

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

BETWEEN

1951584 ONTARIO INC. (formerly DESANTE FINANCIAL SERVICES
INC.) and CWB MAXIUM FINANCIAL INC.

Applicants

- and -

4231 SHEPPARD AVENUE EAST INC., ABU SEIFEIN BRIMLEY
PHARMA INC., BLESS HUI PHARMA INC., JG WINDSOR INC., JM
WESTVIEW PHARMA INC., JUBILEE PROPERTY INVESTMENTS INC.,
MAPLE MEDI PHARMA INC., RIVER HILL PHARMACY LTD., SJ EAST
PHARMA INC., ST MARY COOKSVILLE PHARMA INC., ST. MARY
THEOTOKOS PHARMA INC., STONEY CREEK PHARMA INC.,
TORONTO APOTHECARY PHARMA INC., WESTWAY HOLDINGS INC.,
OLDE WALKERVILLE HOLDINGS INC.

Respondents

MOTION RECORD

August 6, 2021

MILLER THOMSON LLP

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SERVICE LIST

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TAB 1

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

BETWEEN

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TORONTO APOTHECARY PHARMA INC., WESTWAY HOLDINGS INC.,
OLDE WALKERVILLE HOLDINGS INC.

Respondents

NOTICE OF MOTION

The Defendants will make a Motion to a Judge presiding over the Commercial List on Friday, August 13, 2021 at 9:30 a.m., or as soon after that time as the Motion can be heard.

PROPOSED METHOD OF HEARING: The Motion is to be heard (*choose appropriate option*)

- In writing under subrule 37.12.1(1) because it is;
- In writing as an opposed motion under subrule 37.12.1(4);
- In person;
- By telephone conference;
- By video conference.

at the following location

<https://millerthomson.zoom.us/j/99571637769?pwd=SlIdYThQZXVnN0hxMzlxExlL0xpdz09>

THE MOTION IS FOR

- (a) adding Sigma Healthcare Inc., Anoop Brighton Pharmacy Inc. and Capital Pharmacy Inc. (collectively the “**Replacement Pharmacies**”) as Respondents to these proceedings, and amending the title of proceedings accordingly;
- (b) appointing msi Spergel inc. (“**Spergel**”) as interim receiver (in such capacity, the “**Interim Receiver**”) of the assets, undertakings and properties of each of the Replacement Pharmacies pursuant to Section 47 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) and Section 101 of the *Courts of Justice Act*, RSO 1990, c C.43, for the purpose of preserving and protecting such property pending resolution or determination of the Receivership Motion (as defined below);
- (c) removing 1951584 Ontario Inc. as an Applicant from these proceedings and amending the title of proceedings accordingly;
- (d) scheduling on the earliest available date a motion before this Court to appoint Spergel as Receiver of each of the Replacement Pharmacies under Section 243 of the BIA; and
- (e) Such further and other Relief as to this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE

- (f) The facts setting out the grounds for the motion are set out in the Affidavit of Edward Hopkinson sworn August 3, 2021 and the Supplemental Affidavit of Edward Hopkinson sworn August 6, 2021.
- (g) The provisions of the BIA, including Section 47(1).
- (h) The provisions of the *Courts of Justice Act*, RSO 1990, c C.43, including Section 101.
- (i) Such further and other grounds as the lawyers may advise.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the Motion:

- (a) Affidavit of Edward Hopkinson, sworn August 3, 2021;
- (b) Supplemental Affidavit of Edward Hopkinson, sworn August 6, 2021; and
- (c) Such further and other evidence as the lawyers may advise and this Honourable Court may permit.

August 5, 2021

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Lawyers for the Applicants

RCP-E 37A (September 1, 2020)

1951584 ONTARIO INC. et al.
Applicants

and **4231 SHEPPARD AVENUE EAST INC. et al.**
Respondents

Court File No: CV-20-006650853-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)**

Proceeding commenced at Toronto

NOTICE OF MOTION

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Lawyers for the Applicants

TAB 2

**ONTARIO
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OLDE WALKERVILLE HOLDINGS INC.

Respondents

**AFFIDAVIT OF EDWARD HOPKINSON
(Sworn August 3, 2021)**

August 3, 2021

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I, Edward Hopkinson, of the City of Bryn Mawr, in the State of Pennsylvania, USA

MAKE OATH AND SAY:

1. I am the VP Risk Officer of the Applicant, CWB Maxium Financial Inc., ("**CWB**" or "**Lender**"). As such, I have knowledge of the matters to which I hereinafter depose. Where the source of my information is other than myself I have set out the source and do verily believe it to be true.

Purpose of Affidavit

2. This Affidavit is sworn in support of a motion for orders, each substantially in the forms attached to this Motion Record, among other things:

- i. adding Sigma Healthcare Inc., Anoop Brighton Pharmacy Inc. and Capital Pharmacy Inc. (collectively the "**Replacement Pharmacies**") as Respondents to these proceedings, and amending the title of proceedings accordingly;
- ii. appointing msi Spergel inc. ("**Spergel**") as interim receiver (in such capacity, the "**Interim Receiver**") of the assets, undertakings and properties of each of the Replacement Pharmacies pursuant to Section 47 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and Section 101 of the *Courts of Justice Act*, RSO 1990, c C.43, for the purpose of preserving and protecting such property pending resolution or determination of the Receivership Motion (as defined below);

- iii. removing 1951584 Ontario Inc. as an Applicant from these proceedings and amending the title of proceedings accordingly; and
- iv. scheduling on the earliest available date a motion before this Court to appoint Spergel as Receiver of each of the Replacement Pharmacies under Section 243 of the BIA.

Factual Overview

3. This is a motion to appoint an Interim Receiver over several entities that are the recipients of unauthorized transfers of the assets, undertakings, inventory, and patient lists of JM Westview Pharma Inc. (“**JM Westview**”), SJ East Pharma Inc. (“**SJ East**”), and St. Mary Cooksville Pharma Inc. (“**St. Mary**”, and collectively with JM Westview and SJ East, the “**Liquidated Pharmacies**”).

4. The motion represents the latest episode in an ongoing saga of default, deceit and defalcation by John Gerges and related parties. The Respondents and the Replacement Pharmacies are a series of interrelated companies that either own and operate pharmacies, or own the real estate on which a pharmacy is or was located. They are all enmeshed through non-arm’s length individuals who are all connected in some way to John Gerges.

5. John Gerges is the directing mind of the Respondents (other than the Replacement Pharmacies). As will be described below, he orchestrated the unauthorized transfer of the Lender’s collateral from each of the Liquidated Pharmacies

into the Replacement Pharmacies. He swore false and misleading affidavits in this proceeding. He deceived the Lender and has misled this Court.

6. On January 26, 2021, this Court appointed Spergel as Receiver of JM Westview and SJ East. On February 3, 2021, this Court appointed Spergel as Receiver of St. Mary.¹

7. In the time leading up to the Receiver's appointment over the Liquidated Pharmacies, John Gerges surreptitiously directed the employees at each of the Liquidated Pharmacies to pack up all of the inventory, prescription drugs and patient lists and move them to the Replacement Pharmacies, thus placing them out of the reach of the Lender.

8. The Replacement Pharmacies are all within a 1-2 minute walking distance of the Liquidated Pharmacies. As is further described below, the "owners" of the Replacement Pharmacies – Samir Shenoda and Anoop Gupta - are non-arms' length parties to John Gerges. They were fully aware of the Lender's security interests against the Liquidated Pharmacies by virtue of their association with other Gerges controlled entities. They were complicit in the surreptitious transfers and unjustly enriched themselves to the Lender's detriment.

9. In fact, in each case, the surreptitious transfers occurred while John Gerges negotiated with the Lender on a forbearance agreement and consensual appointment of the Receiver over each of the Liquidated Pharmacies.

¹ Amended and Restated Receivership Order (Appointing Receiver) of Justice Cavanagh (dated February 3, 2021).

10. Spergel, in its capacity as bankruptcy trustee of each of the Liquidated Pharmacies has confirmed these surreptitious transfers, including through examinations of some of their former employees under Section 163 of the BIA.

11. The Lender seeks Spergel's appointment as Interim Receiver of the Replacement Pharmacies in order to preserve and protect its collateral from further dissipation or transfer until the Lender's motion for the appointment of a receiver against the Replacement Pharmacies has been determined.

The Liquidated Pharmacies

12. The Lender is the senior secured creditor of each of the Liquidated Pharmacies. Details of each of the Liquidated Pharmacies are below.

SJ East

13. SJ East is an Ontario corporation. Diep Nguyen was the sole officer and director of SJ East. Attached as **Exhibit "A"** a copy of SJ East's corporate profile report. Despite Diep Nguyen being SJ East's sole officer and director, at all material times, John Gerges negotiated on behalf of and with the authority of Nguyen to bind SJ East. In fact, as is further described below, John Gerges negotiated on behalf of all of the Respondents, including those Respondents of whom he was not an officer or director.

14. The Court appointed Spergel as Receiver of SJ East on January 26, 2021. SJ East was assigned into bankruptcy on February 11, 2021 and Spergel was appointed as trustee in bankruptcy.

15. As at July 19, 2021, SJ East owes the Lender approximately \$2,187,754.48 (plus accruing interest, costs and fees) under a promissory note dated July 25, 2017 (amended April 7, 2020). As security for the payment and performance of these obligations, SJ East granted in favour of the Lender a security interest in all of its property, assets and undertakings under a general security agreement dated July 21, 2017. A copy of the promissory note (as amended) and general security agreement are attached as **Exhibit “B”**

16. The Lender registered a financing statement against SJ East in accordance with the *Personal Property Security Act* (Ontario) (the “**PPSA**”). A copy of an Enquiry Response Certificate evidencing the Lender’s PPSA registration is attached as **Exhibit “C”**

17. Under Sections 9 and 14(c) of the general security agreement, SJ East covenanted to the Lender that it would not transfer its property to a third party without the Lender’s prior written consent.

JM Westview

18. JM Westview is an Ontario corporation. John Gerges was the sole officer and director of JM Westview. Attached as **Exhibit “D”** is a copy of JM Westview’s corporate profile report.

19. The Court appointed Spergel as Receiver of JM Westview on January 26, 2021. JM Westview was assigned into bankruptcy on February 11, 2021 and Spergel was appointed as trustee in bankruptcy.

20. As at July 19, 2021, JM Westview owes the Lender approximately \$692,325.81 (plus accruing interest, costs and fees) under a promissory note dated August 2, 2018. As security for the payment and performance of these obligations, JM Westview granted in favour of the Lender a security interest in all of its property, assets and undertakings under a general security agreement dated August 2, 2018. Copies of the JM Westview promissory note (as amended) and general security agreement are attached as **Exhibit “E”**.

21. The Lender registered a financing statement against JM Westview in accordance with the PPSA. A copy of an Enquiry Response Certificate evidencing the Lender’s PPSA registration is attached as **Exhibit “F”**.

22. Under Section 9 and section 14 (c) of the general security agreement, JM Westview covenanted to the Lender that it would not transfer its property to a third party without the Lender’s prior written consent.

St. Mary

23. St. Mary is an Ontario corporation. Sandra Youssef – John Gerges’s wife – was the sole officer and director of St. Mary. Attached as **Exhibit “G”** is a copy of St. Mary’s corporate profile report.

24. The Court appointed Spergel as Receiver of St. Mary on February 3, 2021. St. Mary was assigned into bankruptcy on February 11, 2021 and Spergel was appointed as trustee in bankruptcy.

25. As at July 19, 2021, St. Mary owes the Lender approximately \$3,206,507.61 (plus accruing interest, costs and fees) under promissory notes dated October 31, 2018 and August 8, 2019 (both amended April 8, 2020). As security for the payment and performance of these obligations, St. Mary granted in favour of the Lender a security interest in all of its property, assets and undertakings under a general security agreement dated October 31, 2018. Copies of the St. Mary promissory notes (as amended) and general security agreement are attached as **Exhibit “H”**.

26. The Lender registered a financing statement against St. Mary in accordance with the PPSA. A copy of an Enquiry Response Certificate evidencing the Lender’s PPSA registration is attached as **Exhibit “I”**.

27. Under Section 9 and Section 14 (c) of the general security agreement, St. Mary covenanted to the Lender that it would not transfer its property to a third party without the Lender’s prior written consent.

The Replacement Pharmacies

Anoop Brighton Pharmacy Inc.

28. Anoop Brighton Pharmacy Inc. is an Ontario Corporation incorporated on July 16, 2020. Anoop Gupta is its sole director and officer.

29. Anoop Brighton Pharmacy Inc. owns and operates a pharmacy known as Brighton Rx PharmaChoice (the “**New Brighton Pharmacy**”).

30. The New Brighton Pharmacy is located across the street from where SJ East used to operate.² Both pharmacies have the same postal code.

31. The New Brighton Pharmacy commenced operations on or about October 7, 2020. Email correspondence from Anoop Gupta to the Ontario College of Pharmacists confirms unequivocally that the inventory, prescription drugs and patient lists were transferred from SJ East to the New Brighton Pharmacy.³ This evidence is set out in detail below at paras 72-73 of my Affidavit. This transfer was done surreptitiously, out of the ordinary course of business, and without the consent or knowledge of the Lender.

Sigma Healthcare Inc.

32. Sigma Healthcare Inc. is an Ontario corporation incorporated on August 7, 2020. Samir Shenoda is its sole officer and director.

33. Sigma Healthcare Inc. owns and operates a pharmacy known as Sigma Drug Mart.

34. Sigma Drug Mart is located a 2-minute walking distance from the pharmacy that JM Westview owned and operated before the surreptitious transfer to Sigma Drug Mart.⁴ Both pharmacies have the same postal code.

35. Sigma Drug Mart commenced operations on or about January 18, 2021. The sworn testimony of former employees of JM Westview⁵ confirms that (i) all of the assets

² SJ East operated at 12 Elizabeth Street, Brighton, Ontario, K0K 1H0. The New Brighton Pharmacy operates at 19 Elizabeth Street, Brighton, Ontario, K0K 1H0.

³ Exhibit "Y", discussed in more detail below.

⁴ Sigma Drug Mart (owned by Sigma Healthcare Inc.) is located at 2 Dufferin Street, Tilbury, ON N0P 2L0; JM Westview's pharmacy was located at 15 Mill St. E., Tilbury ON, N0P 2L0.

of JM Westview were moved into Sigma Drug Mart between January 15 and 17, 2021, and (ii) the inventory, prescription drugs and patient lists of JM Westview were packed up and moved to Sigma Drug Mart. This evidence is set out in detail below at paras 67-69 of my Affidavit. This transfer was done surreptitiously, out of the ordinary course of business, and without the consent or knowledge of the Lender.

Capital Pharmacy Inc.

36. Capital Pharmacy Inc. is an Ontario corporation incorporated on July 23, 2020. Samir Shenoda is the sole officer and director of Capital Pharmacy Inc. Attached as **Exhibit “J”** is a copy of Capital Pharmacy Inc.’s corporate profile report.

37. Capital Pharmacy Inc. owns and operates a pharmacy known as Capital Pharmacy.

38. Capital Pharmacy is located in the neighboring plaza as the pharmacy that was owned and operated by St. Mary.⁶ Both pharmacies have the same postal code.

39. Capital Pharmacy commenced operations on or about November 2, 2020. The sworn testimony of former employees of St. Mary⁷ confirms that inventory, prescription drugs and patient lists of St. Mary moved to Capital Pharmacy in November, 2020. This evidence is set out in detail below at paras 70-71 of my Affidavit. This transfer was done surreptitiously, out of the ordinary course of business, and without the consent or knowledge of the Lender.

⁵ Exhibit “U” and Exhibit “V”, discussed in more detail below.

⁶ Capital Pharmacy (owned by Capital Pharmacy Inc.) is located at 3075 Hurontario St, Mississauga, ON L5A 2GA; St. Mary’s pharmacy was located at 3035 Hurontario St, Mississauga, ON L5A 2GA.

⁷ Exhibit “W”, discussed in more detail below.

Samir Shenoda and Anoop Gupta: Non-Arms' Length Parties to John Gerges and Diep Nguyen

40. In this section, I set out the facts which I believe establish that the owners of the Liquidated Pharmacies, John Gerges and Diep Nguyen, and the owners of the Replacement Pharmacies, Samir Shenoda and Anoop Gupta, are non-arms' length parties, as well as why Shenoda and Gupta were aware of the Lender's security interests against the Liquidated Pharmacies by virtue of their association with other Gerges controlled entities.

41. Attached as **Exhibit "K"** are 4 diagrams displaying the interconnected relationships between the owners of the Liquidated Pharmacies and the Replacement Pharmacies. Samir Shenoda, Diep Nguyen and Anoop Gupta all have multiple pre-existing relationships with John Gerges through which they jointly have conducted business:

- i. Diep Nguyen is the owner of at least three (3) pharmacies, all of which are subject to receivership orders.⁸ He is a guarantor in respect of three (3)

⁸ Affidavit of Edward Hopkinson (sworn October 30, 2020) at pages 3-4; Amended and Restated Receivership Order (Appointing Receiver) of Justice Cavanagh (dated February 3, 2021) at pages 2-3.

loans.⁹ He is a director and officer of at least five (5) pharmacies, two (2) of which are entirely owned by John Gerges.¹⁰

- ii. John Gerges is a shareholder in at least fifteen (15) pharmacies, eight (8) of which are subject to receivership orders.¹¹ He is a guarantor in respect of 21 loans owed to the Lender.¹² He is a director and/or an officer of at least ten (10) pharmacies.¹³ For the purposes of this motion, it is noteworthy that John Gerges is a director and officer of St. Mary Theotokos Pharma Inc, one of the pharmacies owned by Diep Nguyen. Also, John Gerges is a guarantor for loans provided to two (2) pharmacies entirely owned by Diep Nguyen.¹⁴
- iii. Diep Nguyen is the director of the registered owner of the building where Sigma Pharmacy operates. Prior to Diep Nguyen, John Gerges was the director of such entity.

⁹ CWB Maxium Financial Inc. Guarantee for SJ East Pharma Inc. signed by Diep N. Nguyen (dated July 21, 2017) and CWB Maxium Financial Inc. General Security Agreement signed by Diep N. Nguyen (dated August 18, 2016); CWB Maxium Financial Inc. Guarantee for Stoney Creek Pharma Inc. signed by Diep N. Nguyen (dated August 18, 2016) and CWB Maxium Financial Inc. General Security Agreement signed by Diep N. Nguyen (dated August 18, 2016); CWB Maxium Financial Inc. Guarantee for St. Mary Theotokos Pharma Inc. signed by Diep N. Nguyen (dated August 18, 2016) and CWB Maxium Financial Inc. General Security Agreement signed by Diep N. Nguyen (dated August 18, 2016).

¹⁰ Corporate Profile Reports for SJ East Pharma Inc., Stoney Creek Pharma Inc., River Hill Pharmacy Ltd., St. Mary Theotokos Pharma Inc., and Toronto Apothecary Pharma Inc.; Affidavit of Edward Hopkinson (sworn October 30, 2020) at pages 3-4.

¹¹ Affidavit of Edward Hopkinson (sworn October 30, 2020) at pages 3-4; Amended and Restated Receivership Order (Appointing Receiver) of Justice Cavanagh (dated February 3, 2021) at pages 2-3.

¹² Affidavit of Edward Hopkinson (sworn October 30, 2020) at pages 7-8.

¹³ Corporate Profile Reports for Stoney Creek Pharma Inc., JM Westview Pharma Inc., Toronto Surrey Pharma Inc., St. Mary Theotokos Pharma Inc., Jubilee Property Investments Inc., JG Windsor Inc., 4231 Sheppard Avenue East Inc., Bless Pharma Inc., Bless Jimmy's Pharma's Inc., and 2503338 Ontario Inc.

¹⁴ CW Maxium Financial Inc. Guarantee for Stoney Creek Pharma Inc. signed by John Gerges (dated August 16, 2016) and General Security Agreement signed by John Gerges (dated August 16, 2016); CW Maxium Financial Inc. Guarantee for St. Mary Theotokos Pharma Inc. signed by John Gerges (dated August 16, 2016) and General Security Agreement signed by John Gerges (dated August 16, 2016).

- iv. Samir Shenoda is a 50% shareholder of another pharmacy to which the Lender provides financing (the “**Other Shenoda Pharmacy**”).¹⁵ He is a director and officer, as well as a guarantor for a loan provided to the Other Shenoda Pharmacy by the Lender. John Gerges is the other 50% shareholder and guarantees the loan provided to the Other Shenoda Pharmacy by the Lender.
- v. In addition, Samir Shenoda is the owner of two of the Replacement Pharmacies, Sigma Heath Care Inc. (formerly JW Westview) and Capital Pharmacy Inc. (formerly St. Mary).
- vi. There is reason to believe that Capital Pharmacy has been paying the monthly principal and interest payments owing by St. Mary. In and around November, 2020, the Lender engaged with John Gerges to obtain a void cheque in respect of St. Mary in order to continue monthly principal and interest payments. At that time, John Gerges provided to the Lender a void cheque (the “**Altered Cheque**”). The top right corner of the Altered Cheque – where the name of the payor is typically listed – references St. Mary. It is clear from a review of the native PDF of the Altered Cheque that the name and address of St. Mary were added to the Altered Cheque using a PDF editor. In addition, above the image of the Altered Cheque, there is the following reference: “Please accept this copy of a void cheque as confirmation of CAPITAL PHARMACY INC.’s bank account information for the purposes of pre-authorized debit or credit.” [emphasis

¹⁵ Affidavit of Edward Hopkinson (sworn October 30, 2020) at page 4.

added]. After the Lender requested clarification from John Gerges, he sent the Lender another void cheque removing the reference to Capital Pharmacy; however, the account number remained the same (the “**Bank Account**”). The loan payments owing by St. Mary continue to be paid from automatic withdrawals from the Bank Account. A copy of the Altered Cheque, including the revised version of the Altered Cheque, are attached as **Exhibit “L”**. I believe the Altered Cheque is evidence that Capital Pharmacy has been paying the monthly principal and interest payments owing by St. Mary from its Bank Account.

- vii. Anoop Gupta is the owner of the Replacement Pharmacy, Anoop Brighton Pharmacy Inc. (formerly SJ East).
- viii. Anoop Gupta was the Designated Manager of SJ East from the time SJ East commenced operations until around September 21, 2020. In 2020, although Diep Nguyen was listed as the director of SJ East, John Gerges proposed to the Lender a transaction whereby Anoop Gupta would purchase SJ East. The Lender did not consent to such transaction.

John Gerges’s Criminal Charges

42. On or about January 23, 2020, I learned from news media reports that John Gerges had been charged by the York Regional Police around December, 2019 with possession of a Schedule 1 substance (as defined in the federal *Controlled Drugs and Substances Act*) for the purpose of trafficking, and for possession of a forged document (together, the “**Criminal Charges**”). As part of their investigation the York Regional

Police recovered more than \$500,000 in opioid pills, an illegal handgun, and \$200,000 in cash. News articles published by the Canadian Broadcasting Corporation, the Windsor Star, the Toronto City News, Newstalk 1010 and the Toronto Sun between January 22, 2020 and January 23, 2020 are attached as **Exhibit “M”**, which detail the overall investigation, John Gerges’s Criminal Charges and John Gerges’s alleged involvement in the opioid trafficking ring.

43. Sandra Youssef – John Gerges’s wife – was also charged in the investigation with possession for the purpose of trafficking a Schedule 1 substance and possession of a forged document with intent.

44. The Ontario College of Pharmacists (“**OCP**”) posted on its website the terms of the Bail, Custody & Release Conditions of John Gerges in connection with the Criminal Charges (the “**Release Order**”). Among other terms, the Release Order states that John Gerges must not attend at any pharmacy or enter any pharmacy section of a store without a legitimate medical reason for an indefinite period of time. A copy of the Release Order, as set out on the OCP’s website, is attached as **Exhibit “N”**.

45. As a result of his own illegal and unprofessional conduct, John Gerges caused the Respondents to default on, among other things, the material adverse change provisions of their loans and security agreements.

Procedural History

46. The Lender initially sought the appointment of Spergel as Receiver of approximately 22 entities related to John Gerges. A table setting out all of the entities

over which a receiver was initially sought, together with an update on the status of each entity, is attached as **Exhibit “O”**.

47. In these proceedings, I have sworn the following affidavits:

- i. Affidavit sworn October 30, 2020, attached here without exhibits as **Exhibit “P”**;
- ii. Supplemental Affidavit sworn November 24, 2020 in support of the Receivership Application, attached here without exhibits as **Exhibit “Q”**;
- iii. Affidavit sworn January 25, 2021, attached here without exhibits as **Exhibit “R”**;
- iv. Supplemental Affidavit sworn January 29, 2021, attached here without exhibits as **Exhibit “S”**; and
- v. Affidavit sworn April 7, 2021, attached here without exhibits as **Exhibit “T”**.

Copies of these affidavits, with exhibits, are available on Spergel’s website at [this link](#).

Consent Receivership Order

48. On November 25, 2020, pursuant to the receivership Order of Justice Cavanagh, Spergel was appointed, on consent, as receiver and manager over the following eight (8) retail pharmacies (the “**Consent Receivership Order**”):

- i. Maple Medi Pharma Inc., o/a Medi Pharm 2 Pharmacy;

- ii. River Hill Pharmacy Inc., o/a River Hill Pharmacy;
- iii. Westway Holdings Inc. o/a Westway Medical Pharmacy;
- iv. Toronto Apothecary Pharma Inc., o/a The Apothecary Shop;
- v. St. Mary Theotokos Pharmacy Inc., o/a Saigon Pharmacy;
- vi. Bless Hui Pharma Inc., o/a Hui's Pharmasave;
- vii. Stoney Creek Pharma Inc., o/a Friendly Pharmacy; and
- viii. Olde Walkerville Holdings Inc., o/a Olde Walkerville Pharmacy

A copy of the Endorsement of Justice Cavanagh dated November 25, 2020 is attached as **Exhibit "U"**.

49. In addition to the Consent Receivership Order, the Court's November 25 Endorsement included certain terms for a consent adjournment regarding the Lender's receivership application against JM Westview and SJ East. In summary, in the consent adjournment terms, each of JM Westview and SJ East agreed to enter into transactions satisfactory to the Lender for the sale of each pharmacy to a third party on or before January 30, 2021. I note that, as is described below in this Affidavit, despite the consent adjournment terms, (i) JM Westview closed on January 15, 2021 and moved to Sigma Pharmacy and (ii) SJ East was transferred to the New Brighton Pharmacy, in each case, without notice to the Lender and without the Lender's consent. The Lender did not receive any proceeds from these surreptitious transfers.

50. The Court's November 25 Endorsement also adjourned the Lender's receivership application against St. Mary (among others) to allow the parties to continue to negotiate the Forbearance Agreement. As is described below, St. Mary was closed and transferred to Capital Pharmacy in November, 2020, again without notice to Lender and without the Lender's consent; nor did the Lender receive any proceeds from such transfer.

51. I note that John Gerges is not the owner of all of the above referenced pharmacies. For example, John Gerges is neither a shareholder nor listed as an officer or director of Olde Walkerville Holdings Inc. and Stoney Creek Pharma Inc., yet John Gerges held himself out, and was held out by the shareholders, directors and officers of those entities as having authority to bind both entities and indeed did so during these proceedings. At the time of the Consent Receivership Order, Asim Iqbal, out of an abundance of caution, sent an email to Diep Nguyen to confirm, among other things, confirming that:

- i. John Gerges has been negotiating on behalf of, and with authority to bind, the entities of which Mr. Nguyen was listed as an officer and/or director (not John Gerges) (the "**DN Debtors**");
- ii. historically John Gerges has negotiated on behalf of, with authority to bind the DN Debtors; and
- iii. consistent with past practice, the Lender will continue to negotiate with John Gerges on behalf of the DN Debtors. A copy of Mr. Iqbal's email to Diep Nguyen is attached as **Exhibit "V"**.

Forbearance Agreement

52. On January 4, 2021, the Lender and the following entities entered into a forbearance agreement: Bless Jimmy's Pharma Inc., Bless Pharma Inc., JG Windsor Inc., 4231 Sheppard Avenue East Inc., Jimmy's Group Investors Inc., Jubilee Property Investments Inc., S&J Property Investors Inc., JM Westview Pharma Inc. and SJ East Pharma Inc. The personal and corporate guarantors were also signatories. A copy of the forbearance agreement dated January 4, 2021 (the "**Forbearance Agreement**") is attached as **Exhibit "W"**. Other than Bless Pharma Inc., which is further discussed below, all of the borrowers that executed the Forbearance Agreement are now in receivership.

53. On January 8, 2021, the Court issued an Order removing the Other Shenoda Pharmacy and another Respondent-pharmacy as Respondents from this proceeding on a without prejudice basis. An amended and restated Consent Receivership Order was also issued to reflect the removal of such entities as Respondents.

54. Following the execution of the Forbearance Agreement, the Lender discovered that the operations of SJ East, JM Westview and St. Mary Cooksville had closed, despite all of these entities being signatories to the Forbearance Agreement and representing themselves as going concerns.

55. As a result, the Lender applied for the appointment of a receiver. On January 26, 2021, the Court issued an Order appointing Spergel as Receiver of all the assets, property and undertakings of ten (10) entities (the "**January 26, 2021 Amended and**

Restated Receivership Order")¹⁶. A copy of the January 26, 2021 Amended and Restated Receivership Order is available on Spergel's website at [this link](#). This order was granted on consent after the Lender had learned that St. Mary, SJ East and JM Westview ceased operations.

56. Pursuant to the Order of Justice Cavanagh dated February 3, 2021, Spergel was appointed receiver, without security, of all of the assets, undertakings and properties of St. Mary, 4231 Sheppard Avenue East Inc., Jubilee Property Investments Inc., and JG Windsor Inc. (the "**February 3, 2021 Amended and Restated Receivership Order**"). A copy of the February 3 Amended and Restated Receivership Order is available on Spergel's website at [this link](#).

Pursuant to the Order of Justice Cavanagh dated April 8, 2021, Spergel was appointed receiver, without security, of all of the assets, undertakings and properties of Abu Seifein Brimley Pharma Inc (the "**April 8, 2021 Amended and Restated Receivership Order**"). A copy of the April 8, 2021 Amended and Restated Receivership Order is available on Spergel's website at [this link](#).

Spergel's Reports

57. On January 25, 2021, Spergel, as proposed receiver of JM Westview, SJ East and St. Mary, released a report (the "**Proposed Receiver's Report**"). The Proposed Receiver's Report advised the Court of Spergel's preliminary findings with respect to its

¹⁶ The entities are Bless Hui Pharma Inc., JM Westview Pharma Inc., Maple Medi Pharma Inc., River Hill Pharmacy Ltd., SJ East Pharma Inc., St. Mary Theotokos Pharma Inc., Stoney Creek Pharma Inc., Toronto Apothecary Pharma Inc., Westway Holdings Inc., and Olde Walkerville Holdings Inc.

investigation of JM Westview, SJ East and St. Mary. A copy of the Proposed Receiver's Report is attached as **Exhibit "X"**.

58. On February 1, 2021, Spergel released another report (the "**First Report**"). The First Report advised the Court of the Receiver's additional findings with respect to its investigation of JM Westview and SJ East. A copy of the First Report is attached as **Exhibit "Y"**.

59. Spergel's findings as detailed in those reports are summarized in the following paragraphs.

JM Westview (aka the Mill Street Pharmacy)

60. In respect of JM Westview, Spergel reported as follows:

- i. JM Westview operated as the "**Mill Street Pharmacy**" from a leased premises located at 15 Mill Street East, Tilbury, Ontario;¹⁷
- ii. On August 15, 2020, John Gerges sent Spergel¹⁸ an email attaching a word document containing a summary of action items for each of the pharmacies, including JM Westview. In that email, Gerges advised that he acquired a property across from JM Westview at 2 Dufferin Street, Tilbury, Ontario (the "**Dufferin Premises**") in order to move the pharmacy to that building and subsequently sell the pharmacy to Samir Shenoda:

Mill Street Pharmacy (Tilbury)

¹⁷ First Report at para 2.

¹⁸ At that time, Spergel was engaged as consultant to CWB.

- a. Our Lease has expired and the Landlord has not been agreeable to grant us an extension.
- b. We have been month to month for a while now.
- c. To avoid this instability, I acquired a building across the street (2 Dufferin St.) It was a car shop, we have converted it into a professional clinic and pharmacy.
- d. Earlier this year, we also lost Telus
- e. Purchaser planning to move to the building across the street and run his own pharmacy and control the building also. Purchaser would be Samir Shenoda.

A copy of the August 15, 2020 email along with the attachment is attached to the First Report as Appendix "3".¹⁹

- iii. On August 28, 2020, John Gerges sent Spergel an email attaching an appraisal of the premises at 2 Dufferin Street, Tilbury, and stated:

....I hope all is well. Please find appraisal also attached for tilbury as we discussed earlier. This is for Jm Westview pharma (tilbury) where the doctor is not giving us a new lease. As discussed, it is our intention to sell the building and business to Samir, he will then have full control. The other benefit would be a new telus number (Fresh address and Fresh ownership - which is awesome for everyone).

The combination of pharmacy and building would produce around \$1,700,000. Subtract the debt with cwb, leaves around \$1.1m. This would go towards the large hit at Olde walkerville. The rest would go on City Centre Pharma as discussed...²⁰

A copy of the August 28, 2021 email is attached to this First Report as Appendix "4".

- iv. On October 27th, 2020, John Gerges sent Spergel an email providing a summary of deals he is working on. In the case of JM Westview, he

¹⁹ First Report, para 12.

²⁰ First Report, para 14.

stated: “JM westview: Samir had proposed purchasing the files and moving to obtain new Telus number”.²¹

v. On January 21, 2021, Spergel participated in a telephone conversation with John Gerges during which John Gerges informed Spergel that JM Westview was no longer operating.²²

vi. On January 22, 2021, Spergel reviewed the status JM Westview on the OCP’s website which indicated that it was not entitled to operate. Spergel then attended at JM Westview premises to conduct an inspection. During the inspection, Spergel noted the following:

(i) the pharmacy was closed;

(ii) all of the shelves were cleared out; and

(iii) a new pharmacy by the name of Sigma Drug Mart opened across the street at 2 Dufferin Street, Tilbury, Ontario.²³

vii. The owner of the premise of 2 Dufferin Street, Tilbury, Ontario is JG Tilbury Inc. (“**JG Tilbury**”). A corporate profile search of JG Tilbury indicates that Diep Nguyen was appointed its director and officer on July 29, 2020. However, a point in time search of JG Tilbury indicates that Gerges was the director and officer of JG Tilbury from September 6, 2018 to July 29, 2020. Copies of the title search, corporate profile search and

²¹ First Report at para 15. I note that the Lender did not consent to this transaction.

²² Proposed Receiver’s Report at para 9.

²³ Proposed Receiver’s Report at para 10 and 11.

point in time search of JG Tilbury are attached to the First Report as Appendix "6".²⁴

- viii. Sigma Drug Mart received its accreditation number from OCP on January 18, 2021, approximately a week before Spergel was appointed as receiver of JM Westview.²⁵
- ix. The director, designated manager and pharmacist of Sigma Healthcare Inc. is Samir Shenoda.²⁶
- x. Subsequent to the discovery of JM Westview's closure, Spergel was advised by Skarlet Baba, an employee of the Olde Walkerville Pharmacy (over which Spergel is appointed receiver), that John Gerges sold JM Westview to Samir Shenoda and that all of the patients and drug inventory were moved over to Sigma Drug Mart.²⁷
- xi. The financial statements of JM Westview for the period from June 1, 2019 to May 31, 2020 indicate that JM Westview's total revenue was approximately \$1,339,000. In addition, the prescription sales total report for the period from January 1, 2020 to August 26, 2020 indicated that it generated total prescription sales of approximately \$775,000 during that period.²⁸

²⁴ First Report at para 16.

²⁵ Proposed Receiver's Report at para 11c.

²⁶ Proposed Receiver's Report at para 11a.

²⁷ Proposed Receiver's Report at para 11.

²⁸ Proposed Receiver's Report at para 13.

- xii. On January 26, 2021, Spergel asked John Gerges to explain when the pharmacy closed, what happened to the inventory and what happened to the patient list and script count at the time of closing. John Gerges did not respond to Spergel's inquiry.²⁹
- xiii. Notwithstanding the closure of JM Westview, on February 1, 2021, Spergel received an email from the pharmaceutical supplier, McKesson, providing a statement of account related to JM Westview. The statement of account indicated an outstanding balance to McKesson of \$102,995.31. In an email to Spergel, McKesson confirmed that they sent their last shipment to JM Westview in December 2020. The goods shipped in December, among all the other inventory of the pharmacy, remain unaccounted for. Based on the transcript evidence, I believe all such goods, inventory and prescription drugs were surreptitiously transferred to Sigma Pharmacy.

SJ East (aka Brighton Pharmacy)

61. In respect of SJ East, Spergel reported as follows:
- i. SJ East was carrying on business as Brighton Global Health Pharmacy ("**Brighton Pharmacy**") from the leased premises at 12 Elizabeth Street, Brighton Ontario.³⁰

²⁹ First Report at para 17.

³⁰ First Report at para 3.

- ii. On August 15, 2021, in an email to Spergel, in the context of a summary document of the action items for each of the pharmacies, including SJ East, John Gerges stated:

Brighton Pharmacy

- a. Purchased this store with Diep Nguyen June 2017
- b. The only issue we got the telus notice In March, since this is a big store it was a large loss for us.
- c. Purchaser has negotiated to purchase a building across the street, this is additional to the construction costs as well.

A copy of this email is attached to the First Report as Appendix “3”.

- iii. On October 27, 2021, Gerges wrote to Spergel: “Brighton: Anoop [Gupta] had proposed [to] purchase and moving [sic] to obtain new Telus number. Anoop trying to obtain alternative financing.” A copy of this email is attached to the First Report as Appendix “5”.
- iv. On January 22, 2021, Spergel reviewed the status of the Brighton Pharmacy on the OCP’s website, which revealed that the Brighton Pharmacy stopped operating on November 25, 2020.³¹
- v. On January 22, 2021, Spergel attended at the Brighton Pharmacy to conduct an inspection. During the inspection, Spergel found that “the Brighton Pharmacy was closed” and that “all of the shelves were cleared out.”³²

³¹ Proposed Receiver’s Report at para 14.

³² Proposed Receiver’s Report at para 14.

- vi. Spergel reports that it was advised that the Brighton Pharmacy had moved across the street to the New Brighton Pharmacy located at 19 Elizabeth Street, Brighton, Ontario.³³ Consequently, Spergel attended at the New Brighton Pharmacy and met with Ann-Marie Creighton, the Front Store Manager, who advised that the New Brighton Pharmacy used to be located at the SJ East Premises, however, they started transitioning to the New Brighton Pharmacy Premises in October 2020.³⁴
- vii. Spergel sent letters to both Anoop Gupta and Diep Nguyen asking them to advise, amongst other things, of the following:
- a) When did the Mill Street Pharmacy close?
 - b) What happened to the inventory of drugs on hand at the time of closing?
 - c) What happened to the patient list / script count available to the Mill Street Pharmacy at the time of closing?

Copies of Spergel's letters are attached to the First Report as Appendix "11" and Appendix "13".

- viii. A review of the status of the New Brighton Pharmacy on OCP's website revealed that:
- (i) the New Brighton Pharmacy is owned by Anoop Brighton Pharmacy Inc. The director of Anoop Brighton Pharmacy Inc. is Anoop Gupta, who is also the designated pharmacist and manager at the Brighton Pharmacy; and

³³ Proposed Receiver's Report at para 15.

³⁴ Proposed Receiver's Report at para 16.

- (ii) the New Brighton Pharmacy received its accreditation number from OCP on October 7, 2020;³⁵
- ix. A search of Facebook page of the Brighton Pharmacy indicated that the Brighton Pharmacy was operating from the New Brighton Pharmacy premises. A copy of the screenshot of the Facebook page of the Brighton Pharmacy is attached to the Proposed Receiver's Report as Appendix "6".
- x. Based on the financial statements of SJ East for the period from April 1, 2019 to March 31, 2020, SJ East's total revenue was approximately \$1,700,000. In addition, the prescription sales total report for the period from January 1, 2020 to September 4, 2020 extracted from Fillware (the drug dispensing software utilized by the Brighton Pharmacy) indicated that it generated total prescription sales of approximately \$1,127,000 during that period. Copies of the SJ East 2020 Financials and the SJ East Internal Sales Report are attached to the proposed Receiver's Report as Appendix "7".³⁶

St. Mary (aka Cooksville Pharmacy)

62. In respect of St. Mary, Spergel reported as follows:

- i. St. Mary was operating as "**Cooksville Pharmacy**" from 3035 Hurontario Street, Mississauga, Ontario.³⁷

³⁵ Proposed Receiver's Report at para 17.

³⁶ Proposed Receiver's Report at para 19.

³⁷ Proposed Receiver's Report at para 20.

- ii. On January 25, 2021, Spergel attended at St. Mary's to conduct an inspection and found that the pharmacy was closed, all of the shelves were cleared out, and there was a "For Lease" sign on the door.³⁸

The Unauthorized Transfers of the Lender's Collateral

63. I believe that the examinations and email communication from Anoop Gupta described below unequivocally confirm the Receiver's reported preliminary findings; that is, without the Lender's consent, the property of the Liquidated Pharmacies was improperly transferred to the Replacement Pharmacies. The Replacement Pharmacies are not subject to the Lender's security, and the Lender has not received any sale proceeds for the Liquidated Pharmacies.

