on the December 19, 2016 application. A copy of an email from Mr. Prefontaine is attached as Exhibit "G". I am further informed, and verily believe the same to be true, that Aaron Hymes provided additional information to Mr. Prefontaine over the phone.

Expenses

9. MNP LLP and Ogilvie LLP invoiced ALARIE a total of \$259,194.95 up to June 30, 2016. Since then, they have invoiced ALARIE the following amounts, up to November 30, 2016:

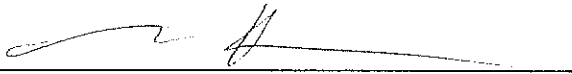
	fees	expenses, disbursements and other charges	gst	total
MNP LLP	\$62,579.02	nil	\$3,128.96	\$62,579.02
Ogilvie LLP	\$57,080.50	\$11,725.46	\$3,426.05	\$72,232.01

10. Wood Consulting and I invoiced ALARIE a total of \$330,554.44 up to June 30, 2016. Since then, Wood Consulting and I have invoiced ALARIE the following amounts, up to November 30, 2016:


	fees	expenses, disbursements and other charges	gst	total
Wood Consulting	\$9,781.25	\$200.00	\$499.04	\$10,480.29

a. I make this affidavit in support of an order in the form attached as Schedule "B" revised to the Amended Originating Application filed November 8, 2016.

SWORN (OR AFFIRMED) BEFORE ME at
Edmonton, Alberta, this 10 day of December,
2016.



(Commissioner for Oaths in and for the
Province of Alberta)



ALAN WOOD

AARON M. HYMES
Barrister & Solicitor
A Commissioner for Oaths
in and for Alberta

Aaron M. Hymes

From: Hugh Bell <Hugh.Bell@strathcona.ca>
Sent: November-30-16 11:04 AM
To: Grant Dunlop
Cc: Lisa Majeau Gordon (lisa.majeaugordon@mp.ca); Alan Wood (wood.alan@shaw.ca)
Subject: RE: ALARIE

Hi Grant,

If Strathcona County is still opposed are we required again to notify you in an email by Nov 30th, with details to follow by December 9th?

Thank you,

Hugh

Hugh Bell

Manager, Treasury & Risk Management
Strathcona County

2001 Sherwood Drive
Sherwood Park, AB T8A 3W7


Phone: 780-416-6736

Fax: 780-464-8170

hugh.bell@strathcona.ca

www.strathcona.ca

This is Exhibit "A" referred to in the affidavit
/ statutory declaration of Alan Wood
Sworn before me this 10 day of December
A.D. 2016


Commissioner for Oaths in and for the Province of Alberta



**STRATHCONA
COUNTY**

AARON M. HYMES

Barrister & Solicitor

AARON M. HYMES

Barrister & Solicitor

Commissioner for Oaths

in and for Alberta

Find us on:



From: Grant Dunlop [mailto:grantdunlop@ogilvielaw.com]
Sent: Monday, November 14, 2016 9:06 AM
To: Hugh Bell
Cc: Lisa Majeau Gordon (lisa.majeaugordon@mp.ca); Alan Wood (wood.alan@shaw.ca)
Subject: RE: ALARIE

Hugh: We have now filed material in Court reflecting the amended calculations. That material is available at this website:

<http://www.ogilvielaw.com/sections/alarie>

As set out in the Amended Originating Notice, ALARIE is seeking a Court Order approving distribution in accordance with the amended calculations set out in revised schedule 8. I would appreciate hearing from you regarding whether Strathcona County objects that Order.

I am attaching a spreadsheet that compares the distribution as proposed in the documents filed in August to the revised proposed distribution filed last week.

If you would like to discuss this, please contact Lisa Majeau Gordon, Alan Wood, or me.

Thanks. Grant.



Grant Dunlop, Q.C. | Partner | Suite 1400, 10303 Jasper Avenue | Edmonton, AB | T5J 3N6
Direct: (780) 429-6283 | Fax: (780) 429-4453 | OGILVIE LLP | www.ogilvielaw.com

Important Notice: This office will not accept documents for service by email, unless we have given express prior written consent to do so.

CONFIDENTIALITY NOTICE This e-mail transmission, and any documents, files or previous e-mail messages attached to it may contain information that is confidential or legally privileged. If you are not the intended recipient, or a person responsible for delivering it to the intended recipient, you are hereby notified that you must not read this transmission and that any disclosure, copying, printing, distribution or use of any of the information contained in or attached to this transmission is STRICTLY PROHIBITED. If you have received this transmission in error, please immediately notify the sender by return e-mail and delete the original transmission and its attachments without reading, printing, or saving in any manner. Thank you.

From: Hugh Bell [<mailto:Hugh.Bell@strathcona.ca>]
Sent: October-31-16 5:02 PM
To: Grant Dunlop
Cc: Greg Yeomans; Laura Probst; Jacqueline Roblin; Connie Hamilton
Subject: ALARIE

Hi Grant,
Strathcona County would like to inform Ogilvie LLP that we are opposing the distribution of assets as set out in the proposed order which is Schedule "B" to the Originating Application.

Sincerely,

Hugh

Hugh Bell

Manager, Treasury & Risk Management

Strathcona County

2001 Sherwood Drive

Sherwood Park, AB T8A 3W7

Phone: 780-416-6736

Fax: 780-464-8170

hugh.bell@strathcona.ca

www.strathcona.ca



Find us on:   

This communication is intended for the recipient to whom it is addressed, and may contain confidential, personal, and or privileged information. Please contact the sender immediately if you are not the intended recipient of this communication, and do not copy, distribute, or take action relying on it. Any communication received in error, or subsequent reply, should be deleted or destroyed.

This communication is intended for the recipient to whom it is addressed, and may contain confidential, personal, and or privileged information. Please contact the sender immediately if you are not the intended recipient of this communication, and do not copy, distribute, or take action relying on it. Any communication received in error, or subsequent reply, should be deleted or destroyed.

Aaron M. Hymes

To: Grant Dunlop
Subject: RE: ALARIE Asset Distribution - Proposal to Distribute Funds on a Per Member Category Basis

From: Tony Wadsworth [mailto:tonywads@telus.net]
Sent: Monday, November 28, 2016 6:33 PM
To: 'Grant Dunlop'
Subject: RE: ALARIE Asset Distribution - November 14, 2016 correspondence

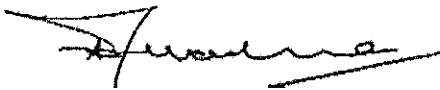
Hi Grant,

I appreciate receiving your e-mail of November 24th 2016 informing me of ALARIE's decision that they did not wish to investigate further my earlier suggestion of an alternative distribution of assets method (Option # 4).

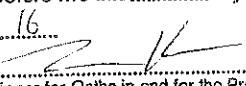
I have noted that their reason for not considering my suggestion was because of the (written) "*termination provisions in the Subscribers Agreement*". While I can understand that the Directorate may be disinclined to consider any other basis which, technically, is beyond their strict legal interpretation of the wording contained in **Article 9.01 – Termination** of the Subscribers Agreement itself, I hereby formally wish to notify you that a) as an originating member Director of ALARIE Attorney-In-Fact Ltd. and b) an informed individual who played a key role in setting up ALARIE in 1989 and 1990, I wish to again seek a variation in the proposed distribution of assets as set out in the proposed Ex Parte Order which is Schedule "B" (revised) to the Amended Origination Application.

Further, it is my intention to provide you with all required details as set out in Clause 5. (Items a., b. and c.) therein of the Ex Parte Order filed on November 21, 2016 and that this will be provided to you on or before December 9, 2016.

Yours,



Tony Wadsworth

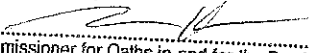
This is Exhibit "B" referred to in the affidavit
/ statutory declaration of Alan Wood
Sworn before me this 10 day of December
A.D. 2016

Commissioner for Oaths in and for the Province of Alberta

AARON M. HYMES
Barrister & Solicitor
A Commissioner for Oaths
in and for Alberta

Aaron M. Hymes

From: Aaron M. Hymes
Sent: December-07-16 2:47 PM
To: 'ONDlovu@rockyview.ca'
Cc: Grant Dunlop; Michelle S. Pyesmany
Subject: RE: ALARIE Asset Distribution
Attachments: Ex Parte Order November 21 2016.pdf

This is Exhibit "C" referred to in the affidavit / statutory declaration of Alan Wood
Sworn before me this 10 day of December
A.D. 2016


Commissioner for Oaths in and for the Province of Alberta
AARON M. HYMES
Barrister & Solicitor
A Commissioner for Oaths
in and for Alberta

Hello Obed,

Thanks for your phone call this afternoon. The Order sets out that you will need to provide your materials to our office by no later than December 9th (attached is a courtesy copy of the Order for your review; I would point you to paragraph 5 therein for specifics of the materials to be provided). Also note, the application dealing with the distribution of funds is set for December 19, 2016 at 9:00 am at the Edmonton Law Courts, as such if you are planning to object to the proposal it will be important for you to have retained counsel and have them present for this application.

Please let me know if you need any further information, I look forward to receipt of your materials this Friday.

Sincerely,

-ogs-

From: ONDlovu@rockyview.ca [mailto:ONDlovu@rockyview.ca]
Sent: December-07-16 2:07 PM
To: Aaron M. Hymes
Subject: FW: ALARIE Asset Distribution
Importance: High

Good afternoon Aaron,

Per our telephone conversation of earlier on today, could you please confirm for us if we can still submit a notice of objection to the proposed distribution or if the deadline has passed and there is no way of extending it.

I look forward to hearing back from you shortly.

Thank you and regards,

OBED NDLOVU, BComm, FCIP, CRM
Risk Management Coordinator | Financial Services

ROCKY VIEW COUNTY
911 - 32 Avenue NE | Calgary | AB | T2E 6X6
Phone: 403-520-1291 | Cell: 403-829-2536
ondlovu@rockyview.ca | www.rockyview.ca

This e-mail, including any attachments, may contain information that is privileged and confidential. If you are not the intended recipient, any dissemination, distribution or copying of this information is prohibited and unlawful. If you received this communication in error, please reply immediately to let me know and then delete this e-mail. Thank you.

From: Barry Woods
Sent: Monday, December 05, 2016 1:16 PM
To: Obed Ndlovu
Subject: FW: ALARIE Asset Distribution

Barry Woods, CPA, CGA | ROCKY VIEW COUNTY
Manager Financial Services
DIR 403.230-1401 | FAX 403.277-6601

911-32 Ave NE | Calgary, AB | T2E 6X6
bwoods@rockyview.ca | www.rockyview.ca

This email (including any attachments) is for the intended recipient only and may contain information that is privileged and confidential. If the reader of this email is not the intended recipient, you are hereby notified that any dissemination, disclosure, distribution or copying of this email is strictly prohibited and unlawful. If you received this communication in error, please notify the sender immediately and delete this email without making a copy.

From: Kevin Greig
Sent: Friday, December 2, 2016 11:23 AM
To: Barry Woods
Cc: Kent Robinson
Subject: FW: ALARIE Asset Distribution

Fyi...

KEVIN E. J. GREIG
County Manager

ROCKY VIEW COUNTY
911-32 Avenue NE | Calgary, AB | T2E 6X6
Phone: 403.520.8191
kgreig@rockyview.ca | www.rockyview.ca

This email (including any attachments) is for the intended recipient only and may contain information that is privileged and confidential. If the reader of this email is not the intended recipient, you are hereby notified that any dissemination, disclosure, distribution or copying of this email is strictly prohibited and unlawful. If you received this communication in error, please notify the sender immediately and delete this email without making a copy.

From: Grant Dunlop [<mailto:grantdunlop@ogilvieilaw.com>]
Sent: Friday, December 02, 2016 10:16 AM
To: Alberta Beach (aboffice@albertabeach.com); Alberta Capital Region Wastewater Commission (mdarbyshire@acrwc.ab.ca); Alberta Municipal Health and Safety Association (jim@amhsa.net); Alberta Recreation & Parks Association (wwells@arpaonline.ca); Alberta School Boards Association (hclease@rockyview.ab.ca); Alberta Urban Municipalities Association (sbohachuk@auma.ca); Aquinas RCS Regional Division No. 38 St. Thomas (john.tomkinson@starcatholic.ab.ca); Aspen View Public School Division No. 78 (dennis.macneil@aspensview.org); Battle River Regional Division No. 31 (lsitler@brsd.ab.ca); Beaver County (bbeck@beaver.ab.ca); Big Country Waste Management (gregsheppard2015@gmail.com); Big Hay Lakes Drainage District (bighaylakesdrainagedistrict@gmail.com); Birch Hills County (cao@birchhillscounty.com); Black Gold Regional Division No. 18 (johnette.lemke@blackgold.ca); Brazeau County (mschoeninger@brazeau.ab.ca); Buffalo Trail PS Regional Division No. 28 (darcy.eddleston@btps.ca); Calgary RCSSD No. 1 (cheryl.low@cssd.ab.ca); Camrose County (pkling@county.camrose.ab.ca); Canadian Rockies Regional Division No. 12 (carol.picard@crps.ca); Capital Region Northeast Water Services Commission (Lyle.Clarke@strathcona.ca); Capital Region Southwest Water Services Commission (solson@leduc.ca); Cardston County (murray@cardstoncounty.com); Chinook's Edge School Division No. 73 (cbutler@cesd73.ca); Christ The Redeemer CS Regional Division No. 3 (mstengler@redeemer.ab.ca); City of Airdrie (city.manager@airdrie.ca); City of Brooks (amartens@brooks.ca); City of Camrose (mboyd@camrose.ca); City of Chestermere (rpatrick@chestermere.ca); City of Cold Lake (knagoya@coldlake.com); City of Fort Saskatchewan (kkloss@fortsask.ca); City of Grande Prairie (gscerbak@cityofgp.com); City of Lacombe (nmacquarrie@lacombe.ca); City of Leduc (pbenedetto@leduc.ca); City of Lloydminster (gcarroll@lloydminster.ca); City of Red Deer (craig.curtis@reddeer.ca); City of Spruce Grove