64. SJ East and JM Westview were assigned into bankruptcy, and Spergel was appointed as their trustee in bankruptcy, on February 11, 2021. St. Mary was assigned into bankruptcy, and Spergel was appointed as St. Mary's trustee in bankruptcy, on February 12, 2021.

65. Pursuant to Section 163(1) of the BIA, Spergel examined under oath certain employees of the Liquidated Pharmacies, as described below.

³⁸ Proposed Receiver's Report at para 21.

JM Westview (aka Mill Street Pharmacy)

Amy Bellaire

66. Amy Bellaire, a former employee of JM Westview (Mill Street Pharmacy), was examined on May 28, 2021 by Brendan Bissell of Goldman Sloan Nash and Haber, counsel for Spergel. A transcript from the examination is attached as **Exhibit “Z”**.

67. During the examination, when asked about the closure of the Mill Street Pharmacy, Ms. Bellaire deposed:

- i. the pharmacy closed in a “very sudden, last-minute” manner on January 15, 2021;³⁹
- ii. the pharmacist on duty on January 15, 2021, Imelda Castillo, received a phone call and then suddenly directed her (Ms. Bellaire) and another employee, Sophie Lalonde, to pack up the pharmacy. Ms. Bellaire believed the phone call was from John Gerges;⁴⁰
- iii. all of the inventory, including the pharmaceuticals, the patient records, and computers were packed up;⁴¹
- iv. Ms. Bellaire was “asked to move everything across the street into the new pharmacy”, (Sigma Drug Mart, owned by Samir Shenoda);⁴²

³⁹ Question 9 at page 4.

⁴⁰ Questions 13-18 at pages 5-6; Questions 21-22 at page 7; Question 28 at page 8.

⁴¹ Question 31 at page 8.

⁴² Question 36 at page 9.

- v. “John [Gerges] had hired somebody with a pickup truck” to move “everything across the road;”⁴³
- vi. Sigma Drug Mart opened its door on January 18, 2021;⁴⁴
- vii. Ms. Ballaire started working at the Sigma Drug Mart in the same role she had at Mill Street Pharmacy;⁴⁵
- viii. there were three (3) employees of Mill Street Pharmacy – Amy Ballaire, Sophie Lalonde and Imelda Castillo – all of whom transferred their employment to Sigma Drug Mart;⁴⁶
- ix. “everything that was removed from the Mill Street Pharmacy was all transferred and moved into the new building [Sigma Drug Mart];”⁴⁷
- x. there were signs at the Mill Street Pharmacy, including on the front door, to customers that the pharmacy had moved across the street to Sigma Drug Mart;⁴⁸
- xi. Sigma Drug Mart effectively dealt the same prescriptions to the same customers that Mill Street Pharmacy had; and⁴⁹
- xii. at the time Mill Street Pharmacy was closed on January 15, 2021, it was fully stocked up with inventory, including pharmaceuticals.⁵⁰

⁴³ Question 39 at pages 9-10.

⁴⁴ Question 60 at page 14.

⁴⁵ Questions 59, 64, 69-70, at pages 14-16.

⁴⁶ Questions 76-78 at pages 17-18.

⁴⁷ Question 86 at page 21.

⁴⁸ Questions 88, 90 at page 21.

⁴⁹ Question 92 at page 22.

Sophie Lalonde

68. Sophie Lalonde, a former employee of JM Westview (Mill Street Pharmacy), was interviewed on May 28, 2021 by Brendan Bissell of Goldman Sloan Nash and Haber LLP, counsel for Spergel. A transcript from the examination is attached as **Exhibit “AA”**.

69. During the examination, when asked about the closure of the Mill Street Pharmacy, Ms. Lalonde said:

- i. on January 15, 2021, she was asked to move “the pharmacy” on “very short notice;”⁵¹
- ii. John Gerges directly called her to ask her to assist with the move;⁵²
- iii. John Gerges told her “the [Mill Street] Pharmacy was sold and that we are moving across the way [to Sigma Drug Mart], and start working for a new owner;”⁵³
- iv. the move to Sigma Drug Mart completed on the weekend of January 15, 2021 (*i.e.*, January 15 – 17, 2021). She started working at Sigma Drug Mart on Monday, January 18, 2021 in the same role she previously had at the Mill Street Pharmacy;⁵⁴

⁵⁰ Question 126 at page 28; Question 133 at page 30.

⁵¹ Question 12 at page 5.

⁵² Questions 14-16 at page 5.

⁵³ Questions 18-19 at page 6.

⁵⁴ Questions 24-26 at page 7.

- v. Mill Street Pharmacy was fully stocked at the time of the move to Sigma Pharma;⁵⁵
- vi. everything in Mill Street Pharmacy was brought over to Sigma Drug Mart, including all pharmaceuticals, over the counter items, computers, as well as electronic and physical patient records;⁵⁶
- vii. the customers at Sigma Drug Mart were “mostly the same” as those at Mill Street Pharmacy;⁵⁷ and
- viii. after January 18, 2021, she would walk over to the Mill Street Pharmacy to collect faxes and she would bring them back to Sigma Drug Mart.⁵⁸

St. Mary (aka Cooksville Pharmacy)

Elmaine Chow

70. Elmaine Chow, a former employee of St. Mary (Cooksville Pharmacy), was interviewed on May 28, 2021 by Joel Turgeon of Goldman Sloan Nash and Haber LLP, counsel for Spergel. A transcript from the examination is attached as **Exhibit “BB”**.

71. During the examination, when asked about the closure of St. Mary, Ms. Chow said:

- i. in November 2020, St. Mary moved to Capital Pharmacy;⁵⁹

⁵⁵ Question 30 at page 8.

⁵⁶ Questions 33-36 at page 9; Question 38 at page 10.

⁵⁷ Question 41 at page 10.

⁵⁸ Questions 49-52 at page 12.

- ii. approximately a week or so before the move, she was instructed to provide notices to customers with their prescriptions informing them the pharmacy was moving up the street to Capital Pharmacy;⁶⁰
- iii. she was also told to call customers of St. Mary to guide them to Capital Pharmacy to pick up their prescription;⁶¹
- iv. all of the inventory of St. Mary was moved to Capital Pharmacy;⁶²
- v. before the move in November 2020, the location of Capital Pharmacy was an electronics store. There was no pharmacy there prior to Capital Pharmacy opening in November 2020;⁶³
- vi. Capital Pharmacy tried to retain the customers of St. Mary. Patients were reassured that the Capital Pharmacy “is the same staff...[Capital Pharmacy] has all the historical records...”;⁶⁴ and
- vii. when clients called St. Mary’s their call would be automatically transferred to the phone line for Capital Pharmacy;⁶⁵

SJ East (aka Brighton Pharmacy)

72. The OCP provided to the Receiver two emails the OCP received from Anoop Gupta. In the emails, Anoop confirms that all of the patient files and inventory were

⁵⁹ Questions 139, 142 at page 28.

⁶⁰ Question 152 at pages 31-32; Questions 156 -157 at page 33.

⁶¹ Question 154 at page 32 ; Question 192 at pages 39-40.

⁶² Question 173 at pages 35-36.

⁶³ Question 187 at page 38.

⁶⁴ Question 199 at page 41.

⁶⁵ Questions 201, 203 at page 45.

transferred from the SJ East (owned by Diep Nguyen) to the New Brighton Pharmacy (owned by Anoop Gupta). In light of Anoop Gupta's written admissions to the transfers, Spergel did not conduct examinations of SJ East's employees.

73. Upon reviewing the transcripts, the Lender registered financing statements under the PPSA against each of the Replacement Pharmacies.

Failure to Notify the OCP

74. I am advised by Asim Iqbal of Miller Thomson LLP, counsel to the Lender, that under [OCP By-Laws, Section 17.4.1](#) requires that a pharmacy has 30 days from the date of closing to provide a Pharmacy Closing Statement:

17.4 Filing of Information for Closing Pharmacies.

17.4.1 Subject to subparagraph 17.4.2, every person who permanently closes a pharmacy, shall, within seven (7) days of closing the pharmacy, notify the Registrar of the closing and within thirty (30) days of the closing shall file with the Registrar a signed statement setting out:

- (a) the date of closing;
- (b) the disposition of the drugs in stock in the pharmacy at the time of closing;
- (c) the disposition of the prescription files, drug registers and other records required to be kept under the Drug and Pharmacies Regulation Act or the Drug and Pharmacies Regulation Act Regulations; and
- (d) the date on which all signs and symbols relating to the practice of pharmacy either within or outside the premises were removed.

75. Not surprisingly, none of the Liquidated Pharmacies informed the OCP of their apparent closure.

76. I am advised by Phil Gennis of Spergel that Mr. Gennis corresponded with the OCP who confirmed that, according to its records, JM Westview (Mill Street Pharmacy) closed on March 31, 2021. Until the date of the OCP's correspondence, JM Westview had not filed a Pharmacy Closing Statement addressing the disposition of controlled substances, prescription drugs, non-prescription drugs and patient records. Attached as **Exhibit "CC"** is a true copy of the correspondence sent to me by Mr. Gennis.

77. I am advised by Phil Gennis of Spergel that Mr. Gennis corresponded with the OCP who provided to Mr. Gennis copies of correspondence from Mr. Gupta to the OCP confirming that that the patient files and inventory was transferred from SJ East to the New Brighton Pharmacy on or about November 8, 2020. Attached as **Exhibit "DD"** is a true copy of the correspondence sent to me by Mr. Gennis.

78. I am advised by Phil Gennis of Spergel that Mr. Gennis corresponded with the OCP who confirmed that, according to its record, St. Mary (Cooksville Pharmacy) closed November 30, 2020. Until the date of the OCP's correspondence, St. Mary had not filed a Pharmacy Closing Statement addressing the disposition of controlled substances, prescription drugs, non-prescription drugs and patient records. Attached as **Exhibit "EE"** is a true copy of the correspondence sent to me by Mr. Gennis.

79. In each case, the filing deadlines described above were breached.

John Gerges Attempts to Mislead the Court

80. I believe the transcript evidence confirms that John Gerges orchestrated the surreptitious transfers from the Liquidated Pharmacies to the Replacement Pharmacies, and Anoop Gupta and Samir Shenoda unjustly benefited from them.

81. In his January 30, 2021 affidavit, sworn in these proceedings, John Gerges swore that Anoop Gupta and Samir Shenoda “took advantage” of his situation, and independently setup shop across the street and hired his employees:

5. The events surrounding each of SJ East and JM Westview resulted from failed transactions in which the purchasers were, for a period of time, willing to work with Diep Nguyen in respect of SJ East and myself in respect of JM Westview. In each case the purchasers had approached the Bank to arrange financing that would effectively rollover the existing SJ East and JM Westview loans into the Purchaser’s new companies. All of this was in furtherance of the Bank’s stated goal of me personally no longer owing these Bank financed pharmacies

6. However the Bank ultimately refused to approve either Purchaser. Unfortunately, in the pharmacy business the barrier to entry is minimal for a qualified pharmacist and in each case, the proposed purchaser took advantage of the materially weakened financial position of SJ East and JM Westview and simply opened across the street and recruited store employees. In the case of Anoop, Anoop had worked at Brighton pharmacy for years before Diep Acquired it, and had a difficult relationship with Diep throughout, making the sale negotiations very difficult.

7. The Brighton facebook page was started by some employees of the pharmacy before Diep acquired it in June 2017, and has been run by them ever since. Those employees are now working with Anoop, and are extremely loyal to him due to the long standing relationship together.

8. My negotiations with Samir were not dissimilar and he too took advantage of JM Westview’s weakened competitive position and loss of Telus once the Bank refused to finance his acquisition of the JM Westview business, by opening in competition across the street and hiring JM Westview’s existing staff. JM Westview is not closed, its systems are operational and it remains registered to do business if the receiver chooses to do so.

82. I believe these sworn statements by John Gerges are false and misleading.

83. Firstly, I believe that the transcript evidence and interconnected relationships of Samir Shenoda, Diep Nguyen, John Gerges and Anoop Gupta confirm they are non-arms' length parties.

84. Secondly, based on the transcript evidence, no employee was "poached" by either of Anoop Gupta or Samir Shenoda. Rather, at the direction of John Gerges, all the employees were transferred overnight to the Replacement Pharmacies.

85. Thirdly, the employees of JM Westview and St. Mary all testified that John Gerges directed the transfers and moves from these Liquidated Pharmacies to Sigma Drug Mart and Capital Pharmacy, respectively.

86. Fourthly, Anoop Gupta confirmed in writing that the patient files and inventory were transferred to the New Brighton Pharmacy.

Need for the Appointment of an Interim Receiver over Replacement Pharmacies

87. The Lender's collateral was improperly transferred to the Replacement Pharmacies without the Lender's consent. The Replacement Pharmacies are not subject to the Lender's security.

88. John Gerges directed these surreptitious transfers from the Liquidated Pharmacies to the Replacement Pharmacies, causing significant prejudice to the

Lender's recovery. John Gerges and his associates have on multiple occasions disregarded the Lender's interest. I believe they have misled the Lender and the Court

89. The Lender cannot trust John Gerges, Diep Nguyen, Samir Shenoda or Anoop Gupta to consider the Lender's interests. I also believe that the Court cannot trust them to tell the truth, preserve the status-quo, or abide by its Orders.

90. For the reasons set out in this Affidavit, I believe the appointment of an Interim Receiver over each of the Replacement Pharmacies to protect the Lender's collateral is just and convenient.

91. Spergel has consented to act as Interim Receiver for the Replacement Pharmacies.

Full and Frank Disclosure

92. This section sets out certain additional facts for the purpose of what I believe to be a full and frank disclosure of the materially relevant facts.

93. Through the course of these receivership proceedings, the Lender has received payments from John Gerges and from his related parties amounting to approximately \$2,885,735, as repayment of certain loans. These payments were made in connection with consensual arrangements between the Lender and the applicable debtor or guarantor either under a Forbearance Agreement, or pursuant to the terms of consent Endorsements issued from time to time within these receivership proceedings.

94. In addition to these receivership proceedings, the Lender commenced actions against the guarantors of certain of the Respondents (the “**Guarantee Actions**”). The guarantors that have filed Statements of Defence and Counterclaim make coordinated and duplicative allegations that the Lender has acted improperly. The Lender denies such allegations, and they will be addressed in due course in the Guarantee Actions. Attached as **Exhibit “FF”** are copies of the Statements of Claim, Statements of Defence and Counterclaim, and Reply and Statement of Defence to Counterclaims filed in the applicable Guarantee Actions.

95. As described above, the Other Shenoda Pharmacy is a pharmacy obligated to the Lender under a promissory note, which is secured by a general security agreement. Samir Shenoda and John Gerges each own 50% of the Other Shenoda Pharmacy. Initially, the Other Shenoda Pharmacy was a Respondent in these receivership proceedings, but the Lender withdrew its application against the Other Shenoda Pharmacy on a without prejudice basis. The Other Shenoda Pharmacy did not execute a forbearance agreement with the Lender. To date, the Other Shenoda Pharmacy has remained current on its principal and interest payments owing to the Lender on its loans.

96. In light of the transcript evidence and Samir Shenoda’s affiliation with the surreptitious transfers of JM Westview and St. Mary into Sigma Pharmacy and Capital Pharmacy, respectively, the Lender is considering its enforcement options in respect of the Other Shenoda Pharmacy.

Removal of 1951584 Ontario Inc. as Applicant

97. One of the Applicants in this proceeding is 1951584 Ontario Inc. (“195”).

98. The Lender holds a service agreement with 195, successor of Desante Financial Services Inc. and Maxium Financial Services Inc. by amalgamation such that employees of CWB administer 195’s portfolio.

99. The loans owing to 195 by the Respondents and/or their related have been paid in full, with the remaining obligations owing to the Lender. Accordingly, the Lender requests that the title of proceedings be amended to remove 195 as an Applicant from these proceedings.

Conclusion

100. For the reasons described in this Affidavit, I believe the appointment of an Interim Receiver over the property, assets and undertakings of the Replacement Pharmacies is necessary and appropriate.

SWORN BEFORE ME via video-conference with the deponent in the Town of Bryn Mawr, Pennsylvania, and the Commissioner in the City of Toronto, Ontario, this 3rd day of August, 2021

A Commission _____ Affidavits (or as may be)

DocuSigned by:
Asim Iqbal

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Asim Iqbal

DocuSigned by:

[Signature]

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EDWARD HOPKINSON

This is Exhibit "S" referred to in the Affidavit of Edward Hopkinson sworn by Edward Hopkinson of the City of Bryn Mawr, in the State of Pennsylvania, before me at the Town of Milton, in the Province of Ontario, on August 3, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:

Asim Iqbal

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Commissioner for Taking Affidavits (or as may be)

ASIM IQBAL

File No. CV-20-00650853-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN

1951584 ONTARIO INC. (formerly DESANTE FINANCIAL SERVICES INC.)
and CWB MAXIUM FINANCIAL INC.

Applicants

-and-

BLESS HUI PHARMA INC., JM WESTVIEW PHARMA INC., MAPLE MEDI
PHARMA INC., RIVER HILL PHARMACY LTD., SJ EAST PHARMA INC.,
ST. MARY THEOTOKOS PHARMA INC., STONEY CREEK PHARMA INC.,
TORONTO APOTHECARY PHARMA INC., WESTWAY HOLDINGS INC.
and OLDE WALKERVILLE HOLDINGS INC.

Respondents

SUPPLEMENTARY AFFIDAVIT OF EDWARD HOPKINSON

I, Edward Hopkinson, of the City of Bryn Mawr, in the State of Pennsylvania, United States of America, **MAKE OATH AND SAYS AS FOLLOWS:**

1. I am the VP Risk Officer of the Applicant, CWB Maxium Financial Inc., (“**CWB**”). CWB holds a service agreement with 1951584 Ontario Inc. (“**195**”), successor of Desante Financial Services Inc. and Maxium Financial Services Inc. by amalgamation (collectively with CWB, the “**Lender**”), such that employees of CWB administer 195’s portfolio. I am primarily responsible for monitoring the Loans provided by the Lender to the Debtors (as defined below). As such, I have knowledge of the matters to which I hereinafter depose. Where the source of my information is other than myself I have set out the source and do verily believe it to be true.

2. The relevant background facts are as set out in my affidavit sworn October 31, 2020 (the “**First Hopkinson Affidavit**”) and in my affidavit sworn January 25, 2021 (the “**Second Hopkinson Affidavit**”, and collectively with the First Hopkinson Affidavit, the “**Hopkinson**”).

Affidavits”) and are not repeated here except as necessary. This affidavit supplements the Second Hopkinson Affidavit.

3. Unless otherwise stated, capitalized terms used in this affidavit are defined in the First Hopkinson Affidavit.

Interpretation

4. In this affidavit, the term “**Forbearance Entities**” means, collectively the following twelve (12) entities which are the subject of this application for the appointment of a receiver: Abu Seifein Brimley Pharma Inc., Bless Jimmy’s Pharma Inc., Bless Pharma Inc., JG Windsor Inc., Jimmy’s Group Investors Inc., JM Westview Pharma Inc., Jubilee Property Investments Inc., SJ East Pharma Inc., S&J Property Investors Inc., St. Mary Cooksville Pharma Inc., Toronto Surrey Pharma Inc., and 4231 Sheppard Avenue East Inc.

5. In this affidavit, the term “**Debtors**” means, collectively, the Forbearance Entities and Maple Medi Pharma Inc., River Hill Pharmacy Ltd., St. Mary Theotokos Pharma Inc., Stoney Creek Pharma Inc., Toronto Apothecary Pharma Inc., Westway Holdings Inc. and Olde Walkerville Holdings Inc. All of the entities cited referenced above other than the Forbearance Entities (excluding JM Westview Pharma Inc. and SJ East Pharma Inc.) are in receivership.

6. As set out below, each of the Forbearance Entities has committed serious defaults under the Loan and Security Documents and the Forbearance Agreements (as defined below). Some of these defaults include serious misrepresentations and bad faith by the Forbearance Entities that have compromised the trust and confidence that underlies a commercial lending relationship.

Forbearance Agreements

7. In supplement to the Loan and Security Documents, the Lender entered into two forbearance agreements with the Forbearance Entities:

- (a) On January 4, 2021, with Bless Jimmy’s Pharma Inc., Bless Pharma Inc., JG Windsor Inc., 4231 Sheppard Avenue East Inc., Jimmy’s Group Investors Inc., Jubilee Property Investments Inc., S&J Property Investors Inc., Toronto Surrey

Pharma Inc., JM Westview Pharma Inc., and SJ East Pharma Inc. (the “**January 4 Forbearance Agreement**”).

- (b) On January 7, 2021, with Abu Seifein Brimley Pharma Inc. and St. Mary Cooksville Pharma Inc. on January 7, 2021 (the “**January 7 Forbearance Agreement**”, and together with the January 4 Forbearance Agreement, the “**Forbearance Agreements**”).

John Gerges: The Directing Mind of the Forbearance Entities

8. Each of the Debtors forms part of an interrelated web of companies that either own and operate a pharmacy, or own the real property on which a pharmacy is or was located. The Debtors are profusely cross-collateralized. Several of the Debtors share the same guarantors, and several of the Debtors guarantee the obligations of one another. None of the Debtors, nor their principals or guarantors operate at arm’s length. An illustration of the connection between each of the Debtors and the individuals behind them is attached as **Exhibit “A”**.

9. John Gerges is materially connected to every single Forbearance Entity, either in his capacity as director, officer, controlling shareholder, and/or guarantor of the respective obligations of the applicable entity.

10. The other guarantors, officers, directors of the Forbearance Entities are:

- (a) John Gerges’s father, Gamal Gerges;
- (b) John Gerges’s wife, Sandra Youssef;
- (c) John Gerges’s sister, Selvia Gerges;
- (d) Sally Gerges, another member of John Gerges’s family and;
- (e) Diep Nguyen, a non-arms’ length individual who confirmed that John Gerges has the authority to bind entities of which he is a director.¹

11. John Gerges even personally guarantees significant loans for entities in which it appears, on paper, that he has no control or financial interest. For instance, he guarantees the obligations of Abu Seifein Brimley Pharma Inc., but appears to be neither a director, officer nor shareholder of that entity.

12. Other than Toronto Surrey Pharma Inc., all of the entities in which Diep Nguyen is an officer, director or shareholder are in receivership.

13. I believe that John Gerges is the directing mind behind, or exerts substantial control or influence over, the operations and business of each of the Debtors.

Defaults Prior to Forbearance Agreements

14. Prior to entering into the Forbearance Agreements, the Lender sent the following default letters (the “**March 3 Default Letters**”) to the Forbearance Entities declaring the occurrence of events of default under the applicable Loan and Security Documents:

- (a) Default Letter dated March 3, 2020 to JG Windsor Inc., John Gerges and Bless JG Pharma;
- (b) Default Letter dated March 3, 2020 to Jimmy’s Group Investors Inc., John Gerges, Gamal F. Gerges, Selvia Gerges, Bless Jimmy’s Pharma Inc. and Bless Pharma Inc.;
- (c) Default Letter dated March 3, 2020 to JM Westview Pharma Inc. and John Gerges;
- (d) Default Letter dated March 3, 2020 to Jubilee Property Investments Inc., John Gerges, Sally G. Gerges, Selvia Gerges, Bless Pharma Inc. and Resident Medical Group Inc.;
- (e) Default Letter dated March 3, 2020 to S&J Property Investors Inc., John Gerges, Gamal F. Gerges and Bless Pharma Inc.;
- (f) Default Letter dated March 3, 2020 to 4231 Sheppard Avenue East Inc., John Gerges, Resident Medical Group Inc.;
- (g) Default Letter dated March 3, 2020 to Bless Jimmy’s Pharma Inc., John Gerges, Gamal F. Gerges, Selvia Gerges, Jimmy’s Group Investors Inc., Bless Pharma Inc.; and

- (h) Default Letter dated March 3, 2020 to Bless Pharma Inc., John Gerges, Gamal F. Gerges, Toronto Apothecary Pharma Inc. and S&J Property Investors Inc.

15. The defaults declared by the Lender in the March 3 Default Letter are described in detail in the First Hopkinson Affidavit and include failing to make payments when due² (these payment defaults have since been cured), failing to maintain or provide proof of adequate insurance³, the criminal charges against John Gerges for, among other things, opioid trafficking, and disciplinary proceedings by the Ontario College of Pharmacists against John Gerges⁴. A copy of each of the March 3 Default Letters is attached as **Exhibit “B”**.

16. Prior to entering into the Forbearance Agreements, on December 29, 2021, the Lender sent further default letters to the following Forbearance Entities declaring further events of default (the “**December 29 Default Letters**”):

- (a) Default Letter dated December 29, 2020 to 4231 Sheppard Avenue East Inc. and John Gerges;
- (b) Default Letter dated December 29, 2020 to Bless Jimmy’s Pharma Inc. and John Gerges;
- (c) Default Letter dated December 29, 2020 to Bless Pharma Inc. and John Gerges;
- (d) Default Letter dated December 29, 2020 to Jimmy’s Group Investors Inc. and John Gerges;
- (e) Default Letter dated December 29, 2020 to S&J Property Investors Inc. and John Gerges;
- (f) Default Letter dated December 29, 2020 to JM Westview Pharma Inc. and John Gerges;
- (g) Default Letter dated December 29, 2020 to SJ East Pharma Inc. and John Gerges;
- (h) Default Letter dated December 29, 2020 to Jubilee Property Investments Inc. and John Gerges;
- (i) Default Letter dated December 29, 2020 to Abu Seifein Brimley Pharma Inc. and John Gerges;

² Paras 51-55 of the First Hopkinson Affidavit.

³ Paras 46-50 of the First Hopkinson Affidavit.

⁴ Paras 18-22 and 57-58 of the First Hopkinson Affidavit.

- (j) Default Letter dated December 29, 2020 to St. Mary Cooksville Pharma Inc. and John Gerges.

17. A copy of each of the December 29 Default Letters is attached as **Exhibit “C”**

Defaults After Entering into Forbearance Agreements

18. On January 21, 2021, after entering into the Forbearance Agreements, the Lender sent a letter to the Forbearance Entities party to the January 4 Forbearance Agreement:

- (a) declaring Bless Jimmy Pharma Inc. and Bless Pharma Inc. in default of Section 17(c) of the January 4 Forbearance Agreement for failing to provide valid insurance as required under the forbearance agreement.
- (b) declaring JM Westview Pharma Inc. and SJ East Pharma Inc. in default of Section 17(b) of the January 4 Forbearance Agreement after being advised that these entities ceased operations.
- (c) notifying JG Windsor Inc., 4231 Sheppard Avenue East Inc. and Jimmy’s Group Investors Inc. that an Event of Default under the January 4 Forbearance Agreement will occur on January 26, 2021 unless such Forbearance Entities delivered to the Lender proof of valid insurance, as required by the Forbearance Agreement. Evidence of valid insurance for Jimmy’s Group Investors Inc. was provided, but JG Windsor Inc. and 4231 Sheppard Avenue East Inc. failed to provide the required evidence of valid insurance in default of Section 17(c) of the January 4 Forbearance Agreement.

19. On that same date, in accordance with the January 7 Forbearance Agreement, and after multiple written requests, the Lender sent a Notice of Impending Default to Abu Seifein Brimley Pharma Inc. and St. Mary Cooksville Pharma Inc. (the “**January 21 Notice**”) requiring such Forbearance Entities to provide proof of valid insurance certificates as required by the January 7 Forbearance Agreement. In accordance with Section 17(g) of the January 7 Forbearance Agreement, the Lender advised in the January 21 Notice that an Event of Default would occur on January 26, 2021 if Abu Seifein Brimley Pharma Inc. and St. Mary Cooksville Pharma Inc. failed to provide the Lender with satisfactory evidence of valid insurance certificates that

comply with Section 4(d) of the January 7 Forbearance Agreement. A copy of the January 21 Notice is attached as **Exhibit “D”**.

20. Abu Seifein Brimley Pharma Inc. failed to provide the required insurance certificate on or before January 26, 2021. On January 27, 2021, the Lender’s counsel was sent by email an insurance binder (the “**Insurance Binder**”). From a review of the Insurance Binder, it appears that the effective date of the policy was January 26, 2021. A copy of the Insurance Binder is attached as **Exhibit “E”**.

21. St. Mary Cooksville Pharma Inc. failed to provide evidence of valid insurance certificates on or before the required date, in default of Section 4(d) of the January 7 Forbearance Agreement. This entity has ceased operations and is deemed to consent to the appointment of a receiver under the January 7 Forbearance Agreement.

New Information and Consultant’s Report

22. Paragraphs 16-26 of the Second Hopkinson Affidavit and the Report of the Proposed Receiver dated January 25, 2021 describe the new, and concerning, information that came to the Lender’s attention. In summary:

- (a) Certain of the Forbearance Entities have ceased operations, in some cases prior to entering into forbearance arrangements with the Lender predicated on their remaining open;
- (b) A critical drug supplier has advised the Lender’s consultant, msi Spergel Inc. (“**Spergel**”) that one of the Forbearance Entities has failed to pay amounts owing to the drug supplier – creating an obligation that may impair the Lender’s security;
- (c) Spergel has obtained evidence that the assets and inventory of certain of the Forbearance Entities appears to have been transferred to new pharmacy locations opened across the street under different corporate entities owned by non-arm’s length parties who are known to the Lender (the “**New Pharmacy Locations**”), against which the Lender does not currently have a security interest.

Defaults in light of New Information

23. On January 24, 2021, in light of the Consultant's investigation revealing the new information, the Lender sent letters declaring all of the Forbearance Entities in default of the Forbearance Agreements (the "**January 24 Default Letters**"). The January 24 Default Letters are attached as Exhibit H to the Second Hopkinson Affidavit.

Relevant Provisions Under the Forbearance Agreements

24. Each of the Forbearance Agreements provide that upon the occurrence of certain enumerated Events of Default, the defaulting Forbearance Entity shall be deemed to have consented to the appointment of a receiver (the "**Deemed Consent Provision**").⁵

25. The Events of Default which trigger the Deemed Consent Provision under the January 4 Forbearance Agreement include:

- (a) if a Forbearance Entity fails to perform or comply with **any** applicable covenants, obligations or terms of the Forbearance Agreements;⁶
- (b) if a Forbearance Entity ceases to carry on its business;⁷
- (c) if **any** Forbearance Entity sells, transfers, leases, loans, farms-out or otherwise disposes of any of its property, assets or undertaking outside of the ordinary course of business without the prior written consent of the Lenders;⁸

26. The Events of Default which trigger the Deemed Consent Provision under the January 7 Forbearance Agreement, among others, include:

- (a) if a Forbearance Entity defaults under the terms of the applicable Loan and Security Document and such default is not cured within the applicable cure period (if any);⁹

⁵ Section 20 of the January 4 Forbearance Agreement, and Section 11 of the January 7 Forbearance Agreement.

⁶ Section 17(c) of the January 4 Forbearance Agreement.

⁷ Section 17(e) of the January 4 Forbearance Agreement.

⁸ Section 17(i) of the January 4 Forbearance Agreement.

⁹ Section 8(b) of the January 7 Forbearance Agreement.

- (b) if a Forbearance Entity fails to perform or comply with **any** of the applicable covenants, obligations or terms of this Agreement;¹⁰
- (c) if a Forbearance Entity ceases to carry on business; and¹¹
- (d) if **any** Forbearance Entity sells, transfers, leases, loans, farms-out or otherwise disposes of its property, assets or undertaking outside of the ordinary course of business without the prior written consent of the Lender;¹²

27. It is also an Event of Default under each of the Forbearance Agreements where a Forbearance Entity fails to perform or comply with **any** of their respective covenants, obligations or terms contained in the Loan and Security Documents or in **any** other agreement made between them and anyone else, including the Lender.¹³

Default and Termination Under the January 7 Forbearance Agreement

28. St. Mary Cooksville Pharma Inc., Abu Seifein Brimley Pharma Inc. and JM Westview Pharma Inc. are parties to the January 7 Forbearance Agreement. All of these Forbearance Entities are in default of its terms.

29. JM Westview Pharma Inc. is already in receivership.

St. Mary Cooksville Pharma Inc.

30. St. Mary Cooksville Pharma Inc. ceased operations in default of Section 8(e) of the January 7 Forbearance Agreement. Pursuant to section 11 of the January 7 Forbearance Agreement, St. Mary Cooksville Pharma is deemed to consent to the appointment of a receiver.

Abu Seifein Brimley Pharma

31. Sandra Youssef is an officer and director of Abu Seifein Brimley Pharma Inc. and St. Mary Cooksville Pharma Inc.

¹⁰ Section 8(c) of the January 7 Forbearance Agreement.

¹¹ Section 8(e) of the January 7 Forbearance Agreement.

¹² Section 8(h) of the January 7 Forbearance Agreement.

¹³ Section 17(d) of the January 4 Forbearance Agreement and Section 8(b) of the January 7 Forbearance Agreement.

32. Sandra Youssef mislead the Lender. She, along with her husband, John Gerges, negotiated the January 7 Forbearance Agreement with full knowledge that St. Mary Cooksville Pharma Inc. was not operating the entire time the parties were negotiating.

33. Without the Lender's consent, Sandra Youssef moved the inventory of St. Mary Cooksville into Abu Seifein Brimley Pharma Inc. in breach of the applicable Loan and Security Documents.¹⁴ Sandra Youssef's actions destroyed the business operations and goodwill of St. Mary Cooksville Pharma Inc., impairing the Lender's collateral.

34. The Lender has lost confidence that Sandra Youssef will not mislead or misrepresent to the Lender again. The Lender believes in good faith that the inventory and goodwill of Abu Seifein Brimley Pharma Inc. is in jeopardy in light of Sandra Youssef and John Gerges' actions.

35. It is an event of default under the General Security Agreement signed by Abu Seifein Brimley Pharma Inc., and by Sandra Youssef, if "any other event occurs which causes [the Lender] to deem [itself] insecure, or to believe that the Collateral, or any part thereof, is or is about to be placed in jeopardy."¹⁵

Defaults and Termination Under the January 4 Forbearance Agreement

36. John Gerges is a guarantor for the following entities, among others: 4231 Sheppard Avenue East Inc., Bless Jimmy's Pharma Inc., Bless Pharma Inc., JG Windsor Inc., Jimmy's Group Investors Inc., JM Westview Pharma Inc., Jubilee Property Investments Inc., Maple Medi Pharma Inc., River Hill Pharmacy Ltd., S&J Property Investors Inc., Toronto Apothecary Pharma Inc., Toronto Surrey Pharma Inc., Westway Holdings Inc., Stoney Creek Pharma Inc., and Abu Seifein Brimley Pharma Inc.

37. All of the entities referenced above other than the Forbearance Entities (excluding JM Westview Pharma Inc. and SJ East Pharma Inc.) are in receivership, namely: Bless Hui Pharma Inc., Maple Medi Pharma Inc., River Hill Pharmacy Ltd., St. Mary Theotokos Pharma Inc., Stoney Creek Pharma Inc., Toronto Apothecary Pharma Inc., Westway Holdings Inc., Olde

¹⁴ Section 14(c) of the General Security Agreement dated October 31, 2018 signed by St. Mary Cooksville Pharma Inc. in favour of the Lender.

¹⁵ Section 15(m) of the General Security Agreement dated October 31, 2018 signed by St. Mary Cooksville Pharma Inc. in favour of the Lender.

Walkerville Holdings Inc., JM Westview, and SJ East Pharma Inc. (the “**Receivership Entities**”).

38. Copies of the guarantee agreements signed by John Gerges in respect of the applicable Receivership Entities (the “**Guarantees**”) are attached as **Exhibit “F”**.

39. Each of the Receivership Entities is in default under the applicable Loan and Security Documents because they are in receivership.

40. Under the Guarantees, John Gerges guaranteed payment to the Lender, on demand, of all Obligations of the applicable debtor. John Gerges’s obligations under the Guarantees are as principal debtor. The Lender has demanded payment from John Gerges, in his capacity as guarantor, in respect of certain of the Receivership Entities. These demands remain unsatisfied. Copies of the Demand Letters sent to John Gerges in his capacity as guarantor of the Receivership Entities are attached as **Exhibit “G”**.

41. Accordingly, John Gerges is in default of at least 10 guarantees and 10 general security agreements executed in favour of the Lender. It is an Event of Default under all of the Debtors’ Loan and Security Documents if any guarantor is in default under any other loan, debt or obligation owed to anyone else, including the Lender. A breach under the Loan and Security Documents is an Event of Default under the Forbearance Agreements.¹⁶

Bless Jimmy’s Pharma Inc., Bless Pharma Inc., JG Windsor Inc., 4231 Sheppard Avenue East Inc. Jimmy’s Group Investors Inc. Jubilee Property Investments Inc. S&J Property Investors Inc.

42. The obligations of each of the above referenced Forbearance Entities is guaranteed by John Gerges.

43. John Gerges’s conduct, actions and flagrant defaults of nearly every Loan and Security Document he has signed in favour of the Lender, as described herein and in the Hopkinson Affidavits, constitute an Event of Default under section 15(b) of the General Security Agreements between the Lender and each applicable Forbearance Entity and under Section 17(d) of the January 4 Forbearance Agreement.

¹⁶ Section 17(d) of the January 4 Forbearance Agreement and Section 8(b) of the January 7 Forbearance Agreement.

SWORN BEFORE ME via video-conference with the deponent in the Town of Bryn Mawr, Pennsylvania, and the Commissioner in the City of Toronto, Ontario this 29th day of January, 2021

DocuSigned by:
Asim Iqbal

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A Commissioner for taking Affidavits (or as may be)

DocuSigned by:
Ted Hopkinson
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EDWARD HOPKINSON

Note: This affidavit was commissioned via simultaneous video-conference in accordance with the *Commissioners for taking Affidavits Act*, R.S.O. 1990, CHAPTER C.17, and Ontario Regulation 431/20 Administering Oath or Declaration Remotely, under which (i) the identity of the deponent was confirmed from government issued identification, (ii) the commissioner administered the oath or affirmation, (iii) the deponent affixed their electronic signature to the affidavit, (iv) the deponent confirmed their electronic signature to the commissioner, (v) the commissioner affixed their electronic signature to the affidavit including exhibits.

This is Exhibit "T" referred to in the Affidavit of Edward Hopkinson sworn by Edward Hopkinson of the City of Bryn Mawr, in the State of Pennsylvania, before me at the Town of Milton, in the Province of Ontario, on August 3, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:

Asim Iqbal

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Commissioner for Taking Affidavits (or as may be)

ASIM IQBAL

Court File No. CV-20-00650853-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN

1951584 ONTARIO INC. (formerly DESANTE FINANCIAL SERVICES INC.)
and CWB MAXIUM FINANCIAL INC.

Applicants

-and-

4231 SHEPPARD AVENUE EAST INC., ABU SEIFEIN BRIMLEY PHARMA
INC., BLESS HUI PHARMA INC., JG WINDSOR INC., JM WESTVIEW
PHARMA INC., JUBILEE PROPERTY INVESTMENTS INC., MAPLE MEDI
PHARMA INC., RIVER HILL PHARMACY LTD., SJ EAST PHARMA INC.,
ST MARY COOKSVILLE PHARMA INC., ST. MARY THEOTOKOS
PHARMA INC., STONEY CREEK PHARMA INC., TORONTO
APOTHECARY PHARMA INC., WESTWAY HOLDINGS INC. and OLDE
WALKERVILLE HOLDINGS INC.

Respondents

AFFIDAVIT OF EDWARD HOPKINSON
(Sworn April 7, 2021)

I, Edward Hopkinson, of the City of Bryn Mawr, in the State of Pennsylvania, United States of America, **MAKE OATH AND SAYS AS FOLLOWS:**

1. I am the VP Risk Officer of the Applicant, CWB Maxium Financial Inc., (“**CWB**”). CWB holds a service agreement with 1951584 Ontario Inc. (“**195**”), successor of Desante Financial Services Inc. and Maxium Financial Services Inc. by amalgamation (collectively with CWB, the “**Lender**”), such that employees of CWB administer 195’s portfolio. I am primarily responsible for monitoring the Loans provided by the Lender to the Debtors. As such, I have

knowledge of the matters to which I hereinafter depose. Where the source of my information is other than myself I have set out the source and do verily believe it to be true.

2. This Affidavit is sworn in support of a motion for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the “**CJA**”):

- i. appointing msi Spergel inc. (“**Spergel**”) as receiver (in such capacity, the “**Receiver**”) without security, of all of the assets, undertakings and properties of Abu Seifein Brimley Pharma Inc. (“**Abu Seifein**”). I understand this relief to be consented to.
- ii. adding Jimmy’s Group Investors Inc. (“**Jimmy’s Group**”) and S&J Property Investors Inc. (“**S&J**”, and together with Jimmy’s Group, the “**Additional Respondents**”) to these proceedings and amending the Title of Proceedings accordingly;
- iii. appointing Spergel as Receiver without security, of all of the assets, undertakings and properties of the Additional Respondents. I understand this relief may be opposed; and
- iv. sealing **Confidential Exhibits “I”, “J” and “K”** to this affidavit.