(rcotterill@sprucegrove.org); City of Wetaskiwin (dave.burgess@wetaskiwin.ca); Clear Hills County (allan@clearhillscounty.ab.ca); Clearview School Division No. 71 (cneitz@clearview.ab.ca); Clearwater County (rleaf@clearwatercounty.ca); County of Athabasca (cao@athabascacounty.com); County of Barrhead No. 11 (moberg@countybarrhead.ab.ca); County of Forty Mile No. 8 (dale.brown@fortymile.ab.ca); County of Grande Prairie No. 1 (brogan@countygp.ab.ca); County of Minburn No. 27 (info@minburncounty.ab.ca); County of Newell (stephensonk@newellmail.ca); County of Northern Lights (cao@countyofnorthernlights.com); County of Paintearth No. 18 (Taaserud@countypaintearth.ca); County of St. Paul (skitz@county.stpaul.ab.ca); County of Stettler No. 6 (tfox@stettlercounty.ca); County of Two Hills No. 21 (sdary@thcounty.ab.ca); County of Vermilion River (rking@county24.com); County of Warner No. 5 (shathaway@warnercounty.ca); County of Wetaskiwin No. 10 (fcoutney@county.wetaskiwin.ab.ca); Cypress County (doug.henderson@cypress.ab.ca); East Central Alberta CSSR Division No. 16 (mardy1@telus.net); Edmonton Catholic Separate School District No. 7 (marilyn.bergstra@ecsd.net); Education Regional Division No. 1 St. Paul (heather_starosielski@sperd.ca); Elk Island CS Regional Division No. 41 (justinew@eics.ab.ca); Elk Island PS Regional Division No. 14 (trina.boymook@eips.ca); Evergreen CSR Division No. 2 (gbernakevitch@ecsr.ca); Evergreen Regional Waste Management Services Commission (ramonalandfill@mcsnet.ca); Flagstaff County (sarmstrong@flagstaff.ab.ca); Foothills School Division No. 38 (prettyc@fsd38.ab.ca); Fort McMurray RCSSD No. 32 (tracy.mckinnon@fmcscd.ab.ca); Fort Vermilion School Division No. 52 (clarkm@fvscd.ab.ca); Golden Hills School Division No. 75 (Tahra.sabir@ghsd75.ca); Grande Prairie RCSSD No. 28 (wyant@telusplanet.net); Grande Yellowhead Public School Division No. 77 (brenrosa@gypsd.ca); Grasslands Regional Division No. 6 (vicbudz@gmail.com); Greater North Central Francophone Education Region No. 2 (jdevaney@centrenord.ab.ca); Greater St. Albert (nradford@ggsacr.ab.ca); Henry Kroeger Regional Water Services Commission (hkwater@telus.net); High Prairie School Division No. 48 (thenkel@hpsd.ca); Holy Family Catholic Regional Division No. 37 (Dianne.Lavoie@hfcrd.ab.ca); Holy Spirit RCS Regional Division No. 4 (kranzlerb@holyspirit.ab.ca); Horizon School Division No. 67 (g-mlogan@agt.net); Improvement District No. 12 (Jasper National Park) (darryl.joyce@gov.ab.ca); Irma Agricultural Society (michelle@touchdownland.ca); John S. Batiuk Regional Water Commission (chipmanab@mcsnet.ca); Kneehill County (cao@kneehillcounty.com); Lac La Biche (shadia.amblie@labcabichcounty.com); Lac Ste. Anne County (mprimeau@lsac.ca); Lacombe County (thager@lacombecounty.com); Lamont County (robyn.s@lamontcounty.ca); Leduc County (cindy@leduc-county.com); Lethbridge County (rrobinson@lethcounty.ca); Lethbridge School District No. 51 (mich.forster@lethsd.ab.ca); Living Waters Catholic Regional Division No. 42 (gemma.christie@livingwaters.ab.ca); Livingstone Range School Division No. 68 (tooneb@lrscd.ab.ca); Medicine Hat Catholic Board of Education No. 20 (dick.mastel@mhcbe.ab.ca); Mountain View County (tmartens@mvcountry.com); Municipal District of Acadia No. 34 (cao@mdacadia.ab.ca); Municipal District of Big Lakes (GPeterson@BigLakesCounty.ca); Municipal District of Bighorn No. 8 (martin.buckley@mdbighorn.ca); Municipal District of Bonnyville No. 87 (ccambridge@md.bonnyville.ab.ca); Municipal District of Fairview No. 136 (sandra@mdfairview.ab.ca); Municipal District of Foothills No. 31 (hrc@mdfoothills.com); Municipal District of Greenview No. 16 (mike.haugen@mdgreenview.ab.ca); Municipal District of Lesser Slave River No. 124 (allan.winarski@mdlsr.ca); Municipal District of Opportunity No. 17 (cao@mdopportunity.ab.ca); Municipal District of Peace No. 135 (lmcken@mdpeace.com); Municipal District of Pincher Creek No. 9 (wkay@mdpincercreek.ab.ca); Municipal District of Provost No. 52 (tlawrason@mdprovost.ca); Municipal District of Ranchland No. 66 (cao@ranchland66.com); Municipal District of Smoky River No. 130 (rtherriault@mdsmokyriver.com); Municipal District of Spirit River No. 133 (khudson@mdspirriver.ab.ca); Municipal District of Taber (dkrizsan@mdtaber.ab.ca); Municipal District of Wainwright No. 61 (admin@mdwainwright.ca); Municipal District of Willow Creek No. 26 (cindy@mdwillowcreek.com); Municipality of Crowsnest Pass (sheldon.steinke@crowsnestpass.com); Municipality of Jasper (mfercho@town.jasper.ab.ca); Northern Gateway Regional Division No. 10 (judy.muir@ngps.ca); Northern Lights School Division No. 69 (arlene.hrynyk@nlsd.ab.ca); Northern Sunrise County (pthomas@northern sunrise.net); Palliser Regional Division No. 26 (colleen.deitz@pallisersd.ab.ca); Parkland County (rmcgowan@parklandcounty.com); Parkland School Division No. 70 (ecameron@psd70.ab.ca); Peace River School Division No. 10 (kuesterd@prsd.ab.ca); Peace Wapiti School Division No. 76 (danamcintosh@pwsd76.ab.ca); Pembina Hills Regional Division No. 7 (jennifer.tuininga@phrd.ab.ca); Ponoka County (charliecutforth@ponokacounty.com); Prairie Land Regional Division No. 25 (marsha.tkach@plrd.ab.ca); Prairie Rose School Division No. 8 (stuart.angle@prrd.ab.ca); Public School District No. 5565 St. Albert (glenys.edwards@spschools.org); Red Deer County (LThompson@rdcounty.ca); Regional Municipality of Wood Buffalo (marcel.ulliac@woodbuffalo.ab.ca); River Irrigation District St. Mary (tlazarus@smrid.ab.ca); Kevin Greig; Rocky View School Division No. 41 (cmunro@rockyview.ab.ca); Saddle Hills County (fkary@saddlehills.ab.ca); School of Alberta St. John's (bmckay@sjsa.ab.ca); Siksika Nation Board of Education (stewartoc@siksikanation.com); Smoky Lake County (collikka@smokylakecounty.ab.ca); Starland County (ross@starlandcounty.com); Strathcona County (rob.coon@strathcona.ca); Strathcona-Dweedsmuir School (unsworl@sts.ab.ca); Sturgeon County (ptarnawsky@sturgeoncounty.ca); Sturgeon School Division No. 24 (tnowak@sturgeon.ab.ca); Summer Village of Birchcliff (pforsyth@sylvansummervillages.ca); Summer Village of Bondiss (tomaszyk@mcsnet.ca); Summer Village of Castle Island (svcastle@telus.net); Summer Village of Crystal Springs (information@svofficepl.com); Summer Village of Island Lake (svoffice@telusplanet.net); Summer Village of Island Lake South (gmbancroft@shaw.ca); Summer Village of