INTERPRETATION

3. In this affidavit, the term “**Respondents**” means, collectively, 4231 Sheppard Avenue East Inc., Abu Seifein Brimley Pharma Inc., Bless Hui Pharma Inc., JG Windsor Inc., Jimmy’s Group Investors Inc., JM Westview Pharma Inc., Jubilee Property Investments Inc., Maple Medi

Pharma Inc., Olde Walkerville Holdings Inc., River Hill Pharmacy Ltd., SJ East Pharma Inc., St. Mary Cooksville Pharma Inc., St. Mary Theotokos Pharma Inc., Stoney Creek Pharma Inc., S&J Property Investors Inc., Toronto Apothecary Pharma Inc., and Westway Holdings Inc. Defined terms in this affidavit have the same meaning used in my previous affidavits (listed below) unless otherwise specified.

SUMMARY

4. The Respondents are a series of interrelated companies that either own and operate a pharmacy, or own the real estate on which a pharmacy is or was located. They are all enmeshed through non-arm's length individuals who are all connected in some way to John Gerges ("**Gerges**"), who is the controlling mind of the Respondents. Abu Seifein is a company that owns and operates a pharmacy. The Additional Respondents are companies that own real estate.

5. On November 25, 2020, the Lender commenced an application for an order, among other things, appointing Spergel as receiver of all of the Property of the Respondents (the "**Receivership Application**"). Certain of the Respondents consented to the appointment of the Receiver. The Lender agreed to adjourn the Receivership Application to allow certain of the Respondents to negotiate and enter into forbearance agreements with the Lender.

6. As set out in my previous affidavits sworn in this matter (listed below) the Lender has patiently negotiated with Gerges since November of 2020 to resolve multiple issues, including serious allegations of criminal wrongdoing, significant financial defaults and deliberate steps taken to place assets and inventory beyond the reach of the Lender. At each step of these negotiations, Gerges and the Respondents have caused the Lender to expend significant time and resources, only to have transactions fall apart at the eleventh hour because either arm's length

parties have walked away or because Gerges has misrepresented to the bank that he owns or controls collateral that he does not in fact own or control.

7. As also set out below, counsel for the Additional Respondents delivered a term sheet on April 5th, 2021 (the “**Term Sheet**”), providing for potential refinancing of the Additional Respondents. The Term Sheet contemplates financing that does not satisfy the Obligations (as defined below) of the Additional Respondents. As such, the Additional Respondents have failed to satisfy the terms of the Forbearance Agreement.

8. The Lender has lost all trust and confidence in Gerges and the Respondents and is not willing to extend further forbearance to the Additional Respondents. The Lender has therefore brought this motion seeking the appointment of a Receiver over the Additional Respondents.

RECEIVERSHIP APPLICATION AND PROCEDURAL HISTORY

9. In connection with the Receivership Application, I have sworn the following affidavits (together referred to herein as the “**Hopkinson Affidavits**”):

- i. Affidavit sworn October 30, 2020 (the “**First Hopkinson Affidavit**”);
- ii. Supplemental Affidavit sworn November 24, 2020 in support of the Receivership Application;
- iii. Affidavit sworn January 25, 2021; and
- iv. Supplemental Affidavit sworn January 29, 2021.

10. A copy of the court materials related to the Receivership Application are available on Spergel's website at [this link](#).¹ Copies of the Hopkinson Affidavits, without exhibits, are attached hereto as **Exhibits "A", "B", "C" and "D"** for ease of reference.

11. Pursuant to the consent receivership order of Justice Cavanagh dated November 25, 2020 (the "**Consent Receivership Order**") the following eight (8) entities consented to the appointment of the Receiver:

- i. Bless Hui Pharma Inc.;
- ii. Maple Medi Pharma Inc.;
- iii. River Hill Pharmacy Ltd.;
- iv. St. Mary Theotokos Pharma Inc.;
- v. Stoney Creek Pharma Inc.;
- vi. Toronto Apothecary Pharma Inc.;
- vii. Westway Holdings Inc.; and
- viii. Olde Walkerville Holdings Inc.

12. A copy of the Email Endorsement of Justice Cavanagh dated November 25, 2020 is available on Spergel's website at [this link](#).²

13. Pursuant to the Order of Justice Cavanagh dated January 26, 2021 (the "**January 26, 2021 Amended and Restated Receivership Order**"), Spergel was appointed Receiver, without security, of all of the assets, undertakings and properties of JM Westview Pharma Inc. and SJ

¹ <https://www.spergelcorporate.ca/engagements/maple-medi-pharma-inc-river-hill-pharmacy-inc-westway-holdings-inc-toronto-apothecary-pharma-inc-st-mary-theotokos-pharmacy-inc-bless-hui-pharma-inc-stoney-creek-pharma-inc-and-olde-walkerville-holdings-inc/>

² <https://www.spergelcorporate.ca/img/email-endorsement-of-justice-cavanagh-dated-november-25-2020.pdf>

East Pharma Inc. A copy of the January 26, 2021 Amended and Restated Receivership Order is available on Spergel's website at [this link](#).³

14. Pursuant to the Order of Justice Cavanagh dated February 3, 2021, (the “**February 3, 2021 Amended and Restated Receivership Order**”), Spergel was appointed Receiver, without security, of all of the assets, undertakings and properties of St. Mary Cooksville Pharma Inc., 4231 Sheppard Avenue East Inc., Jubilee Property Investments Inc., and JG Windsor Inc. A copy of the February 3 Amended and Restated Receivership Order is available on Spergel's website at [this link](#).⁴

ABU SEIFEIN BRIMLEY PHARMA INC.

Abu Seifein Consents to Appointment of a Receiver

15. Pursuant to the Order of Justice Cavanagh dated February 3rd, 2021 (the “**Interim Receivership Order**”), Spergel was appointed interim receiver, without security, over all of the assets, undertakings and properties of Abu Seifein acquired for, or used in relation to the business carried on Abu Seifein, including all proceeds thereof. Attached as **Exhibit “E”** is a copy of the Interim Receivership Order.

16. Pursuant to section 2 of the Interim Receivership Order, Spergel's appointment as interim receiver in respect of the assets, undertakings and properties of Abu Seifein is effective until the earlier of:

- i. the taking of possession by a receiver within the meaning of subsection 243(2) of the BIA, of the Property,

³ https://www.spergelcorporate.ca/img/51959856_1_amended-and-restated-receivership-order-of-justice-cavanagh-january-26-2021.pdf

⁴ https://www.spergelcorporate.ca/img/52240427_1_amended-and-restated-receivership-order-3-feb-2021.pdf

- ii. the taking of possession by a trustee in bankruptcy of the Property; or
- iii. further Order of the Court.

17. Abu Seifein has consented to the appointment of Spergel as Receiver of Abu Seifein's property, assets and undertaking to, among other things, market and sell Abu Seifein's pharmacy business.

JIMMY'S GROUP INVESTORS AND S&J PROPERTY INVESTORS

The Obligations

18. Jimmy's Group and S&J have each executed various security documents in favour of the Lender, giving rise to the Obligations (as defined below):

19. With respect to Jimmy's Group:

- i. Mortgage in the principal amount of \$1,350,000 against the real property municipally known as 255 Broadview Avenue, Toronto, ON (the "**Broadview Property**");
- ii. Promissory Note dated March 15, 2015 in the principal amount of \$475,450;
- iii. Security Agreement dated March 15, 2015 granting a security interest in all of Jimmy's Group's present and after-acquired property in favour of the Lender;
- iv. Security Agreement dated March 17, 2015 granting a security interest in all of Jimmy's Group's present and after-acquired property in favour of the Lender; and
- v. Guarantee dated March 15, 2016 guaranteeing in favor of the Lender the obligations of Bless Jimmy's Pharma Inc.;

20. With respect to S&J:

- i. Mortgage in the principal amount of \$1,400,450 against the real property municipally known as 721 Gerrard St. E., Toronto, ON (the “**Gerrard Property**”, and together with the Broadview Property, the “**Properties**”);
- ii. Promissory Note dated June 3, 2019 in the principal amount of \$497,064.09;
- iii. Security Agreement dated May 5, 2014 granting a security interest in all of S&J’s present and after-acquired property in favour of the Lender;
- iv. Security Agreement dated June 3, 2019 granting a security interest in all of S&J’s present and after-acquired property in favour of the Lender;
- v. Guarantee dated February 26, 2016 guaranteeing in favour of the Lender the obligations of Resident Medical Group Inc.; and
- vi. Guarantee dated June 3, 2019 guaranteeing in favour of the Lender the obligations of Bless Pharma Inc.

21. Following the appointment of the Receiver pursuant to the Receivership Application, between November 25, 2020 and early January 2021, the Lender negotiated the terms of forbearance agreements with certain of the Debtors.

22. On January 4, 2021, the Lender and the Additional Respondents, among other Debtors, executed a forbearance agreement (the “**Forbearance Agreement**”). A copy of the Forbearance Agreement is attached as **Exhibit “F”**.

23. Under the terms of the Forbearance Agreement, the Additional Respondents are required to provide to the Lender the following (all in form and substance satisfactory to the Lender) on or before April 6, 2021:

- i. A binding commitment letter from a third party lender for a commitment for financing in an amount sufficient to and for the purpose of indefeasibly repaying in full the respective Obligations of each of the Additional Respondents; and

- ii. Evidence that any commitment fee required to be paid under any such commitment letter (or letters) has been paid by each of the Additional Respondents.

24. The term “**Obligations**” is defined in the Forbearance Agreement at Recital B to mean “...present and future indebtedness, fees, expenses and other liabilities direct and indirect, absolute or contingent, due by each of [the Additional Respondents] to [the Lender] and accruing interest, cost and fees until the date of repayment”.

25. As of March 2, 2021, the Obligations of S&J amount to approximately \$4,205,613.00, plus accrued interest and costs until the date of repayment.

26. As of March 2, 2021, the Obligations of Jimmy’s Group amount to approximately \$811,292.00, plus accrued interest and costs until the date of repayment.

27. Attached as **Exhibit “G”** is a spreadsheet showing the breakdown of the Obligations of each of the Additional Respondents. Moreover, the Respondents have been aware of the Obligations since the Receivership Application and have had time to seek refinancing of the Properties in accordance with their appraised value.

28. Pursuant to the Email Endorsement of Justice Cavanagh dated February 3, 2021, the parties scheduled a motion on April 8, 2021 to seek the appointment of a receiver in respect of the assets, property and undertaking of S&J and Jimmy’s Group “if the terms of the applicable forbearance agreement are not satisfied on or before April 6, 2021, which relates to such entities entering into a transaction for financing sufficient to repay all of the obligations owing to the Lenders by such entities”.

29. A copy of the Email Endorsement of Justice Cavanagh dated February 3, 2021 is attached as **Exhibit “H”**.

The Term Sheet

30. On April 5, 2021, counsel for the Additional Respondents delivered a term sheet (the “**Term Sheet**”) providing for potential refinancing in respect of the Properties. Attached as **Confidential Exhibit “I”** is a copy of the Term Sheet.

31. Copies of an Appraisal Report dated July 6, 2020 in respect of the Gerrard Property and an Appraisal Report dated July 6, 2020 in respect of the Broadview Property (together, the “**Appraisal Reports**”) are attached as **Confidential Exhibits “J” and “K”**.

32. The valuation of the Properties implied by the Term Sheet is significantly less than the value of the Properties in the Appraisal Reports.

33. It is my understanding that property values in the Toronto real estate market have appreciated significantly since June of 2020 and the Properties may be worth significantly more than their appraised values if sold on the open market today.

Breach of the Forbearance Agreement

34. The Lender has reviewed and considered the Term Sheet in light of the terms of the Forbearance Agreement. The Term Sheet fails to satisfy the Obligations of the Additional Respondents (as defined in the Forbearance Agreement). Specifically, the Term Sheet contemplates financing that is grossly inadequate in comparison to the Obligations of the Additional Respondents.

35. Pursuant to paragraph 4 of the Email Endorsement of Justice Cavanagh dated February 3, 2021, and due to the failure by the Additional Respondents to satisfy the terms of the Forbearance Agreement (specifically as it relates to obtaining satisfactory take-out financing), the Lender has brought this motion seeking the appointment of a Receiver.

APPOINTMENT OF RECEIVER

36. Abu Seifein is subject to the Interim Receivership Order and has consented to the appointment of Spergel as Receiver of Abu Seifein’s property, assets and undertaking.

37. With respect to the Additional Respondents, in the Lender’s view, the appointment of a Receiver will permit the Lender to maximize repayment of the Obligations through the sale of the Broadview Property and the Gerrard Property.

38. The Lender has spent considerable time, effort and expense negotiating in good faith with each of the Debtors in the course of these proceedings, including with the Additional Respondents. The Lender has lost all trust and confidence in Gerges and the Debtors and is not willing to extend further forbearance to the Additional Respondents.

39. Spergel has consented to act as Receiver for Abu Seifein and for the Additional Respondents.

SWORN BEFORE ME via video-conference with the deponent in the Town of Bryn Mawr, Pennsylvania, and the Commissioner in the City of Mississauga, Ontario this 7th day of April, 2021

DocuSigned by:
Monica Faheim
A Commissioner for taking Affidavits (or as may be)

MONICA FAHEIM

DocuSigned by:
Ted Hopkinson
4E437A73DB884D4...

EDWARD HOPKINSON

This is Exhibit "U" referred to in the Affidavit of Edward Hopkinson sworn by Edward Hopkinson of the City of Bryn Mawr, in the State of Pennsylvania, before me at the Town of Milton, in the Province of Ontario, on August 3, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:

Asim Iqbal

Commissioner for 6F056F5F3BC8405... (or as may be)

ASIM IQBAL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.) WEDNESDAY, THE
JUSTICE CAVANAGH) 25th DAY OF NOVEMBER, 2020

BETWEEN

1951584 ONTARIO INC. (formerly DESANTE FINANCIAL SERVICES INC.) and CWB
MAXIUM FINANCIAL INC.

Applicants

-and-

4231 SHEPPARD AVENUE EAST INC., ABU SEIFEIN BRIMLEY PHARMA INC., BLESS
JIMMY’S PHARMA INC., BLESS HUI PHARMA INC., BLESS PHARMA INC., JG
WINDSOR INC., JIMMY’S GROUP INVESTORS INC., JM WESTVIEW PHARMA INC.,
JUBILEE PROPERTY INVESTMENTS INC., MAPLE MEDI PHARMA INC., RESIDENT
MEDICAL GROUP INC., RIVER HILL PHARMACY LTD., S&J PROPERTY INVESTORS
INC., SJ COLBORNE PHARMA INC., SJ EAST PHARMA INC., ST. MARY COOKSVILLE
PHARMA INC., ST. MARY THEOTOKOS PHARMA INC., STONEY CREEK PHARMA
INC., TORONTO APOTHECARY PHARMA INC., TORONTO SURREY PHARMA INC.,
WESTWAY HOLDINGS INC. and OLDE WALKERVILLE HOLDINGS INC.

Respondents

ORDER
(appointing Receiver)

THIS APPLICATION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the “**CJA**”) appointing msi Spergel inc. (“**Spergel**”) as receiver (in such capacity, the “**Receiver**”) without security, of all of the assets, undertakings and properties of each of 4231 Sheppard Avenue East Inc., Abu Seifein Brimley Pharma Inc., Bless Jimmy’s Pharma Inc., Bless Hui Pharma Inc., Bless Pharma Inc., JG Windsor Inc., Jimmy’s Group Investors Inc., JM Westview Pharma Inc., Jubilee Property Investments Inc.,



Maple Medi Pharma Inc., Resident Medical Group Inc., River Hill Pharmacy Ltd., S&J Property Investors Inc., SJ Colborne Pharma Inc., SJ East Pharma Inc., St. Mary Cooksville Pharma Inc., St. Mary Theotokos Pharma Inc., Stoney Creek Pharma Inc., Toronto Apothecary Pharma Inc., Toronto Surrey Pharma Inc., Westway Holdings Inc. and Olde Walkerville Holdings Inc. acquired for, or used in relation to businesses carried on by the Respondents, was heard this day by ZOOM video conference due to the COVID-19 pandemic.

ON READING the Affidavit of Edward Hopkinson sworn October 30, 2020, Supplemental Affidavit of Edward Hopkinson sworn November 24, 2020 and on being advised that the Debtors (as defined below) consent to this Order, and on hearing the submissions of counsel for the Applicants and the Debtors and the other Counsel listed on the Counsel Slip, no one else appearing although duly served according to the Affidavit of Service of Asim Iqbal sworn November 24, 2020;

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, Spergel is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of each of Bless Hui Pharma Inc., Maple Medi Pharma Inc., River Hill Pharmacy Ltd., St. Mary Theotokos Pharma Inc., Stoney Creek Pharma Inc., Toronto Apothecary Pharma Inc., Westway Holdings Inc., and Olde Walkerville Holdings Inc. (together, the “**Debtors**”) acquired for, or used in relation to a business carried on by each of the Debtors, including all proceeds thereof (collectively, the “**Property**”).

RECEIVER’S POWERS

3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality

of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtors (or any one of them), including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtors (or any one of them);
- (d) to engage pharmacists, consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtors (or any one of them) or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors (or any one of them) and to exercise all remedies of the Debtors (or any one of them) in collecting such monies, including, without limitation, to enforce any security held by the Debtors (or any one of them);
- (g) to settle, extend or compromise any indebtedness owing to the Debtors (or any one of them);

- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtors (or any one of them), for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtors (or any one of them), the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$50,000.00, provided that the aggregate consideration for all such transactions does not exceed \$100,000.00; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act* shall not be required;
- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to summarily dispose of Property that is perishable or likely to depreciate rapidly in value;

- (n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the Receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtors (or any one of them);
- (q) to enter into agreements with any licensed insolvency trustee in bankruptcy appointed in respect of the Debtors (or any one of them), including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors (or any one of them);
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtors (or any one of them) may have;
- (s) to inquire into and report to the Applicants and the Court on the financial condition of the Debtors (or any one of them) and the Property; and
- (t) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations;
- (u) and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtors (or any one of them), and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that (i) the Debtors, (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons

acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order, including, but not limited to the Ontario College of Pharmacists, the Ministry of Health and Long-Term Care, the Ontario Drug Benefit Program and any insurance company (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any client records and prescription information ("**Client Records**"), books, documents, securities, contracts, orders, billing privileges, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtors (or any one of them), and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall, subject to Paragraph 6A herein, provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

5A. THIS COURT ORDERS that, should the Receiver deem it necessary to seek from any insurance company or its pharmacy benefits manager personal information regarding persons covered pursuant to benefit plans which might have had claims under such plans relating to the Debtors (or any one of them), such information shall be sought pursuant to a motion on notice to the insurance company and its pharmacy benefits manager. Such information shall only be released by the insurance company or its pharmacy benefits manager on the agreement of such insurance company or as provided in the Order so obtained.

6. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service

provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

6A. THIS COURT ORDERS that with respect to the Client Records, the Receiver shall: (i) take all steps reasonably necessary to maintain the integrity of the confidential aspects of the Client Records; (ii) if necessary, appoint a pharmacist licensed and qualified to practice in the Province of Ontario to act as custodian (the "Custodian") for the Client Records; (iii) not allow anyone other than the Receiver or the Custodian to have access to the Client Records; and (iv) allow the Debtors (or any one of them) supervised access to the Client Records for any purposes required pursuant to the *Regulated Health Professions Act, 1991*, the *Pharmacy Act, 1991* or any other governing Ontario or Canadian statute that requires the Debtors (or any one of them), from time to time, to perform certain obligations.

7. THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

8. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a “**Proceeding**”), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY

9. THIS COURT ORDERS that no Proceeding against or in respect of the Debtors (or any one of them) or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtors (or any one of them) or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

10. THIS COURT ORDERS that all rights and remedies against the Debtors (or any one of them), the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any “eligible financial contract” as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtors (or any one of them) to carry on any business which the Debtors is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtors (or any one of them) from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

11. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtors (or any one of them), without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

12. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtors (or any one of them) or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, claims processing services, payment processing services, payroll services, insurance, transportation services, utility or other services to the Debtors (or any one of them) are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the applicable Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the applicable Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

13. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

14. THIS COURT ORDERS that all employees of the Debtors (or any one of them) shall remain the employees of the Debtors (or any one of them) until such time as the Receiver, on the applicable Debtor's (or Debtors') behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer

liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

15. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a “**Sale**”). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the applicable Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

16. THIS COURT ORDERS that, pursuant to section 42 of the *Ontario Personal Health Information Protection Act* (“**PHIPA**”), the Receiver shall only disclose personal health information to prospective purchasers or bidders who are potential successor(s) to the pharmacy business of the Debtors (or any one of them) (the “**Pharmacy**”) as Health Information Custodian(s) (as defined in the PHIPA) for the purposes of allowing the potential successor to assess and evaluate the operations of the Pharmacy. Each potential successor to whom such personal health information is disclosed is required in advance of such disclosure to review and sign an acknowledgement of this Order indicating that it agrees to keep the information confidential and secure and not to retain any of the information longer than is necessary for the purposes of the assessment or evaluation, and if such potential successor does not complete a Sale, such potential successor shall return all such information to the Receiver, or in the alternative shall destroy all such information. Such acknowledgement shall be deemed to be an agreement between the Receiver and the potential successor for the purposes of section 42 of PHIPA.

LIMITATION ON ENVIRONMENTAL LIABILITIES

17. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, “**Possession**”) of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the “**Environmental Legislation**”), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver’s duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER’S LIABILITY

18. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER’S ACCOUNTS

19. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the “**Receiver’s Charge**”) on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver’s Charge shall form a first charge on the Property in

priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

20. THIS COURT ORDERS that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

21. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

22. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$450,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the “**Receiver’s Borrowings Charge**”) as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver’s Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

23. THIS COURT ORDERS that neither the Receiver’s Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

24. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as **Schedule "A"** hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

25. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

26. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: www.spergelcorporate.ca/engagements

27. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the applicable Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the applicable Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

ALLOCATION

28. THIS COURT ORDERS that any interested party may apply to this Court on notice to any other party likely to be affected, for an order allocating the Receiver's Charge and Receiver's Borrowings Charge amongst the various Debtors and their assets comprising the Property

GENERAL

29. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

30. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtors (or any one of them).

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

32. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

33. THIS COURT ORDERS that the Applicant shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtors' estate with such priority and at such time as this Court may determine.

34. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

35. THIS COURT ORDERS that the Receiver, its counsel and counsel for the Applicant are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the applicable Debtor's creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).



ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

DEC 01 2020

PER / PAR:



SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that msi Spergel inc., the Receiver (the "**Receiver**") of the assets, undertakings and properties of 2503338 Ontario Inc., 4231 Sheppard Avenue, Abu Seifein Brimley Pharma Inc., Bless Jimmy's Pharma Inc., Bless Pharma Inc., JG Windsor Inc., Jimmy's Group Investors Inc., JM Westview Pharma Inc., Jubilee Property Investments Inc., Maple Medi Pharma Inc., Resident Medical Group Inc., River Hill Pharmacy Ltd., S&J Property Investors Inc., SJ Colborne Pharma Inc., St. Mary Cooksville Pharma Inc., St. Mary Theotokos Pharma Inc., Stoney Creek Pharma Inc., Toronto Apothecary Pharma Inc., Toronto Surrey Pharma Inc., Westway Holdings Inc., and Olde Walkerville Holdings Inc., (collectively the "**Debtors**") acquired for, or used in relation to businesses carried on by the Debtors, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the __ day of _____, 2020 (the "**Order**") made in an action having Court file number CV-_____, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of _____, 2020.

msi Spergel inc., solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____

Name:

Title:

1951584 ONTARIO INC. et al.
Applicants

and

4231 SHEPPARD AVENUE EAST INC., et al.
Respondents

Court File No: CV-20-00650853-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)**

Proceeding commenced at Toronto

**ORDER
(APPOINTING RECEIVER)**

MILLER THOMSON LLP

Scotia Plaza
40 King Street West, Suite 5800
P.O. Box 1011
Toronto, ON Canada M5H 3S1

Jeffrey C. Carhart, LSO#: 40947B
Email: jcarhart@millerthomson.com

Asim Iqbal, LSO#: 61884B
Email: aiqbal@millerthomson.com

Tamie Dolny, LSO#: 77958U
Email: tdolny@millerthomson.com

Lawyers for the Applicants

This is Exhibit "V" referred to in the Affidavit of Edward Hopkinson sworn by Edward Hopkinson of the City of Bryn Mawr, in the State of Pennsylvania, before me at the Town of Milton, in the Province of Ontario, on August 3, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:

Asim Iqbal

Commissioner for Taking Affidavits (or as may be)

ASIM IQBAL

Iqbal, Asim

From: Iqbal, Asim
Sent: Thursday, November 19, 2020 10:20 AM
To: diepn1951@gmail.com
Cc: Carhart, Jeffrey; Dolny, Tamie; Lamek, Edmond; John Gerges; Garrafa, Shallon
Subject: In the receivership of Riverhill Pharmacy, Bless Hui Pharma Inc., Toronto Apothecary Inc., Toronto Surrey Pharma Inc., Stoney Creek Pharma Inc., SJ East Pharma Inc., St. Mary Theotokos Pharma Inc. et. al. - Court file no. 20-006650853-00CL [MTDMS-Legal.FI
Attachments: 50451594_1_Consent Receivership Order .DOCX

Mr. Nguyen,

I am counsel for CWB Maxium Financial Inc. and 1951584 Ontario Inc. (formerly Desante Financial Services Inc.) (collectively, the “**Bank**”) in connection with an application (the “**Receivership Application**”) by the Bank for an Order (the “**Receivership Order**”) appointing msi Spergel Inc. as receiver and manager of, among other entities, Riverhill Pharmacy, Bless Hui Pharma Inc., Toronto Apothecary Inc., Toronto Surrey Pharma Inc., Stoney Creek Pharma Inc., SJ East Pharma Inc., St. Mary Theotokos Pharma Inc. (collectively, the “**DN Debtors**”).

You are either listed as an officer or director of the DN Debtors, and, in some cases, we understand you are a shareholder of some or all of the DN Debtors.

You were served with a copy of the Receivership Application on November 10, 2020 at 12:08 p.m. Since the commencement of the Receivership Application, the Bank and the DN Debtors (among others), through John Gerges, have been negotiating a consensual path forward in respect of the Receivership Application. Mr. Gerges has been negotiating on behalf of, with authority to bind, the DN Debtors. This has historically been the case. Indeed, Mr. Gerges signed the documents, along with you, on behalf of the DN Debtors which govern the credit facilities made available to the Bank.

We wish to confirm with you the arrangements John Gerges has entered agreed to on behalf of each of the DN Debtors. We understand you are aware and confirm your agreement as well.

- Riverhill Pharmacy → Riverhill has consented to the appointment of a receiver.
- Toronto Apothecary Inc. → Toronto Apothecary has consented to the appointment of a receiver.
- Toronto Surrey Pharma Inc. → the direct obligations of Toronto Surrey were paid on November 18, 2020. Toronto Surrey remains obligated under its guarantee of Toronto Apothecary. The Receivership Application will be adjourned for 2 weeks against Toronto Surrey to allow the parties to finalize the terms of a forbearance agreement. Toronto Surrey will be party to the forbearance agreement.
- Stoney Creek Pharma Inc. → Stoney Creek Pharma has consented to the appointment of a receiver.
- SJ East Pharma Inc. → The Receivership Application will be adjourned for a period of 2 weeks against SJ East Pharma to allow the parties to finalize the terms of a forbearance agreement. SJ East Pharma Inc. will be a party to the forbearance agreement.
- St. Mary Theotokos Pharma Inc. → St Mary Theotokos Pharma Inc. has consented to the appointment of a receiver.
- Bless Hui Pharma Inc. → Bless Hui Pharma Inc. has consented to the appointment of a Receiver. Bless Hui Pharma is being added as a Respondent to the Receivership Application and you will receive copies of those court materials in due course.

With respect to the DN Debtors against whom a receiver is being appointed on consent, the parties are in the process of booking court time to obtain the order on consent. Currently, it looks like December 2, 2020 will be the date the court books, but it may be earlier. We will update you. For ease of reference, I have attached the

current form of Receivership Order that will be obtained on consent, which remains subject to further comment in all respects.

Your email address is also being added to the Service List for these proceedings, so you can receive documents and court materials by email.

Lastly, I am copying John Gerges and Edmond Lamek, counsel to most of the Respondents to the Receivership Application, so you may discuss any of the above with them. I am also available to discuss. If you have separate personal counsel, please let us know and we will add them to the Service List as well.

Please do not hesitate to contact me if you would like to discuss. We trust the foregoing is satisfactory.

The Bank confirms it will continue to deal with John Gerges in respect of the DN Debtors, consistent with past practice. We confirm our understanding that Mr. Gerges has authority to bind the DN Debtors and you have agreed to the terms set out above with respect to each of the DN Debtors.

Asim

ASIM IQBAL
Associate

Miller Thomson LLP

Scotia Plaza
40 King Street West, Suite 5800
P.O. Box 1011
Toronto, Ontario M5H 3S1

Direct Line: +1 416.597.6008

Fax: +1 416.595.8695

Email: aiqbal@millerthomson.com
millerthomson.com



Please consider the environment before printing this email.

[Our COVID-19 preparedness and support commitment](#)

This is Exhibit "W" referred to in the Affidavit of Edward Hopkinson sworn by Edward Hopkinson of the City of Bryn Mawr, in the State of Pennsylvania, before me at the Town of Milton, in the Province of Ontario, on August 3, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:

Asim Iqbal

Commissioner for Training Affidavits (or as may be)

ASIM IQBAL

FORBEARANCE AGREEMENT

THIS AGREEMENT is made as of this 4th day of January, 2021

AMONG:

1951584 ONTARIO INC. (successor of DESANTE FINANCIAL SERVICES INC and MAXIUM FINANCIAL SERVICES INC. by amalgamation)

(the “**195 Lender**”)

- and -

CWB MAXIUM FINANCIAL INC.

(the “**CWB Lender**” and together with the 195 Lender, the “**Lenders**” and each a “**Lender**”)

-and-

THE UNDERSIGNED PARTIES LISTED ON SCHEDULE “A” UNDER THE HEADING “BORROWER” (collectively, the “**Borrowers**”)

- and -

THE UNDERSIGNED PARTIES LISTED ON SCHEDULE “A” UNDER THE HEADING “INDIVIDUAL GUARANTOR” (collectively, the “**Individual Guarantors**”)

- and -

THE UNDERSIGNED PARTIES LISTED ON SCHEDULE “A” UNDER THE HEADING “CORPORATE GUARANTORS” (collectively, the “**Corporate Guarantors**” and together with the Individual Guarantors, the “**Guarantors**”)

RECITAL:

- A. Each Lender (as Lender or assignee) has made one or more credit facilities available to one or more of the Borrowers pursuant to one or more promissory notes, as more particularly set out in **Schedule “B”** (the “**Loans**”, and the promissory notes being the “**Loan Agreements**”).
- B. As at the date set out in **Schedule “B”**, the Obligors (as defined below) are indebted or obligated to the Lenders as more particularly set out in **Schedule “B”** (together with the all other present and future indebtedness, fees, expenses and other liabilities direct or indirect, absolute or contingent, due by each of the Borrowers to the applicable Lender and accruing interest, cost and fees until the date of repayment, the “**Obligations**”).
- C. As security for the Obligations the Borrowers and Guarantors (together, the “**Obligors**” and each an “**Obligor**”), as applicable, granted security interests in favour of the Lenders

(as applicable) including the security described in **Schedule "C"** (collectively, the **"Existing Security"**). Each of the Guarantors also executed, delivered and/or granted to the applicable Lender the guarantee(s) described in **Schedule "C"** (the **"Existing Guarantees"** and together with this Agreement, the Loan Agreements and the Existing Security, the **"Loan and Security Documents"**).

- D. The Lenders have asserted that each of the Borrowers is in default of the terms of the applicable Loan and Security Documents as set out in the default letters sent to the Obligors more particularly described in **Schedule "D"** and in the Affidavit of Ted Hopkinson sworn in support of the Receivership Application (as defined below) (collectively, the **"Asserted Defaults"**). Pursuant to demand letters (collectively, the **"Demands"**), the Lenders have demanded from each of the Borrowers and Guarantors repayment in full of the respective Obligations of such Obligors as at the date set out in the applicable Demand. The applicable Lender has delivered, and the applicable Obligors have received, Notices of Intention to Enforce Security under Section 244 of the *Bankruptcy and Insolvency Act* (a **"BIA Notice"**).
- E. Each of the Land Companies have disputed the Asserted Defaults, and each of the Group 3 Pharma Companies has brought current any arrears of payments and secured replacement insurance (the **"Cured Defaults"**) and disputes the Lenders' assertions of other Asserted Defaults (principally relating to John Gerges who is not a director, officer, majority shareholder or employee of any Group 3 Pharma Company).
- F. The Lenders have engaged msi Spergel Inc. (**"MSI"**) as consultant, to advise the Lenders in respect of the Group 3 Pharma Companies (in such capacity, the **"Consultant"**).
- G. On November 2, 2020, the Lenders issued a Notice of Application in the Ontario Superior Court of Justice (Commercial List) (the **"Court"**) bearing Court file no. CV-20-00650853-00CL (as amended, adjourned or revised from time to time, the **"Receivership Application"**) seeking an order (as may be amended or restated from time to time, the **"Receivership Order"**), among other things, appointing MSI as receiver and manager of all of the assets, property and undertaking of, among others, the Borrowers and Corporate Guarantors.
- H. By letter dated December 28, 2020, the Lenders declared the occurrence of further events of default by certain Obligors under the terms of the applicable Loan and Security Documents (the **"Additional Defaults"**).
- I. The Obligors have each requested that the Lenders forbear from enforcing their rights under the Loan and Security Documents. The Lenders have agreed to forbear from enforcing their rights on and subject to the terms of this Agreement.
- J. Each Lender has not waived any defaults, including the Asserted Defaults and Additional Defaults, or breaches by the Borrower of the terms of the Loans, but rather has strictly reserved its rights and remedies under the Loan and Security Documents, and to enforce the Existing Security it holds and may hereafter be granted in respect of the Obligations.

NOW THEREFORE this Agreement witnesses that in consideration of the mutual covenants herein contained and the sum of \$10.00 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

ACKNOWLEDGMENTS AND AGREEMENTS

1. Each of the Obligors acknowledges and agrees that:
 - (a) each of the recitals to this Agreement is true and accurate in all respects and the recitals form an essential part of this Agreement;
 - (b) as at December 7, 2020, the Obligations owing by the applicable Borrower under the Loans is as set out in **Schedule "B"** and such amounts, together with the balance of the Obligations, remain owing to the applicable Lender;
 - (c) the Obligors have not paid the amounts set out in the Demand in full;
 - (d) each of the Loan and Security Documents is in full force and effect and constitutes valid and binding obligations of the applicable Obligor enforceable in accordance with each of their respective terms;
 - (e) subject to the terms of this Agreement, each Lender is in a position to enforce the applicable Loan and Security Documents and pursue all remedies with respect to the Obligations as it may deem appropriate; and
 - (f) the appointment of the Consultant does not preclude the Consultant from being appointed as a receiver or receiver and manager of the assets, property and undertaking of the Borrowers or Corporate Guarantors or any one of them.
2. None of the Obligors dispute their respective liability to repay the applicable Obligations in accordance with the provisions of the applicable Loan Documents.
3. Each Obligor hereby fully and forever releases and discharges the Lenders and each of their directors, officers, employees, representatives, advisors and agents, from and against any and all liability whatsoever in respect of any and all claims, set-offs, counterclaims, damages, debts, actions, suits, demands and causes of action that such Obligor may have against any of the Lenders, known or unknown, arising up to the date of this Agreement out of any action or omission of the Lenders, solely relating directly or indirectly to the Obligations. Each Obligor also acknowledges and agrees in favour of the Lenders that they (i) have not made any claim, and (ii) shall not make any claim against any of the Lenders or other entity or person who might claim contribution, indemnity or other relief from the applicable Lender or any of its directors, officers, employees, representatives or agents by virtue of said claim or proceeding.

COVENANTS, REPRESENTATIONS AND WARRANTIES

4. Each of the Obligors jointly and severally covenants to and in favour of the Lenders:
 - (a) to adhere to all of the terms and conditions of this Agreement and the applicable Loan and Security Documents, including making all payments when due and payable;
 - (b) to reimburse the Lenders for all expenses (including all of the Lenders' reasonable legal expenses, and Consultant's expenses) that the Lenders have incurred or will incur arising out of its dealings with the Obligors and in connection with the Loan and Security Documents and the security and other interest granted in favour of the Lenders thereunder, the preparation of this Agreement and the Receivership Application;

- (c) to keep current at all times, all remittances required to be made by it for taxes owed to federal, provincial and municipal governments, including, without limitation, realty taxes, property taxes, business taxes, sales taxes, monies owed in respect of source deductions for contributions pursuant to the Canada Pension Plan, *Employment Insurance Act* (Canada) and *Income Tax Act* (Canada), and in respect of Goods and Services Tax and Retail Sales Tax and each of them shall provide, upon request of any Lender, evidence in writing of such payments, satisfactory to such Lender. Each of the Obligors jointly and severally represents and warrants to the Lenders that no such amounts are in arrears as at the date of this Agreement;
 - (d) to maintain in full force and effect, adequate insurance coverage, acceptable to the Lenders, on all assets owned by them against which each Lender has security, showing the interest of the applicable Lender on the insurance as loss payee/additional insured, containing a standard mortgagee's clause and providing that the coverage cannot be cancelled by the insurer without at least ten (10) business days' prior written notice to the applicable Lender from the insurer;
 - (e) to not, without the prior express written approval of the Lenders, (i) reorganize or amalgamate, (ii) issue or redeem any shares, whether to employees or otherwise, or (iii) issue new shares or transfer any issued and outstanding shares of any of the Obligors, or (iv) pay funds from one corporate entity to the other; and
 - (f) SJ East Pharma, JM Westview (until the closing of a Takeout Transaction under section 9(c) hereof), Bless Pharma, Bless Jimmy Pharma and the Land Companies (the "**Monitored Entities**") shall cooperate fully (subject at all times to applicable privacy laws and professional regulations and codes of conduct) with the Lenders and the Consultant, and their respective agents and employees, by providing all information requested by the Lenders or the Consultant and by providing access to its books, records, property, assets and personnel wherever they may be situated and in whatever medium they may be recorded, at the rest of and at the times convenient to the Lenders, acting reasonably, which right of access shall include the right to inspect and appraise such property and assets.
5. Each Obligor represents and warrants to and in favour of the Lenders that this Agreement has been duly authorized, executed and delivered to the Lenders by each Obligor and is in full force and effect, and constitutes the legal, valid and binding obligations of the Obligors, enforceable against them in accordance with the terms hereof.

TORONTO SURREY

- 6. Toronto Surrey and its applicable Guarantors acknowledge and agree that Toronto Surrey has guaranteed the Obligations of Toronto Apothecary pursuant to an unlimited guarantee (the "**Toronto Surrey Guarantee**").
- 7. The Obligors have requested that the Lenders withdraw the Receivership Application against Toronto Surrey (as defined in Schedule A) and consent to the transfer of the shares (the "**Share Transfer**") in the capital stock of Toronto Surrey held by John Gerges (the "**Pledged Shares**") to Diep Nguyen or a person acceptable to the Lenders (in this section, the "**Transferee**"), which Pledged Shares are subject to the Existing Security. The

Lenders consent to the Share Transfer subject to the following conditions, each in substance and documentation acceptable to the Lenders in their sole discretion:

- (a) The Transferee is acceptable to the Lenders (if not Diep Nguyen);
 - (b) The Lenders are in receipt of a payment in the amount of \$110,000 (the “**Consent Payment**”) in partial satisfaction of John Gerges’s obligations to the Lenders as Individual Guarantor. The Consent Payment shall be applied against the Obligations by the Lenders in their sole discretion;
 - (c) The Lenders shall have received written confirmation, executed by the Transferee, in form and substance satisfactory to the Lenders in their sole discretion confirming to and in favour of the Lenders the validity and enforceability of the Toronto Surrey Guarantee following the Share Transfer;
 - (d) The Lenders have obtained the approval of their credit committee;
 - (e) No Event of Default (as defined below) shall have occurred; and
 - (f) The Lender shall have received such other documents, consents, certificates, opinions and agreements as the Lender may reasonably require in connection with the Share Transfer.
8. Subject to satisfaction of the requirements of Section 7, CWB Lender agrees to take commercially reasonable steps to release CWB Lender’s security interest in the Pledged Shares.

SJ EAST PHARMA AND JM WESTVIEW

9. In addition to all other covenants in this Agreement, each of SJ East Pharma and JM Westview covenant to and in favour of the Lenders that:
- (a) One (1) business day following the execution of this Agreement, the Lenders shall be in receipt of evidence from each of SJ East Pharma and JM Westview that each has valid commercial liability insurance policies, all in form and substance satisfactory to the Lenders in their sole discretion;
 - (b) SJ Pharma and JM Westview have each failed to make payments required under the applicable Loan and Security Documents when due and payable, totalling \$82,009 (the “**SJ Arrears**”) and \$50,157 (together with the SJ Arrears, the “**Arrears**”), respectively. Other than the Arrears, which shall be paid on or before January 30, 2021, all payments required to be made under the applicable Loan and Security Documents shall be paid when due and payable; and
 - (c) By no later than January 30, 2021 (the “**Outside Date**”), the Lenders shall be in receipt of agreements or other transaction documents evidencing a sale or refinancing transaction (or transactions) for the purpose of in an amount (or amounts) sufficient to indefeasibly repay in full all of the Obligations of SJ East Pharma or JM Westview (as applicable) (a “**Takeout Transaction**”). Any Takeout Transaction shall be in form and substance satisfactory to the Lenders in all respects, in their sole discretion.
10. JM Westview shall make all required payments to Canadian Western Bank (“**CWB**”) when due and payable under that certain revolving credit facility granted by CWB to JM

Westview in the maximum principal amount \$250,000 (the "**CWB LOC**"). For greater certainty, the Obligations of JM Westview include the CWB LOC.