Kapasiwin (ddm@kronprinzconsulting.ca); Summer Village of Lakeview (svseba@telusplanet.net); Summer Village of Pelican Narrows (plapointe@mcsnet.ca); Summer Village of Ross Haven (d.evans@xplornet.com); Summer Village of Silver Sands (administration@wildwillowenterprises.com); Summer Village of Sunrise Beach (svsandyb@xplornet.ca); Summer Village of Sunset Point (office@sunsetpoint.ca); Summer Village of Waiparous (admin@waiparous.ca); Summer Village of West Baptiste (yiviandriver@mcsnet.ca); Summer Village of West Cove (svwestcove@outlook.com); The Alberta Association of Municipal Districts and Counties (akemmere@aaamdc.com); Town of Athabasca (josh@athabasca.ca); Town of Banff (robert.earl@banff.ca); Town of Barrhead (mtaylor@barrhead.ca); Town of Bashaw (cao@townofbashaw.com); Town of Bassano (cao@bassano.ca); Town of Beaumont (marc.landry@beaumont.ab.ca); Town of Beaverlodge (bmckennan@beaverlodge.ca); Town of Bentley (liz.bentley@telus.net); Town of Black Diamond (sharleneb@town.blackdiamond.ab.ca); Town of Blackfalds (mthompson@blackfalds.com); Town of Bon Accord (vzinyk@bonaccord.ca); Town of Bonnyville (mpower@town.bonnyville.ab.ca); Town of Bow Island (anna-marie@bowisland.com); Town of Bowden (cao@town.bowden.ab.ca); Town of Bruderheim (patty.podoborozny@bruderheim.ca); Town of Calmar (krodberg@calmar.ca); Town of Canmore (ldesoto@canmore.ca); Town of Cardston (jeff@cardston.ca); Town of Carstairs (carlm@carstairs.ca); Town of Castor (sandi@townofcastor.ca); Town of Claresholm (marian@townofclaresholm.com); Town of Coaldale (Kalen.Hastings@coaldale.ca); Town of Coalhurst (rkhauta@coalhurst.ca); Town of Cochrane (julian.decocq@cochrane.ca); Town of Coronation (sandrak@town.coronation.ab.ca); Town of Crossfield (kenb@crossfieldalberta.com); Town of Daysland (Rod.Krips@daysland.ca); Town of Devon (tkulbisky@devon.ca); Town of Didsbury (hnorthcott@didsbury.ca); Town of Drumheller (rmroman@dinosaurvalley.com); Town of Eckville (jackramsden@eckville.com); Town of Edson (miked@edson.ca); Town of Elk Point (cao@elkpoint.ca); Town of Fairview (cao@fairview.ca); Town of Falher (aparker@town.falher.ab.ca); Town of Fort MacLeod (susan@fortmacleod.com); Town of Gibbons (fomalley@gibbons.ca); Town of Grande Cache (loretta.thompson@grandecache.ca); Town of Granum (cao@granum.ca); Town of Grimshaw (cao@grimshaw.ca); Town of Hanna (kneill@hanna.ca); Town of Hardisty (sandy@hardisty.ca); Town of High Level (aclarkson@highlevel.ca); Town of High Prairie (cao@highprairie.ca); Town of Innisfail (helen.dietz@innisfail.ca); Town of Irricana (cao@irricana.com); Town of Killam (cao@town.killam.ab.ca); Town of Lamont (sandi.m@lamont.ca); Town of Legal (rproulx@legal.ca); Town of Magrath (wade@magrath.ca); Town of Manning (cao@manning.ca); Town of Mayerthorpe (cao@mayerthorpe.ca); Town of McLennan (cao@mclennan.ca); Town of Millet (cao@millet.ca); Town of Morinville (aisbister@morinville.ca); Town of Mundare (cao@mundare.ca); Town of Nanton (cao@nanton.ca); Town of Okotoks (rquail@okotoks.ca); Town of Olds (nmcinnis@olds.ca); Town of Onoway (cao@onoway.com); Town of Oyen (c.snell@townofoyen.com); Town of Penhold (cao@townofpenhold.ca); Town of Picture Butte (keith@picturebutte.ca); Town of Pincher Creek (cao@pinchercreek.ca); Town of Ponoka (albert.flootman@ponoka.org); Town of Provost (cao@townofprovost.ca); Town of Raymond (scottbarton@raymond.ca); Town of Redcliff (arlosc@redcliff.ca); Town of Redwater (cao@redwater.ca); Town of Rimbey (donna@donnawerkz.ca); Town of Rocky Mountain House (tbecker@rockymtnhouse.com); Town of Sedgewick (cao@sedgewick.ca); Town of Sexsmith (tosadmin@sexsmith.ca); Town of Spirit River (cao@townofspiriteriver.ca); Town of St. Paul (hhabiak@town.stpaul.ab.ca); Town of Stavely (stavely@platinum.ca); Town of Stettler (gswitenky@stettler.net); Town of Stony Plain (t.goulden@stonyplain.com); Town of Strathmore ([dwights@strathmore.ca](mailto:dwrights@strathmore.ca)); Town of Sunde (dave.d@sunde.com); Town of Sylvan Lake (bosmond@sylvanlake.ca); Town of Taber (cao@taber.ca); Town of Tofield (cneufeld@tofieldalberta.ca); Town of Trochu (cao@town.trochu.ab.ca); Leslie Fitzgerald; Town of Two Hills (cao@townoftwohills.com); Town of Valleyview (mparadine@valleyview.ca); Town of Vauxhall (cburns@town.vauxhall.ab.ca); Town of Vegreville (vegtown@vegreville.com); Town of Vermilion (dpollard@vermilion.ca); Town of Viking (Al.Harvey@viking.ca); Town of Vulcan (kfath@townofvulcan.ca); Town of Wainwright (echow@wainwright.ca); Town of Wembley (admin@wembley.ca); Town of Westlock (dkrause@westlock.ca); Town of Whitecourt (petersmyl@whitecourt.ca); Townsite of Redwood Meadows (pevans@redwoodmeadows.ab.ca); Village of Acme (assistcao@acme.ca); Village of Alix (cao@villageofalix.ca); Village of Alliance (jzcharuk@villageofalliance.ca); Village of Amisk (amiskvil@telusplanet.net); Village of Andrew (vandway@mcsnet.ca); Village of Arrowwood (cao.arrowwood@gmail.com); Village of Barnwell (wendy.bateman@barnwell.ca); Village of Barons (barons@figment.ca); Village of Beiseker (beiseker@beiseker.com); Village of Berwyn (vberwyn@serbernet.com); Village of Boyle (charlie@boylealberta.com); Village of Breton (vbretton@telusplanet.net); Village of Carbon (carbon.cao@gmail.com); Village of Carmangay (admin@villageofcarma.ca); Village of Caroline (cao@villageofcaroline.com); Village of Cereal (vofo@netago.ca); Village of Champion (cao@villageofchampion.ca); Village of Chauvin (vchauvin@ccwireless.ca); Village of Clive (carla@clive.ca); Village of Clyde (cao@villageofclyde.ca); Village of Consort (mjeffrey@consort.ca); Village of Coutts (vilcouth@telus.net); Village of Cremona (lsmith@cremona.ca); Village of Czar (tstrang.czar@mcsnet.ca); Village of Delburne (karen.fegan@delburne.ca); Village of Delia (CAO.Delia@netago.ca); Village of Dewberry (dewberry@hmsinet.ca); Village of Donalds (cao@village.donalds.ab.ca); Village of Donnelly (lb.vilofdon@serbernet.com); Village of Duchess (administration@villageofduchess.com); Village of Edberg (vledberg@syban.net); Village of Edgerton (info@edgerton-oasis.ca); Village of Elnora (elnoravl@platinum.ca); Village of Ferintosh (villqfrn@telus.net); Village of Foremost (vlq4most@telusplanet.net); Village of Forestburg

(forestburg-debra@eastlink.ca); Village of Girouxville (girouxvl@serbernet.com); Village of Glendon (glendon@mcsnet.ca); Village of Glenwood (admin@glenwood.ca); Village of Hay Lakes (haylakes@syban.net); Village of Heisler (administration@villageofheisler.ca); Village of Hillspring (cao@hillspring.ca); Village of Hines Creek (leanne@abnorth.com); Village of Holden (vholden@telusplanet.net); Village of Hughenden (hughendencao@xplornet.com); Village of Hussar (office@villageofhussar.ca); Village of Hythe (admin@hythe.ca); Village of Innisfree (inifree@telus.net); Village of Irma (nloonen@irma.ca); Village of Kitscoty (cao@vokitcoty.ca); Village of Linden (cao@linden.ca); Village of Lomond (villageoflomond@gmail.com); Village of Longview (vicky.mcgonigle@village.longview.ab.ca); Village of Lougheed (cao@lougheed.ca); Village of Mannville (cao@mannville.ca); Village of Marwayne (cao.marwayne@mcsnet.ca); Village of Milo (cao@villageofmilo.ca); Village of Morrin (morrin@netago.ca); Village of Munson (munson@netago.ca); Village of Myrnam (admin@myrnam.ca); Village of Nampa (cao@nampa.ca); Village of Nobleford (cao@nobleford.ca); Village of Paradise Valley (pvadmin@mcsnet.ca); Village of Rockyford (loism_village@rockyford.ca); Village of Rosalind (rosalindvillage@xplornet.com); Village of Rosemary (rosemary.cao@eidnet.org); Village of Rycroft (cao@rycroft.ca); Village of Ryley (cao@ryley.ca); Village of Standard (cao@villageofstandard.ca); Village of Stirling (mikeselk@stirling.ca); Village of Thorsby (csm@thorsby.ca); Village of Veteran (villageofveteran@gmail.com); Village of Vilna (vilna@mcsnet.ca); Village of Wabamun (cao@wabamun.ca); Village of Warburg (villageofwarburg@wildroseinternet.ca); Village of Warner (vowarner@shockware.com); Village of Waskatenau (waskvillage@mcsnet.ca); Village of Willingdon (cao@willingdonvillage.com); Village of Youngstown (ytown@netago.ca); villageoffice@springlakealberta.com; Vulcan County (cao@vulcancounty.ab.ca); Westlock County (cao@westlockcounty.com); Westwind School Division No. 74 (ron.fromm@westwind.ab.ca); Wetaskiwin Regional Division No. 11 (johnsonb@wrps.ab.ca); Wheatland County (Alan.Parkin@wheatlandcounty.ca); Wild Rose School Division No. 66 (mae.tryon@wrsd.ca); Wolf Creek School Division No. 72 (trudy.bratland@wolfcreek.ab.ca); Woodlands County (luc.mercier@woodlands.ab.ca); Yellowhead County (jack.ramme@yellowheadcounty.ab.ca)

Cc: Aaron M. Hymes

Subject: ALARIE Asset Distribution

Good morning,

Please find enclosed correspondence to you from Mr. Dunlop dated December 2, 2016.

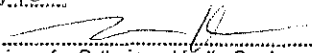
Yours truly,

Michelle Pyesmany on behalf of
Grant Dunlop



Rackel Belzil LLP

This is Exhibit " D " referred to in the affidavit
/ statutory declaration of Alan Wood
Sworn before me this 10 day of December
A.D. 2016


Commissioner for Oaths in and for the Province of Alberta

AARON M. HYMES

Barrister & Solicitor
A Commissioner for Oaths
in and for Alberta

Paralegal: Sandra Magee
smagee@rackelbelzil.ca
Direct Line: (780) 392-3330

Our File: 65279-1 LMB

December 8, 2016

Via Email: gdunlop@ogilvielaw.com

Ogilvie LLP
Barristers & Solicitors
1400, 10303 Jasper Avenue
Edmonton AB T5J 3N6

Attention: Grant S. Dunlop, Q.C.

Dear Sir:

Re: ALARIE – Asset Distribution

Further to our recent conversations I confirm that I am legal counsel to Strathcona County in respect of this matter.

I write further to Mr. Bell's email of October 27, 2016, in which he advised you of Strathcona County's objection to the proposed distribution of ALARIE assets. This letter is submitted pursuant to paragraph 5 of the *Ex Parte* Order of November 21, 2016. Pursuant to the direction of the court in that order, I now advise:

- a. Strathcona County objects to the proposed distribution in paragraph 3 of the proposed Final Order. Strathcona County does not object to the proposed paragraphs 1, 2 and 4 of the Final Order.
- b. Strathcona County's position is that the correct distribution formula is the Capital Calculation found at Schedule 7 of the MNP accounting report and that paragraph 3 should reflect that calculation.
- c. The reasons for Strathcona County's objections are:
 - i. The ALARIE surplus is acknowledged to have arisen as a result of the collection of Capital Premiums in the operation of the exchange;



Rackel Belzil LLP

Page -2-
Letter to G. Dunlop, Q.C.
December 8, 2016

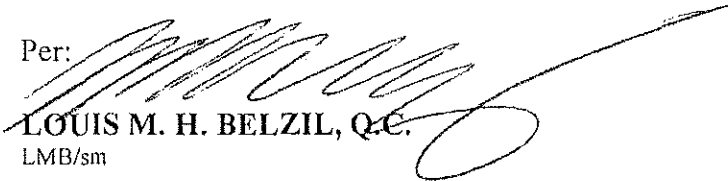
- ii. The Capital Premiums were solicited, received and recorded by ALARIE as equity contributions of the subscribers;
- iii. The proposed distribution treats the Capital Premiums as base coverage premiums, which was not the agreed basis upon which the premiums were remitted;
- iv. The proposed distribution is inconsistent with the establishment of a Reciprocal Insurance Exchange whereby risk was to be shared by subscribers;
- v. The proposed distribution offends the principle that creditors of the same class should be treated equally;
- vi. Since the Capital Premium funds were submitted for a specific purpose, a resulting trust arises in favour of subscribers in respect of the funds; and,
- vii. Any further grounds that the court may allow.

Strathcona County submits that this matter should be determined after a full hearing with the benefit of written submissions based on the reports already before the court. Further, please be advised that Strathcona County will seek an order for indemnity costs on the basis that the within dispute arises from activities of ALARIE conducted outside of the Subscription Agreement which activities gave rise to the present circumstances which were neither anticipated nor sufficiently defined in writing by the parties at the time. The issue is raised in good faith and requires determination by the court through no fault of Strathcona County or any other party.

Yours truly,

RACKEL BELZIL LLP

Per:


LOUIS M. H. BELZIL, Q.C.