BLESS JIMMY PHARMA AND BLESS PHARMA

11. In addition to all other covenants in this Agreement and the applicable Loan and Security Documents, each of Bless Jimmy Pharma and Bless Pharma covenant to and in favour of the Lenders that, within one (1) business day following execution of this Agreement, each shall provide to the Lenders the following (in form and substance satisfactory to the Lenders in their sole discretion):
 - (a) An executed unlimited guarantee from Gerrard Healthcare Pharma Inc. (the "**Gerrard Guarantee**") guaranteeing the Obligations of Bless Jimmy's Pharma and Bless Pharma;
 - (b) A general security agreement from Gerrard Healthcare Pharma Inc. on the Lenders' standard form granting a security interest in all present and after-acquired property of Gerrard Healthcare Pharma Inc. as security for the Gerrard Guarantee; and
 - (c) Proof of valid insurance in respect of Gerrard Healthcare Pharma Inc.

LAND COMPANIES

12. "**Land Companies**" shall mean, collectively, JG Windsor, 4231 Sheppard, Jimmy's Group Investors, Jubilee Property Investments and S&J, and each a "**Land Company**".
13. In addition to all of the covenants in this Agreement and the applicable Loan and Security Documents, each of the Land Companies covenants to and in favour of the Lenders that on or before April 6, 2021, each shall provide to the Lenders the following (all in form and substance satisfactory to the Lenders in their sole discretion):
 - (a) A binding commitment letter from a third party lender for a commitment for financing in an amount sufficient to and for the purpose of indefeasibly repaying in full the respective Obligations of each of the Land Companies (the "**Land Company Takeout Financing**"); and
 - (b) Evidence that any commitment fee required to be paid under any such commitment letter (or letters) has been paid by each of the Land Companies.
14. In addition to the covenants in section 13 above, John Gerges covenants to and in favour of the Lenders that:
 - (a) By no later than May 7, 2021, the Lenders shall be in receipt of agreements or other transaction documents evidencing a sale transaction (or transactions) of John Gerges' shareholding (the "**JG Shares**") in each of the Land Companies to parties acceptable to the Lenders (for purposes of this agreement, the existing shareholder(s) of a Land Company other than John Gerges are deemed to be acceptable purchasers) ("**JG Share Transactions**"). The terms of the JG Share Transactions, including for greater certainty, the consideration, anticipated closing date and conditions to closing shall be in form and substance satisfactory to the Lenders in their sole discretion. John Gerges acknowledges and agrees that all amounts paid by any purchaser of any JG Shares shall be paid to the applicable

Lender on account of John Gerges's Obligations under the Existing Guarantee;
and

- (b) The JG Share Transaction for each Land Company shall have closed within 30 days of the closing date of the applicable Land Company Takeout Financing, or such later date as may be agreed to by the Lenders.

APPOINTMENT OF CONSULTANT

- 15. Each of the Monitored Entities has received, reviewed and acknowledged the terms of the engagement letter in respect of the engagement of Consultant, which remain in force while the respective Obligations remain outstanding. The Consultant's fees in respect of its monitoring of the Monitored Entities payable by the Monitored Entities shall be paid by the applicable Monitored Entity and shall form part of the applicable Obligations.
- 16. The Lenders may disclose to the Consultant any information they have, now or at any time in the future during the course of the Consultant's engagement by the Lenders, hereunder or otherwise, concerning each of the Obligors and their business, affairs, property and assets.

EVENTS OF DEFAULT

- 17. The occurrence of any one or more of the following events shall constitute an event of default (an "**Event of Default**") under this Agreement if:
 - (a) A Borrower shall fail to pay the Lenders any amount when due and payable under this Agreement or the applicable Loan and Security Documents (a "**Payment Default**");
 - (b) An Obligor defaults under the terms of an applicable Loan and Security Document and such default is not cured within the applicable cure period (if any);
 - (c) An Obligor fails to perform or comply with any applicable covenants, obligations or terms of this Agreement;
 - (d) An Obligor fails to perform or comply with any of their respective covenants, obligations or terms contained in the Loan and Security Documents or in any other agreement or undertaking made between them and the applicable Lender, including without limitation, the Existing Security and Existing Guarantees;
 - (e) Other than Bless Jimmy and Bless Pharma, a Borrower ceases to carry on its business, makes an assignment for the benefit of creditors, or makes a proposal under the *Bankruptcy and Insolvency Act (Canada)* or the *Companies' Creditors Arrangement Act*; petitions or applies to any court or tribunal for the appointment of any receiver, trustee or similar liquidator for it or any of its property; if any receiver, trustee, manager, consultant (other than the Consultant), liquidator or similar party is appointed in respect of it or any of its property; or if any proceeding is commenced relating to it or to any portion of its property under any law relating to bankruptcy, insolvency, reorganization, arrangement or readjustment of debts, dissolution or winding-up;
 - (f) An Obligor takes any step to challenge the validity or enforceability of this Agreement or any of the Loan and Security Documents;

- (g) An Obligor fails to provide any information, data, record, cooperation or access as and when reasonably required by the Consultant or Lenders and such default is not cured within two (2) Business Days of the Lenders delivering written notice to the applicable Obligor (notice in accordance with this Agreement);
 - (h) Any material contract of a Borrower is terminated following the date of the Agreement, including, without limitation any provider agreement with Telus Health Inc.;
 - (i) Any Obligor sells, transfers, leases, loans, farms-out or otherwise disposes of any of its property, assets or undertaking outside of the ordinary course of business without the prior written consent of the Lenders;
 - (j) The Land Company Takeout Financing does not close on or before the applicable closing date(s) set out therein, unless such closing date(s) has/have been extended with the prior written consent of the Lenders in their sole discretion;
 - (k) In the Lender's opinion (acting reasonably), either SJ East Pharma or JM Westview (i) has failed to make best efforts to pursue a Takeout Transaction or (ii) will be unable to enter into and close a Takeout Transaction on or before the Outside Date; and/or
 - (l) If one or more of the Land Companies have failed to comply with section 13 of this Agreement.
18. Unless the terms of the applicable Loan and Security Documents provide otherwise, a default hereunder or under the Loan Agreements, the Existing Security or any other credit arrangements between the applicable Borrower and the applicable Lender shall not constitute a default hereunder, or under the Loan Agreements, the Existing Security or any other credit arrangements between other Borrowers (and applicable Obligor in that capacity) and the Lenders.

TERMINATION EVENTS

19. Subject to Section 18 of this Agreement, upon the occurrence of an Event of Default, the Lenders' agreement to forbear under this Agreement in respect of the defaulting Obligor(s) shall immediately terminate without any further notice, demand or action, and each Lender may, but is not required to, enforce the Existing Security, and pursue all remedies that it may have (including pursuant to the Existing Guarantees) in connection with the applicable Obligor, as it deems appropriate.
20. Upon the occurrence of only the events and Events of Default set out below, the applicable defaulting Obligor (the "**Defaulting Obligor**") shall be deemed to consent to the appointment of a receiver (as the Lender shall deem appropriate, whether privately or by court appointment, to the extent permissible by law):
- (a) Upon the occurrence of a Payment Default, if the Defaulting Obligor fails to cure the Payment Default within two (2) Business Days (or such later time as the Lenders may agree in their sole discretion) following delivery by the applicable Lender of written notice of such Payment Default;
 - (b) If a JG Share Transaction has failed to close by the date set out in section 14(b), the applicable Borrower (or in the case of (iii), John Gerges); or

- (c) Upon the occurrence of an Event of Default under Sections 16(c), (e), (f), (i), (j), (k) or (l),

for greater certainty and without limiting any rights of the Lenders in any way to appoint a receiver or take any other step or action upon the occurrence of an Event of Default, other than the Events of Default listed in sections (a), (b) and (c) of this paragraph, the applicable defaulting Obligor shall not be deemed to consent to the appointment of a receiver.

- 21. In the event that the Lenders do not take steps to enforce the Existing Security (as applicable), any continued forbearance by the Lenders shall not constitute or be deemed or implied to be a waiver of (a) any of the Lender's rights to enforce the Existing Security in each of the Lenders' sole discretion at any time, or, (b) any Event of Default.

CONDITIONS PRECEDENT

- 22. This Agreement and any agreement of the Lenders to forebear from enforcing their rights is subject to the satisfaction of each of the following conditions precedent:
 - (a) The Lenders shall be in receipt of a copy of this Agreement executed by each of the Obligor; and
 - (b) as at the effective date of this Agreement, no Event of Default shall exist (except the defaults set out in this Agreement, disputed or otherwise) and no event or circumstance which could reasonably be expected to have a material adverse effect shall have occurred.

GENERAL

- 23. Without prejudice to any other method of giving notice, any notice required or permitted to be given to a party pursuant to this Agreement shall be conclusively deemed to have been received by such party on the same day as the delivery of the notice by prepaid private courier or the sending of the notice by email at his, her or its address noted in the following Section of this Agreement. Any party may change his, her or its address for service by notice given in the foregoing manner.
- 24. The address information for the parties is as follows:
 - (a) for the Obligor:

DLA Piper (Canada) LLP
Suite 6000, 1 First Canadian Place
PO Box 367, 100 King Street West
Toronto, Ontario M5X 1E2

Attention: Edmond Lamek
Email: edmond.lamek@dlapiper.com
 - (b) for each Lender:

CWB Maxium Financial
30 Vogell Road, Suite 1
Richmond Hill, Ontario L4B 3K6

Attention: Ted Hopkinson, VP Risk Officer, CWB Maxium Financial
Email: Ted.Hopkinson@cwbsmaxium.com

and

Attention: Ben Wyatt
Email: Benjamin.Wyett@cwbsmaxium.com

with a copy to:

Miller Thomson LLP
Scotia Plaza
40 King Street West, Suite 5800
Box 1011
Toronto, Ontario M5H 3S1

Attention: Jeff Carhart
Email: jcarhart@millerthomson.com

and

Attention: Asim Iqbal
Email: aiqbal@millerthomson.com

The parties are entitled to rely upon the accuracy of the names and addresses set out herein unless and until notice of change shall be received by each party.

25. Each of the Obligors acknowledge that time is of the essence of this Agreement. In this Agreement, the term “**business day**” means a day which is not a Saturday, Sunday or other statutory holiday in the Province of Ontario. In the event that any action, step or proceeding contemplated by this Agreement is scheduled to occur on a day which is not a business day, then the action or step or proceeding shall instead be required to occur on the next following business day (provided that, for greater certainty, any notice shall be deemed to have been received in accordance with Section 23 regardless of whether it is sent on a business day).
26. Each of the Obligors agree to promptly do, make, execute and deliver all such further acts, documents and instruments as the Lenders may reasonably require to allow the Lenders to enforce any of their rights under this Agreement and to give effect to the intention of this Agreement.
27. This Agreement shall be governed by the laws of the Province of Ontario and the laws of Canada applicable therein. All references in this Agreement to currency are to Canadian currency unless expressly stated otherwise.
28. If any provision of this Agreement shall be deemed by any court of competent jurisdiction to be invalid or void, the remaining provisions shall remain in full force and effect.
29. This Agreement shall be binding upon and shall enure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns.
30. Words importing the singular include the plural and vice-versa, and words importing gender include all genders unless the context expressly otherwise requires. The headings

contained in this Agreement are for convenience only and shall not affect the interpretation of this Agreement.

31. The division of this Agreement into sections and the insertion of headings, articles, sections and clauses, and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement,
32. Each of the provisions contained in this Agreement is distinct and severable, and a declaration of invalidity, illegality or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision of this Agreement.
33. This Agreement constitutes the entire agreement of the parties relating to the subject matter hereof and may not be amended or modified except by written consent executed by all parties. No provision of this Agreement shall be deemed waived by any course of conduct unless such waiver is in writing and signed by all parties, specifically stating that it is intended to modify this Agreement. In the event of an express conflict between the terms and conditions of this Agreement and the terms and conditions of any of the Loan and Security Documents, the terms and conditions of this Agreement shall govern to the extent necessary to resolve such conflict. There are no representations, warranties or undertakings between the parties hereto with respect to the subject matter hereof other than as set out in this Agreement.
34. This Agreement may be executed in any number of counterparts, all of which shall, collectively, constitute one Agreement. This Agreement may be executed and delivered by any of the parties by transmitting to the other a copy of this Agreement (executed by such delivering party) by email or similar means of electronic communications, and delivery in that manner by a party shall be binding upon such party.
35. Each of the Obligors hereby acknowledge they have reviewed the Agreement in its entirety with their legal counsel prior to executing this Agreement.

[signatures pages follow]

[Signature pages to be included here]

SCHEDULE A

Borrowers

1. Bless Jimmy's Pharma Inc. ("**Bless Jimmy's Pharma**")
2. Bless Pharma Inc. ("**Bless Pharma**")
3. JG Windsor Inc. ("**JG Windsor**")
4. 4231 Sheppard Avenue East Inc. ("**4231 Sheppard**")
5. Jimmy's Group Investors Inc. ("**Jimmy's Group Investors**")
6. Jubilee Property Investments Inc. ("**Jubilee Property Investments**")
7. S&J Property Investors Inc. ("**S&J**")
8. JM Westview Pharma Inc. ("**JM Westview**")
9. SJ East Pharma Inc. ("**SJ East Pharma**")

Individual Guarantors

1. John Gerges ("**John Gerges**")
2. Gamal Farid Gerges ("**Gamal Gerges**")
3. Selvia Gerges ("**Selvia Gerges**")
4. Sally G. Gerges ("**Sally Gerges**")
5. Diep Nguyen ("**Diep Nguyen**")
6. Samir Shenoda

Corporate Guarantors

1. 4231 Sheppard Avenue East Inc. ("**4231 Sheppard**")
2. Bless Jimmy's Pharma
3. Bless JG Pharma Inc. ("**Bless JG Pharma**")
4. Bless Pharma
5. Jimmy's Group Investors Inc. ("**Jimmy's Group Investors**")
6. S&J Property Investors Inc. ("**S&J**")
7. Toronto Surrey Pharma Inc. ("**Toronto Surrey**")

SCHEDULE B

DESCRIPTION OF LOANS

BORROWER	LENDER	LOAN AGREEMENT(S)	PRINCIPAL	ARREARS	LEGAL AND CONSULTING FEES	TOTAL AMOUNT OF OBLIGATIONS
Toronto Surrey Pharma Inc.	CWB Lender	N/A				Guarantor of Obligations of Toronto Apothecary Pharma Inc.
Bless Jimmy's Pharma Inc.	195 Lender	DFSPN1-1	\$424,794.00		\$11,719	\$436,513.00
Bless Pharma Inc.	CWB Lender	DFSPN1-2	\$510,875.00		\$14,094.00	\$524,969.00
JG Windsor Inc.	CWB Lender	BAO50178	\$227,839.00		\$6,285.00	\$234,124.00
4231 Sheppard Avenue East Inc.	CWB Lender	DFSPN1-1	\$279,481.00		\$7,710.00	\$287,191.00
Jimmy's Group Investors Inc.	195 Lender	DFSPN1-1	\$404,474.27		\$11,158.00	\$415,633.27
Jubilee Property Investments Inc.	CWB Lender	DFSPN1-1	\$264,482.14	\$3,341.00	\$7,296.00	\$275,119.14
S&J Property Investors Inc.	CWB Lender	DFSPN1-2	\$530,757.70		\$14,642.00	\$545,400.70
JM Westview Pharma Inc.	CWB Lender	DFSPN1-2	\$554,337.03	\$50,157.00	\$15,293.00	\$619,787.03
SJ East Pharma Inc.	CWB Lender	DFSPN1-1	\$2,055,495.46	\$82,009.00	\$56,706.00	\$2,194,210.46

SCHEDULE "C"
LOAN AND SECURITY DOCUMENTS

1. Toronto Surrey Pharma Inc.

Security Agreement dated March 30, 2016 granting a security interest in all of Toronto Surrey's present and after-acquired property in favour of the CWB Lender.

Security Agreement dated March 30, 2016 granting a security interest in all of Surrey Drug Mart's (predecessor of Toronto Surrey) present and after-acquired property in favour of the CWB Lender.

Guarantee dated March 30, 2016 under which Surrey Drug Mart Ltd (predecessor of Toronto Surrey) guaranteed in favour of the CWB Lender all of the Obligations of Toronto Surrey.

2. Bless Jimmy's Pharma Inc.

Promissory note dated March 15, 2015 executed by Bless Jimmy's Pharma in favour of the 195 Lender in the principal amount of \$750,450.00

Security Agreement dated March 15, 2015 granting a security interest in all of Bless Jimmy's Pharma's present and after-acquired property in favour of the 195 Lender.

Guarantee dated March 15, 2015 under which Bless Jimmy's Pharma guaranteed in favour of the 195 Lender all of the Obligations of Jimmy's Group Investors.

3. Bless Pharma Inc.

Promissory note dated June 3, 2019 executed by Bless Pharma in favour of the 195 Lender and assigned by the 195 Lender to the CWB Lender in the principal amount of \$518,331.96.

Security Agreement dated May 5, 2014 granting a security interest in all of Bless Pharma's present and after-acquired property in favour of the 195 Lender.

Security Agreement dated March 15, 2015 granting a security interest in all of Bless Pharma's present and after-acquired property in favour of the 195 Lender.

Security Agreement dated June 3, 2019 granting a security interest in all of Bless Pharma's present and after-acquired property in favour of the CWB Lender.

Guarantee dated March 15, 2015 under which Bless Pharma guaranteed in favour of the 195 Lender all of the Obligations of Jimmy's Group Investors.

Guarantee dated February 26, 2016 under which Bless Pharma guaranteed in favour of the 195 Lender all of the Obligations of Resident Medical.

Guarantee dated July 27, 2019 under which Bless Pharma guaranteed in favour of the CWB Lender all of the Obligations of Jubilee Property Investments.

4. JG Windsor Inc.

Promissory note dated May 27, 2015 executed by JG Windsor in favour of the Element Financial Corporation ("**EFC**") and assigned by EFC to the CWB Lender in the principal amount of \$410,847.50.

Security Agreement dated May 27, 2015 granting a security interest in all of JG Windsor's present and after-acquired property in favour of EFC.

Security Agreement dated May 29, 2015 granting a security interest in all of JG Windsor's present and after-acquired property in favour of EFC.

A Mortgage granted by JG Windsor in favour of the CWB Lender in the principal amount of \$410,000 against the real property municipally known as 2780 Totten Street, Windsor, ON;

5. 4231 Sheppard Avenue East Inc.

Promissory note dated October 21, 2019 executed by 4231 Sheppard in favour of the CWB Lender in the principal amount of \$260,450.

Security Agreement dated October 21, 2019 granting a security interest in all of 4231 Sheppard's present and after-acquired property in favour of the CWB Lender.

A Mortgage granted by 4231 Sheppard in favour of the CWB Lender in the principal amount of \$400,000 against the real property municipally known as 4231 Sheppard Avenue East, Unit 41, Toronto, ON.

Guarantee dated October 21, 2019 under which 4231 Sheppard guaranteed in favour of the 195 Lender all of the Obligations of Resident Medical.

6. Jimmy's Group Investors Inc.

A Promissory note dated March 15, 2015 executed by Jimmy's Group Investors in favour of the 195 Lender (successor of MFS by amalgamation) in the principal amount of \$475,450.00.

Security Agreement dated March 15, 2015 granting a security interest in all of Jimmy's Group Investors' present and after-acquired property in favour of the 195 Lender.

Security Agreement dated March 17, 2015 granting a security interest in all of Jimmy's Group Investors' present and after-acquired property in favour of the 195 Lender.

A Mortgage granted by Jimmy's Group Investors in favour of the CWB Lender in the principal amount of \$1,350,000 against the real property municipally known as 255 Broadview Avenue, Toronto, ON.

Guarantee dated March 15, 2016 under which Jimmy's Group Investors guaranteed in favour of the 195 Lender all of the Obligations of Bless Jimmy's Pharma.

7. Jubilee Property Investments Inc.

A Promissory note dated November 5, 2017 executed by Jubilee Property Investments in favour of the CWB Lender in the principal amount of \$300,450.00.

Security Agreement dated November 5, 2017 granting a security interest in all of Jubilee Property Investments' present and after-acquired property in favour of the CWB Lender.

A Mortgage dated November 7, 2017 granted by Jubilee Property Investments in favour of the CWB Lender in the principal amount of \$399,000 against the real property municipally known as 280 Beaver Creek Road, Unit 11, Richmond Hill, ON.

8. S&J Property Investors Inc.

A Promissory note dated June 3, 2019 executed by S&J in favour of the 195 Lender and assigned by the 195 Lender to the 195 Lender in the principal amount of \$497,064.09.

Security Agreement dated May 5, 2014 granting a security interest in all of S&J's present and after-acquired property in favour of the 195 Lender.

Security Agreement dated June 3, 2019 granting a security interest in all of S&J's present and after-acquired property in favour of the 195 Lender.

A Mortgage dated June 3, 2019 granted by S&J in favour of the CWB Lender in the principal amount of \$1,400,450 against the real property municipally known as 721 Gerrard St. E, Toronto, ON.

Guarantee dated February 26, 2016 under which S&J guaranteed in favour of the 195 Lender all of the Obligations of Resident Medical.

Guarantee dated June 3, 2019 under which S&J guaranteed in favour of the 195 Lender all of the Obligations of Bless Pharma.

9. JM Westview Pharma Inc.

Promissory note dated August 2, 2018 executed by JM Westview in favour of the CWB Lender in the principal amount of \$762,022.01.

Security Agreement dated August 2, 2018 granting a security interest in all of JM Westview's present and after-acquired property in favour of the CWB Lender.

Security Agreement dated October 31, 2018 granting a security interest in all of JM Westview's present and after-acquired property in favour of the CWB Lender.

10. SJ East Pharma Inc.

Promissory note dated July 25, 2017, as amended by an amending agreement dated April 7, 2020 executed by SJ East Pharma in favour of the CWB Lender in the principal amount of \$2,465,450.00.

Security Agreement dated July 21, 2017 granting a security interest in all of SJ East Pharma's present and after-acquired property in favour of the CWB Lender.

Individual Guarantors

1. John Gerges

Security Agreement dated March 15, 2015 granting a security interest in all of John Gerges's present and after-acquired property in favour of the 195 Lender.

Security Agreement dated March 11, 2016 granting a security interest in all of John Gerges's present and after-acquired property in favour of the CWB Lender.

Security Agreement dated February 26, 2016 granting a security interest in all of John Gerges's present and after-acquired property in favour of the 195 Lender.

Share Pledge Agreement dated March 30, 2016 granted by John Gerges in favour of the CWB Lender.

Security Agreement dated November 5, 2017 granting a security interest in all of John Gerges's present and after-acquired property in favour of the CWB Lender.

Security Agreement dated August 2, 2018 granting a security interest in all of John Gerges's present and after-acquired property in favour of the CWB Lender.

Security Agreement dated October 31, 2018 granting a security interest in all of John Gerges's present and after-acquired property in favour of the CWB Lender.

Security Agreement dated June 3, 2019 granting a security interest in all of John Gerges's present and after-acquired property in favour of the CWB Lender.

Security Agreement dated October 21, 2019 granting a security interest in all of John Gerges's present and after-acquired property in favour of EFC.

Security Agreement dated December 23, 2019 granting a security interest in all of John Gerges's present and after-acquired property in favour of the CWB Lender.

Share Pledge Agreement dated December 23, 2019 granted by John Gerges in favour of the CWB Lender.

Guarantee dated March 15, 2015 under which John Gerges guaranteed in favour of the 195 Lender all of the Obligations of Jimmy's Group Investors.

Guarantee dated May 26, 2015 under which John Gerges guaranteed in favour of EFC all of the Obligations of JG Windsor.

Guarantee dated February 26, 2016 under which John Gerges guaranteed in favour of the 195 Lender all of the Obligations of Resident Medical.

Guarantee dated March 15, 2016 under which John Gerges guaranteed in favour of the 195 Lender all of the Obligations of Bless Jimmy's Pharma.

Guarantee dated March 30, 2016 under which John Gerges guaranteed in favour of the CWB Lender all of the Obligations of Toronto Surrey.

Guarantee dated August 2, 2018 under which John Gerges guaranteed in favour of the CWB Lender all of the Obligations of JM Westview.

Guarantee dated June 3, 2019 under which John Gerges guaranteed in favour of the CWB Lender all of the Obligations of Bless Pharma.

Guarantee dated July 27, 2019 under which John Gerges guaranteed in favour of the CWB Lender all of the Obligations of Jubilee Property Investments.

Guarantee dated October 21, 2019 under which John Gerges guaranteed in favour of the CWB Lender all of the Obligations of 4231 Sheppard.

2. Gamal Farid Gerges

Security Agreement dated March 15, 2015 granting a security interest in all of Gamal Gerges's present and after-acquired property in favour of the 195 Lender.

Security Agreement dated June 3, 2019 granting a security interest in all of Gamal Gerges's present and after-acquired property in favour of the CWB Lender.

Guarantee dated March 15, 2015 under which Gamal Gerges guaranteed in favour of the 195 Lender all of the Obligations of Jimmy's Group Investors.

Guarantee dated June 3, 2019 under which Gamal Gerges guaranteed in favour of the CWB Lender all of the Obligations of Bless Pharma.

3. Selvia Gerges

Security Agreement dated February 26, 2016 granting a security interest in all of Selvia Gerges's present and after-acquired property in favour of the 195 Lender.

Security Agreement dated March 15, 2015 granting a security interest in all of Selvia Gerges's present and after-acquired property in favour of the 195 Lender.

Security Agreement dated November 5, 2017 granting a security interest in all of Selvia Gerges's present and after-acquired property in favour of the CWB Lender.

Guarantee dated February 26, 2016 under which Selvia Gerges guaranteed in favour of the 195 Lender all of the Obligations of Resident Medical.

Guarantee dated March 15, 2015 under which Selvia Gerges guaranteed in favour of the 195 Lender all of the Obligations of Jimmy's Group Investors.

Guarantee dated July 27, 2019 under which Selvia Gerges guaranteed in favour of the CWB Lender all of the Obligations of Jubilee Property Investments.

4. Sally G. Gerges

Security Agreement dated February 26, 2016 granting a security interest in all of Sally G. Gerges's present and after-acquired property in favour of the 195 Lender.

Security Agreement dated November 5, 2017 granting a security interest in all of Sally G. Gerges's present and after-acquired property in favour of the CWB Lender.

Guarantee dated July 27, 2019 under which Sally G. Gerges guaranteed in favour of the CWB Lender all of the Obligations of Jubilee Property Investments.

5. Diep Nguyen

Security Agreement dated August 18, 2016 granting a security interest in all of Diep Nguyen's present and after-acquired property in favour of the CWB Lender.

Guarantee dated July 21, 2017 under which Diep Nguyen guaranteed in favour of the CWB Lender all of the Obligations of SJ East Pharma.

6. Samir Shenoda

Share Pledge Agreement dated December 23, 2019 granted by Samir Shenoda in favour of the CWB Lender.

Guarantee dated December 23, 2019 under which Samir Shenoda guaranteed in favour of the CWB Lender all of the Obligations of SJ Colborne.

SCHEDULE "D"
ASSERTED DEFAULTS

1. Default Letter dated March 3, 2020 to JG Windsor Inc., John Gerges and Bless JG Pharma Inc.
2. Default Letter dated March 3, 2020 to Jimmy's Group Investors Inc., John Gerges, Gamal F. Gerges, Selvia Gerges, Bless Jimmy's Pharma Inc. and Bless Pharma Inc.
3. Default Letter dated March 3, 2020 to JM Westview Pharma Inc. and John Gerges.
4. Default Letter dated March 3, 2020 to Jubilee Property Investments Inc., John Gerges, Sally G. Gerges, Selvia Gerges, Bless Pharma Inc. and Resident Medical Group Inc.
5. Default Letter dated March 3, 2020 to S&J Property Investors Inc., John Gerges, Gamal F. Gerges and Bless Pharma Inc.
6. Default Letter dated March 3, 2020 to 4231 Sheppard Avenue East Inc., John Gerges, Resident Medical Group Inc.
7. Default Letter dated March 3, 2020 to Bless Jimmy's Pharma Inc., John Gerges, Gamal F. Gerges, Selvia Gerges, Jimmy's Group Investors Inc., Bless Pharma Inc.
8. Default Letter dated March 3, 2020 to Bless Pharma Inc., John Gerges, Gamal F. Gerges, Toronto Apothecary Pharma Inc. and S&J Property Investors Inc.

This is Exhibit "X" referred to in the Affidavit of Edward Hopkinson sworn by Edward Hopkinson of the City of Bryn Mawr, in the State of Pennsylvania, before me at the Town of Milton, in the Province of Ontario, on August 3, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:

Asim Iqbal

Commissioner for Taking Affidavits (or as may be)

ASIM IQBAL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

**1951584 ONTARIO INC. (formerly DESANTE FINANCIAL SERVICES INC.) and
CWB MAXIUM FINANCIAL INC.**

Applicants

- and -

**BLESS HUI PPHARMA INC., JM WESTVIEW PHARMA INC., MAPLE MEDI
PHARMA INC., RIVER HILL PHARMACY LTD., SJ EAST PHARMA INC., ST. MARY
THEOTOKOS PHARMA INC., STONEY CREEK PHARMA INC., TORONTO
APOTHECARY PHARMA INC., WESTWAY HOLDINGS INC. and OLDE
WALKERVILLE HOLDINGS INC.**

Respondents

**REPORT OF MSI SPERGEL INC.
IN ITS CAPACITY AS THE PROPOSED RECEIVER OF 4231 SHEPPARD AVENUE
EAST INC., ABU SEIFEIN BRIMLEY PHARMA INC., BLESS JIMMY'S PHARMA
INC., JG WINDSOR INC., JIMMY'S GROUP INVESTORS INC.,
JM WESTVIEW PHARMA INC., JUBILEE PROPERTY INVESTMENTS INC., S&J
PROPERTY INVESTORS INC., SJ EAST PHARMA INC., ST. MARY COOKSVILLE
PHARMA INC. AND TORONTO SURREY PHARMA INC.**

January 25, 2021

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2. The Email from McKesson
3. Pictures of the JM Westview Inspection
4. JM Westview 2020 Financials and the JM Westview Internal Sales Report
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6. The screenshot of the Facebook page of the Brighton Pharmacy
7. The SJ East 2020 Financials and the SJ East Internal Sales Report
8. Picture of the St. Mary Inspection

I. PURPOSE OF THIS REPORT

1. This report (this “**Report**”) is prepared by msi Spergel inc. (“**Spergel**”) in its capacity as the proposed receiver (in such capacity, the “**Proposed Receiver**”) of the following entities:
 - a) 4231 Sheppard Avenue East Inc. (“**4231 Sheppard**”);
 - b) Abu Seifein Brimley Pharma Inc. (“**Abu Seifein**”);
 - c) Bless Jimmy’s Pharma Inc. (“**Bless Jimmy**”);
 - d) JG Windsor Inc. (“**JG Windsor**”);
 - e) Jimmy’s Group Investors Inc. (“**Jimmy’s Group**”);
 - f) JM Westview Pharma Inc. (“**JM Westview**”);
 - g) Jubilee Property Investments Inc. (“**Jubilee**”);
 - h) S&J Property Investors Inc. (“**S&J Property**”);
 - i) SJ East Pharma Inc. (“**SJ East**”);
 - j) St. Mary Cooksville Pharma Inc. (“**St. Mary**”); and
 - k) Toronto Surrey Pharma Inc. (“**Toronto Surrey**”, collectively the “**Debtors**”)
2. Spergel was appointed as consultant to CWB Maximum Financial Inc. (“**CWB**”) pursuant to engagement letters in the case of 4231 Sheppard, Bless Jimmy, JG Windsor, Jimmy’s Group, JM Westview, Jubilee, S&J Property and Toronto Surrey dated August 14, 2020 and in the case of Abu Seifein and SJ East dated September 3, 2020 (collectively the “**Engagement Letters**”). Copies of the Engagement Letters are attached to this Report as **Appendix “1”**.
3. The purpose of this Report is to advise the Court of the Proposed Receiver’s findings with respect to JM Westview, SJ East and St. Mary.
4. The Proposed Receiver will not assume responsibility or liability for losses incurred by the reader as a result of the circulation, publication, reproduction or use of this Second Report for any other purpose.

5. In preparing this Report, the Proposed Receiver has relied upon certain information provided to it by the Debtors. The Proposed Receiver has not performed an audit or verification of such information for accuracy, completeness or compliance with Accounting Standards for Private Enterprises or International Financial Reporting Standards. Accordingly, the Proposed Receiver expresses no opinion or other form of assurance with respect to such information.
6. Unless otherwise stated, all monetary amounts contained in this Second Report are expressed in Canadian dollars.

II. **JM WESTVIEW PHARMA INC.**

7. The Proposed Receiver understands that JM Westview was operating as the Mill Street Pharmacy (the “**Mill Street Pharmacy**”) from the premises located at 15 Mill Street East, Tilbury, ON (the “**JM Westview Premises**”).
8. On or around January 19, 2021, the Proposed Receiver was contacted by McKesson Canada (“**McKesson**”) with respect to the payment of approximately \$32,000 outstanding from Mill Street Pharmacy. McKesson advised the Proposed Receiver that John Gerges (“**Gerges**”) advised McKesson that he is unable to pay the outstanding amount as he anticipates that JM Westview will go into receivership. A copy of the email from McKesson is attached to this Report as **Appendix “2”**.
9. On January 21, 2021, the Proposed Receiver participated in a telephone conversation with Gerges during which conversation Gerges confirmed to the Proposed Receiver that the Mill Street Pharmacy was no longer operating.
10. On January 22, 2021, the Proposed Receiver reviewed the status of Mill Street Pharmacy on the Ontario College of Pharmacist’s (“**OCP**”) website which indicated that Mill Street Pharmacy was entitled to operate. Accordingly, on the same day the Proposed Receiver attended at the JM Westview Premises to conduct an inspection (the “**JM Westview Inspection**”). During the JM Westview Inspection the Proposed Receiver noted the following:
 - a) the Mill Street Pharmacy was closed;

- b) all of the shelves were cleared out; and
- c) a new pharmacy by the name of Sigma Drug Mart (the “**Sigma Pharmacy**”) opened across the street.

Pictures taken during the JM Westview Inspection are attached to this Report as **Appendix “3”**.

11. Given the opening of a new pharmacy across the street, the Proposed Receiver reviewed the status of the Sigma Pharmacy on OCP’s website, which revealed that:
 - a) the Sigma Pharmacy is owned by Sigma Healthcare Inc. The director of Sigma Healthcare Inc. is Samir Shenoda (“**Samir**”), who the Proposed Receiver understands is also involved in another pharmacy owned and operated by Gerges;
 - b) the designated manager / pharmacist at the Sigma Pharmacy is Samir;
 - c) the Sigma Pharmacy received its accreditation number from OCP on January 18, 2021; and
 - d) the Sigma Pharmacy is operating from 2 Dufferin Street, Tilbury, ON (the “**Sigma Premises**”).

Entering the addresses in google maps revealed that the JM Westview Premises and the Sigma Premises were merely 2 minutes’ walk away from each other.

12. In light of the above information, the Proposed Receiver participated in a telephone conversation with Skarlet Baba (“**Skarlet**”), a technician working at the Olde Walkerville Pharmacy over which Spergel is appointed receiver. Skarlet advised the Proposed Receiver that in her conversation with Imelda Castillo (“**Imelda**”), who used to work at the Mill Street Pharmacy as a pharmacist and also works one day a week at the Olde Walkerville Pharmacy. Imelda advised Skarlet that Gerges sold the Mill Street Pharmacy to Samir and that all of the patients and drug inventory was moved over to Sigma Pharmacy recently.
13. The financial statements of JM Westview for the period from June 1, 2019 to May 31, 2020 (the “**JM Westview 2020 Financials**”) indicates that JM Westview’s total

revenue was approximately \$1,339,000. In addition, the sales total report for the period from January 1, 2020 to August 26, 2020 (the “**JM Westview Internal Sales Report**”) extracted from Fillware (the drug dispensing software utilized by the Mill Street Pharmacy) indicated that it generated a total sale of approximately \$775,000 during that period. Copies of the JM Westview 2020 Financials and the JM Westview Internal Sales Report are attached to this Report as **Appendix “4”**.

III. **SJ EAST PHARMA INC.**

12. The Proposed Receiver understands that SJ East was operating as Brighton Global Health (the “**Brighton Pharmacy**”) from the premises located at 12 Elizabeth Street, Brighton, ON (the “**SJ East Premises**”).
13. On January 21, 2021, the Proposed Receiver participated in a telephone conversation with Gerges during which conversation Gerges confirmed to the Consultant that Mill Street Pharmacy is no longer operating.
14. On January 22, 2021, the Proposed Receiver reviewed the status of the Brighton Pharmacy on the OCP’s website which revealed that the Brighton Pharmacy stopped operating on November 25, 2020. Accordingly, on the same day the Proposed Receiver attended at the SJ East Premises to conduct an inspection (the “**SJ East Inspection**”). During the SJ East Inspection the Proposed Receiver noted the following:
 - a) the Brighton Pharmacy was closed; and
 - b) all of the shelves were cleared out.
15. The Proposed Receiver inquired about the Brighton Pharmacy with a nearby pharmacy and was advised that the Brighton Pharmacy had moved across the street to a new pharmacy named Brighton Rx PharmaChoice (the “**New Brighton Pharmacy**”) located at 19 Elizabeth Street, Brighton ON (the “**New Brighton Pharmacy Premises**”).
16. The Proposed Receiver attended at the New Brighton Pharmacy and met with Ann-Marie Creighton (the Front Store Manager) who advised the Consultant that the New Brighton Pharmacy used to be located at the SJ East Premises, however

they started the transition to the New Brighton Pharmacy Premises in October 2020. Pictures taken during the SJ East Inspection are attached to this Report as **Appendix “5”**.

17. A review of the status of the New Brighton Pharmacy on OCP’s website revealed that:
 - a) the New Brighton Pharmacy is owned by Anoop Brighton Pharmacy Inc. The director of Anoop Brighton Pharmacy Inc. is Anoop Gupta, who the Consultant understands was also the designated pharmacist at the Brighton Pharmacy;
 - b) the designated manager / pharmacist at the New Brighton Pharmacy is Anoop Gupta;
 - c) the New Brighton Pharmacy received its accreditation number from OCP on October 7, 2020;
18. A search of Facebook page of the Brighton Pharmacy indicated that the Brighton Pharmacy was operating from the New Brighton Pharmacy Premises. A copy of the screenshot of the Facebook page of the Brighton Pharmacy is attached to this Report as **Appendix “6”**.
19. The financial statements of SJ East for the period from April 1, 2019 to March 31, 2020 (the “**SJ East 2020 Financials**”) indicates that SJ East’s total revenue was approximately \$1,700,000. In addition, the sales total report for the period from January 1, 2020 to September 4, 2020 (the “**SJ East Internal Sales Report**”) extracted from Fillware (the drug dispensing software utilized by the Brighton Pharmacy) indicated that it generated a total sale of approximately \$1,127,000 during that period. Copies of the SJ East 2020 Financials and the SJ East Internal Sales Report are attached to this Report as **Appendix “7”**.

IV. ST. MARY COOKSVILLE PHARMA INC.

20. Given the findings with respect to JM Westview and SJ East, CWB asked that the Proposed Receiver investigate the status of the Debtors on the OCP site and do site visits where necessary. The Proposed Receiver understands that St. Mary was operating as Cooksville Pharmacy (the “**Cooksville Pharmacy**”) from the

premises located at 3035 Hurontario Street, Mississauga, ON (the “**St. Mary Premises**”).

21. On January 22, 2021, the Proposed Receiver reviewed the status of the Cooksville Pharmacy on the OCP’s website which revealed that the Cooksville Pharmacy stopped operating on November 30, 2020. Accordingly, on January 25, 2021 the Proposed Receiver attended at the St. Mary Premises to conduct an inspection (the “**St. Mary Inspection**”). During the St. Mary Inspection the Proposed Receiver noted the following:

- a) the Cooksville Pharmacy was closed;
- b) all of the shelves were cleared out; and
- c) there was a for lease signed posted on the door.

Picture taken during the St. Mary Inspection is attached to this Report as **Appendix “8”**.