LMB/sm

cc. Client

Aaron M. Hymes

To: Grant Dunlop
Subject: RE: ALARIE Asset Distribution - Proposal to Distribute Funds on a Per Member Category Basis

This is Exhibit " E " referred to in the affidavit / statutory declaration of Alan Wadsworth Sworn before me this 10 day of December A.D. 2016

From: Tony Wadsworth [mailto:tonywads@telus.net]

Sent: December-04-16 8:57 PM

To: Grant Dunlop

Subject: ALARIE Asset Distribution - Proposal to Distribute Funds on a Per Member Category Basis

Commissioner for Oaths in and for the Province of Alberta

AARON M. HYMES
Barrister & Solicitor
A Commissioner for Oaths
in and for Alberta

Hi Grant,

Further to previous discussions and correspondence, I am now providing you with the required details of my Proposal (Option 4) for Distributing these Surplus monies to all ALARIE Subscribers.

As I have previously represented to you, the primary reason for my filing this paperwork with you is that I do not believe that any of the three Options proposed in the MNP Investigative Forensic Accounting Report represent a basis that is consistent to what was represented to potential Subscribers at the time of ALARIE's formation. In particular, it is my belief that:

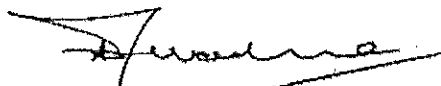
The underwriting "results" experienced by ALARIE should be viewed relative to the three separate Categories of Subscribers (Rural, School and Urban) and not individual Subscribers.

This is how Rural, School and Urban Authorities in Alberta have always purchased their Liability Insurance – in the 20+years (early 1970's to 1990) leading up to ALARIE, during ALARIE's 12 year operation (1990/2002) and the 14 years since ALARIE ceased operations in 2002. In addition, this feature has added significance to a Reciprocal Insurance Exchange such as ALARIE where the types of liability risks insured were not of a homogeneous nature. None of the three Options put forth allow for these distinctions in "risk type" to be considered and factored in to the end result.

I recognize that the Options recommended by MNP have been formulated solely because of the precise wording contained in Section 9.01 Termination clause (c) of the Subscribers Agreement. It is my hope that the content of my attached Submission will serve to emphasize that, even though there is some conflict in the wording of this Clause of the Agreement and what I purport as being the underlying and overriding intention of all parties throughout the course of ALARIE's existence, a more appropriate settlement of this matter can be reached to the satisfaction of all Parties by pursuing the methodology contained in the attached "Revised Option 4 Worksheet.xlsx".

I am satisfied that the content of these attachments serves to demonstrate the validity of my beliefs and that I am prepared to present these to the Court of Law on Monday December 19th next. In the meantime, I must advise that I shall be undergoing leg surgery tomorrow morning and that I will be hospitalized for 3 – 4 days. I do hope to provide a further written commentary to you before the Deadline next Friday December 9th outlining in more specific detail a number of other salient points to support my Submission. However, in the event that my hospitalization is extended or I am otherwise prevented from completing this further commentary, I am satisfied that the documentation I have provided to you to date is sufficient for me to present the arguments supporting the adoption of this Option 4.

At this time, I would also ask that -- as referred to in my attached Submission -- I will be wishing to make reference in Court to the founding ALARIE documents that I provided to Lisa Majeau Gordon of MNP as per her request. I would therefore ask that you secure these documents and arrange for them to be entered as "exhibits" for the Court. Thank You, Grant.



Tony Wadsworth
Founding Director of ALARIE Attorney-In-Fact Ltd
Former Director of Insurance, AUMA (1988-1993)

DISTRIBUTION OF ALARIE SURPLUS FUNDS

OPTION 4 – BY CATEGORIES OF SUBSCRIBER CALCULATION

PURPOSE

This document is submitted by one of the individuals who was heavily involved and instrumental in the foundation of ALARIE, in 1989 and 1990. The Submission supports the notion that none of the three Calculations noted in the Equity Distribution – Investigative Forensic Accounting Report dated June 30, 2016 by MNP LLP [pages 31 – 35, and subsequently revised on November 5, 2016] represent a fair and equitable distribution of ALARIE's funds upon wind-up, as envisaged and intended by the founding members of ALARIE almost thirty years ago.

The document, and the attached "Schedule Option 4", are submitted for the sole purpose of ensuring fairness to all Subscribers of ALARIE on a basis that is consistent with the representations made to all potential Subscribers when the initiative was formulated. The document does not seek to benefit any one Subscriber, or Category of Subscriber, to the detriment of any other.

BACKGROUND OF ALARIE FORMATION

In the mid 1980's, schools and municipalities throughout Canada were threatened by a Liability Insurance "crisis". The crisis arose because some Courts in Ontario were making decisions that dumbfounded the underwriting mindset of all School and Municipal Liability Insurers across the country at that time. As a result:

- a) many Liability Insurers chose not to underwrite coverage at all for Local Authorities any longer; and
- b) the handful that remained (one or two only) decided that they required both:
 - i) a substantial increase in their annual premium requirements to underwrite liability limits in excess of \$ 1 million (in some cases, by as much as 1,000%); and
 - ii) new exclusions in their policies that severely restricted many school and municipal activities perceived as "too risky" (e.g. schools were told to remove trampolines, municipalities were told to remove diving boards from their swimming pools etc.);
- c) some municipalities not insured in an established provincial program could not obtain Liability Insurance at any price, and were thus left "bare", i.e. they were uninsured;

These factors, their causes and effects, were noted, explained and/or addressed in Studies and Reports commissioned by the Provincial Government on behalf Alberta Local Authorities in the late 1980's (1987 Actuarial Study, 1988 Feasibility Study, 1989 ALARIE Business Plan). Of particular note, it was evident that these adverse insurance conditions were cyclical in nature, being related to how insurance companies generally conduct their operations over approx. 7/10 yearly cycles. Thus, although the conditions had abated somewhat by 1990, there was a strong belief that they would return – perhaps even more harshly – before the end of the 1990s.

The Studies and Reports affirmed that, if Alberta Local Authorities could "stick together" as one solid group, all would be able to work through the next adverse insurance cycle by, simply, paying their liability premiums to themselves – in the self-designed insurance mechanism that became ALARIE.

In formulating ALARIE, it was known that the liability risks associated with Alberta Local Authorities (i.e. schools, rural municipalities and urban municipalities) were not homogeneous; rather they were each distinctly different. This fact alone would ordinarily preclude three such "non-homogeneous groups" from being manageable within the concept of a singular Reciprocal Insurance Exchange mechanism such as ALARIE. Nonetheless, in wishing to see the "insurance market problem" which had affected all schools and municipalities alike (i.e. the shortage of affordable Insurers), the Provincial Government required the three groups to find one singular solution that the Government could act as a financial guarantor for in the early years up to a maximum amount of \$ 15,000,000.

When ALARIE ultimately became formed in April 1990, the insurance market conditions were then "favourable" for all Subscribers to continue obtaining their Liability Insurance through their selected Association Insurance Program. [NOTE: The two Association Programs available at that time were the Jubilee Insurance Program (operated jointly by both Alberta School Trustees' Association and Alberta Association of Municipal Districts and Counties for schools and rural municipalities) and the Program operated by Alberta Urban Municipalities Association for urban municipalities.]