Dated at Toronto this 25th day of January, 2021.

msi Spergel inc.

in its capacity as the Proposed Receiver
of the Debtors and not in its personal or
corporate capacity

Per:



Mukul Manchanda, CPA, CIRP, LIT
Partner

APPENDIX 1



August 14, 2020

msi Spergel inc.
505 Consumers Road, Suite 200
North York, ON M2J 4V8

Attention: Philip H., Gennis, J.D., CIRP, LIT

Dear Sirs:

Re: 4231 Sheppard Avenue East Inc. (the "Company")

The purpose of this letter is to set out the terms upon which CWB Maxium Financial Inc. ("CWB") will engage msi Spergel inc. ("Spergel") to act on CWB's behalf as consultant (the "Consultant") to review and report on the financial and operational performance of the Company and to evaluate CWB's security position and the Company's future prospects and viability, in accordance with the terms and provisions of this agreement including, but not limited to, the following:

1. Reviewing the Company's business plan;
2. Reviewing the current financial position and more recent financial results achieved by the Company;
3. Reviewing the Company's cash flow forecast;
4. Reviewing the Company's work-in-progress ("WIP") as well as the contracts and potential priority claims against such WIP;
5. Reviewing and analysing the existence and validity of claims against the Company including liens, potential liens, environmental liabilities, practical priorities and the impact of those priority claims on Company's assets and CWB's loan position;
6. Reviewing and analysing the existence and validity of accounts receivable including, but not limited to, a review of customer invoices, sales contracts, long-term supply agreements and any and all documentation to support the basis of reported accounts receivable;

30 Vogell Road, Suite 1, Richmond Hill, ON L4B 3K6
t. 905.780.6150
cwbmaxium.com

7. Reviewing and investigating all other matters, which may affect in any manner whatsoever the security position of CWB or the ability of CWB to recover the indebtedness of the Company to CWB, including all transactions or dealings with related entities;
8. Providing, based on your findings and in your sole discretion, such recommendations, only to CWB, as you deem appropriate. For greater certainty, your analysis and recommendation of any issue considered by you in your sole discretion to be relevant to this engagement will not necessarily be subject to the review by the Company.

You are to have no managerial capacity or decision-making responsibilities with respect to the business of the Company. We acknowledge that your review and advice will be based mainly on data supplied by the Company, supplemented by discussions with management. We understand that, although all information gathered will be reviewed for reasonableness, you will not be conducting an audit. Therefore your work will not necessarily disclose any errors, irregularities or illegal acts, if such exist, on the part of the Company or its officers and employees.

Management of the Company has agreed to provide you with the full co-operation of the Company's employees including full access to facilities, assets and records during normal business hours. Management has indicated that they will answer all questions fully and fairly to the best of their ability and knowledge.

Management has agreed to keep you informed of any matters arising that are relevant to your work, and have further confirmed that you are and will remain at liberty to disclose to us any information which you consider relevant to our security and our understanding of the current security position of the Company.

This engagement and your related work should be kept confidential. The explanation that you give to any of the Company's employees who are not aware of your mandate as to the nature of the mandate is a matter for the Company's management to decide and to advise you thereof.

We understand that you will advise us if any situation comes to your attention that would materially affect the terms of this engagement letter.

The Company has accepted responsibility for your fees and expenses incurred in carrying out this engagement, failing which we guarantee their prompt payment and will debit the Company's accounts for such fees and expenses. We understand that

your fees will be based on the time expended multiplied by the hourly rates and levels of staff involved. You are hereby authorized to use any of your employees or agents, as you consider necessary in your review of the affairs of the business of the Company.

The engagement of a Consultant shall not operate as a waiver or merger of any rights that CWB has under any agreement with the Companies or under any security granted to it for the indebtedness of the Company to CWB.

Dated at Richmond Hill, Ontario this 15th day of August, 2020

CWB MAXIUM FINANCIAL INC.

Per:



Name: Ted Hopkinson

Title: V.P. Risk Officer

The undersigned duly authorized representative of the Company together with all other signatories hereto hereby consent to the terms of this engagement letter and the appointment of Spergel on the basis set out herein.

The Company and all other signatories hereto understand and agree that, notwithstanding the mandate set out herein, the remedies available to CWB under the terms of its security with the Company remain in full force and effect and that CWB can take steps to act on that security at any time.

The Company and all other signatories hereto understand that if CWB decides to enforce any of the security held by it against the Company's assets, the Consultant, or any person or corporation associated with it may, without the Company's consent, be appointed to act as Receiver and Manager of the Company's assets or as agent of CWB.

The undersigned parties acknowledge and agree that the employees and management of the Company will extend to Spergel unrestricted access to all of the books and records of the Company. During the course of this engagement, the undersigned acknowledge and agree that Spergel will take no part in the management of the Company's business, for which the sole responsibility remains with the Company.

The undersigned acknowledge and agree that the Company will be responsible for the prompt payment of the fees and expenses of Spergel relating to this engagement and that, if such fees and expenses cannot be paid directly, they will be paid by CWB and added to the Company's indebtedness.

4231 SHEPPARD AVENUE EAST INC.

Per:



Name:

John gerges

Title:

Owner

I have authority to bind the corporation

RESIDENT MEDICAL GROUP INC.

Per:



Name: Sally Gerges

Owner

Title:

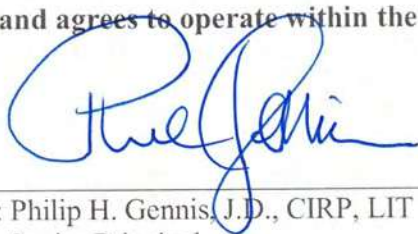
I have authority to bind the corporation



John Gerges, personally

msi Spergel inc. hereby consents to this engagement on the basis set out in the letter and agrees to operate within the terms of the engagement.

Per:



Name: Philip H. Gennis, J.D., CIRP, LIT
Title: Senior Principal

August 14, 2020

msi Spergel inc.
505 Consumers Road, Suite 200
North York, ON M2J 4V8

Attention: Philip H., Gennis, J.D., CIRP, LIT

Dear Sirs:

Re: Bless Jimmy's Pharma Inc. o/a Jimmy's Pharmacy (the "Company")

The purpose of this letter is to set out the terms upon which CWB Maxium Financial Inc. ("CWB") will engage msi Spergel inc. ("Spergel") to act on CWB's behalf as consultant (the "**Consultant**") to review and report on the financial and operational performance of the Company and to evaluate CWB's security position and the Company's future prospects and viability, in accordance with the terms and provisions of this agreement including, but not limited to, the following:

1. Reviewing the Company's business plan;
2. Reviewing the current financial position and more recent financial results achieved by the Company;
3. Reviewing the Company's cash flow forecast;
4. Reviewing the Company's work-in-progress ("WIP") as well as the contracts and potential priority claims against such WIP;
5. Reviewing and analysing the existence and validity of claims against the Company including liens, potential liens, environmental liabilities, practical priorities and the impact of those priority claims on Company's assets and CWB's loan position;
6. Reviewing and analysing the existence and validity of accounts receivable including, but not limited to, a review of customer invoices, sales contracts, long-term supply agreements and any and all documentation to support the basis of reported accounts receivable;

7. Reviewing and investigating all other matters, which may affect in any manner whatsoever the security position of CWB or the ability of CWB to recover the indebtedness of the Company to CWB, including all transactions or dealings with related entities;
8. Providing, based on your findings and in your sole discretion, such recommendations, only to CWB, as you deem appropriate. For greater certainty, your analysis and recommendation of any issue considered by you in your sole discretion to be relevant to this engagement will not necessarily be subject to the review by the Company.

You are to have no managerial capacity or decision-making responsibilities with respect to the business of the Company. We acknowledge that your review and advice will be based mainly on data supplied by the Company, supplemented by discussions with management. We understand that, although all information gathered will be reviewed for reasonableness, you will not be conducting an audit. Therefore your work will not necessarily disclose any errors, irregularities or illegal acts, if such exist, on the part of the Company or its officers and employees.

Management of the Company has agreed to provide you with the full co-operation of the Company's employees including full access to facilities, assets and records during normal business hours. Management has indicated that they will answer all questions fully and fairly to the best of their ability and knowledge.

Management has agreed to keep you informed of any matters arising that are relevant to your work, and have further confirmed that you are and will remain at liberty to disclose to us any information which you consider relevant to our security and our understanding of the current security position of the Company.

This engagement and your related work should be kept confidential. The explanation that you give to any of the Company's employees who are not aware of your mandate as to the nature of the mandate is a matter for the Company's management to decide and to advise you thereof.

We understand that you will advise us if any situation comes to your attention that would materially affect the terms of this engagement letter.

The Company has accepted responsibility for your fees and expenses incurred in carrying out this engagement, failing which we guarantee their prompt payment and will debit the Company's accounts for such fees and expenses. We understand that

your fees will be based on the time expended multiplied by the hourly rates and levels of staff involved. You are hereby authorized to use any of your employees or agents, as you consider necessary in your review of the affairs of the business of the Company.

The engagement of a Consultant shall not operate as a waiver or merger of any rights that CWB has under any agreement with the Companies or under any security granted to it for the indebtedness of the Company to CWB.

Dated at Richmond Hill, Ontario this 15th day of August, 2020

CWB MAXIUM FINANCIAL INC.

Per:



Name: Ted Hopkinson
Title: V.P. Risk Officer

The undersigned duly authorized representative of the Company together with all other signatories hereto hereby consent to the terms of this engagement letter and the appointment of Spergel on the basis set out herein.

The Company and all other signatories hereto understand and agree that, notwithstanding the mandate set out herein, the remedies available to CWB under the terms of its security with the Company remain in full force and effect and that CWB can take steps to act on that security at any time.

The Company and all other signatories hereto understand that if CWB decides to enforce any of the security held by it against the Company's assets, the Consultant, or any person or corporation associated with it may, without the Company's consent, be appointed to act as Receiver and Manager of the Company's assets or as agent of CWB.

The undersigned parties acknowledge and agree that the employees and management of the Company will extend to Spergel unrestricted access to all of the books and records of the Company. During the course of this engagement, the undersigned acknowledge and agree that Spergel will take no part in the management of the Company's business, for which the sole responsibility remains with the Company.

The undersigned acknowledge and agree that the Company will be responsible for the prompt payment of the fees and expenses of Spergel relating to this engagement and that, if such fees and expenses cannot be paid directly, they will be paid by CWB and added to the Company's indebtedness.

BLESS JIMMY'S PHARMA INC.

Per:



Name: John gerges

Title: Owner

I have authority to bind the corporation

JIMMY'S GROUP INVESTORS INC.


Per:



Name: John gerges

Title: Owner

I have authority to bind the corporation



John Gerges, personally



Selvia Gerges, personally

BLESS PHARMA INC.

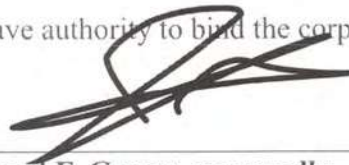
Per:



Name: John gerges

Title: Owner

I have authority to bind the corporation

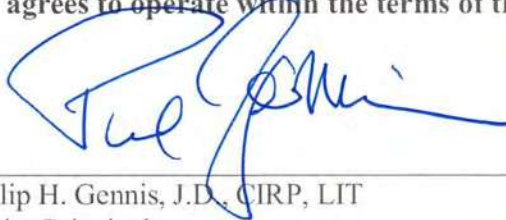


Gamal F. Gerges, personally

msi Spergel inc. hereby consents to this engagement on the basis set out in the

letter and agrees to operate within the terms of the engagement.

Per:



Name: Philip H. Gennis, J.D., CIRP, LIT

Title: Senior Principal



Maxium
Financial

September 3, 2020

msi Spergel inc.
505 Consumers Road, Suite 200
North York, ON M2J 4V8

Attention: Philip H., Gennis, J.D., CIRP, LIT

Dear Sirs:

Re: Abu Seifen Brimley Inc. (the "Company")

The purpose of this letter is to set out the terms upon which CWB Maxium Financial Inc. ("CWB") will engage msi Spergel inc. ("Spergel") to act on CWB's behalf as consultant (the "Consultant") to review and report on the financial and operational performance of the Company and to evaluate CWB's security position and the Company's future prospects and viability, in accordance with the terms and provisions of this agreement including, but not limited to, the following:

1. Reviewing the Company's business plan;
2. Reviewing the current financial position and more recent financial results achieved by the Company;
3. Reviewing the Company's cash flow forecast;
4. Reviewing the Company's work-in-progress ("WIP") as well as the contracts and potential priority claims against such WIP;
5. Reviewing and analysing the existence and validity of claims against the Company including liens, potential liens, environmental liabilities, practical priorities and the impact of those priority claims on Company's assets and CWB's loan position;
6. Reviewing and analysing the existence and validity of accounts receivable including, but not limited to, a review of customer invoices, sales contracts, long-term supply agreements and any and all documentation to support the basis of reported accounts receivable;

30 Vogell Road, Suite 1, Richmond Hill, ON L4B 3K6
t. 905.780.6150
cwbmaxium.com

7. Reviewing and investigating all other matters, which may affect in any manner whatsoever the security position of CWB or the ability of CWB to recover the indebtedness of the Company to CWB, including all transactions or dealings with related entities;
8. Providing, based on your findings and in your sole discretion, such recommendations, only to CWB, as you deem appropriate. For greater certainty, your analysis and recommendation of any issue considered by you in your sole discretion to be relevant to this engagement will not necessarily be subject to the review by the Company.

You are to have no managerial capacity or decision-making responsibilities with respect to the business of the Company. We acknowledge that your review and advice will be based mainly on data supplied by the Company, supplemented by discussions with management. We understand that, although all information gathered will be reviewed for reasonableness, you will not be conducting an audit. Therefore your work will not necessarily disclose any errors, irregularities or illegal acts, if such exist, on the part of the Company or its officers and employees.

Management of the Company has agreed to provide you with the full co-operation of the Company's employees including full access to facilities, assets and records during normal business hours. Management has indicated that they will answer all questions fully and fairly to the best of their ability and knowledge.

Management has agreed to keep you informed of any matters arising that are relevant to your work, and have further confirmed that you are and will remain at liberty to disclose to us any information which you consider relevant to our security and our understanding of the current security position of the Company.

This engagement and your related work should be kept confidential. The explanation that you give to any of the Company's employees who are not aware of your mandate as to the nature of the mandate is a matter for the Company's management to decide and to advise you thereof.

We understand that you will advise us if any situation comes to your attention that would materially affect the terms of this engagement letter.

The Company has accepted responsibility for your fees and expenses incurred in carrying out this engagement, failing which we guarantee their prompt payment and will debit the Company's accounts for such fees and expenses. We understand that

your fees will be based on the time expended multiplied by the hourly rates and levels of staff involved. You are hereby authorized to use any of your employees or agents, as you consider necessary in your review of the affairs of the business of the Company.

The engagement of a Consultant shall not operate as a waiver or merger of any rights that CWB has under any agreement with the Companies or under any security granted to it for the indebtedness of the Company to CWB.

Dated at Richmond Hill, Ontario this 3rd day of September, 2020

CWB MAXIUM FINANCIAL INC.

Per:



Name: Ben Wyatt

Title: V.P. Portfolio

The undersigned duly authorized representative of the Company together with all other signatories hereto hereby consent to the terms of this engagement letter and the appointment of Spergel on the basis set out herein.

The Company and all other signatories hereto understand and agree that, notwithstanding the mandate set out herein, the remedies available to CWB under the terms of its security with the Company remain in full force and effect and that CWB can take steps to act on that security at any time.

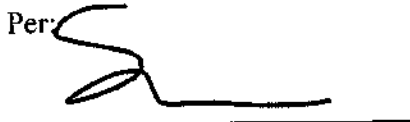
The Company and all other signatories hereto understand that if CWB decides to enforce any of the security held by it against the Company's assets, the Consultant, or any person or corporation associated with it may, without the Company's consent, be appointed to act as Receiver and Manager of the Company's assets or as agent of CWB.

The undersigned parties acknowledge and agree that the employees and management of the Company will extend to Spergel unrestricted access to all of the books and records of the Company. During the course of this engagement, the undersigned acknowledge and agree that Spergel will take no part in the management of the Company's business, for which the sole responsibility remains with the Company.

The undersigned acknowledge and agree that the Company will be responsible for the prompt payment of the fees and expenses of Spergel relating to this engagement and that, if such fees and expenses cannot be paid directly, they will be paid by CWB and added to the Company's indebtedness.

ABU SEIFEN BRIMLEY INC.

Per:

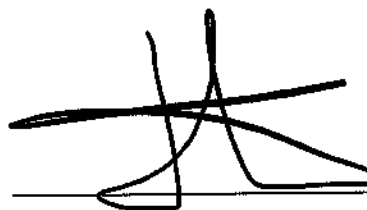


Name: **Sandra Youssef**

I have authority to bind the corporation



Sandra Youssef, Personally



John Gerges, Personally

ST. MARY'S COOKSVILLE PHARMA INC.

Per:



Sandra Youssef, I have authority to bind the corporation

msi Spergel inc. hereby consents to this engagement on the basis set out in the letter and agrees to operate within the terms of the engagement.

Per:



Name: Philip H. Gennis, J.D., CIRP, LIT
Title: Senior Principal



September 3, 2020

msi Spergel inc.
505 Consumers Road, Suite 200
North York, ON M2J 4V8

Attention: Philip H., Gennis, J.D., CIRP, LIT

Dear Sirs:

Re: SJ East Pharma Inc. (the "Company")

The purpose of this letter is to set out the terms upon which CWB Maxium Financial Inc. ("CWB") will engage msi Spergel inc. ("Spergel") to act on CWB's behalf as consultant (the "Consultant") to review and report on the financial and operational performance of the Company and to evaluate CWB's security position and the Company's future prospects and viability, in accordance with the terms and provisions of this agreement including, but not limited to, the following:

1. Reviewing the Company's business plan;
2. Reviewing the current financial position and more recent financial results achieved by the Company;
3. Reviewing the Company's cash flow forecast;
4. Reviewing the Company's work-in-progress ("WIP") as well as the contracts and potential priority claims against such WIP;
5. Reviewing and analysing the existence and validity of claims against the Company including liens, potential liens, environmental liabilities, practical priorities and the impact of those priority claims on Company's assets and CWB's loan position;
6. Reviewing and analysing the existence and validity of accounts receivable including, but not limited to, a review of customer invoices, sales contracts, long-term supply agreements and any and all documentation to support the basis of reported accounts receivable;

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cwbmaxium.com

7. Reviewing and investigating all other matters, which may affect in any manner whatsoever the security position of CWB or the ability of CWB to recover the indebtedness of the Company to CWB, including all transactions or dealings with related entities;
8. Providing, based on your findings and in your sole discretion, such recommendations, only to CWB, as you deem appropriate. For greater certainty, your analysis and recommendation of any issue considered by you in your sole discretion to be relevant to this engagement will not necessarily be subject to the review by the Company.

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Management of the Company has agreed to provide you with the full co-operation of the Company's employees including full access to facilities, assets and records during normal business hours. Management has indicated that they will answer all questions fully and fairly to the best of their ability and knowledge.

Management has agreed to keep you informed of any matters arising that are relevant to your work, and have further confirmed that you are and will remain at liberty to disclose to us any information which you consider relevant to our security and our understanding of the current security position of the Company.

This engagement and your related work should be kept confidential. The explanation that you give to any of the Company's employees who are not aware of your mandate as to the nature of the mandate is a matter for the Company's management to decide and to advise you thereof.

We understand that you will advise us if any situation comes to your attention that would materially affect the terms of this engagement letter.

The Company has accepted responsibility for your fees and expenses incurred in carrying out this engagement, failing which we guarantee their prompt payment and will debit the Company's accounts for such fees and expenses. We understand that

your fees will be based on the time expended multiplied by the hourly rates and levels of staff involved. You are hereby authorized to use any of your employees or agents, as you consider necessary in your review of the affairs of the business of the Company.

The engagement of a Consultant shall not operate as a waiver or merger of any rights that CWB has under any agreement with the Companies or under any security granted to it for the indebtedness of the Company to CWB.

Dated at Richmond Hill, Ontario this 3rd day of September, 2020

CWB MAXIUM FINANCIAL INC.

Per:



Name: Ben Wyett

Title: V.P. Portfolio

The undersigned duly authorized representative of the Company together with all other signatories hereto hereby consent to the terms of this engagement letter and the appointment of Spergel on the basis set out herein.

The Company and all other signatories hereto understand and agree that, notwithstanding the mandate set out herein, the remedies available to CWB under the terms of its security with the Company remain in full force and effect and that CWB can take steps to act on that security at any time.

The Company and all other signatories hereto understand that if CWB decides to enforce any of the security held by it against the Company's assets, the Consultant, or any person or corporation associated with it may, without the Company's consent, be appointed to act as Receiver and Manager of the Company's assets or as agent of CWB.

The undersigned parties acknowledge and agree that the employees and management of the Company will extend to Spergel unrestricted access to all of the books and records of the Company. During the course of this engagement, the undersigned acknowledge and agree that Spergel will take no part in the management of the Company's business, for which the sole responsibility remains with the Company.

The undersigned acknowledge and agree that the Company will be responsible for the prompt payment of the fees and expenses of Spergel relating to this engagement and that, if such fees and expenses cannot be paid directly, they will be paid by CWB and added to the Company's indebtedness.

SJ EAST PHARMA INC.

Per:

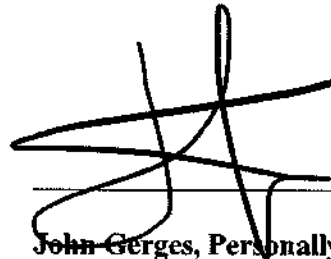


Name: **Diep Nguyen**

I have authority to bind the corporation



Diep Nguyen, Personally



John Gerges, Personally

msi Spergel inc. hereby consents to this engagement on the basis set out in the letter and agrees to operate within the terms of the engagement.

Per:

A handwritten signature in black ink, appearing to read "Philip H. Gennis". The signature is written in a cursive style with a large initial "P".

Name: Philip H. Gennis, J.D., CIRP, LIT
Title: Senior Principal

August 14, 2020

msi Spergel inc.
505 Consumers Road, Suite 200
North York, ON M2J 4V8

Attention: Philip H., Gennis, J.D., CIRP, LIT

Dear Sirs:

Re: JG Windsor Inc. (the “Company”)

The purpose of this letter is to set out the terms upon which CWB Maxium Financial Inc. (“**CWB**”) will engage msi Spergel inc. (“**Spergel**”) to act on CWB’s behalf as consultant (the “**Consultant**”) to review and report on the financial and operational performance of the Company and to evaluate CWB’s security position and the Company’s future prospects and viability, in accordance with the terms and provisions of this agreement including, but not limited to, the following:

1. Reviewing the Company’s business plan;
2. Reviewing the current financial position and more recent financial results achieved by the Company;
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6. Reviewing and analysing the existence and validity of accounts receivable including, but not limited to, a review of customer invoices, sales contracts, long-term supply agreements and any and all documentation to support the basis of reported accounts receivable;

7. Reviewing and investigating all other matters, which may affect in any manner whatsoever the security position of CWB or the ability of CWB to recover the indebtedness of the Company to CWB, including all transactions or dealings with related entities;
8. Providing, based on your findings and in your sole discretion, such recommendations, only to CWB, as you deem appropriate. For greater certainty, your analysis and recommendation of any issue considered by you in your sole discretion to be relevant to this engagement will not necessarily be subject to the review by the Company.

You are to have no managerial capacity or decision-making responsibilities with respect to the business of the Company. We acknowledge that your review and advice will be based mainly on data supplied by the Company, supplemented by discussions with management. We understand that, although all information gathered will be reviewed for reasonableness, you will not be conducting an audit. Therefore your work will not necessarily disclose any errors, irregularities or illegal acts, if such exist, on the part of the Company or its officers and employees.

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The engagement of a Consultant shall not operate as a waiver or merger of any rights that CWB has under any agreement with the Companies or under any security granted to it for the indebtedness of the Company to CWB.

Dated at Richmond Hill, Ontario this 15th day of August, 2020

CWB MAXIUM FINANCIAL INC.

Per:



Name: Ted Hopkinson

Title: V.P. Risk Officer

The undersigned duly authorized representative of the Company together with all other signatories hereto hereby consent to the terms of this engagement letter and the appointment of Spergel on the basis set out herein.

The Company and all other signatories hereto understand and agree that, notwithstanding the mandate set out herein, the remedies available to CWB under the terms of its security with the Company remain in full force and effect and that CWB can take steps to act on that security at any time.

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JG WINDSOR INC.

Per:



Name:

Title: John gerges
Owner
I have authority to bind the corporation

BLESS JG PHARMA INC.

Per:




Name: John gerges
Owner

John Gerges, personally

Title:
I have authority to bind the corporation

msi Spergel inc. hereby consents to this engagement on the basis set out in the letter and agrees to operate within the terms of the engagement.

Per:



Name: Philip H. Gennis, J.D., CIRP, LIT
Title: Senior Principal

August 14, 2020

msi Spergel inc.
505 Consumers Road, Suite 200
North York, ON M2J 4V8

Attention: Philip H., Gennis, J.D., CIRP, LIT

Dear Sirs:

Re: Jimmy's Group Investors Inc. (the "Company")

The purpose of this letter is to set out the terms upon which CWB Maxium Financial Inc. ("CWB") will engage msi Spergel inc. ("Spergel") to act on CWB's behalf as consultant (the "**Consultant**") to review and report on the financial and operational performance of the Company and to evaluate CWB's security position and the Company's future prospects and viability, in accordance with the terms and provisions of this agreement including, but not limited to, the following:

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Dated at Richmond Hill, Ontario this 15th day of August, 2020

CWB MAXIUM FINANCIAL INC.

Per:



Name: Ted Hopkinson

Title: V.P. Risk Officer

The undersigned duly authorized representative of the Company together with all other signatories hereto hereby consent to the terms of this engagement letter and the appointment of Spergel on the basis set out herein.

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JIMMY'S GROUP INVESTORS INC.

BLESS JIMMY'S PHARMA INC.

Per:



Per:



Name: John gerges
Owner

Name: John gerges
Owner

Title:

Title:

I have authority to bind the corporation

I have authority to bind the corporation

BLESS PHARMA INC.

Per:

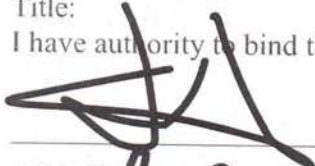


Name: John gerges

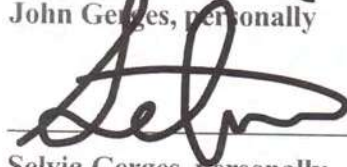
Owner

Title:

I have authority to bind the corporation



John Gerges, personally



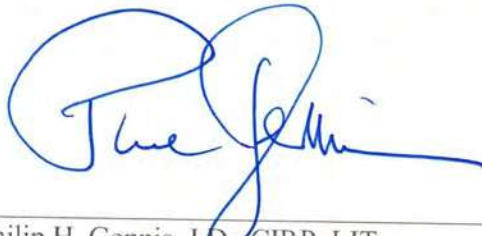
Selvia Gerges, personally



Gamal F. Gerges, personally

msi Spergel inc. hereby consents to this engagement on the basis set out in the letter and agrees to operate within the terms of the engagement.

Per:



Name: Philip H. Gennis, J.D., CIRP, LIT

Title: Senior Principal

August 14, 2020

msi Spergel inc.
505 Consumers Road, Suite 200
North York, ON M2J 4V8

Attention: Philip H., Gennis, J.D., CIRP, LIT

Dear Sirs:

Re: JM Westview Pharma Inc. o/a Mill Street Pharmacy. (the "Company")

The purpose of this letter is to set out the terms upon which CWB Maxium Financial Inc. ("CWB") will engage msi Spergel inc. ("Spergel") to act on CWB's behalf as consultant (the "**Consultant**") to review and report on the financial and operational performance of the Company and to evaluate CWB's security position and the Company's future prospects and viability, in accordance with the terms and provisions of this agreement including, but not limited to, the following:

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Dated at Richmond Hill, Ontario this 15th day of August, 2020

CWB MAXIUM FINANCIAL INC.

Per:



Name: Ted Hopkinson

Title: V.P. Risk Officer

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JM WESTVIEW PHARMA INC.

Per:



John Gerges, personally

Name: John gerges

Title: Owner

I have authority to bind the corporation

msi Spergel inc. hereby consents to this engagement on the basis set out in the letter and agrees to operate within the terms of the engagement.

Per:

A handwritten signature in blue ink, appearing to read "Phil Gennis". The signature is fluid and cursive, with a large initial "P" and "G".

Name: Philip H. Gennis, J.D., CIRP, LIT
Title: Senior Principal

August 14, 2020

msi Spergel inc.
505 Consumers Road, Suite 200
North York, ON M2J 4V8

Attention: Philip H., Gennis, J.D., CIRP, LIT

Dear Sirs:

Re: Jubilee Property Investments Inc. (the “Company”)

The purpose of this letter is to set out the terms upon which CWB Maxium Financial Inc. (“**CWB**”) will engage msi Spergel inc. (“**Spergel**”) to act on CWB’s behalf as consultant (the “**Consultant**”) to review and report on the financial and operational performance of the Company and to evaluate CWB’s security position and the Company’s future prospects and viability, in accordance with the terms and provisions of this agreement including, but not limited to, the following:

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5. Reviewing and analysing the existence and validity of claims against the Company including liens, potential liens, environmental liabilities, practical priorities and the impact of those priority claims on Company’s assets and CWB’s loan position;
6. Reviewing and analysing the existence and validity of accounts receivable including, but not limited to, a review of customer invoices, sales contracts, long-term supply agreements and any and all documentation to support the basis of reported accounts receivable;

7. Reviewing and investigating all other matters, which may affect in any manner whatsoever the security position of CWB or the ability of CWB to recover the indebtedness of the Company to CWB, including all transactions or dealings with related entities;
8. Providing, based on your findings and in your sole discretion, such recommendations, only to CWB, as you deem appropriate. For greater certainty, your analysis and recommendation of any issue considered by you in your sole discretion to be relevant to this engagement will not necessarily be subject to the review by the Company.

You are to have no managerial capacity or decision-making responsibilities with respect to the business of the Company. We acknowledge that your review and advice will be based mainly on data supplied by the Company, supplemented by discussions with management. We understand that, although all information gathered will be reviewed for reasonableness, you will not be conducting an audit. Therefore your work will not necessarily disclose any errors, irregularities or illegal acts, if such exist, on the part of the Company or its officers and employees.

Management of the Company has agreed to provide you with the full co-operation of the Company's employees including full access to facilities, assets and records during normal business hours. Management has indicated that they will answer all questions fully and fairly to the best of their ability and knowledge.

Management has agreed to keep you informed of any matters arising that are relevant to your work, and have further confirmed that you are and will remain at liberty to disclose to us any information which you consider relevant to our security and our understanding of the current security position of the Company.

This engagement and your related work should be kept confidential. The explanation that you give to any of the Company's employees who are not aware of your mandate as to the nature of the mandate is a matter for the Company's management to decide and to advise you thereof.

We understand that you will advise us if any situation comes to your attention that would materially affect the terms of this engagement letter.

The Company has accepted responsibility for your fees and expenses incurred in carrying out this engagement, failing which we guarantee their prompt payment and will debit the Company's accounts for such fees and expenses. We understand that

your fees will be based on the time expended multiplied by the hourly rates and levels of staff involved. You are hereby authorized to use any of your employees or agents, as you consider necessary in your review of the affairs of the business of the Company.

The engagement of a Consultant shall not operate as a waiver or merger of any rights that CWB has under any agreement with the Companies or under any security granted to it for the indebtedness of the Company to CWB.

Dated at Richmond Hill, Ontario this 15th day of August, 2020

CWB MAXIUM FINANCIAL INC.

Per:



Name: Ted Hopkinson

Title: V.P. Risk Officer

The undersigned duly authorized representative of the Company together with all other signatories hereto hereby consent to the terms of this engagement letter and the appointment of Spergel on the basis set out herein.

The Company and all other signatories hereto understand and agree that, notwithstanding the mandate set out herein, the remedies available to CWB under the terms of its security with the Company remain in full force and effect and that CWB can take steps to act on that security at any time.

The Company and all other signatories hereto understand that if CWB decides to enforce any of the security held by it against the Company's assets, the Consultant, or any person or corporation associated with it may, without the Company's consent, be appointed to act as Receiver and Manager of the Company's assets or as agent of CWB.

The undersigned parties acknowledge and agree that the employees and management of the Company will extend to Spergel unrestricted access to all of the books and records of the Company. During the course of this engagement, the undersigned acknowledge and agree that Spergel will take no part in the management of the Company's business, for which the sole responsibility remains with the Company.

The undersigned acknowledge and agree that the Company will be responsible for the prompt payment of the fees and expenses of Spergel relating to this engagement and that, if such fees and expenses cannot be paid directly, they will be paid by CWB and added to the Company's indebtedness.

JUBILEE PROPERTY INVESTMENTS INC.

Per:

A handwritten signature in black ink, appearing to be 'John gerges', written over a horizontal line.

Name: John gerges

Title: Owner

I have authority to bind the corporation

BLESS PHARMA INC.

Per:



Name: John gerges
Title: Owner

I have authority to bind the corporation



John Gerges, personally

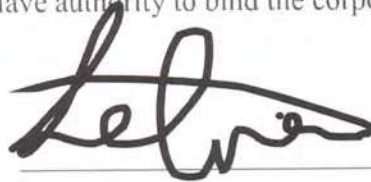
RESIDENT MEDICAL GROUP INC.

Per:



Name: Sally gerges
Title: Owner

I have authority to bind the corporation



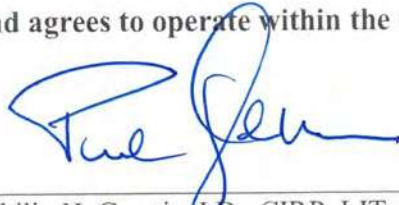
Selvia Gerges, personally



Sally G. Gerges, personally

msi Spergel inc. hereby consents to this engagement on the basis set out in the letter and agrees to operate within the terms of the engagement.

Per:



Name: Philip H. Gennis, J.D., CIRP, LIT
Title: Senior Principal

August 14, 2020

msi Spergel inc.
505 Consumers Road, Suite 200
North York, ON M2J 4V8

Attention: Philip H., Gennis, J.D., CIRP, LIT

Dear Sirs:

Re: S & J Property Investors Inc. (the “Company”)

The purpose of this letter is to set out the terms upon which CWB Maxium Financial Inc. (“**CWB**”) will engage msi Spergel inc. (“**Spergel**”) to act on CWB’s behalf as consultant (the “**Consultant**”) to review and report on the financial and operational performance of the Company and to evaluate CWB’s security position and the Company’s future prospects and viability, in accordance with the terms and provisions of this agreement including, but not limited to, the following:

1. Reviewing the Company’s business plan;
2. Reviewing the current financial position and more recent financial results achieved by the Company;
3. Reviewing the Company’s cash flow forecast;
4. Reviewing the Company’s work-in-progress (“WIP”) as well as the contracts and potential priority claims against such WIP;
5. Reviewing and analysing the existence and validity of claims against the Company including liens, potential liens, environmental liabilities, practical priorities and the impact of those priority claims on Company’s assets and CWB’s loan position;
6. Reviewing and analysing the existence and validity of accounts receivable including, but not limited to, a review of customer invoices, sales contracts, long-term supply agreements and any and all documentation to support the basis of reported accounts receivable;

7. Reviewing and investigating all other matters, which may affect in any manner whatsoever the security position of CWB or the ability of CWB to recover the indebtedness of the Company to CWB, including all transactions or dealings with related entities;
8. Providing, based on your findings and in your sole discretion, such recommendations, only to CWB, as you deem appropriate. For greater certainty, your analysis and recommendation of any issue considered by you in your sole discretion to be relevant to this engagement will not necessarily be subject to the review by the Company.

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your fees will be based on the time expended multiplied by the hourly rates and levels of staff involved. You are hereby authorized to use any of your employees or agents, as you consider necessary in your review of the affairs of the business of the Company.

The engagement of a Consultant shall not operate as a waiver or merger of any rights that CWB has under any agreement with the Companies or under any security granted to it for the indebtedness of the Company to CWB.

Dated at Richmond Hill, Ontario this 15th day of August, 2020

CWB MAXIUM FINANCIAL INC.

Per:



Name: Ted Hopkinson

Title: V.P. Risk Officer

The undersigned duly authorized representative of the Company together with all other signatories hereto hereby consent to the terms of this engagement letter and the appointment of Spergel on the basis set out herein.

The Company and all other signatories hereto understand and agree that, notwithstanding the mandate set out herein, the remedies available to CWB under the terms of its security with the Company remain in full force and effect and that CWB can take steps to act on that security at any time.

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S & J PROPERTY INVESTORS INC.

Per:



Name: John gerges

Title: Owner


I have authority to bind the corporation



John Gerges, personally

BLESS PHARMA INC.

Per:



Name: John gerges

Title: Owner

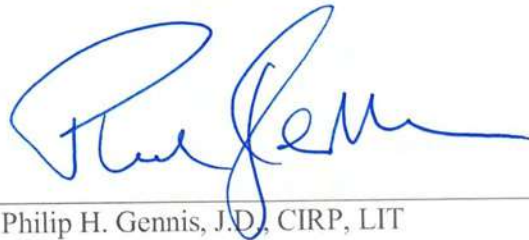
I have authority to bind the corporation



Gamal Farid Gerges, personally

msi Spergel inc. hereby consents to this engagement on the basis set out in the letter and agrees to operate within the terms of the engagement.

Per:

A handwritten signature in blue ink, appearing to read "Philip H. Gennis". The signature is written in a cursive style with a large, looped initial "P".

Name: Philip H. Gennis, J.D., CIRP, LIT
Title: Senior Principal

August 14, 2020

msi Spergel inc.
505 Consumers Road, Suite 200
North York, ON M2J 4V8

Attention: Philip H., Gennis, J.D., CIRP, LIT

Dear Sirs:

Re: Toronto Surrey Pharma Inc. o/a Surrey Drug Mart
(the “Company”)

The purpose of this letter is to set out the terms upon which CWB Maxium Financial Inc. (“**CWB**”) will engage msi Spergel inc. (“**Spergel**”) to act on CWB’s behalf as consultant (the “**Consultant**”) to review and report on the financial and operational performance of the Company and to evaluate CWB’s security position and the Company’s future prospects and viability, in accordance with the terms and provisions of this agreement including, but not limited to, the following:

1. Reviewing the Company’s business plan;
2. Reviewing the current financial position and more recent financial results achieved by the Company;
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6. Reviewing and analysing the existence and validity of accounts receivable including, but not limited to, a review of customer invoices, sales contracts, long-term supply agreements and any and all documentation to support the basis of reported accounts receivable;

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Dated at Richmond Hill, Ontario this 15th day of August, 2020

CWB MAXIUM FINANCIAL INC.

Per:



Name: Ted Hopkinson
Title: V.P. Risk Officer

The undersigned duly authorized representative of the Company together with all other signatories hereto hereby consent to the terms of this engagement letter and the appointment of Spergel on the basis set out herein.

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TORONTO SURREY PHARMA INC.

Per:



Name:

John gerges

Title: Owner

I have authority to bind the corporation

TORONTO APOTHECARY PHARMA INC.

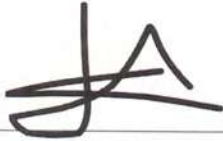
Per:



Name: John gerges

Title: Owner

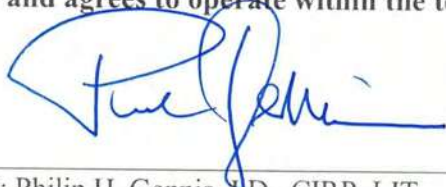
I have authority to bind the corporation



John Gerges, personally

msi Spergel inc. hereby consents to this engagement on the basis set out in the letter and agrees to operate within the terms of the engagement.

Per:



Name: Philip H. Gennis, J.D., CIRP, LIT

Title: Senior Principal

APPENDIX 2

Mukul Manchanda

From: Philip Gennis
Sent: January 19, 2021 5:10 PM
To: Lefebvre, Bernard
Cc: Mukul Manchanda
Subject: RE: NSF PC5571 Mill Street Pharmacy AC#7011421

Bernard,

I will make enquiries and respond back.

Philip Gennis, J.D., CIRP, LIT | Partner

msi Spergel Inc. | Licensed Insolvency Trustees
505 Consumers Road, Suite 200, North York, M2J 4V8
T/F: 416-498-4325 | C: (416) 457-4773
PGennis@spergel.ca | www.spergelcorporate.ca
Insolvency • Restructuring • Consulting



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From: Lefebvre, Bernard <bernard.lefebvre@mckesson.ca>
Sent: January 19, 2021 4:26 PM
To: Philip Gennis <PGennis@spergel.ca>
Subject: NSF PC5571 Mill Street Pharmacy AC#7011421

Hello Philip,

We have a pharmacy in the John Gergis organization which has returned one of our pre-authorized payments.

They allege that it is going on Receivership, could you confirm ?

Thank you,

Bernard Lefebvre CMA, CCP

Directeur, Cr dit et services financiers | Finance
Director, Credit and Financial Services | Finance
t 514.593.2242 | f 514.593.5104 | m 514-296-9904
bernard.lefebvre@mckesson.ca

Service des Finances | Finance Services

McKesson Canada | 8290, boulevard Pie-IX, Montr al (Qu bec) H1Z 4E8 | www.mckesson.ca

De : Boothroyd, Chris <Chris.Boothroyd@mckesson.ca>
Envoyé : January 19, 2021 4:07 PM
À : Lefebvre, Bernard <bernard.lefebvre@mckesson.ca>
Objet : FW: NSF PC5571 Mill Street Pharmacy AC#7011421

Hi Bernard,

FYI on another John Gerges account. This one just went NSF and he's claiming it will be in receivership as well.