The decision made by ALARIE at the outset was that ALARIE would not implement the self-insurance contemplated at that time but would focus upon saving funds to build up total equity so that ALARIE could be better funded when the envisaged self-insurance became necessary when the next "adverse" insurance market returned, likely sometime between 1995 and 2000. This decision was made known to all ALARIE Subscribers before they signed on to ALARIE in the Foreword to the ALARIE Business Plan that was presented to all Subscribers across the Province. Selected extracts from the Foreword read as below.

It is the position of the Ministerial Committee that, to be successful over the long term, ALARIE must be flexible enough to operate in conjunction with the everchanging insurance market conditions. In simple terms, this means that there will be times when it is right to buy insurance {from insurance companies} and other times when it is right to self-insure; ALARIE must be capable of adopting either posture, or a combination of either posture, in keeping with the insurance market cycles.

"The preferred option [at this time] is that ALARIE proceed to activate the mechanics laid out in the Business Plan for the formation of the Reciprocal Insurance Exchange by April 1, 1990 but operate with the purpose of, initially, accumulating funds by adopting a "buy and save" philosophy.

The "buy and save" philosophy proposed by ALARIE would apply for so long as favourable (or "soft") insurance market conditions allowed ALARIE to buy insurance protection from insurance companies at affordable premium rates.

As events unfolded after ALARIE's formation in 1990, the "buy and save" mode continued throughout the entire period that ALARIE was in operation (i.e. until 2002) because the insurance market conditions never did return to the unfavourable, or adverse, state that had either occurred in the mid 1980's or anticipated in the mid/late 1990's.

Albeit that ALARIE never did initiate the self-insurance contemplated, it was important that ALARIE always maintain the capability to do so. Therefore, notwithstanding the desire to be in a "buy and save" mode, it was still essential that ALARIE maintain a License to act as a Reciprocal Insurer and, in order to do so, ALARIE had to "take on" some insurance risk in its name. Thus, the layer of insurance up to \$ 10,000 on any one claim became a simple way for ALARIE to assume minimal risk for Subscribers while maintaining its Reciprocal License.

In assuming this (minimal) level of risk for each Subscriber, however, ALARIE was able to charge the same requisite premium amount that the Association Programs' Insurers allowed to each Subscriber for a \$ 10,000 Deductible being applied to the Associations' Policies, while ALARIE was "buying and saving" for its Subscribers in all areas of risk above \$ 10,000. These premiums became the "burning cost" of maintaining ALARIE's Reciprocal License and, while doing so, it was hoped that ALARIE would arrive at a "break-even" point for the \$ 10,000 coverage so long as the claims patterns for Alberta's schools and municipalities remained as it had been previously. [NOTE: a review of the Claims Experience prepared by Alan Wood has revealed that two of the three categories – namely the schools and rural municipalities – did produce a premiums-over-claims surplus in this area of risk for 8 years, up to 1998. However, the claims experience of the urban municipalities deteriorated very rapidly and drastically and never did "break even" in any year that ALARIE operated.]

As noted earlier, a singular Reciprocal Insurance Exchange is not intended to deal with "risk types" that are non-homogeneous, such as the three distinctly different liability risk categories associated with a) schools – sporting accidents being the most notable "risk type", b) rural municipalities – road accidents being the most notable "risk type" and c) urban municipalities – slip and falls being the most notable "risk type". Because of the specific distinctions in the three risk types to be absorbed with ALARIE, it was paramount to address these differences by assimilating all premiums and claims amounts paid into one of the three risk "categories" so that no one group of Subscribers was subsidizing any one other.

This was a fundamental understanding that had to be made within ALARIE's operations, regardless of whether ALARIE was operating in a "buy and save" mode, a self-insurance mode or a combination of the two. This is why all of the Studies and Reports leading up to the formation of ALARIE – namely the 1987 Actuarial Study, 1988 Feasibility Study, 1989 ALARIE Business Plan – specifically identified these distinctions and the need to view them separately.

EXTRACTS FROM STUDIES AND REPORTS LEADING UP TO ALARIE'S FORMATION

While the original 1987/89 Studies and Reports seem to have been mislaid over the years by one or more of the Associations, the author of this Submission did retain his own personal copies of these documents (for his sentimental reasons) as well as the Manuscripted Manual written by him for the ALARIE Insurance Program Computer System. These documents were turned over to the MNP personnel conducting their Investigative Forensic Accounting Report and, if necessary, these should be produced by them as "Exhibits" in support of this Submission.

In an effort to give support to the fundamental understanding reached in ALARIE that Premiums and Claims were to be viewed at in the three distinct "compartments of a) Schools, b) Rural Municipalities and c) Urban Municipalities, some of the wording extracted from these Studies and Reports is re-stated below:

1988 Feasibility Brief

[Pool Characteristics]

3. allocation of the funding (i.e. pool rating) should recognize the fundamental difference in loss experience of urban, rural and school authorities.

1989 ALARIE Business Plan

A. [Executive Summary ES-1]

Subscribers: Members of AAMDC, ASTA and AUMA.

Rating Plan: Levies are initially based on 1987 commercial premiums for each rating category (i.e. Urban, Rural and School) by population and enrolment; loss experience will be introduced to achieve loss experience rating over 5 years.

B. [Overview of the Reciprocal]

Membership 2.2: A prerequisite to becoming a subscriber will be membership in AAMDC, ASTA or AUMA.

Reciprocal Equity 2.5: On a winding-up of a reciprocal, the reciprocal's excess funds (if any) will be distributed to the then members in accordance with the equity of each member in those funds. A member's equity in the reciprocal's funds will be determined by the extent to which a member's cumulative levies retained by the reciprocal (i.e. net of reinsurance premiums) exceed the member's cumulative claims paid by the reciprocal.

Levy and Rating 2.6: In accordance with the ALARIE Levy and Rating Plan, ALARIE will invoice each member Association for the bulk premium of all those ALARIE subscribers belonging to that Association.

C. [Funding and Security]

Loss and Expense Funding 4.1.1: In the event that loss experience is significantly worse than expected for a given category, levies for the following years would be adjusted accordingly.

D. [Levy Allocation]

General 5.1: This section describes in general terms the method by which each of the three member categories of ALARIE will be allocated its respective share of annual funding required for ALARIE. The Levy Allocation Plan provided in Appendix H sets forth the details of the allocation method to be employed by ALARIE. The rating method is based on the premise that each member category's share of the costs should represent the share of risk presented by that member category.

Under the terms of the allocation plan, a share of each year's total required funding is allocated to each of the three member categories. Further allocation of these costs to individual subscribers will be handled by the three Association purchase pools.

Member Categories and Risks 5.2: The pool membership falls into three categories, namely:

1. Rural Authorities – counties, municipal districts.
2. School Authorities – school divisions, school districts and miscellaneous school bodies.
3. Urban Authorities – cities, towns, villages, summer villages.

Risk Related Cost Allocation 5.3: The preferred measure of risk to the pool from each category is the loss levy incurred by the member category.

Equity Allocation 5.5: Over time ALARIE will develop equity, much like an insurance company's profit (i.e. funding plus investment income less paid losses and net of loss reserves). The ownership of this equity is shared by the subscribers in proportion to the amount by which each category's total reciprocal levy has exceeded the claims paid on its behalf.

Use of ALARIE Equity 5.6: Once a large fund is accumulated, ALARIE's Advisory Board may decide to reduce the overall levy. If the reduction is based on equity share, the member categories responsible for any claims will receive a lesser reduction than the member categories with no claims, Member categories that have been relatively "over charged" in the past will own a larger share of the surplus and hence will earn a larger reduction.

ALARIE Reciprocal Insurance Exchange Agreement (included with ALARIE Business Plan issued December 13, 1989)

The Reciprocal Insurance Exchange Agreement introduced in the ALARIE Business Plan came from a "template" form applicable to the establishment of any Reciprocal Insurance Exchange. Certain changes in the "template" wording were made at the time to cater for the unique arrangement that was contemplated, i.e. three "categories" of risks being grouped under one Reciprocal. The following were changes made by ALARIE to this "template":

Definitions 1.14

- g) "Member" means the Alberta Association of Municipal Districts and Counties, the Alberta School Trustees Association and the Alberta Urban Municipalities Association;
- m) "Subscribers" means the members and associate members of the Alberta Association of Municipal Districts and Counties, the Alberta School Trustees Association and the Alberta Urban Municipalities Association

Article 4.00 – Financial and Accounting Matters

Member's Accounts 4.03: Individual accounts shall be kept showing each Member's participation in the operation and the operating results of the Exchange [NOTE: the use of the term "Member" as opposed to "Subscriber"]

Article 8.00 – Operation of the Exchange

Determination of Levies Payable 8.03: The Advisory Board shall, in each Policy Period, determine the levy payable by categories of Subscribers in accordance with the terms of the Reciprocal Levy Allocation Plan set forth by the Advisory Board [NOTE: the use of the term "categories of Subscribers" and not individual Subscribers and the reference to Reciprocal Levy Allocation Plan (which was included in the bound copies of the Business Plan)].

Article 9.00 – General Provisions

Termination 9.01: Upon termination,The distribution of the net assets to each such Subscriber shall be in proportion to the amounts by which the cumulative annual premiums paid by such Subscriber to the Exchange shall exceed the cumulative claims paid by the Exchange to or on behalf of each Subscriber.

[NOTE: this clause was inadvertently not changed in the "template". The intention of the Exchange was such that it should have been amended to read as follows:

Termination 9.01: Upon termination,The distribution of the net assets to each such Subscriber shall be in proportion to the amounts by which the cumulative annual premiums paid by **the Member Category applicable to** such Subscriber to the Exchange shall exceed the cumulative claims paid by the Exchange to or on behalf of **the Member Category applicable to such** Subscriber.

Addendum – Reciprocal Levy Allocation Plan

Throughout the Levy Allocation Plan proposed, there are repeated references – in every Clause of the Plan – to the need for all financial amounts, whether premiums, losses (claims), levies, allocation factors or equities to “each Category of Subscribers”, i.e. the three Member Associations and not individual Subscribers.

Specifically, the following items are noted:

- I. Definitions include:
 - “Category” is the group of Subscribers
 - “Gross Annual Levy” is the total levy for general liability for all members of a given Category;
 - “Equity-Based Levy Adjustment” is the portion ofallocated to each Category based on the Category’s Equity Share;
 - “Allocation Factor” is a factor representing the which is allocated to each Category;
- II. Annual Premium states, *inter alia*:
 - The Gross Annual Premium for each Category is
 - The Annual Levy for each Category is
- III. Allocation Factor states, *inter alia*:
 - The Annual Effective Loss for Each Category for a given year is
 - The Annual Loss Rate for each Category is
 - The Adjusted Annual Effective Loss is calculate for each Category as follows:
 - The Loss-Based Allocation Factor for each Category is calculated as follows:
 - The Market-Based Allocation Factor for each Category is calculated as follows:
 - The Allocation Factor for each Category is calculated as follows:
- IV. Equity-Based Levy Adjustment states, *inter alia*:
 - The Equity-Based Levy Adjustment for each Category is calculated as follows:
 - The Equity Share Factor fore ach Category is calculated as follows:
 - The Levy/Loss Differential for each Category is calculated as follows:

OGILVIE LLP

BARRISTERS AND SOLICITORS

OUR FILE: 62064.1

YOUR FILE:

REPLY TO:

GRANT S. DUNLOP Q.C.

DIRECT LINE: (780) 429-6283

DIRECT FAX: (780) 429-4453

EMAIL: gdunlop@ogilvie.com

CANADIAN WESTERN BANK PLACE
SUITE 1400
10303 JASPER AVENUE
EDMONTON AB T5J 3N6
FACSIMILE (780) 429-4453
TELEPHONE (780) 421-1818

December 7, 2016

VIA EMAIL: tonywads@telus.net
Tony Wadsworth

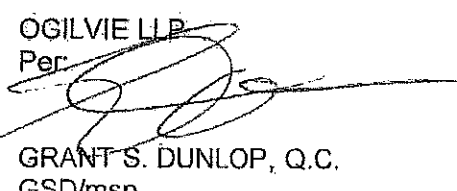
Dear Sir:

Re: ALARIE – Asset Distribution

Thank you for your email and attached material on December 4, 2016. I am writing to advise you that it is ALARIE's position that you do not have standing to object to the order sought in ALARIE's amended originating application, because you, as an individual, are not a party to these proceedings, in that you are neither the Applicant, nor one of the Respondents. Should you, or a lawyer on your behalf, attend in Court on December 19, 2016 or any other time these proceedings are before the Court, it will be ALARIE's position that the Court ought not to hear from you or your counsel, given your lack of standing.

Yours truly,

OGILVIE LLP
Per:


GRANT S. DUNLOP, Q.C.
GSD/msp

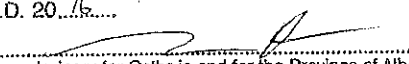
cc: Client (via email)

Ogilvie LLP (via email)
Attention: Aaron Hymes

This is Exhibit "F" referred to in the affidavit
/ statutory declaration of Alan Wood

Sworn before me this 10 day of December

A.D. 2016


Commissioner for Oaths in and for the Province of Alberta

AARON M. HYMES
Barrister & Solicitor
A Commissioner for Oaths
in and for Alberta

Aaron M. Hymes

From: Yvon Prefontaine <yprefontaine@asba.ab.ca>
Sent: December-08-16 3:39 PM
To: Aaron M. Hymes
Cc: jean_champagne@sperd.ca
Subject: ALARIE Asset distribution Court File 1603-13949


Further to the voice mail I left earlier today, as indicated St. Paul Education Region is one of the affected parties and has asked that I obtain some information to assist them in determining whether they wish to have representation at the December 19, 2016 asset distribution application.

I can be reached on my cellphone at (780) 974-6607. Tomorrow, I can be reached at (780) 451-7131.

Yvon V. Préfontaine
Solicitor, Alberta School Boards Association
1200, 9925 109 Street
Edmonton AB T8N 6V2
Fax (780) 488-0679

This communication is confidential. It is intended for use by the client school board only and may contain legally privileged or confidential information. Any opinion rendered above is for the sole purpose of the school board and not for the benefit of any individual.

If you have received this message in error, we apologize for any inconvenience and ask that you do not copy, distribute or take any action in reliance on it. Please also notify us by reply e-mail and then permanently delete the original message and your reply, and destroy any copy or printout. We thank you for your anticipated cooperation.

This is Exhibit " G " referred to in the affidavit
/ statutory declaration of Alan Wood
Sworn before me this 10 day of December
A.D. 20 16

Commissioner for Oaths in and for the Province of Alberta

AARON M. HYMES
Barrister & Solicitor
A Commissioner for Oaths
in and for Alberta