Thakns,

Chris Boothroyd
Supervisor
Credit & Financial Services - Ontario

McKesson Canada
6355 Viscount Road
Mississauga, ON L4V 1W2
Tel.: 289.789.1613
chris.boothroyd@mckesson.ca
www.mckesson.ca

From: Yapa, Arosha <arosha.yapa@mckesson.ca>
Sent: Tuesday, January 19, 2021 4:02 PM
To: Boothroyd, Chris <Chris.Boothroyd@mckesson.ca>
Subject: NSF PC5571 Mill Street Pharmacy AC#7011421

Hi Chris,

NSF for account 7011421 PC5571 Mill street pharmacy, stmt 12/31/2020.

PC5571 MILL STREET P | 15/01/21 083769252 INSUFFICI

Just spoke to John Gerges (4168165534) about his NSF for Mill street pharmacy, he said this account will be in receivership as well.

Thank You

Arosha Yapa
Senior Associate, Credit Specialist
McKesson Canada – Pharmaceutical
6355 Viscount Road, Mississauga, ON L4V 1W2
arosha.yapa@mckesson.ca | www.mckesson.ca
T: 905-671-1432 | TOLL FREE: 1-800-576-2380
F: 289-247-1174

NOTICE: This e-mail contains information that may be confidential. If you are not the intended recipient, any disclosure or other use of this e-mail or the information contained herein or attached hereto may be unlawful and is strictly

prohibited. If you have received this e-mail in error, please notify the sender immediately and delete this e-mail without reading, printing, copying or forwarding it to anyone. Thank you for your kind collaboration.

AVIS: Ce courriel contient des renseignements qui peuvent être confidentiels. Si vous n'êtes pas le véritable destinataire, la diffusion ou l'usage de ce courriel, des renseignements qu'il contient ou des documents qui lui sont joints pourrait être illégal. Il est donc strictement interdit de les diffuser ou de les utiliser. Si vous avez reçu ce courriel par erreur, veuillez en aviser l'expéditeur immédiatement et veuillez le supprimer sans le lire, l'imprimer, le sauvegarder ou le diffuser. Merci de votre aimable collaboration.

APPENDIX 3

MILL ST.
Rx PharmaChoice
FAST & FRIENDLY SERVICE
682-0033





VARIETY

TILBURY REHAB CENTRE
CORPORATED
PHYSICAL THERAPY & MASSAGE

Tilbury
WALK-IN CLINIC OPEN

15 MILL
STREET EAST

15
MILL STREET EAST

ry Walk-in-Clinic
Mon-Fri 9am-4:30pm

lbury Rehab
Centre
Physiotherapy, Chiropractic & Massage

STREET

armaChoice

11 Mill Street East

UPI ENERGY

SELF SERVE **1036**

MIKE'S
Car Wash
VARIETY

LOCAL APPLES

K

Gas prices: 103.9, 103.9, 103.9, 103.9, 103.9

15

MILL STREET EAST

Tilbury Walk-in-Clinic

Open Mon-Fri 9am-4:30pm

Tilbury Rehab
Centre

Physiotherapy, Chiropractic & Massage

MILL STREET
& PharmaChoice

11 Mill S

UPIE

SELF
SERVE

MIKE
Car Wash
VARIE

LOCAL
APPLES



R SIGMA DRUG MART
& MEDICAL CENTRE 519-607-9266



WASH
WAX
POLISH
WAX
POLISH
WAX
POLISH

APPENDIX 4

MILL STREET PHARMACY
15 MILL ST, EAST, TILBURY, ON N0P-2L0, CANADA
 Tel: (519) 682-0033 Fax: (519) 682-0466

Sales Totals - Summary

(Grouped By Plan)

Date Range: Jan 01, 2020 - Aug 26, 2020

Plan	New Rx's	Refill Rx's	# of Rx's	# of Trans	Discount	Plan 1 Paid	Plan 2 Paid	Plan 3 Paid	Plan 4 Paid	Total Plan Paid	Pat./Deduct Paid	Total Price Paid	Total MarkUp Paid	Total Fee Paid
AHE	9	32	41	55	235.57	1079.83	353.18	0.00	0.00	1433.01	442.56	1875.57	98.82	491.59
DB	2645	22183	24828	24828	160711.67	440170.17	0.00	0.00	0.00	440170.17	20953.42	461123.59	25552.47	217322.09
ESI	265	987	1252	1975	6320.97	29319.77	5656.25	2572.04	0.00	37548.06	4388.41	41936.47	2336.19	14762.04
GS	615	1461	2076	4868	6646.62	64564.21	16349.95	14.47	0.00	80928.63	7664.97	88593.60	4671.52	24734.36
IA	20	7	27	88	106.36	676.45	419.72	5.38	0.00	1101.55	3.14	1104.69	23.03	311.15
LS	4	0	4	4	0.00	229.99	0.00	0.00	0.00	229.99	0.00	229.99	0.00	0.00
MDM	4	11	15	15	0.00	235.63	0.00	0.00	0.00	235.63	4.27	239.90	9.73	179.85
NEX	10	3	13	23	0.00	671.89	37.28	0.00	0.00	709.17	4.23	713.40	86.26	155.87
OBC	38	15	53	67	20.51	2162.47	351.01	0.00	0.00	2513.48	234.13	2747.61	231.20	635.47
PSH	2	31	33	33	267.89	634.28	0.00	0.00	0.00	634.28	68.82	703.10	23.96	395.67
RXP	58	209	267	638	1160.62	9835.34	6204.33	607.65	0.00	16647.32	3242.20	19889.52	1066.84	3140.09
SHN	85	156	241	378	748.84	9510.62	630.11	27.96	0.00	10168.69	964.94	11133.63	879.04	2857.47
SSQ	9	25	34	34	0.00	1720.10	0.00	0.00	0.00	1720.10	13.34	1733.44	167.23	407.66
WCB	1	2	3	3	9.48	294.95	0.00	0.00	0.00	294.95	0.00	294.95	22.10	35.97
VBC	0	0	0	55	0.00	0.00	373.91	0.00	0.00	373.91	0.00	373.91	0.00	0.00
Totals:	3765	25122	28887	33064	176228.53	561105.70	30375.74	3227.50	0.00	594708.94	37984.43	632693.37	35168.39	265429.28
CSH	1199	4116	5315	5315	2025.43	0.00	0.00	0.00	0.00	0.00	142146.12	142146.12	16488.73	43742.80
TOTALS:	4964	29238	34202	38379	178253.96	561105.70	30375.74	3227.50	0.00	594708.94	180130.55	774839.49	51657.12	309172.08

Number of	Prescriptions	Transactions
New	4964	5403
Refills	29238	32981
Total	34202	38384
Deleted	377	
On Hold	865	

Note: Deleted and On Hold Prescriptions are not included in the above results

Note: Discounts are already subtracted from Total Price Paid

MILL STREET PHARMACY
 JM WESTVIEW PHARMA INC.
 15 MILL ST, EAST, TILBURY, ON N0P-2L0, CANADA
 Tel: (519) 682-0033 Fax: (519) 682-0466

Sales Totals - Summary
 (Grouped By Plan)

Date Range: Jan 01, 2019 - Dec 31, 2019

Plan	New Rx's	Refill Rx's	# of Rx's	# of Trans	Discount	Plan 1 Paid	Plan 2 Paid	Plan 3 Paid	Plan 4 Paid	Pat./Deduct		Total Price Paid	Total MarkUp Paid	Total Fee Paid
										Total Plan Paid	Pat. Paid			
AHE	97	491	588	686	2606.77	20773.05	614.89	0.00	0.00	21387.94	1295.17	22683.11	1559.68	7002.20
DB	4217	35707	39924	39924	250972.00	699126.82	0.00	0.00	0.00	699126.82	35318.45	734445.27	39636.49	351407.30
ESI	575	1732	2307	3453	10308.78	63324.39	7721.86	1805.70	0.00	72851.95	7945.85	80797.80	5681.09	27336.21
ESR	1	0	1	1	0.00	43.67	0.00	0.00	0.00	43.67	0.00	43.67	2.85	11.99
GS	1296	2505	3801	8207	14254.18	122925.73	26392.56	169.99	0.00	149488.28	14190.58	163678.86	9231.15	46300.42
IA	23	19	42	115	134.78	1068.05	517.62	0.00	0.00	1585.67	32.86	1618.53	48.56	465.86
LS	20	0	20	20	0.00	1129.95	0.00	0.00	0.00	1129.95	0.00	1129.95	0.00	0.00
MDM	0	6	6	6	0.00	221.79	0.00	0.00	0.00	221.79	0.00	221.79	0.00	0.00
NEX	27	41	68	72	25.82	2606.46	37.91	0.00	0.00	2644.37	581.23	3225.60	217.90	791.34
OBC	54	210	264	335	1481.80	6829.92	970.87	0.00	0.00	7800.79	431.65	8232.44	471.85	3165.36
ONN	5	0	5	5	6.76	192.72	0.00	0.00	0.00	192.72	9.27	201.99	25.24	107.96
PSH	37	240	277	292	2019.28	4908.94	139.62	0.00	0.00	5048.56	590.99	5639.55	260.55	3321.23
RXP	120	384	504	1159	1680.11	16730.64	12483.41	2498.31	0.00	31910.43	1873.05	33783.48	1361.29	6006.35
SHN	1117	1960	3085	5451	9186.13	114969.90	12091.37	414.46	0.00	127475.73	12001.75	140277.48	9915.86	36323.68
SSQ	4	21	25	34	1.08	2090.93	539.28	0.00	0.00	2630.21	36.21	2666.42	374.54	299.75
VBC	4	0	4	87	3.16	127.47	566.92	0.00	0.00	694.39	0.00	694.39	16.49	47.96
WCB	1	60	61	61	248.81	4110.50	0.00	0.00	0.00	4110.50	6.32	4116.82	297.26	731.39
Totals:	7598	43464	51062	59908	292929.46	1061180.93	62076.31	4888.46	0.00	1128145.70	75136.86	1203282.56	69118.98	483390.94
CSH	1553	4047	5600	5600	389.77	0.00	0.00	0.00	0.00	0.00	117093.25	117093.25	13660.87	33564.37
TOTALS:	9151	47511	56662	65508	293319.23	1061180.93	62076.31	4888.46	0.00	1128145.70	192230.11	1320375.81	82779.85	516955.31

Number of	Prescriptions	Transactions
New	9151	10307
Refills	47511	55223
Total	56662	65530
Deleted	921	
On Hold	991	

Note: Deleted and On Hold Prescriptions are not included in the above results

Note: Discounts are already subtracted from Total Price Paid

MILL STREET PHARMACY
 JM WESTVIEW PHARMA INC.
 15 MILL ST, EAST, TILBURY, ON N0P-2L0, CANADA
 Tel: (519) 682-0033 Fax: (519) 682-0466

Sales Totals - Summary
 (Grouped By Plan)

Date Range: Jan 01, 2018 - Dec 31, 2018

Plan	New Rx's	Refill Rx's	# of Rx's	# of Trans	Discount	Plan 1 Paid	Plan 2 Paid	Plan 3 Paid	Plan 4 Paid	Total Plan Paid	Pat./Deduct Paid	Total Price Paid	Total MarkUp Paid	Total Fee Paid
AHE	149	571	720	953	928.24	21526.89	344.90	534.79	0.00	22449.04	2408.01	24857.05	2843.73	8607.89
DB	4901	43363	48264	48264	59539.72	743914.14	0.00	0.00	0.00	743914.14	195050.30	938964.44	75118.91	429671.45
ESI	569	1791	2360	5287	4803.85	56976.10	30853.11	28176.51	0.00	118532.97	16135.24	134668.21	12087.18	27743.98
GS	1254	3473	4727	9829	6323.82	130607.77	30886.17	268.37	0.00	161781.14	23244.11	185025.25	18856.31	56585.41
LA	9	84	93	209	23.94	899.24	855.53	0.00	0.00	1754.77	428.82	2183.59	112.81	1111.91
JOH	7	10	17	162	32.00	1018.57	55.01	0.00	0.00	1073.58	383.39	1456.97	314.96	203.83
LS	28	0	28	28	0.00	1634.95	0.00	0.00	0.00	1634.95	0.00	1634.95	0.00	0.00
MDM	4	4	8	8	0.00	302.36	0.00	0.00	0.00	302.36	20.10	322.46	26.39	95.92
NEX	27	35	62	62	756.90	2030.76	0.00	0.00	0.00	2030.76	320.38	2351.14	1071.20	743.38
OBC	134	499	633	678	518.50	18117.35	955.74	0.00	0.00	19397.26	2286.39	21683.65	1706.28	7589.67
ONN	2	0	2	2	0.00	62.72	0.00	0.00	0.00	62.72	13.20	75.92	2.39	71.99
PSH	19	302	321	340	291.39	4421.73	258.79	0.00	0.00	4680.52	1117.74	5798.26	390.61	3848.79
RXP	107	658	765	2682	726.10	20102.98	31121.11	13174.22	0.00	65318.68	4165.73	69484.41	3852.49	9134.43
SHN	893	2376	3269	5602	4432.15	115096.69	13489.55	768.27	0.00	129537.57	17244.96	146782.53	16109.88	38955.15
SSQ	4	39	43	49	0.00	3858.45	61.30	0.00	0.00	3919.75	491.59	4411.34	296.10	515.57
VBC	1	0	1	136	0.00	30.83	1108.97	0.00	0.00	1139.80	7.71	1147.51	2.17	11.99
WCB	18	212	230	230	77.70	4320.52	0.00	0.00	0.00	4320.52	660.44	4980.96	195.82	2757.70
ESR	0	0	0	77	0.00	0.00	660.19	783.09	0.00	1443.28	0.00	1443.28	0.00	0.00
Totals:	8126	53417	61543	74598	78454.31	1124922.05	110650.37	43705.25	0.00	1279277.67	263978.11	1543255.78	132987.23	587649.06
CSH	1613	5632	7245	7245	70.41	0.00	0.00	0.00	0.00	0.00	160327.69	160327.69	18051.60	46760.62
TOTALS:	9739	59049	68788	81843	78524.72	1124922.05	110650.37	43705.25	0.00	1279277.67	424305.80	1703583.47	151038.83	634409.68

Number of	Prescriptions	Transactions
New	9739	11095
Refills	59049	70828
Total	68788	81923
Deleted	695	
On Hold	948	

Note: Deleted and On Hold Prescriptions are not included in the above results

Note: Discounts are already subtracted from Total Price Paid

BOB

Accounting & TAX SERVICES INC.

BAHAA GUIRGUIS

B Comm. – H&R Block

JM WESTWIEW PHARMA INC.

(Incorporated under the laws of Ontario)

UNAUDITED FINANCIAL STATEMENTS

For THE PERIOD

FROM JUNE 2019 – MAY 2020

BOB

Accounting & TAX SERVICES INC.

NOTICE TO READER

TO THE SHAREHOLDERS OF

J M Westview Pharma Inc.

On the basis of information provided by Management I have compiled the Balance sheet

Of J M Westview Pharma Inc. As at May 31, 2020 and the statements of income and retained earnings from June 01, 2019 up to May 31, 2020

I have not performed an audit or a review engagement in respect of these financial statements and, accordingly, I express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purpose.



A handwritten signature in black ink, appearing to read 'Bahaa Guirguis', is written over a horizontal dashed line.

Bahaa Guirguis

Bob accounting & Tax Services Inc.

2554 Nichols Dr. Oakville, ON L6H 7L3

Tel: 416 618 1516 Fax: 905 582 0821

J M Westview Pharma Inc.

Balance Sheet as at May 31, 2020

ASSETS

CURRENT ASSETS	2020	2019
Cash in bank	53,674	78,574
Accounts receivable	54,457	68,537
Prepaid expenses	3,500	3,500
Inventory	110,183	150,086
HST receivable	3,714	3,924
TOTAL CURRENT ASSETS	228,528	304,441
FIXED ASSETS		
Furniture & Fixtures	251,650	251,650
Computer & Equipment	60,000	60,000
Leasehold Improvements	484,280	484,280
Accumulated depreciation	(423,782)	(406,556)
TOTAL FIXED ASSETS	372,148	419,374
OTHER ASSETS		
Goodwill	530,000	530,000
TOTAL CURRENT ASSETS	530,000	530,000
TOTAL ASSETS	1,129,683	1,268,476

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES	2020	2019
Accounts Payable & Accrued liabilities	38,732	33,515
Wages Payable	1,453	1,986
Loan	605,834	704,532
LOC - CWB	250,000	250,876
	896,019	990,033
STOCKHOLDERS' EQUITY		
Opening retained earnings	233,664	222,567
Retained earnings	9,412	7,097
	233,664	233,664
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	1,129,683	1,223,815

J M Westview Pharma Inc.

Statement of profits and losses

For the period from June 01, 2019 - May 31, 2020

	2020	2019
Revenue		
Sales	1,338,723	1,498,723
	1,338,723	1,498,723
Cost of goods sold		
Purchases	829,010	931,388
	509,713	567,335
Expenses		
Accounts fee & Legal fee	1,982	1,982
Advertising & Promotion	2,712	2,832
Amortization	45,832	59,832
Computer - related exp.	3,932	4,932
Delivery	5,655	5,732
Insurance Expenses	1,632	1,632
Interest & bank charge	2,873	2,983
Loan interest	41,831	49,931
Memberships and Dues	1,232	1,232
Management Fee	170,000	195,000
Meals and entertainment	1,323	1,932
Office expenses	4,874	5,431
Professional fees	93,783	94,523
Rent	48,640	48,640
Repairs and Maintenance	109	232
Salaries and wages	62,246	68,743
Supplies	5,784	7,884
Telephone Exp.	2,463	2,463
Utilities	2,364	2,984
	Total Expenses	558,920
	Net Income or (loss)	8,415
	Income taxes	918
	Retained earnings, end of year	7,097

Unaudited "See notice to reader"

APPENDIX 5



gp GLOBAL HEALTH PHARMACY

gp



pharmacy



pharmacy





BRIGHTON

 **PharmaChoice**

*Advice
for Life*

Ann-Marie Creighton
Front Store Manager

19 Elizabeth St
Brighton, ON. K0K 1H0
pharmachoice.com

T. 613-475-9595
F. 613-475-3535

brightonspharmacy@gmail.com



NO
PASSING
HERE TO
CROSSING



PharmaChoice

BRIGHTON
PHARMACHOI

613-475-9595
19 Elizabeth St



APPENDIX 6



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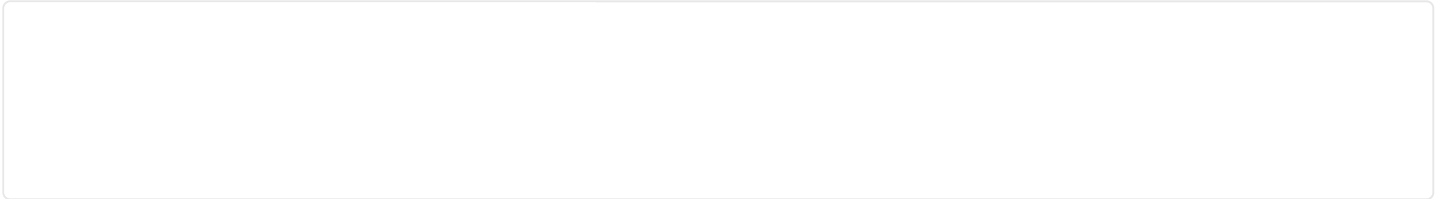
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About



📍 19 Elizabeth St., Brighton, ON, Canada K0K 1h0

[Get Directions](#)

★ Rating · 5 (4 reviews)

📍 15 people checked in here

☎ (613) 475-9595

✉ brightonspharmacy@gmail.com

🕒 Closing Soon

· 9 AM - 6 PM ▼

ⓘ Brighton Pharmachoice
Fax # 613 475-3535

[See More ▼](#)

 Page Transparency

Facebook is showing information to help you better understand the purpose of a Page. See actions taken by the people who manage and post content.

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Photos by Brighton's Global Health Pharmacy





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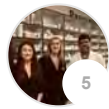
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Brighton Pharmasave

\$ · Health/Beaut...

Closing Soon · 9:00 AM - 6:00 PM



Guardian Dundas Quinte Pharmacy

Medical Service

Closing Soon · 9:00 AM - 6:00 PM



Warkworth Pharm

Pharmacy / Drugsto

246 people like this

371 people like this

171 people like this



Like



Message



Like



Message



Like



Brighton's Global Health Pharmacy

December 10, 2020 at 7:24 AM ·

Get your tickets here




Help Purchase New Equipment for YOUR Hospital!
Get Your Catch the Ace Tickets today!

Where can Catch the Ace tickets be purchased?

- MacLaren IDA Pharmacy (Campbellford)
- B & C Variety (Campbellford)
- William J. Thompson Farm Supply (Campbellford)
- Newman Insurance (Campbellford)
- Dizzy Goose Toys (Campbellford)
- Giant Tiger (Campbellford)
- Campbellford Chrysler
- Remedy's RX Warkworth Pharmacy
- Remedy's RX Hastings Pharmacy
- Todd's Valu-mart (Hastings)
- McKeown Motor Sales (Springbrook)
- Rustic Routes (Stirling)
- Beautiful Things (Stirling)
- Home Hardware (Stirling)
- The Pro One Stop (Stirling)
- Havelock Guardian Pharmacy
- Carquest Auto Parts (Havelock)
- J.J Stewart Motors (Norwood)
- Norwood Ultramar
- Cook's Barber Shop (Marmora)
- Broadbent's Home Hardware (Marmora)
- Possibilities Inc. (Marmora)
- The Red Barn Country Market (Roseneath)
- Brighton PharmaChoice Pharmacy
- Campbellford Memorial Hospital Foundation



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1 Comment



Brighton's Global Health Pharmacy updated their cover photo.

December 3, 2020 at 7:53 AM ·



Brighton's Global Health Pharmacy updated their cover photo.

December 3, 2020 at 7:52 AM ·



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Brighton's Global Health Pharmacy updated their cover photo.

December 3, 2020 at 7:51 AM ·



Brighton's Global Health Pharmacy updated their cover photo.

December 3, 2020 at 7:51 AM ·



Brighton's Global Health Pharmacy updated their profile picture.

December 3, 2020 at 7:49 AM ·



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4 Likes



Brighton's Global Health Pharmacy updated their profile picture.

December 3, 2020 at 7:42 AM ·



1 Like



Brighton's Global Health Pharmacy updated their cover photo.

December 3, 2020 at 7:41 AM ·



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2 Likes



Brighton's Global Health Pharmacy

November 25, 2020 at 4:38 PM ·





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Brighton's Global Health Pharmacy

November 24, 2020 at 12:48 PM ·

Walk-in clinic is opening tomorrow Thursday November 26th 9-5 Good Doctors walk-in Clinic
19 Elizabeth St. next to Mac's...parking in the back
Hours will be Monday-Friday 9-5 (clinic)Monday-Friday 9-6 Saturday 9-4
Sunday 11-3 (pharmacy)
Call (613)475-9595 for any questions



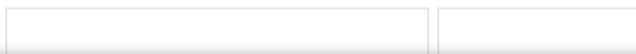
4 Likes · 1 Comment



Brighton's Global Health Pharmacy

November 24, 2020 at 9:23 AM ·

A sneak peek of our new location
Brighton Pharmachoice 19 Elizabeth st Brighton beside Mac's
Phone: 613 475-9595
Fax: 613 475-3535
Come on in and take a look
We look forward to serving you and all your pharmacy needs at our new location





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11 Likes · 1 Comment



Brighton's Global Health Pharmacy

November 24, 2020 at 9:10 AM ·

**All remaining stock is now 75% off and all sales are final!!
Our last day of operation at 12 Elizabeth st is this Friday
November 27th at 6pm, looking forward to serving you all
your pharmacy needs at our new location 19 Elizabeth st**

12 Likes · 1 Comment



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APPENDIX 7

SJ EAST PHARMA INC.
O/A Brighton Global Health

STATEMENT OF OPERATIONS & RETAINED EARNINGS

Accrual Basis as of March 31, 2020

	2020
SALES	1,701,732
COST OF SALES	
Purchases	1,124,845
	<hr/>
GROSS PROFIT	576,887
OPERATING EXPENSES	
Accounting Fees	1,425
Amortization	74,042
Bank charges	749
Business Taxes	422
Computer and internet services	1,562
Insurance	1,841
Loan Interest	95,874
Management Fee	136,367
Office Supplies	194
Payroll Expenses	76,367
Pharmaist Salaries	92,739
Rent Expense	59,155
Repairs and Maintenance	577
Store Supplies	7,034
Telephone Expense	1,210
Utilities	1,768
	<hr/>
Total Expenses	551,326
	<hr/>
Income from Operations	25,561
	<hr/>
Tax Provisions	-
NET INCOME	25,561
	<hr/> <hr/>

Date Range: Jan 01, 2020 - Sep 04, 2020

Plan	New Rx's	Refill Rx's	# of Rx's	# of Trans	Discount	Plan 1 Paid	Plan 2 Paid	Plan 3 Paid	Plan 4 Paid	Pat./Deduct		Total Price Paid	Total MarkUp Paid	Total Fee Paid
										Total Plan Paid	. Paid			
AS	162	221	383	980	65.49	21028.92	4394.79	31.73	0.00	25455.44	1829.98	27285.42	1649.48	3774.80
CS	39	65	104	335	6.30	8557.13	5872.61	989.74	0.00	15508.79	1394.71	16903.50	814.77	1005.04
DB	3634	16289	19923	19923	58606.77	710140.84	0.00	0.00	0.00	710140.84	49767.95	759908.79	48526.58	175368.00
ESI	399	915	1314	3679	395.58	85823.06	32823.94	4544.04	0.00	123191.04	11091.43	134282.47	7724.60	12816.79
GS	224	525	749	1944	610.92	40446.48	10486.42	0.00	0.00	50932.90	3208.75	54141.65	3308.43	7472.52
HC	5	76	81	81	0.00	0.00	0.00	0.00	0.00	0.00	2839.23	2839.23	338.35	809.19
IA	15	10	25	58	1.97	1060.57	412.00	0.00	0.00	1472.57	0.00	1472.57	83.71	213.56
LS	1	0	1	1	0.00	49.99	0.00	0.00	0.00	49.99	0.00	49.99	0.00	0.00
MDM	9	18	27	27	4.03	952.25	0.00	0.00	0.00	952.25	168.08	1120.33	94.97	269.73
NXT	13	16	29	59	0.00	2586.00	1504.96	0.00	0.00	4090.96	0.00	4090.96	346.15	287.39
OBC	22	25	47	49	0.00	2881.86	67.60	0.00	0.00	2949.46	694.33	3643.79	276.25	469.53
SL	49	142	191	409	235.60	18292.87	1742.04	882.03	0.00	20916.94	2051.55	22968.49	1935.76	1904.21
SSQ	19	21	40	55	0.00	1736.82	157.96	0.00	0.00	1894.78	552.34	2447.12	168.85	399.60
VA	4	20	24	34	2.32	5899.15	177.99	0.00	0.00	6077.14	13.26	6090.40	1037.82	229.32
WCB	3	1	4	4	0.00	107.84	0.00	0.00	0.00	107.84	0.00	107.84	6.62	35.32
Totals:	4598	18344	22942	27638	59928.98	899563.78	57640.31	6447.54	0.00	963651.63	73611.61	1037263.24	66312.34	205055.00
CSH	791	2864	3655	3655	0.00	0.00	0.00	0.00	0.00	0.00	89285.36	89285.36	11449.12	14534.61
TOTALS:	5389	21208	26597	31293	59928.98	899563.78	57640.31	6447.54	0.00	963651.63	162896.97	1126548.60	77761.46	219589.61

Number of	Prescriptions	Transactions
New	5389	6248
Refills	21208	25059
Total	26597	31307
Deleted	557	
On Hold	1659	

Note: Deleted and On Hold Prescriptions are not included in the above results

Note: Discounts are already subtracted from Total Price Paid

BRIGHTON GLOBAL HEALTH PHARMACY
SJ EAST PHARMA
12 ELIZABETH ST, BRIGHTON, K0K1H0, CANADA
Tel: 613-475-6555 Fax: 613-475-1461

Sales Totals - Summary

(Grouped By Plan)

Date Range: Jan 01, 2019 - Dec 31, 2019

Plan	New Rx's	Refill Rx's	# of Rx's	# of Trans	Discount	Plan 1 Paid	Plan 2 Paid	Plan 3 Paid	Plan 4 Paid	Pat./Deduct		Total Price Paid	Total MarkUp Paid	Total Fee Paid
										Total Plan Paid	Pat./Deduct Paid			
AS	785	1283	2068	5315	721.33	119733.96	26535.30	397.33	0.00	146666.59	13015.86	159682.45	9810.80	20384.83
BA	3	0	3	3	0.00	180.00	0.00	0.00	0.00	180.00	0.00	180.00	0.00	0.00
CF	1	0	1	1	0.00	39.79	0.00	0.00	0.00	39.79	0.00	39.79	2.29	8.83
CS	57	94	151	484	16.30	12810.75	11321.52	2258.22	0.00	26444.99	1450.09	27895.08	1181.17	1508.49
DB	6181	20319	26500	26500	62552.11	925183.94	0.00	0.00	0.00	925183.94	73920.87	999104.81	64459.04	233558.68
ESI	613	1322	1935	5284	214.98	120416.02	57117.74	12721.58	0.00	190255.34	14838.45	205093.79	12023.52	18758.58
GS	367	1258	1625	2969	2048.14	83761.65	11005.92	0.00	0.00	94767.57	5236.34	100003.91	6658.51	16233.76
HC	5	79	84	84	0.00	0.00	0.00	0.00	0.00	0.00	4010.52	4010.52	528.63	839.16
IA	31	28	59	168	17.32	2152.55	1033.43	0.00	0.00	3185.98	1.14	3187.12	108.64	495.97
LS	12	0	12	12	0.00	599.88	0.00	0.00	0.00	599.88	0.00	599.88	0.00	0.00
MDM	6	23	29	29	0.00	921.95	0.00	0.00	0.00	921.95	193.11	1115.06	96.77	289.71
NXT	8	6	14	60	0.00	1812.74	865.85	0.00	0.00	2678.59	91.30	2769.89	293.45	139.86
OBC	35	56	91	104	22.00	6089.74	199.93	0.00	0.00	6289.67	899.48	7189.15	525.37	907.93
ROC	2	0	2	2	0.00	100.00	0.00	0.00	0.00	100.00	0.00	100.00	0.00	0.00
SL	325	811	1136	2498	220.55	136689.75	13935.76	3326.77	0.00	153952.28	10393.89	164346.17	13798.92	11328.97
SSQ	25	46	71	82	0.00	2443.65	130.55	0.00	0.00	2574.20	827.18	3401.38	228.41	709.29
VA	12	33	45	103	1.16	22426.02	2257.68	1.62	0.00	24685.32	6.96	24692.28	4118.48	421.71
WCB	18	14	32	32	2.79	1432.60	0.00	0.00	0.00	1432.60	1.93	1434.53	104.86	287.20
Totals:	8486	25372	33858	43730	65816.68	1436794.99	124403.68	18705.52	0.00	1579904.19	124887.12	1704791.31	113939.76	305872.97
CSH	907	2950	3857	3857	0.00	0.00	0.00	0.00	0.00	0.00	91789.65	91789.65	11186.99	15934.35
TOTALS:	9393	28322	37715	47587	65816.68	1436794.99	124403.68	18705.52	0.00	1579904.19	216676.77	1796580.96	125126.75	321807.32

Number of	Prescriptions	Transactions
New	9393	11705
Refills	28322	35897
Total	37715	47602
Deleted	713	
On Hold	1196	

Note: Deleted and On Hold Prescriptions are not included in the above results

Note: Discounts are already subtracted from Total Price Paid

BRIGHTON GLOBAL HEALTH PHARMACY
SJ EAST PHARMA
12 ELIZABETH ST, BRIGHTON, K0K1H0, CANADA
Tel: 613-475-6555 Fax: 613-475-1461

Sales Totals - Summary
(Grouped By Plan)

Date Range: Jan 01, 2018 - Dec 31, 2018

Plan	New Rx's	Refill Rx's	# of Rx's	# of Trans	Discount	Plan 1 Paid	Plan 2 Paid	Plan 3 Paid	Plan 4 Paid	Total Plan Paid	Pat./Deduct Paid	Total Price Paid	Total Markup Paid	Total Fee Paid
AS	704	1060	1764	4461	573.17	114030.91	25813.36	474.09	0.00	140318.36	11539.35	151857.71	9688.68	17288.44
BA	7	0	7	7	0.00	420.00	0.00	0.00	0.00	420.00	0.00	420.00	0.00	0.00
CS	62	122	184	465	47.64	9852.47	13565.46	2699.34	0.00	26126.20	1419.95	27546.15	1011.23	1838.16
DB	6727	14949	21676	21676	39227.61	870907.30	0.00	0.00	0.00	870907.30	77673.89	948581.19	62882.31	190981.18
ESI	656	1000	1656	4090	514.39	106221.83	55494.62	13234.99	0.00	174951.44	10403.59	185355.03	10467.82	15969.24
GS	389	994	1383	2429	1730.17	75168.85	10281.07	0.00	0.00	85449.92	5371.15	90821.07	6008.55	13800.40
HC	9	22	31	31	0.00	0.00	0.00	0.00	0.00	0.00	2627.01	2627.01	379.03	309.69
IA	15	29	44	111	56.18	2721.95	839.30	0.00	0.00	3561.25	37.37	3598.62	277.85	397.22
JOH	9	17	26	112	0.00	1996.82	193.59	0.00	0.00	2190.41	512.85	2703.26	285.02	239.76
LS	14	0	14	14	0.00	709.86	0.00	0.00	0.00	709.86	0.00	709.86	0.00	0.00
NHB	2	6	8	22	7.44	194.13	94.10	0.00	0.00	288.23	0.00	288.23	12.85	66.95
NXT	5	3	8	28	0.00	1251.15	428.36	0.00	0.00	1679.51	67.95	1747.46	206.54	79.92
OBC	21	37	58	95	1.20	3490.30	288.71	0.00	0.00	3779.01	970.85	4749.86	334.82	577.10
ROC	6	0	6	6	0.00	330.00	0.00	0.00	0.00	330.00	0.00	330.00	0.00	0.00
SL	342	701	1043	2414	563.37	154983.59	14101.35	4079.00	0.00	173163.94	12123.14	185287.08	16037.34	10406.41
SSQ	21	61	82	88	2.93	2715.65	115.06	0.00	0.00	2830.71	860.44	3691.15	212.07	819.18
VA	11	26	37	112	0.00	23872.21	2277.52	7.32	0.00	26157.05	3.61	26160.66	4620.09	351.43
WCB	37	43	80	82	1.93	5588.33	244.19	0.00	0.00	5832.52	0.00	5832.52	459.06	708.72
Totals:	9037	19070	28107	36243	42726.03	1374455.35	123736.69	20494.74	0.00	1518686.78	123611.15	1642297.93	112883.26	253833.80
CSH	971	1981	2952	2952	0.01	0.00	0.00	0.00	0.00	0.00	96945.51	96945.51	11992.81	18192.82
TOTALS:	10008	21051	31059	39195	42726.04	1374455.35	123736.69	20494.74	0.00	1518686.78	220556.66	1739243.44	124876.07	272026.62

Number of	Prescriptions	Transactions
New	10008	15895
Refills	21051	32147
Total	31059	48042
Deleted	771	
On Hold	1112	

Note: Deleted and On Hold Prescriptions are not included in the above results

Note: Discounts are already subtracted from Total Price Paid

APPENDIX 8

COOKSVILLE PHARMACY



**RETAIL SPACE
FOR LEASE
416-250-5858
Embee Properties**

WARNING
CAMERA

VISA



This is Exhibit "Y" referred to in the Affidavit of Edward Hopkinson sworn by Edward Hopkinson of the City of Bryn Mawr, in the State of Pennsylvania, before me at the Town of Milton, in the Province of Ontario, on August 3, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:

Asim Iqbal

6F056F5F3BC8405...

Commissioner for Taking Affidavits (or as may be)

ASIM IQBAL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

**1951584 ONTARIO INC. (formerly DESANTE FINANCIAL SERVICES INC.) and
CWB MAXIUM FINANCIAL INC.**

Applicants

- and -

**BLESS HUI PHARMA INC., JM WESTVIEW PHARMA INC., MAPLE MEDI PHARMA
INC., RIVER HILL PHARMACY LTD., SJ EAST PHARMA INC., ST. MARY
THEOTOKOS PHARMA INC., STONEY CREEK PHARMA INC., TORONTO
APOTHECARY PHARMA INC., WESTWAY HOLDINGS INC. and OLDE
WALKERVILLE HOLDINGS INC.**

Respondents

**REPORT OF MSI SPERGEL INC.
IN ITS CAPACITY AS THE RECEIVER OF
JM WESTVIEW PHARMA INC., SJ EAST PHARMA INC., BLESS HUI PHARMA INC.,
MAPLE MEDI PHARMA INC., RIVER HILL PHARMACY LTD., ST. MARY
THEOTOKOS PHARMA INC., STONEY CREEK PHARMA INC., TORONTO
APOTHECARY PHARMA INC., WESTWAY HOLDINGS INC. and OLDE
WALKERVILLE HOLDINGS INC.**

February 1, 2021

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APPENDICES

1. The Receivership Order
2. The Proposed Receiver Report (without appendices)
3. The August 15th Email
4. The August 28th Email
5. The October 27th Email
6. Title Search, Corporate Profile Search and Point in Time Search of JG Tilbury Inc.
7. The Gerges January 26th Letter
8. Email exchanges with the Mill Street Landlord
9. McKesson Email and the Statement of Accounts
10. Geo Warehouse Search and Corporate Profile Search of 19 Elizabeth Street
11. Copies of the Receiver's letter to Anoop and the letter from counsel for Anoop to the Receiver
12. Email from OCP
13. The Diep January 26th Letter
14. Copies of email exchanges with Diep
15. Copy of email from the counsel for the Elizabeth Street Landlord

I. APPOINTMENT AND BACKGROUND

1. This first report (this “**First Report**”) is filed by msi Spergel inc. (“**Spergel**”) in its capacity as the Court-appointed receiver (in such capacity, the “**Receiver**”) of:
 - a) JM Westview Pharma Inc. (“**JM Westview**”);
 - b) SJ East Pharma Inc. (“**SJ East**”);
 - c) Bless Hui Pharma Inc. (“**Bless Hui**”);
 - d) Maple Medi Pharma Inc. (“**Maple Medi**”);
 - e) River Hill Pharmacy Ltd. (“**River Hill**”);
 - f) St. Mary Theotokos Pharma Inc. (“**Theotokos**”);
 - g) Stoney Creek Pharma Inc. (“**Stoney Creek**”);
 - h) Toronto Apothecary Pharma Inc. (“**Toronto Apothecary**”);
 - i) Westway Holdings Inc. (“**Westway Holdings**”); and
 - j) Olde Walkerville Holdings Inc. (“**Olde Walkerville**”, collectively the “**Debtors**”).
2. JM Westview was a Canadian owned private corporation carrying on business as the Mill Street Pharmacy (the “**Mill Street Pharmacy**”) from the leased premises located at 15 Mill Street East, Tilbury, ON (the “**Mill Street Premises**”). The Receiver understands that the landlord of the Mill Street Premises is 1670016 Ontario Inc. (the “**Mill Street Landlord**”).
3. SJ East was a Canadian owned private corporation carrying on business as Brighton Global Health Pharmacy (the “**Brighton Pharmacy**”) from the leased premises located at 12 Elizabeth Street, Brighton ON (the “**Elizabeth Street Premises**”). The Receiver understands that the landlord of the Brighton Premises is Ming Hao (the “**Elizabeth Street Landlord**”).
4. Spergel was appointed as the Receiver of all of the assets, undertakings and properties of the Debtors (collectively, the “**Property**”) by the Orders of the Honourable Mr. Justice Cavanagh of the Ontario Superior Court of Justice

(Commercial List) (the “**Court**”), in the case of Bless Hui, Maple Medi, River Hill, Theotokos, Stoney Creek, Toronto Apothecary, Westway Holdings and Olde Walkerville made November 25, 2020 and in the case of JM Westview and SJ East made January 26, 2020 (collectively, the “**Receivership Order**”). A copy of the Receivership Order is attached to this First Report as **Appendix “1”**.

5. The Receiver filed a report in its capacity as the Proposed Receiver on January 25, 2021 (the “**Proposed Receiver’s Report**”) reporting its findings with respect to JM Westview and SJ East. Capitalized terms not defined herein shall have the same meaning ascribed to such terms in the Proposed Receiver’s Report. A copy of the Proposed Receiver’s Report (without appendices) is attached to this First Report as **Appendix “2”**.
6. Prior to its appointment as the Receiver, Spergel was appointed as consultant to CWB Maxium Financial Inc. (“**CWB**”) with respect to the Debtors.

II. PURPOSE OF THIS FIRST REPORT AND DISCLAIMER

7. The purpose of this First Report is to advise the Court of the Receiver’s findings with respect to JM Westview and SJ East. This First Report should be read in conjunction with the Proposed Receiver’ Report.
8. The Receiver will not assume responsibility or liability for losses incurred by the reader as a result of the circulation, publication, reproduction or use of this First Report for any other purpose.
9. In preparing this First Report, the Receiver has relied upon certain information provided to it by the Debtors and or its principals. The Receiver has not performed an audit or verification of such information for accuracy, completeness or compliance with Accounting Standards for Private Enterprises or International Financial Reporting Standards. Accordingly, the Receiver expresses no opinion or other form of assurance with respect to such information.
10. Unless otherwise stated, all monetary amounts contained in this First Report are expressed in Canadian dollars.

III. JM WESTVIEW PHARMA INC.

11. As indicated above, prior to its appointment as Receiver, Spergel was engaged as consultant to CWB with respect to, amongst others JM Westview pursuant to an engagement letter dated August 14, 2020. During the course of the consulting engagement Spergel was provided with certain information by John Gerges (“**Gerges**”) with respect to JM Westview which is discussed in greater detail below.

12. On August 15, 2020 Gerges sent Spergel an email (the “**August 15th Email**”) attaching a word document containing a summary of action items for each of the pharmacies including JM Westview. A copy the August 15th Email along with the attachment is attached to this First Report as **Appendix “3”**. The summary document states, amongst other things,

“Mill Street Pharmacy (Tilbury)

- a. Our Lease has expired and the Landlord has not been agreeable to grant us an extension.*
- b. We have been month to month for a while now.*
- c. To avoid this instability, I acquired a building across the street (2 Dufferin St.) It was a car shop, we have converted it into a professional clinic and pharmacy.*
- d. Earlier this year, we also lost Telus*
- e. Purchaser planning to move to the building across the street and run his own pharmacy and control the building also. Purchaser would be Samir Shenoda.”*

13. The Receiver notes that in the August 15th email Gerges advised that he acquired the property located at 2 Dufferin Street, Tilbury ON (the “**Dufferin Premises**”) in order to move the Mill Street Pharmacy to that building and subsequently sell the Mill Street Pharmacy Samir. The Receiver notes that the Sigma Pharmacy (owned and operated by Samir) operates from the Dufferin Premises.

14. On August 28th, 2020 Gerges sent Spergel an email (the “**August 28th Email**”) attaching an appraisal of the Dufferin Premises and stating:

“....I hope all is well. Please find appraisal also attached for tilbury as we discussed earlier. This is for Jm Westview pharma (tilbury) where the doctor is not giving us a new lease. As discussed, it is our intention to sell the building and business to Samir, he will then have full control. The other benefit would be a new telus number (Fresh address and Fresh ownership - which is awesome for everyone).

The combination of pharmacy and building would produce around \$1,700,000. Subtract the debt with cwb, leaves around \$1.1m. This would go towards the large hit at Olde walkerville. The rest would go on City Centre Pharma as discussed..”

A copy of the August 28th Email is attached to this First Report as **Appendix “4”**.

15. On October 27th, 2020 Gerges sent Spergel an email (the **“October 27th Email”**) providing a summary of deals he is working on and in the case of JM Westview stated:

“JM westview: Samir had proposed purchasing the files and moving to obtain new Telus number”

A copy of the October 27th Email is attached to this First Report as **Appendix “5”**.

16. Given the above and the opening of the Sigma Pharmacy by Samir, the Receiver conducted a title search of the Dufferin Premises. The title search indicated that the owner of the Dufferin Premises is JG Tilbury Inc. (**“JG Tilbury”**). A corporate profile search of JG Tilbury indicates that Diep Nguyen was appointed director and officer of JG Tilbury on July 29, 2020. A point in time search of JG Tilbury indicates that Gerges was the director and officer of JG Tilbury from September 6, 2018 to July 29, 2020. Copies of the title search, corporate profile search and point in time search of JG Tilbury are attached to this First Report as **Appendix “6”**.

17. On January 26, 2021, the Receiver sent a letter (the **“Gerges January 26th Letter”**) to Gerges asking him to provide books and records of JM Westview including the computer containing the drug dispensing software and asked him to advise of the following:

- a) When did the Mill Street Pharmacy close?
- b) What happened to the inventory of drugs on hand at the time of closing?
- c) What happened to the patient list / script count available to the Mill Street Pharmacy at the time of closing?

With the exception of providing the contact information of the Mill Street Landlord, Gerges is yet to provide remainder of the information requested in the Gerges January 26th Letter. A copy of the Gerges January 26th Letter is attached to this First Report as **Appendix “7”**.

18. On January 26, 2021, the Receiver participated in a telephone conversation with Imelda (the designated manager / pharmacist of the Mill Street Pharmacy). Imelda advised that her last day at the Mill Street Pharmacy was January 15, 2021 and up until that day the Mill Street Pharmacy was fully stocked and operational. Imelda advised the Receiver that she does not have any direct knowledge about moving of the drug inventory and the patient list of the Mill Street Pharmacy to the Sigma Pharmacy.
19. In addition, on January 29, 2021 the Receiver sent an email to the Mill Street Landlord asking for information with respect to JM Westview vacating the Mill Street Premises and the content left inside the Mill Street Premises. On February 1, 2021, the Receiver received an email from the Mill Street Landlord advising that:
 - a) there is nothing left inside the Mill Street Premises including no books and records and computers;
 - b) the Mill Street Premises lease expired 2 years ago and the Mill Street Pharmacy was operating on month to month basis. The Mill Street Pharmacy required one month notice to vacate. In early December a letter was sent to the Mill Street Pharmacy asking to vacate the Mill Street Premises by January 31, 2021;
 - c) the Mill Street Pharmacy vacated the Mill Street Premises on or around January 15th, 2021 without notice; and
 - d) the December rent cheque did not clear.

Copies of the email exchanges with the Mill Street Landlord are attached to this First Report as **Appendix “8”**.

20. On February 1, 2021, the Receiver received an email from McKesson (the “**McKesson Email**”) providing a statement of account related to the Mill Street Pharmacy and the Brighton Pharmacy. The statement of account related to the Mill Street Pharmacy indicated an outstanding balance to McKesson of \$102,995.31. McKesson advised that the last shipment to the Mill Street Pharmacy was sent in December 2020. A copy of the McKesson Email along with the statement of accounts are attached to this First Report as **Appendix “9”**.

IV. SJ EAST PHARMA INC.

21. As indicated in this First report, prior to its appointment as Receiver, Spergel was engaged as consultant to CWB with respect to, amongst others, SJ East pursuant to an engagement letter dated September 3, 2020. During the course of the consulting engagement Spergel was provided with certain information by Gerges with respect to SJ East which is discussed in greater detail below.
22. In the August 15th Email containing the word document with the summary of action items for each of the pharmacies including SJ East, Gerges stated,
- “Brighton Pharmacy
- a. Purchased this store with Diep Nguyen June 2017
 - b. The only issue we got the telus notice In March, since this is a big store it was a large loss for us.
 - c. Purchaser has negotiated to purchase a building across the street, this is additional to the construction costs as well.”
23. In the October 27th Email, Gerges in respect of SJ East stated:
- “Brighton: Anoop had proposed [to] purchase and moving to obtain new Telus number. Anoop trying to obtain alternative financing.”*
24. Given the above and the opening of the New Brighton Pharmacy by Anoop, the Receiver conducted a Geo Warehouse search of the New Brighton Pharmacy Premises. The Geo Warehouse indicated that the owner of the New Brighton Pharmacy Premises is 19 Elizabeth Street Inc. (“**19 Elizabeth**”) and that 19 Elizabeth purchased the New Brighton Pharmacy Premises on August 24, 2020. A corporate profile search of 19 Elizabeth indicates that Anoop Gupta is the director and officer of 19 Elizabeth. Copies of the Geo Warehouse search and corporate profile search of 19 Elizabeth are attached to this First Report as **Appendix “10”**.
25. On January 28, 2021, the Receiver sent a letter to Anoop asking him to advise, amongst other things, of the following:
- a) When did the Mill Street Pharmacy close?
 - b) What happened to the inventory of drugs on hand at the time of closing?
 - c) What happened to the patient list / script count available to the Mill Street Pharmacy at the time of closing?

On January 30, 2021, the Receiver received a letter from counsel for Anoop advising that Anoop resigned from his employment with the Brighton Pharmacy in September 2020 and never had access to financial or other confidential information related to the Brighton Pharmacy. Copies of the Receiver's letter to Anoop and the letter from counsel for Anoop to the Receiver are attached to this First Report as **Appendix "11"**.

26. The Receiver contacted the OCP to request information with respect to the designated manager of the Brighton Pharmacy and was advised by OCP that Anoop was the designated manager of the Brighton Pharmacy from July 24, 2017 to September 18, 2020 and Diep was the designated manager from September 21, 2020 to November 25, 2020. A copy of the email from OCP in this respect is attached to this First Report as **Appendix "12"**.
27. On January 26, 2021, the Receiver sent a letter (the "**Diep January 26th Letter**") to Diep Nguyen ("**Diep**"), the owner of the Brighton Pharmacy, with a copy to Gerges asking him to provide books and records of SJ East including the computer containing the drug dispensing software and asked him to advise of the following:
 - a) When did the Brighton Pharmacy close?
 - b) What happened to the inventory of drugs on hand at the time of closing?
 - c) What happened to the patient list / script count available to the Brighton Pharmacy at the time of closing?

A copy of the Diep January 26th Letter is attached to this First Report as **Appendix "13"**.

28. Gerges provided the contact information of the Elizabeth Street Landlord. On January 29, 2021 Diep sent an email to the Receiver advising that he does not have the key to the Elizabeth Street Premises however he is willing to arrange for a locksmith to gain access. On the same day the Receiver sent an email to Diep asking him to confirm if he is still in possession of the Elizabeth Street Premises and asked him to provide an answer to the questions outlined in paragraph 25 above on an expedited basis. As at the date of this First Report, the Receiver is

yet to receive the information requested in the Diep January 26th Letter. Copies of the email exchanges with Diep is attached to this First Report as **Appendix “14”**.

29. In addition, on January 29, 2021 the Receiver received an email from the counsel for the Elizabeth Street Landlord advising that:

- a) the Brighton Pharmacy vacated the Elizabeth Street Premises in or around mid-November 2020;
- b) the Brighton Pharmacy did not provide any prior notice to the Elizabeth Street Landlord of its intention to vacate and that the Elizabeth Street Landlord found out after the premises was already vacated; and
- c) the Elizabeth Street Landlord will provide access to the premises to the Receiver after taking possession of same on February 1, 2021.

A copy of the email from the counsel for the Elizabeth Street Landlord is attached to this First Report as **Appendix “15”**.

30. The McKesson Email containing a statement of account related to the Brighton Pharmacy indicated a minimal outstanding balance to McKesson. McKesson advised that the last shipment to the Brighton Pharmacy was sent in November 2020.

Dated at Toronto this 1st day of February, 2021.

msi Spergel inc.

in its capacity as the Court-appointed Receiver
of the Debtors and not in its personal or
corporate capacity

Per:



Mukul Manchanda, CPA, CIRP, LIT
Partner

APPENDIX 1

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.) TUESDAY, THE
JUSTICE CAVANAGH) 26th DAY OF JANUARY, 2021

BETWEEN

1951584 ONTARIO INC. (formerly DESANTE FINANCIAL SERVICES INC.) and CWB
MAXIUM FINANCIAL INC.

Applicants

-and-

4231 SHEPPARD AVENUE EAST INC., ABU SEIFEIN BRIMLEY PHARMA INC., BLESS
HUI PHARMA INC., BLESS JIMMY’S PHARMA INC., BLESS PHARMA INC., JG
WINDSOR INC., JIMMY’S GROUP INVESTORS INC., JM WESTVIEW PHARMA INC.,
JUBILEE PROPERTY INVESTMENTS INC., MAPLE MEDI PHARMA INC., RIVER HILL
PHARMACY LTD., S&J PROPERTY INVESTORS INC., SJ EAST PHARMA INC., ST.
MARY COOKSVILLE PHARMA INC., ST. MARY THEOTOKOS PHARMA INC., STONEY
CREEK PHARMA INC., TORONTO APOTHECARY PHARMA INC., TORONTO SURREY
PHARMA INC., WESTWAY HOLDINGS INC. AND OLDE WALKERVILLE HOLDINGS
INC.

Respondents

AMENDED AND RESTATED RECEIVERSHIP ORDER
(appointing Receiver)

THIS APPLICATION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the “**CJA**”) appointing msi Spergel inc. (“**Spergel**”) as receiver (in such capacity, the “**Receiver**”) without security, of all of the assets, undertakings and properties of each of the Respondents acquired for, or used in relation to

businesses carried on by the Respondents, was heard this day by ZOOM video conference due to the COVID-19 pandemic.

ON READING the Order of this Court dated November 25, 2020, among other things, appointing Spergel as Receiver of the Debtors (as defined below) (the “**Receivership Order**”), the Amended and Restated Receivership Order dated December 7, 2020 amending and restating the Receivership Order (the “**Amended Receivership Order**”), the Order of this Court dated January 8, 2021, among other things, authorizing the issuance of this Amended and Restated Receivership Order, the Affidavit of Edward Hopkinson sworn October 30, 2020, Supplemental Affidavit of Edward Hopkinson sworn November 24, 2020 and on being advised that the Debtors (as defined below) consent to this Order, and on hearing the submissions of counsel for the Applicants and the Debtors and the other Counsel listed on the Counsel Slip, no one else appearing although duly served according to the Affidavit of Service of Asim Iqbal sworn November 24, 2020;

INTERPRETATION

1. **THIS COURT ORDERS** that, in this Order, the term “**Order Date**” shall mean the following:

- (a) November 25, 2020, with respect to Bless Hui Pharma Inc., Maple Medi Pharma Inc., River Hill Pharmacy Ltd., St. Mary Theotokos Pharma Inc., Stoney Creek Pharma Inc., Toronto Apothecary Pharma Inc., Westway Holdings Inc., and Olde Walkerville Holdings Inc.; and
- (b) January 26, 2021, with respect to JM Westview Pharma Inc. and SJ East Pharma Inc.

SERVICE

2. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

3. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, Spergel is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of each of the Respondents, being Bless Hui Pharma Inc., JM Westview Pharma Inc., Maple Medi Pharma Inc., River Hill Pharmacy Ltd., SJ East Pharma Inc., St. Mary Theotokos Pharma Inc., Stoney Creek Pharma Inc., Toronto Apothecary Pharma Inc., Westway Holdings Inc., and Olde Walkerville Holdings Inc. (together, the “**Debtors**”) acquired for, or used in relation to a business carried on by each of the Debtors, including all proceeds thereof (collectively, the “**Property**”).

RECEIVER’S POWERS

4. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtors (or any one of them), including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtors (or any one of them);
- (d) to engage pharmacists, consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the

Receiver's powers and duties, including without limitation those conferred by this Order;

- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtors (or any one of them) or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors (or any one of them) and to exercise all remedies of the Debtors (or any one of them) in collecting such monies, including, without limitation, to enforce any security held by the Debtors (or any one of them);
- (g) to settle, extend or compromise any indebtedness owing to the Debtors (or any one of them);
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtors (or any one of them), for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtors (or any one of them), the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,

- (i) without the approval of this Court in respect of any transaction not exceeding \$50,000.00, provided that the aggregate consideration for all such transactions does not exceed \$100,000.00; and
- (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act* shall not be required;

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to summarily dispose of Property that is perishable or likely to depreciate rapidly in value;
- (n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the Receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtors (or any one of them);
- (q) to enter into agreements with any licensed insolvency trustee in bankruptcy appointed in respect of the Debtors (or any one of them), including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors (or any one of them);

- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtors (or any one of them) may have;
- (s) to inquire into and report to the Applicants and the Court on the financial condition of the Debtors (or any one of them) and the Property; and
- (t) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations;
- (u) and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtors (or any one of them), and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

5. THIS COURT ORDERS that (i) the Debtors, (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order, including, but not limited to the Ontario College of Pharmacists, the Ministry of Health and Long-Term Care, the Ontario Drug Benefit Program and any insurance company (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

6. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any client records and prescription information ("**Client Records**"), books, documents, securities, contracts, orders, billing privileges, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtors (or any one of them), and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall, subject to Paragraph 7A herein, provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and

grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 6 or in paragraph 7 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6A. THIS COURT ORDERS that, should the Receiver deem it necessary to seek from any insurance company or its pharmacy benefits manager personal information regarding persons covered pursuant to benefit plans which might have had claims under such plans relating to the Debtors (or any one of them), such information shall be sought pursuant to a motion on notice to the insurance company and its pharmacy benefits manager. Such information shall only be released by the insurance company or its pharmacy benefits manager on the agreement of such insurance company or as provided in the Order so obtained.

7. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

6A. THIS COURT ORDERS that with respect to the Client Records, the Receiver shall: (i) take all steps reasonably necessary to maintain the integrity of the confidential aspects of the Client Records; (ii) if necessary, appoint a pharmacist licensed and qualified to practice in the Province of Ontario to act as custodian (the "Custodian") for the Client Records; (iii) not allow anyone other

than the Receiver or the Custodian to have access to the Client Records; and (iv) allow the Debtors (or any one of them) supervised access to the Client Records for any purposes required pursuant to the *Regulated Health Professions Act, 1991*, the *Pharmacy Act, 1991* or any other governing Ontario or Canadian statute that requires the Debtors (or any one of them), from time to time, to perform certain obligations.

8. THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

9. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY

10. THIS COURT ORDERS that no Proceeding against or in respect of the Debtors (or any one of them) or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtors (or any one of them) or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

11. THIS COURT ORDERS that all rights and remedies against the Debtors (or any one of them), the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and

suspension does not apply in respect of any “eligible financial contract” as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtors (or any one of them) to carry on any business which the Debtors is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtors (or any one of them) from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

12. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtors (or any one of them), without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

13. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtors (or any one of them) or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, claims processing services, payment processing services, payroll services, insurance, transportation services, utility or other services to the Debtors (or any one of them) are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the applicable Debtor’s current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the Order Date are paid by the Receiver in accordance with normal payment practices of the applicable Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

14. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any

source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the Order Date or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the “**Post Receivership Accounts**”) and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

15. THIS COURT ORDERS that all employees of the Debtors (or any one of them) shall remain the employees of the Debtors (or any one of them) until such time as the Receiver, on the applicable Debtor’s (or Debtors’) behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

16. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a “**Sale**”). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the applicable Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

17. THIS COURT ORDERS that, pursuant to section 42 of the Ontario *Personal Health Information Protection Act* (“**PHIPA**”), the Receiver shall only disclose personal health information to prospective purchasers or bidders who are potential successor(s) to the pharmacy business of the Debtors (or any one of them) (the “**Pharmacy**”) as Health Information Custodian(s) (as defined in the PHIPA) for the purposes of allowing the potential successor to assess and evaluate the operations of the Pharmacy. Each potential successor to whom such personal health information is disclosed is required in advance of such disclosure to review and sign an acknowledgement of this Order indicating that it agrees to keep the information confidential and secure and not to retain any of the information longer than is necessary for the purposes of the assessment or evaluation, and if such potential successor does not complete a Sale, such potential successor shall return all such information to the Receiver, or in the alternative shall destroy all such information. Such acknowledgement shall be deemed to be an agreement between the Receiver and the potential successor for the purposes of section 42 of PHIPA.

LIMITATION ON ENVIRONMENTAL LIABILITIES

18. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, “**Possession**”) of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the “**Environmental Legislation**”), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver’s duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER’S LIABILITY

19. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

20. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

21. THIS COURT ORDERS that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

22. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

23. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$450,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or

rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the “**Receiver’s Borrowings Charge**”) as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver’s Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

24. THIS COURT ORDERS that neither the Receiver’s Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

25. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as **Schedule “A”** hereto (the “**Receiver’s Certificates**”) for any amount borrowed by it pursuant to this Order.

26. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver’s Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver’s Certificates.

SERVICE AND NOTICE

27. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the “Protocol”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: www.spergelcorporate.ca/engagements

28. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the applicable Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the applicable Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

ALLOCATION

29. THIS COURT ORDERS that any interested party may apply to this Court on notice to any other party likely to be affected, for an order allocating the Receiver's Charge and Receiver's Borrowings Charge amongst the various Debtors and their assets comprising the Property

GENERAL

30. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

31. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtors (or any one of them).

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

33. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that

the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

34. THIS COURT ORDERS that the Applicant shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtors' estate with such priority and at such time as this Court may determine.

35. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

36. THIS COURT ORDERS that the Receiver, its counsel and counsel for the Applicant are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the applicable Debtor's creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that msi Spergel inc., the Receiver (the "**Receiver**") of the assets, undertakings and properties of Bless Hui Pharma Inc., JM Westview Pharma Inc., Maple Medi Pharma Inc., River Hill Pharmacy Ltd., SJ East Pharma Inc., St. Mary Theotokos Pharma Inc., Stoney Creek Pharma Inc., Toronto Apothecary Pharma Inc., Westway Holdings Inc. and Olde Walkerville Holdings Inc. (collectively the "**Debtors**") acquired for, or used in relation to businesses carried on by the Debtors, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the ___ day of _____, 2020 (the "**Order**") made in an action having Court file number CV-_____, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of _____, 2020.

msi Spergel inc., solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____
Name:
Title:

1951584 ONTARIO INC. et al.
Applicants

and **BLESS HUI PHARMA INC.,** et al.
Respondents

Court File No: CV-20-00650853-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

Proceeding commenced at Toronto

ORDER
(AMENDED AND RESTATED RECEIVERSHIP ORDER)

MILLER THOMSON LLP

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Lawyers for the Applicants

APPENDIX 2

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

**1951584 ONTARIO INC. (formerly DESANTE FINANCIAL SERVICES INC.) and
CWB MAXIUM FINANCIAL INC.**

Applicants

- and -

**BLESS HUI PPHARMA INC., JM WESTVIEW PHARMA INC., MAPLE MEDI
PHARMA INC., RIVER HILL PHARMACY LTD., SJ EAST PHARMA INC., ST. MARY
THEOTOKOS PHARMA INC., STONEY CREEK PHARMA INC., TORONTO
APOTHECARY PHARMA INC., WESTWAY HOLDINGS INC. and OLDE
WALKERVILLE HOLDINGS INC.**

Respondents

**REPORT OF MSI SPERGEL INC.
IN ITS CAPACITY AS THE PROPOSED RECEIVER OF 4231 SHEPPARD AVENUE
EAST INC., ABU SEIFEIN BRIMLEY PHARMA INC., BLESS JIMMY'S PHARMA
INC., JG WINDSOR INC., JIMMY'S GROUP INVESTORS INC.,
JM WESTVIEW PHARMA INC., JUBILEE PROPERTY INVESTMENTS INC., S&J
PROPERTY INVESTORS INC., SJ EAST PHARMA INC., ST. MARY COOKSVILLE
PHARMA INC. AND TORONTO SURREY PHARMA INC.**

January 25, 2021

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I. PURPOSE OF THIS REPORT

1. This report (this “**Report**”) is prepared by msi Spergel inc. (“**Spergel**”) in its capacity as the proposed receiver (in such capacity, the “**Proposed Receiver**”) of the following entities:
 - a) 4231 Sheppard Avenue East Inc. (“**4231 Sheppard**”);
 - b) Abu Seifein Brimley Pharma Inc. (“**Abu Seifein**”);
 - c) Bless Jimmy’s Pharma Inc. (“**Bless Jimmy**”);
 - d) JG Windsor Inc. (“**JG Windsor**”);
 - e) Jimmy’s Group Investors Inc. (“**Jimmy’s Group**”);
 - f) JM Westview Pharma Inc. (“**JM Westview**”);
 - g) Jubilee Property Investments Inc. (“**Jubilee**”);
 - h) S&J Property Investors Inc. (“**S&J Property**”);
 - i) SJ East Pharma Inc. (“**SJ East**”);
 - j) St. Mary Cooksville Pharma Inc. (“**St. Mary**”); and
 - k) Toronto Surrey Pharma Inc. (“**Toronto Surrey**”, collectively the “**Debtors**”)
2. Spergel was appointed as consultant to CWB Maximum Financial Inc. (“**CWB**”) pursuant to engagement letters in the case of 4231 Sheppard, Bless Jimmy, JG Windsor, Jimmy’s Group, JM Westview, Jubilee, S&J Property and Toronto Surrey dated August 14, 2020 and in the case of Abu Seifein and SJ East dated September 3, 2020 (collectively the “**Engagement Letters**”). Copies of the Engagement Letters are attached to this Report as **Appendix “1”**.
3. The purpose of this Report is to advise the Court of the Proposed Receiver’s findings with respect to JM Westview, SJ East and St. Mary.
4. The Proposed Receiver will not assume responsibility or liability for losses incurred by the reader as a result of the circulation, publication, reproduction or use of this Second Report for any other purpose.

5. In preparing this Report, the Proposed Receiver has relied upon certain information provided to it by the Debtors. The Proposed Receiver has not performed an audit or verification of such information for accuracy, completeness or compliance with Accounting Standards for Private Enterprises or International Financial Reporting Standards. Accordingly, the Proposed Receiver expresses no opinion or other form of assurance with respect to such information.
6. Unless otherwise stated, all monetary amounts contained in this Second Report are expressed in Canadian dollars.

II. **JM WESTVIEW PHARMA INC.**

7. The Proposed Receiver understands that JM Westview was operating as the Mill Street Pharmacy (the “**Mill Street Pharmacy**”) from the premises located at 15 Mill Street East, Tilbury, ON (the “**JM Westview Premises**”).
8. On or around January 19, 2021, the Proposed Receiver was contacted by McKesson Canada (“**McKesson**”) with respect to the payment of approximately \$32,000 outstanding from Mill Street Pharmacy. McKesson advised the Proposed Receiver that John Gerges (“**Gerges**”) advised McKesson that he is unable to pay the outstanding amount as he anticipates that JM Westview will go into receivership. A copy of the email from McKesson is attached to this Report as **Appendix “2”**.
9. On January 21, 2021, the Proposed Receiver participated in a telephone conversation with Gerges during which conversation Gerges confirmed to the Proposed Receiver that the Mill Street Pharmacy was no longer operating.
10. On January 22, 2021, the Proposed Receiver reviewed the status of Mill Street Pharmacy on the Ontario College of Pharmacist’s (“**OCP**”) website which indicated that Mill Street Pharmacy was entitled to operate. Accordingly, on the same day the Proposed Receiver attended at the JM Westview Premises to conduct an inspection (the “**JM Westview Inspection**”). During the JM Westview Inspection the Proposed Receiver noted the following:
 - a) the Mill Street Pharmacy was closed;

- b) all of the shelves were cleared out; and
- c) a new pharmacy by the name of Sigma Drug Mart (the “**Sigma Pharmacy**”) opened across the street.

Pictures taken during the JM Westview Inspection are attached to this Report as **Appendix “3”**.

11. Given the opening of a new pharmacy across the street, the Proposed Receiver reviewed the status of the Sigma Pharmacy on OCP’s website, which revealed that:
 - a) the Sigma Pharmacy is owned by Sigma Healthcare Inc. The director of Sigma Healthcare Inc. is Samir Shenoda (“**Samir**”), who the Proposed Receiver understands is also involved in another pharmacy owned and operated by Gerges;
 - b) the designated manager / pharmacist at the Sigma Pharmacy is Samir;
 - c) the Sigma Pharmacy received its accreditation number from OCP on January 18, 2021; and
 - d) the Sigma Pharmacy is operating from 2 Dufferin Street, Tilbury, ON (the “**Sigma Premises**”).

Entering the addresses in google maps revealed that the JM Westview Premises and the Sigma Premises were merely 2 minutes’ walk away from each other.

12. In light of the above information, the Proposed Receiver participated in a telephone conversation with Skarlet Baba (“**Skarlet**”), a technician working at the Olde Walkerville Pharmacy over which Spergel is appointed receiver. Skarlet advised the Proposed Receiver that in her conversation with Imelda Castillo (“**Imelda**”), who used to work at the Mill Street Pharmacy as a pharmacist and also works one day a week at the Olde Walkerville Pharmacy. Imelda advised Skarlet that Gerges sold the Mill Street Pharmacy to Samir and that all of the patients and drug inventory was moved over to Sigma Pharmacy recently.
13. The financial statements of JM Westview for the period from June 1, 2019 to May 31, 2020 (the “**JM Westview 2020 Financials**”) indicates that JM Westview’s total

revenue was approximately \$1,339,000. In addition, the sales total report for the period from January 1, 2020 to August 26, 2020 (the “**JM Westview Internal Sales Report**”) extracted from Fillware (the drug dispensing software utilized by the Mill Street Pharmacy) indicated that it generated a total sale of approximately \$775,000 during that period. Copies of the JM Westview 2020 Financials and the JM Westview Internal Sales Report are attached to this Report as **Appendix “4”**.

III. **SJ EAST PHARMA INC.**

12. The Proposed Receiver understands that SJ East was operating as Brighton Global Health (the “**Brighton Pharmacy**”) from the premises located at 12 Elizabeth Street, Brighton, ON (the “**SJ East Premises**”).
13. On January 21, 2021, the Proposed Receiver participated in a telephone conversation with Gerges during which conversation Gerges confirmed to the Consultant that Mill Street Pharmacy is no longer operating.
14. On January 22, 2021, the Proposed Receiver reviewed the status of the Brighton Pharmacy on the OCP’s website which revealed that the Brighton Pharmacy stopped operating on November 25, 2020. Accordingly, on the same day the Proposed Receiver attended at the SJ East Premises to conduct an inspection (the “**SJ East Inspection**”). During the SJ East Inspection the Proposed Receiver noted the following:
 - a) the Brighton Pharmacy was closed; and
 - b) all of the shelves were cleared out.
15. The Proposed Receiver inquired about the Brighton Pharmacy with a nearby pharmacy and was advised that the Brighton Pharmacy had moved across the street to a new pharmacy named Brighton Rx PharmaChoice (the “**New Brighton Pharmacy**”) located at 19 Elizabeth Street, Brighton ON (the “**New Brighton Pharmacy Premises**”).
16. The Proposed Receiver attended at the New Brighton Pharmacy and met with Ann-Marie Creighton (the Front Store Manager) who advised the Consultant that the New Brighton Pharmacy used to be located at the SJ East Premises, however

they started the transition to the New Brighton Pharmacy Premises in October 2020. Pictures taken during the SJ East Inspection are attached to this Report as **Appendix “5”**.

17. A review of the status of the New Brighton Pharmacy on OCP’s website revealed that:
 - a) the New Brighton Pharmacy is owned by Anoop Brighton Pharmacy Inc. The director of Anoop Brighton Pharmacy Inc. is Anoop Gupta, who the Consultant understands was also the designated pharmacist at the Brighton Pharmacy;
 - b) the designated manager / pharmacist at the New Brighton Pharmacy is Anoop Gupta;
 - c) the New Brighton Pharmacy received its accreditation number from OCP on October 7, 2020;
18. A search of Facebook page of the Brighton Pharmacy indicated that the Brighton Pharmacy was operating from the New Brighton Pharmacy Premises. A copy of the screenshot of the Facebook page of the Brighton Pharmacy is attached to this Report as **Appendix “6”**.
19. The financial statements of SJ East for the period from April 1, 2019 to March 31, 2020 (the “**SJ East 2020 Financials**”) indicates that SJ East’s total revenue was approximately \$1,700,000. In addition, the sales total report for the period from January 1, 2020 to September 4, 2020 (the “**SJ East Internal Sales Report**”) extracted from Fillware (the drug dispensing software utilized by the Brighton Pharmacy) indicated that it generated a total sale of approximately \$1,127,000 during that period. Copies of the SJ East 2020 Financials and the SJ East Internal Sales Report are attached to this Report as **Appendix “7”**.

IV. ST. MARY COOKSVILLE PHARMA INC.

20. Given the findings with respect to JM Westview and SJ East, CWB asked that the Proposed Receiver investigate the status of the Debtors on the OCP site and do site visits where necessary. The Proposed Receiver understands that St. Mary was operating as Cooksville Pharmacy (the “**Cooksville Pharmacy**”) from the

premises located at 3035 Hurontario Street, Mississauga, ON (the “**St. Mary Premises**”).

21. On January 22, 2021, the Proposed Receiver reviewed the status of the Cooksville Pharmacy on the OCP’s website which revealed that the Cooksville Pharmacy stopped operating on November 30, 2020. Accordingly, on January 25, 2021 the Proposed Receiver attended at the St. Mary Premises to conduct an inspection (the “**St. Mary Inspection**”). During the St. Mary Inspection the Proposed Receiver noted the following:

- a) the Cooksville Pharmacy was closed;
- b) all of the shelves were cleared out; and
- c) there was a for lease signed posted on the door.

Picture taken during the St. Mary Inspection is attached to this Report as **Appendix “8”**.

Dated at Toronto this 25th day of January, 2021.

msi Spergel inc.

in its capacity as the Proposed Receiver
of the Debtors and not in its personal or
corporate capacity

Per:



Mukul Manchanda, CPA, CIRP, LIT
Partner

APPENDIX 3

Mukul Manchanda

From: John Gerges <john.gerges01@gmail.com>
Sent: August 15, 2020 12:36 PM
To: Mukul Manchanda
Cc: Philip Gennis; Lamek, Edmond; Ted Hopkinson
Subject: Pharmacy Summary
Attachments: Pharmacy Summary.docx

Good afternoon Mukul,

I hope all is well and you are keeping safe.

Please find attached Summary for each pharmacy as requested. Please let me know if I have missed anything or you have any questions at all.

Thank you very much,
John g
416.816.5534

Pharmacy Summary

Stores to be sold

1. Olde Walkerville Pharmacy
 - a. I brought the deal To Ramachandran Ramapathy, October 2018
 - b. Upon Acquisition from Mina Michael and Bichoy Maurice (they signed a non competition but they had acquired from Francesco Vella)
 - c. Upon Acquisition, Francesco Vella opened up close by, and went knocking door to door bullying every single Italian to transfer their profile to his new pharmacy.
 - d. Since Windsor is such a small town, everyone is worried to compete against him.
 - e. We have explained to the perspective buyer, Mr. Khan Qaisar that the damage has been done and the remaining clientele are very loyal and will not leaving us.
 - f. To ensure this deal goes through, we have offered the buyer free rent for the pharmacy as well as a free apartment to stay at. Tried our very hardest to collect every penny we could, finally got him to \$1,050,000 all in.

2. River Hill Pharmacy
 - a. Acquired from Diep Nguyen August 2015.
 - b. We had acquired Westway Medical Pharmacy close by with Ramachandran Ramapathy. We ran both simultaneously for several months, then we merged them in August 2019. This was a brilliant merger, until one of our staff opened up at the previous location, had the patient list and started taking some of our patients.
 - c. At the same time, we had lost our Telus billing privileges. The current buyer is very interested as she just sold her other store and is already the working here. We have been negotiating for a long time, finally got them to \$890,000 all in.

3. Agincourt Pharmacy
 - a. Acquired this pharmacy for my sisters March 2017.
 - b. Very Ethnic pharmacy, all Chinese.
 - c. Our neighbouring paediatrician retired August 2019. He was approximately 12% of our business.
 - d. Our Landlord is extremely unreasonable, unwilling to offer extensions or even as assignment. In the current assignment request, he has refused an extension past the current 7 years available, has requested \$25,000, an increase in security deposit to \$30,000 (already has \$20,000) and to fix the hvac (approx. \$15,000)
 - e. The price is lower due to the very short lease, decreasing volume due to paediatrician retiring and the heavily ethnic clientele.
 - f. We finally got them to \$650,000 all in

4. The Apothecary Shop
 - a. This store was acquired March 2016.
 - b. It has been neglected by the previous owner and the staff. We have since revamped it, numbers have gotten better.
 - c. We have lost telus this year also, otherwise it is good to go. Mr. Essam Siha would be a great buyer for this location, he would work it himself and would do well God willing.
 - d. We finally got him to \$650,000. He has also asked cwb for an additional LOC for operations and renovations.

5. Mill Street Pharmacy (Tilbury)
 - a. Our Lease has expired and the Landlord has not been agreeable to grant us an extension.
 - b. We have been month to month for a while now.
 - c. To avoid this instability, I acquired a building across the street (2 Dufferin St.) It was a car shop, we have converted it into a professional clinic and pharmacy.
 - d. Earlier this year, we also lost Telus
 - e. Purchaser planning to move to the building across the street and run his own pharmacy and control the building also. Purchaser would be Samir Shenoda.

Pharmacies for assignment

6. Cooksville Pharmacy
 - a. Purchased this store with my wife October 2018
 - b. We applied for a further loan when we acquired Fairview pharmacy close by, this has been a great merger for us.
 - c. We recently renovated and optimized the entire operation.
 - d. Since we merged, we have had 2 sets of staff causing our payroll costs to rise
 - e. We got the telus notice In March, since this is a big store it was a large loss for us.
 - f. A deal has been negotiated to purchase a business close by for \$75,000, so purchaser can move in and obtain Telus right away, There would be additional cost of renovation and build out.

7. Brighton Pharmacy
 - a. Purchased this store with Diep Nguyen June 2017
 - b. The only issue we got the telus notice In March, since this is a big store it was a large loss for us.
 - c. Purchaser has negotiated to purchase a building across the street, this is additional to the construction costs as well.

8. Friendly Pharmacy

- a. Purchased this store with Diep Nguyen August 2016
- b. The only issue we got the telus notice In March, since this is a big store it was a large loss for us.
- c. Purchaser has found a location close by to be able to renovate and move in, to be able to retrieve the telus patients

9. Supercare Pharmacy

- a. Acquired with my sisters September 2017
- b. No Telus notice, but not sure if they will send it even though our audit
- c. Mr. Anoop Gupta agreeable to assume the loan, we would then be able to sell the charter holding this pharmacy

Unable to sell/Refinance please

10. Brimley Pharmacy

- a. Lost Telus March, 2020
- b. Very difficult Landlord, refusal to assign the lease unless he inserts a demolition clause – buyers not agreeable as landlord already rebuilding the other half of the plaza
- c. Only 7 years remaining on the lease

11. Hui's Pharmacy

- a. Combined when we had a fire at Saigon Pharmacy, February 2019
- b. We are moving to a smaller spot in the mall, lower our rent from \$10k to about \$4k
- c. We are unable to sell due to the heavy ethnic presence in china town
- d. Pharmacy is doing well, it is difficult to service both loans, refinance would help immensely
- e. Lost telus, but very small telus clientele downtown china town

12. Medi pharm 2

- a. Purchased July 2018
- b. We have lost some business from the area, it is difficult to service the current loan, pharmacy in a cash flow negative position
- c. Refinance would put the pharmacy in a sustainable cash flow positive position.
- d. Buyers are not interested as the gentlemen working the pharmacy also work at another pharmacy down the street

APPENDIX 4

Mukul Manchanda

From: John Gerges <john.gerges01@gmail.com>
Sent: August 27, 2020 5:18 PM
To: Mukul Manchanda
Subject: Tilbury
Attachments: 2 Dufferin St. appraisal.pdf

Hi Mukul,

I hope all is well. Please find appraisal also attached for tilbury as we discussed earlier. This is for Jm Westview pharma (tilbury) where the doctor is not giving us a new lease. As discussed, it is our intention to sell the building and business to Samir, he will then have full control. The other benefit would be a new telus number (Fresh address and Fresh ownership - which is awesome for everyone).

The combination of pharmacy and building would produce around \$1,700,000. Subtract the debt with cwb, leaves around \$1.1m. This would go towards the large hit at Olde walkerville. The rest would go on City Centre Pharma as discussed.

Please let me know if I have missed anything.

Regards,
john g
416.816.5534

NARRATIVE APPRAISAL REPORT

PROSPECTIVE “AS-IF-COMPLETE” VALUE A PROPOSED MEDICAL CLINIC/PHARMACY FACILITY

**2 DUFFERIN STREET SOUTH
TILBURY, ONTARIO**

PREPARED FOR

**MR. JOHN GERGES
14774 WOODBINE AVENUE
AURORA, ONTARIO
L0H 1G0**

EFFECTIVE DATE

JULY 8, 2020





REAL ESTATE APPRAISALS & CONSULTING SERVICES FOR:

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NON PROFIT HOUSING DEVELOPMENTS

PORTFOLIO ASSET VALUATION

INSURANCE REPLACEMENT COSTS

EXPROPRIATIONS

COMPREHENSIVE REPORTS FOR COURT PURPOSES & EXPERT WITNESS TESTIMONY

FEASIBILITY STUDIES

GOVERNMENT & PUBLIC SECTOR VALUATIONS

August 21, 2020

Mr. John Gerges
14774 Woodbine Avenue
Aurora, Ontario
L0H 1G0

Dear Mr. Gerges,

**Re: Narrative Appraisal Report – Prospective “As-If-Complete” Market Value
A Proposed Medical Clinic & Pharmacy Facility
2 Dufferin Street South, Tilbury, Ontario
Our File No: 20-06-017**

Pursuant to your request, we have carried out a valuation analysis to express an opinion of prospective “**As-If-Completed**” market value of the proposed medical clinic and pharmacy facility as of the effective date of appraisal. It should be noted that the value provided herein does not represent the “As Is” value of the property.

This report is only for the exclusive use of the addressee of this report to assist in conventional first mortgage refinancing purposes. We accept no responsibility whatsoever if this value estimate or any part of this report is used otherwise.

The subject property is located at the southwest corner of Mills Street East and Dufferin Street South, in the Town of Tilbury. The subject site is improved with a single-storey commercial building having a GFA area of about 1,580 sq ft.

A site inspection was conducted on July 7, 2020, which was the Effective Date of this appraisal. No interior access was provided during the time of our inspection; accordingly, our inspection was only restricted to the building exterior.

As per your information provided, the property is under significant renovation into a medical clinic & pharmacy facility. The total renovation cost is reported to be about \$155,000 (Appendixes C and D of this report). It should be noted that except as described herein, we did not verify any owner provided information, which we assume to be materially true and correct. It is assumed that proof of payment is readily available upon request.

As requested, the value provided herein is a prospective “As-If-completed” Value assuming that the proposed medical clinic and pharmacy facility has been fully completed in a good workmanlike manner in accordance with the plans, specifications and cost information provided herein. It is also assumed that the proposed facility is in-compliance with all municipal bylaws and with any other governmental agency having jurisdiction over the subject.

As a result of this investigation, and subject to the assumptions and limiting conditions contained in this report, it is our opinion that the prospective “**As-If-completed**” Market Value of the Fee Simple Interest in the appraised property, as at July 7, 2020, was:

(\$410,000.00)

FOUR HUNDRED & TEN THOUSAND DOLLARS

It should note that this appraisal is subject to the Assumptions and Limiting Conditions that contained in Appendix A, and also subject to the Extraordinary Assumptions and Limiting Conditions that are on P17-18 of this report.

The coronavirus pandemic is causing a significant degree of uncertainty in capital markets and could have an effect on real estate values depending on the duration and severity of the crisis. Values contained in this appraisal are based on market conditions as at the time of this report. This appraisal does not provide a prediction of future values. In the event of market instability and/or disruption, values may change rapidly, and such potential future events have been NOT been considered in this report. As this appraisal does not and cannot consider any changes to the property appraised or market conditions after the effective date, readers are cautioned in relying on the appraisal after the effective date noted herein.

This appraisal report is for the exclusive use of the addressee and specifically for the purpose stated herein only. We accept no responsibility whatsoever if this value estimate or any part of this report is used otherwise.

Should this report be communicated or sent by fax, email or by hard copy to any other party without the express written consent of the undersigned appraiser via a signed transmittal letter, then reliance on this report (for any purpose) must be considered invalid. This report is copyright and always remains the sole property of the undersigned appraiser. This report is not valid under any circumstances unless it is affixed with an original signature of the author.

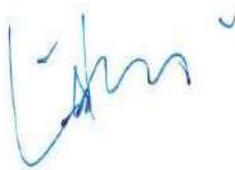
This is to advise that notwithstanding the contents of this report, if this report is being relied on for mortgage financing purposes of any kind, the value estimates herein critically presume that the Lender (Mortgagee) and the Mortgage Broker (if any) have completed thorough and prudent investigations of the credit worthiness of the Borrower and also of the suitability of the Borrower for the loan being contemplated. Accordingly, completion of a full due diligence process is a condition of reliance on this report. We assume no responsibility for loans advanced where the borrower lacks the ability or motivation to repay the loan, or where the lender has not followed prudent lending practices.

We certify that we have no present or prospective interest in the above captioned property of any kind whatsoever. This valuation has been completed in accordance with the Canadian Uniform Standards of Professional Appraisal Practice of the Appraisal Institute of Canada.

Should you have any questions, we would be pleased to discuss this valuation further.

Yours very truly,

MPIRE REAL ESTATE APPRAISERS & CONSULTANTS



Per: _____
WITMAN AUYEUNG, AACI, P. APP
Senior Commercial Appraiser

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EXECUTIVE SUMMARY

Client Name:	Mr. John Gerges
Purpose & Intended Use:	To estimate the prospective “As-If-Complete” market value of the subject property which is under renovation as a medical clinic & pharmacy facility. The intended use of the report is for conventional first mortgage refinancing purposes.
Property Address:	2 Dufferin Street, Tilbury, Ontario
Legal Description:	Pt Lt 22, Plan 191, Town of Tilbury
PIN:	00803-0142
Inspection Date:	July 8, 2020
Effective Date of Appraisal:	July 8, 2020
Property Type:	A 1-storey commercial property; GFA 1,580 sq ft

PROPERTY DESCRIPTION

Location:	SW corner of Mills Street East and Dufferin Street
Site Area:	7,976 sq ft
Site Configuration:	Trapezium shape
Topography:	Generally flat and level
Municipal Services:	Fully serviced urban site

LAND USE CONTROLS

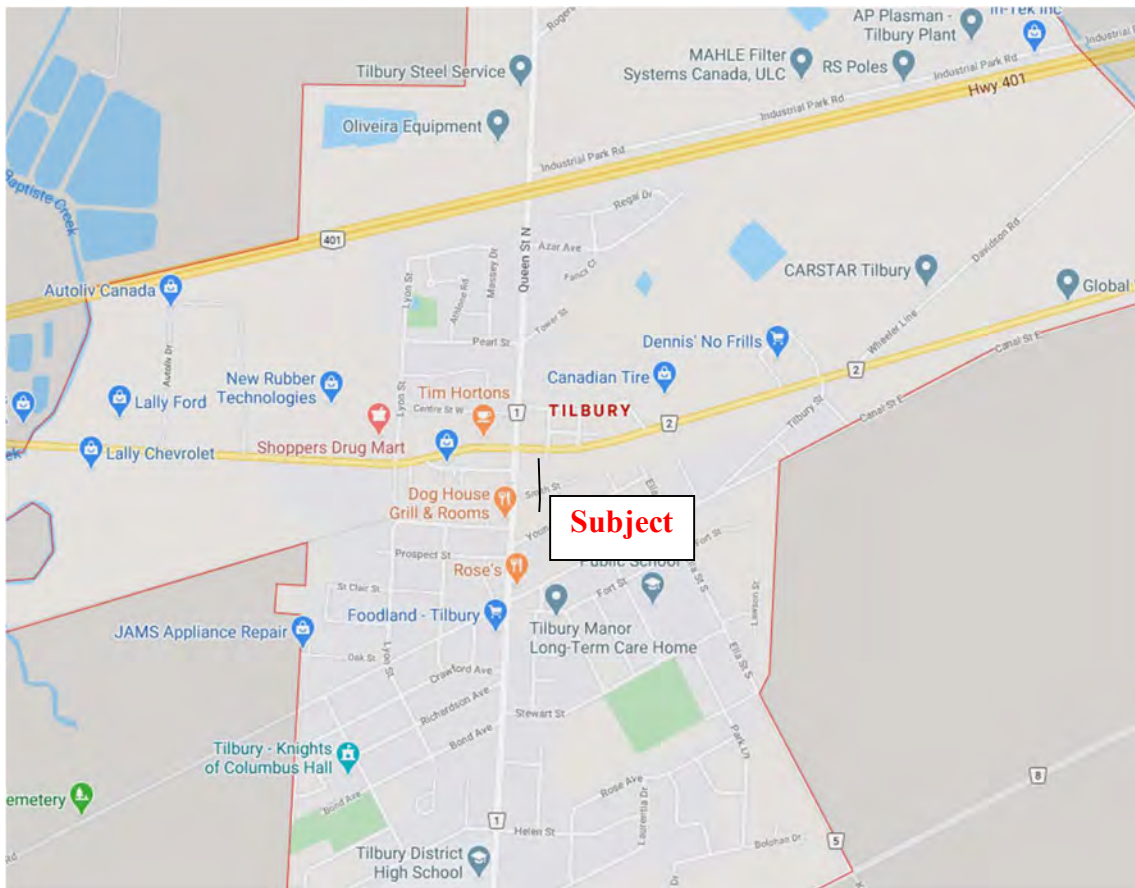
Zoning:	Urban Commercial (Highway Commercial First Density)
Highest & Best Use:	To continue and complete the proposed renovation as a medical clinic & pharmacy facility

FINAL VALUE CONCLUSION

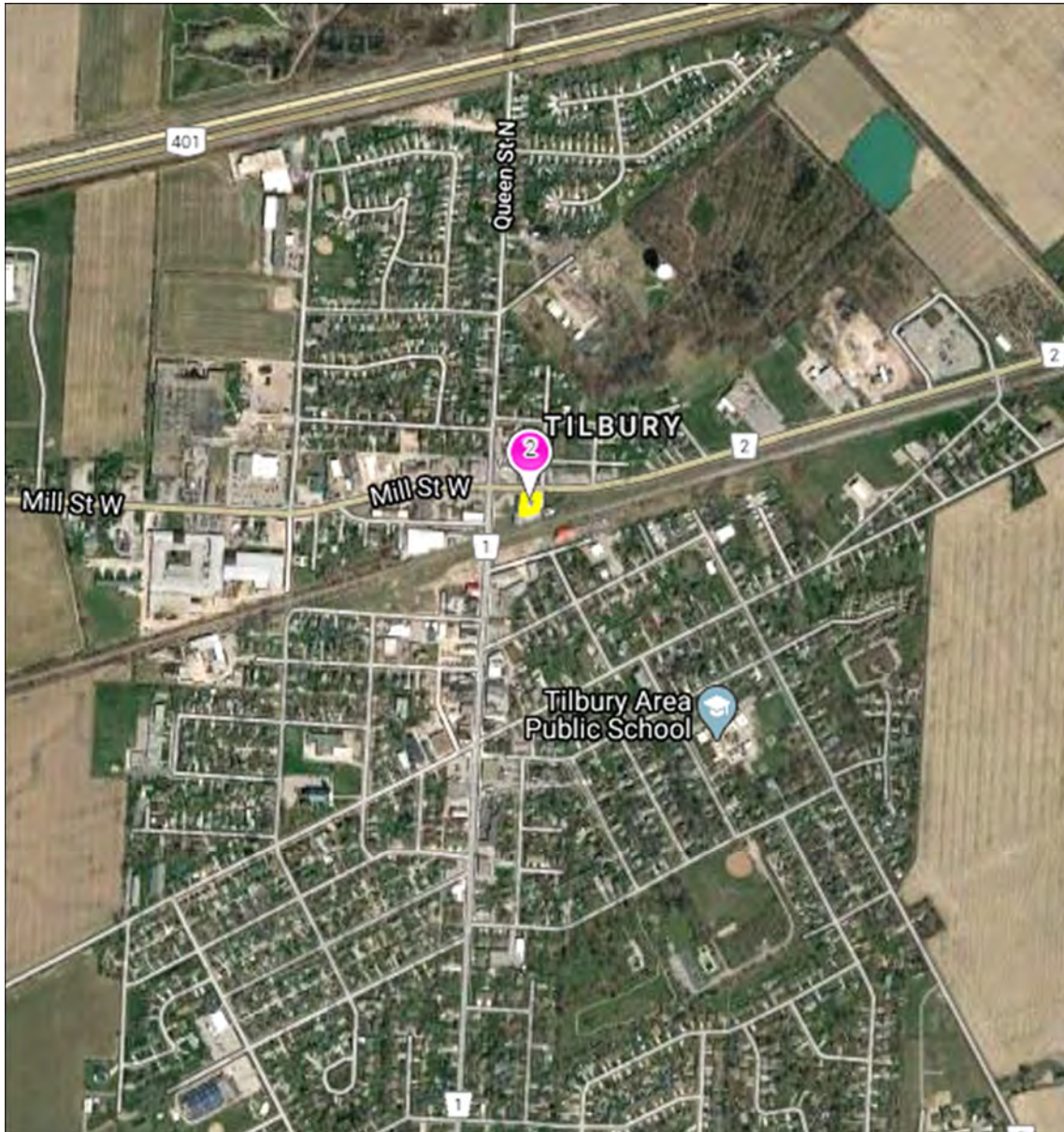
Effective Date:	July 8, 2020
Exposure Time:	3-12 months
Income Approach:	\$400,000.00
Direct Comparison Approach:	\$410,000.00
Final Value	\$410,000.00

The value provided herein is a prospective “As-If-completed” Value assuming that the proposed medical clinic and pharmacy facility has been fully completed in a good workmanlike manner in accordance with the plans, specifications and cost information provided herein. It is also assumed that the proposed facility is in-compliance with all municipal bylaws and with any other governmental agency having jurisdiction over the subject.

LOCATION MAPS



AERIAL PHOTOS





PHOTOGRAPHS – SUBJECT PROPERTY



Front views of the subject property





Front elevation



Rear and side elevations

PHOTOGRAPHS – SUBJECT STREETScape



Mill Street – west view



Mill Street – east view



Dufferin Street – north view

TERMS OF REFERENCE

PURPOSE & INTENDED USE OF REPORT

This report is prepared as a Narrative Appraisal Report. The purpose of this valuation is to estimate the prospective “**As-if-Completed**” market value of the subject proposed medical clinic/pharmacy facility as of the Date of Appraisal.

This report has been requested by Mr. John Gerges, and the Intended Use of this report is for conventional first mortgage refinancing purpose only. This report has been prepared only for the addressee of this report and only for the specific use stated herein. Use of this report by any other party or for any other purpose than stated herein invalidates this report.

PROPERTY RIGHTS

The property rights appraised are that of the Fee Simple estate. The fee simple estate is the most complete form of ownership in Canada and is limited only by the powers of government (i.e. taxation, expropriation, police, and escheat).

INSPECTION DATE

An inspection of the subject property was conducted on July 8, 2020. No interior access was given during our inspection; accordingly, our inspection was only restricted to the building exterior.

Fieldwork for this assignment was completed in months of July and August 2020.

EFFECTIVE DATE OF APPRAISAL

The Effective Date of this report is July 8, 2020 - being the date of inspection of the Subject Property. The valuation pertains to the Effective Date and reflects the market conditions that prevail as of that specific date and cannot be regarded as a reliable indication of value as of another date.

MARKET VALUE DEFINITION

The Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP) adopted by the Appraisal Institute of Canada define market value as:

"The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. "

Implicit in this definition is the consummation of a sale as of the specific date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in Canadian Dollars or in financial arrangements comparable thereto; and,
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

EXPOSURE TIME

An estimate of market value is related to the concept of reasonable exposure time. Exposure time is the property's estimated marketing time prior to a hypothetical sale at market value on the effective date of the appraisal.

Reasonable exposure time is a necessary element of a market value definition but is not a prediction of a specific date of sale. As per MILS records, properties such as the subject typically require a marketing period of approximately 3 to 6 months, depending on a number of factors including location, quality of the property and motivation of the purchaser/vendor etc.

Given the current market status due to Covid-19 pandemic, it is our opinion that a longer exposure time, say 3 to 12 months would be required.

SCOPE OF THE VALUATION

This is a Narrative Appraisal Report and complies with the reporting requirements set forth under the Canadian Uniform Standards of the Appraisal Institute of Canada. As such, all relevant material is provided in this report including the discussion of appropriate data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Additional supporting documentation concerning the data, reasoning, and analyses are retained in the appraiser's file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated herein.

During the course of preparing this valuation, the following was completed:

- Reviewed the information provided by an agent for the Owner. We have assumed that the information provided as restated in this report is accurate and a true factual representation respecting the subject property and any leasehold interests.
- Inspected the Subject Property and the surrounding area.
- Examined market conditions and analyzed their potential effect on the property.
- Confirmed current zoning regulations.
- Estimated the Highest and Best Use of the property.
- Reviewed available databases to obtain transactions and Listings involving comparable properties.
- Searched for any additional market data, which might assist in valuing the property.
- We have also relied on information provided by professional real estate consultants as well as the subject owner and/or his agent in order to arrive at an estimate of value for the Subject Property.
- Provided an estimate of market value in a narrative written report.

ASSUMPTION & LIMITING CONDITIONS

In addition to any specific assumptions that may be stated in the body of the report, the report is subject to the Contingent and Limiting Conditions set forth in Appendix A herein.

EXTRAORDINARY ASSUMPTIONS & LIMITING CONDITIONS

An Extraordinary Assumption is an assumption, which if not true, could alter the appraiser's opinions and conclusions. They are required when a Hypothetical Condition is necessary due to circumstances that are not self-evident regarding the appraised property. Hypothetical Conditions include retrospective appraisals, significant renovations to the improvements, completion of proposed improvements, etc.

An Extraordinary Limiting Condition refers to a necessary modification or exclusion of an Appraisal Institute Standard Rule. Such special circumstances include the inability to complete a property inspection or the purposeful exclusion of a relevant valuation technique among others.

The following assumptions are pertinent to the subject appraisal. We reserve the right to amend this report should any of the following assumptions and statements prove to be to the contrary, such that it may have a material impact on the value estimate(s) contained in this report.

It should be noted that except as described herein, we did not verify any owner or agent provided information, which we assume to be materially true and correct. More specifically, the “As If Completed” value provided in this report has been relied upon the property and cost information provided. It is assumed that all information provided and included herein is reliable and materially correct. It is assumed that proof of renovation cost payment is readily available upon request.

The coronavirus pandemic is causing a significant degree of uncertainty in capital markets and could have an effect on real estate values depending on the duration and severity of the crisis. Values contained in this appraisal are based on market conditions as at the time of this report. This appraisal does not provide a prediction of future values. In the event of market instability and/or disruption, values may change rapidly, and such potential future events have been NOT been considered in this report. As this appraisal does not and cannot consider any changes to the property appraised or market conditions after the effective date, readers are cautioned in relying on the appraisal after the effective date noted herein.

This appraisal assumes that the subject improvement is structurally sound and all outstanding work orders (if any) have been completed and the property complies with the property standards as set out by the Fire Department and/or Building Code for the Municipality of Chatham-Kent and any other governmental agency having jurisdiction over the subject. As such, the value estimate is based on the assumption that no significant near-term capital repairs (cost to cure) are required, unless otherwise noted herein. Major capital repairs, if required, would have a direct impact on the final value estimate provided herein.

No environmental report was provided in connection with the appraisal. Based on the information available, the subject was formerly utilized as a car care centre and it is bound to the south by an auto garage; accordingly, an environmental report is recommended in order to ascertain the property’s environmental status. For the purpose of this appraisal, we assume that the property is free and clear of any environmental contamination, toxic materials, or waste products. We have also assumed that there has been no surface or subsurface migration of contaminants to and/or from any adjoining public or private property. It should be noted that should the site and/or building prove to be environmentally contaminated, the market value of the subject property can be materially and adversely affected and, accordingly the value expressed herein may not reflect the actual market value of the subject property.

For the purposes of this analysis, the instruments registered against the title(s) to the property are assumed not to have a significant effect on the property's marketability or its market value. For greater certainty a legal opinion should be solicited for a full explanation of the effects of these encumbrances. Additionally, the property’s estimate of value herein has assumed it is free and clear of any financing. It should be noted that should the site and/or building prove to be environmentally contaminated, the Market Values of the subject property can be materially and adversely affected and, accordingly the values expressed herein may not reflect the actual Market Value of the subject property.

Particulars of the subject and the comparable properties are based on information gathered from many sources including the owner and/or the owner’s agent, the Toronto Real Estate Board’s MLS records, GeoWarehouse online Land Registry information services, MPAC’s online assessment records, the Urbanation Report and RealTrack online records as appropriate. Information may also have been compiled from other sources that have been deemed as reliable including hearsay evidence. While the reported information has been relied on with reasonable care, no further verification has been made as to the correctness of the reported data and the information. This report is based on the critical assumption that all reported data and information compiled are materially correct.

MUNICIPAL & SALES ACTIVITY

MUNICIPAL ADDRESS

As per MPAC assessment records, the subject property is municipally known as:

2 Dufferin Street South
Tilbury, Ontario

ASSESSMENT LEGAL DESCRIPTION

Pt Lt 22, Plan 191
Town of Tilbury, Regional Municipality of Chatham-Kent, Ontario

PROPERTY IDENTIFICATION NUMBER (PIN)

00803-0142

ASSESSMENT AND REALTY TAX DATA

Assessments for the Taxation Years 2017-2020 are based upon the property’s estimated value on January 1, 2016. Under the Assessment Act, an increase in assessed value between the previous reference date (January 1, 2012) and the new reference date (January 1, 2016) will be phased in over the 4 years from 2017 to 2020 inclusive.

As per MPAC assessment records, the subject 2016 assessment was \$164,000 and the 2020 Phased-in assessment is \$164,000. According to a copy of the subject 2019 final tax bill provided, the subject’s 2019 annualized tax totaled \$7,552.00.

SALES & MLS HISTORY

The title of the subject was not searched for the purpose of this appraisal. According to GeoWarehouse Land Registry records, the subject was last transferred to JG Tilbury Inc. on September 19, 2018 for \$222,500.

It is our understanding that the property is currently not available for sale on the open market and there is no pending contract for the subject.

LOCATION & SITE OVERVIEWS

The subject property is located within the Town of Tilbury, at the southerly expanse of Ontario. The town is about 3 hours’ drive southwest of the City of Toronto, and about 45 minutes’ drive from the City of Windsor.

Tilbury has a 2016 census population of 4,768; it forms part of the Regional Municipality of Chatham-Kent. Regional access to/from Tilbury is provided by Highway 401 and Ontario Highway 2. The closest airports are Chatham-Kent Airport or Windsor International Airport. There are no trains servicing Tilbury directly.

The subject property is located at the southwest corner of Mills Street East and Dufferin Street South, about ¾ km south of Highway 401. Mills Street is the primary commercial strip for Tilbury, which is lined with highway commercial type developments including strip plazas, small commercial properties, fast food restaurants, gas stations, auto servicing garages and car dealerships, etc.

The subject site is roughly trapezium in shape; as per assessment records, it has a frontage of 81.99 feet on the south side of Mills Street East, a return frontage of 83.87 feet on the west side of Dufferin Street South, and a site area of about **7,976 sq ft**.

The subject is adjoined to the south by an auto repair garage, and to the west by a wine store.



Topography:	The site is generally level and general at grade with the abutting street and with the adjoining properties.
Services:	The subject is an urban site with full municipal and utility services.
Encumbrances:	We are not aware of other major rights of way or easements affecting the site. This appraisal is based on the assumption that that there are no material rights of way, easements or any other encumbrances that may affect the value or utility of the Subject Property and thereby affect the Market Value of the Subject Property.
Soil Conditions:	No soil analysis was undertaken for the purpose of this appraisal; the sub-soil is assumed to be similar to other lands in the area and suitable in drainage qualities and load bearing capabilities and of a sufficient surface quality to accommodate the existing and/or similar developments.
Environmental Issues:	No environmental report was provided in connection with the appraisal. Based on the information available, the subject was formerly utilized as a car care centre and it is bound to the south by an auto garage; accordingly, an environmental report is recommended in order to ascertain the property's environmental status. For the purpose of this appraisal, we assume that the property is free and clear of any environmental contamination, toxic materials, or waste products.

INTERIOR PHOTOS



(As at the time of our inspection, the building interior was reportedly under fitting out work and no interior access was provided. The above 2 interior photos were provided by Mr. John Gerges)

IMPROVEMENT DESCRIPTION



The subject site is improved with a single-storey, square shaped building having a GFA area of **1,580 sq ft** with architectural block/concrete block exterior walls on concrete block foundation. It has thermopaned windows and a flat roof. The building appears to be dated to circa late-1900s; as per the information available, the property was formerly occupied as a car care amenity. It is served by one point of vehicular access on Dufferin Street South and the parking lot currently is only gravels paved.

The Proposed Medical Clinic/Pharmacy facility

As at the time of our inspection, the building interior was under fitting out work and no interior access was provided.

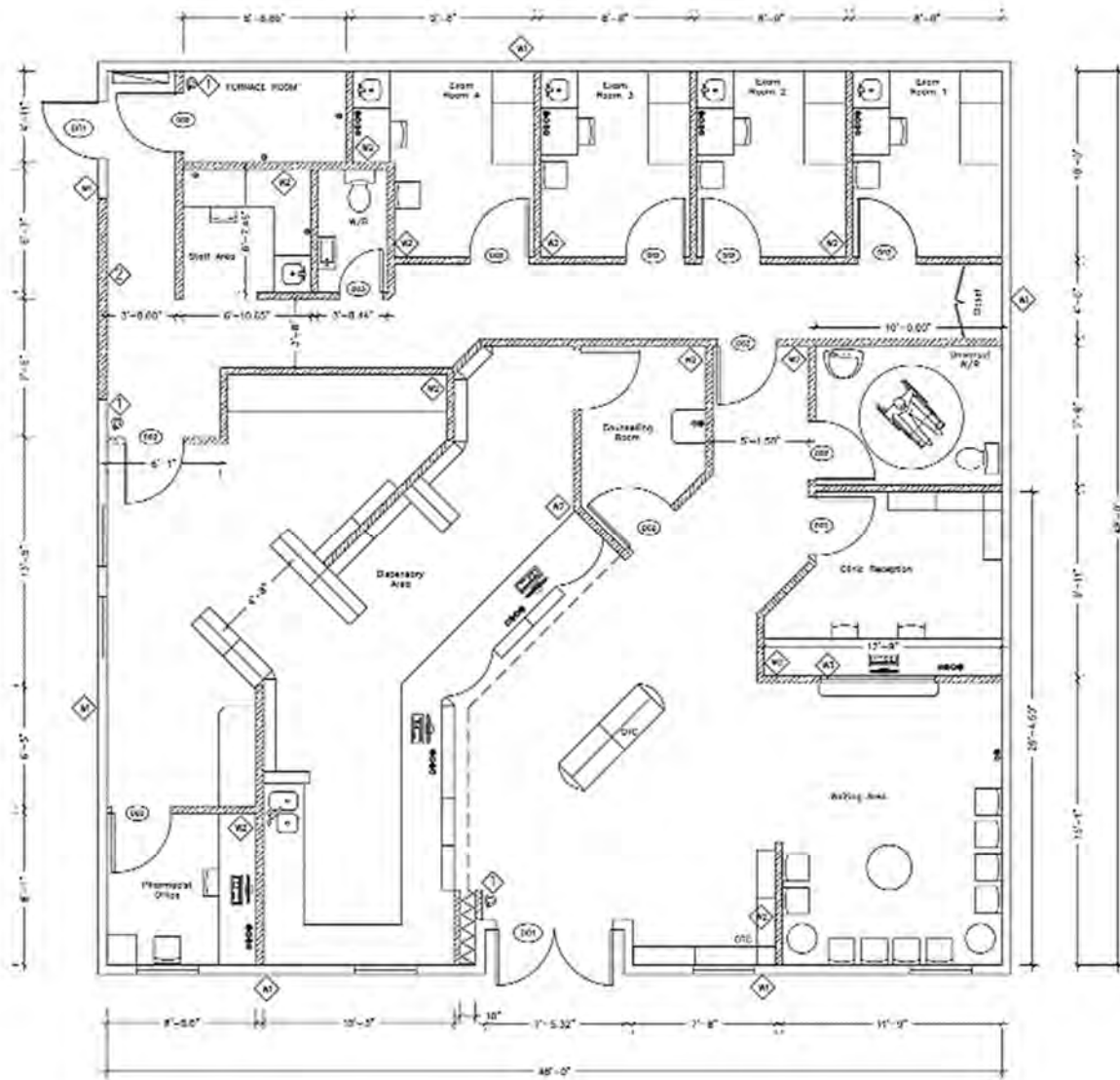
Reportedly and as per the architectural drawings provided dated November 21, 2019, prepared by Cross Engineering Inc. (see P 24 of this report), the property is under renovation as a medical clinic and pharmacy facility.

According to the information provided by Mr. John Gerges, the renovation cost totaled about **\$155,000**, as summarized below.

		<u>Remarks</u>
HVAC, flooring & drainage %& electrical	\$51,825	See Appendix C
Partitioning and ceiling	\$52,500	See Appendix C
Millwork	<u>\$33,200</u>	See Appendix D
	\$137,525	
13% HST	<u>\$17,878</u>	
	\$155,403	

It should be noted that the provided costs have not been verified for the purpose of this appraisal; it is critically assumed that the provided information is materially true and correct, and that evidence of payments are readily available upon request.

ARCHITECTURAL DRAWINGS



LAND USE PLANNING

As per the Chatham-Kent Comprehensive Zoning By-law No 216-200, as amended, the subject property is zoned “UC(CH1) Urban Commercial (Highway Commercial First Density)” use. This land use zone permits a wide range of commercial uses (including clinic) as shown on the following page.

It appears and it is assumed that the proposed medical clinic & pharmacy use legal and in conformity with the land use regulations. In order to confirm the legality of the subject, it is suggested that a Letter of Compliance be obtained from the municipality.



(d) UC(HC1) Highway Commercial First Density

- a) Adult Secondary School
- b) Agricultural Service and Supply Establishment
- c) Assembly Hall
- d) Automobile Repair Shop
- e) Automobile Sales and Service Establishment
- f) Automobile Service Station
- g) Bake Shop
- h) Bank/Financial Institution
- i) Beer/Liquor Store
- j) Builder's Supply Yard
- k) Call Centre
- l) Car Wash, Automatic
- m) Car Wash, Manual
- n) Child Care Centre
- o) Church
- p) Clinic
- q) Clinic, Veterinary
- r) Club, Private
- s) Commercial Entertainment and Recreational Establishment
- t) Commercial School
- u) Contractor's Yard
- v) Cultural Facility
- w) Dry Cleaning Establishment
- x) Eating Establishment
- y) Eating Establishment – Take Out
- z) Funeral Home
- aa) Furniture Store
- bb) Gas Bar
- cc) Hotel/Motel
- dd) Laundromat
- ee) Mixed Use Commercial/Residential Building
- ff) Nursery
- gg) Office
- hh) Personal Service Establishment
- ii) Pet Shop
- jj) Print Shop
- kk) Public Storage
- ll) Rental Establishment
- mm) Retail Store
- nn) Retail Store - Convenience
- oo) Service or Repair Shop
- pp) Service Trade Establishment
- qq) Tavern
- rr) Taxi Establishment

HIGHEST AND BEST USE

The principle of highest and best use is fundamental to the concept of value in real estate. Highest and best use, in general, may be defined as follows:

"The reasonably probable and legal use of vacant land of an improved property; which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are Legal permissibility, physical possibility, financial feasibility, and maximum productive."

AS CURRENTLY IMPROVED

The subject is located at a primary commercial strip in the Town of Tilbury. The building is in good physical condition and reportedly under fitting out work for a new pharmacy. The existing commercial use of the subject appears to be legal, conforming as per the prevailing land use codes.

Based on the foregoing, it is our opinion that the Highest and Best Use of the Subject Property, as currently improved, is to continue the existing commercial use.

AS IF VACANT

In accordance with the requirements of the Uniform Standards of Professional Appraisal Practice, consideration was given to the Highest and Best Use of the subject site as if vacant and available for development.

On this basis and with all considered, it is our opinion that the Highest and Best Use of the property is for commercial development preferably in conjunction with the adjoining properties subject to planning approvals.

VALUATION METHODOLOGY

Traditionally, there are three accepted methods for real estate valuation:

- Income Approach
- Direct Comparison Approach
- Cost Approach

The selection of a relevant methodology depends upon the nature and characteristics of the real estate under consideration.

- 1) INCOME APPROACH – this approach is utilized to estimate real estate value of income-producing or investment properties. The value is estimated by capitalizing the net rental which the property can reasonably be expected to produce over the remaining economic life of the improvement.
- 2) DIRECT COMPARISON APPROACH - this approach examines the cost of acquiring equally desirable and valuable substitute properties, indicated by transactions of comparable properties, within the market area. The characteristics of the sale properties are compared to the subject property on the basis of time and such features as location, size and quality of improvements, design features and income generating potential of the property.
- 3) COST APPROACH - In the *Cost Approach*, the land is valued as if vacant, and to this amount is added the estimated cost of reproduction of the improvements, less wear and tear, deterioration, functional and economic obsolescence. Cost Approach is normally applied in valuing newly completed properties and for specialized properties that with limited market sales data. For general properties with sufficient market sales data, the Cost Approach is usually not attempted since the reproduction cost is a reflection of supply conditions, which is not necessarily synonymous with market value. Furthermore, for older properties, estimating accrued depreciation tends to be arbitrary.

SELECTION OF RELEVANT METHODOLOGY

In estimating the market value of the Subject Property, we have utilized the Direct Comparison Approach and the Income Approach.

The Cost Approach is mainly applied for specialized properties that are lack of comparable sales in the market. In addition, the reproduction cost is generally a reflection of supply conditions, which is not necessarily synonymous with market value. Therefore, the Cost Approach has not been applied in the subject appraisal.

INCOME APPROACH

The Income Approach to Value (specifically the Overall Capitalization Method) employs the process of capitalizing the property’s net income into a value indication. Capitalization is the process of converting a series of anticipated future annual installments of income into a present value by discounting them into a present worth at a rate that will attract purchase capital.

In this analysis we have used an estimate of the stabilized net operating income of the subject and converted that figure by a market derived Overall Capitalization Rate to estimate the market value of the subject property.

The three prime determinants of value using the Income Approach, and specifically the Overall Capitalization Rate Method, are as follows:

- (1) The gross income received or receivable,
- (2) The cost of operating the building in order to maintain the highest levels of income; and,
- (3) The rate of return that an investor would require on his capital.

MARKET RENT

We understand that the property will be owner-occupied or occupied by an affiliated party. Accordingly, revenue projection of the subject has been based on market rent. Given that relatively limited rental information is available for Chatham-Kent area, our searches have extended to the City of Windsor.

Address	Bldg Area (+/-Sq Ft)	Asking Rent/ Sq Ft	Remarks
635 Grand Ave W Chatham	1,500	\$19.00 Net	Unit within a modern retail plaza
80 Keil Dr South Chatham	9,130	\$8.5 Net	A large vacant store previously occupied by Value Village
1083 Ouellette Ave Windsor	2,817	\$20.00 Semi-gross	Medical office space at a superior medical office building
3719 Walker Rd Windsor	1,434	\$15.00 Net	Medical bldg with a IDA pharmacy
395 Tecumseth Rd W Windsor	4,000	\$14.00	Fully furnished commercial/office space
4519 Rhodes Dr, Windsor	1,800	Base rent \$9.00 TMI \$7.03	Office space within a small office/medical bldg
1451 Lauzon, Windsor	1,960	\$24.40 Gross	Unit within small commercial bldg
2629-2673 Howard Windsor	1,109	\$12.00 TMI \$9.43	Retail plaza unit

Based on the foregoing and considered that the subject is a much smaller and fully renovated medical clinic/pharmacy facility, it is our opinion that the subject will achieve a rate between \$15 and \$17, says **\$16 per sq ft net**.

1,580 sq ft @\$16 per sq ft = \$25,280

STABILIZED INCOME & EXPENSE STATEMENT

Based upon the above and having allowed 5% for vacancy/bad debt, 1.0% for structural repairs and 3.0% for management, a Stabilized Income and Expense Statement of the Subject Property has been prepared below:

2 Dufferin Street South, Tilbury		
INCOME		
Potential rental income	\$25,280	
Less 5% Vacancy	<u>\$1,264</u>	
Effective Gross Income (EGI)		\$24,016
EXPENSES		
Operating Expenses	Tenant	
Structural Repairs @1.0% EGI	\$240	
Management @3.0% EGI	<u>\$721</u>	
		<u>\$961</u>
Net Operating Income (NOI)		\$23,055

OVERALL CAPITALIZATION RATE (OCR) ANALYSIS

In estimating the Overall Capitalization Rate applicable to the subject, we have investigated and analysed recent sales of comparable investment properties.

Index (Date)	Address	Consideration	Building Area (+/-)	Stabilized OCR
1 (06/19)	7600-7610 Tecumseth Rd E, Windsor	\$3,400,000	22,646 sf	6.80%
2 (07/19)	4-10 Queen St S Tilbury	\$1,980,000	13,500 sf	6.00%
3 (12/19)	348 Lacroix St Chatham	\$3,200,000	6,901 sf	5.80%

The foregoing sales indicated OCRs ranged from 5.80% to upwards of 6.80%. Generally, attractive properties at good location with strong lease covenant, etc., will sold for lower cap rates, and the vice versa.

Based on the foregoing and in view of the location and investment characteristics of the subject, it is our opinion that an OCR at **5.75%** is deemed most reasonable, which results in the following estimate of value:

Net Operating Income (NOI)	:	\$23,055
OCR @ 5.75%	:	\$400,956
Rounded to	:	\$400,000

(BY THE INCOME APPROACH)

DIRECT COMPARISON APPROACH

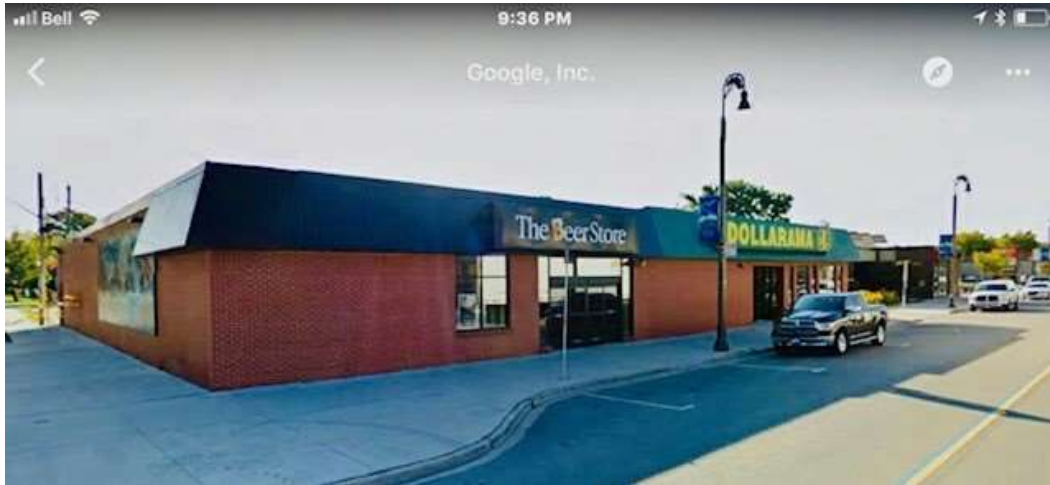
The Direct Comparison Approach is based on the Principle of Substitution which maintains that a prudent purchaser would not pay more for a property than the cost to purchase a suitable alternative property which exhibits similar physical characteristics, tenancy, location, etc. Within this approach, the property being valued is compared to properties that have sold recently or are currently listed and are considered to be relatively similar to the subject property. Typically, sale price per sq ft of building is the most commonly used unit of comparison.

SELECTION OF COMPARABLE SALES

For the purpose of this appraisal, we have searched sales of comparable commercial properties in Tilbury and Chatham-Kent areas. Our searches have revealed the following 4 sales/listing that are deemed most comparable to the subject:

Index (Date)	Address	Sale Price	Bldg Area	Site Area (Density)	Price/SF Bldg
1 (07/19)	4-10 Queen St S Tilbury	\$1,980,000	13,500 sf	31,363 sf (0.43)	\$147
2 (12/19)	348 Lacroix St Chatham	\$3,200,000	6,901 sf	9,053 sf (0.76)	\$464
3 (08/19)	445 Richmond Street, Chatham	\$501,250	5,484 sf	27,287 sf (0.20)	\$91
4 (Listing)	2 Canal St W Tilbury	Asking \$1,600,000	12,000 sf	25,265 sf (0.48)	Asking \$133
Subject (09/18)	2 Dufferin St Tilbury	\$225,000	1,580 sf	7,976 sf (0.20)	\$142

INDEX NO 1: 4-10 QUEEN STREET SOUTH, TILBURY



Date of sale : July 26, 2019
Sale Price : \$1,980,000
Building Area : 13,500 sq ft
Site Area : 31,363 sq ft
Density : 0.43
Price/SF Bldg : **\$147 per sq ft**

Remarks : Sale of a larger freestanding commercial property located at downtown Tilbury with good street exposure, a short distance south of the subject.

The property appears to be in very good condition and is leased to two national tenants – The Beer Store and a Dollarama store.

The property was listed for \$2,350,000 and sold for \$1,980,000 (\$147 per sq ft) after 404 days on the market.

Based on MLS records, the cap rate for this sale is estimated to be about 6.0%.

INDEX NO 2: 4-10 QUEEN STREET SOUTH, CHATHAM



Date of sale : December 31, 2019
Sale Price : \$3,200,000
Building Area : 6,901 sq ft
Site Area : 9,053 sq ft
Density : 0.76
Price/SF Bldg : **\$464 per sq ft**

Remarks : Sale of a freestanding commercial property located at a prominent corner site in the City of Chatham with high traffic exposure. Chatham is a much larger city with 2017 population of 105,529. This superior property is entirely leased to BMO since 2007.

The property was listed for \$3,400,000 and sold for \$3,200,000 (\$464 per sq ft) after 43 days on the market.

Based on MLS records, the cap rate for this sale is estimated to be about 5.8%.

INDEX NO 3: 445 RICHMOND STREET, CHATHAM



Date of sale : August 28, 2019
Sale Price : \$501,250
Building Area : 5,484 sq ft
Site Area : 27,287 sq ft
Density : 0.20
Price/SF Bldg : **\$91 per sq ft**

Remarks : This freestanding commercial property is located at an employment area in the City of Chatham. The property was previously occupied by CIBC but was vacant at the time of sale.

The property was listed for \$480,000 and sold for \$501,250 (\$91 per sq ft) after 26 days on the market.

INDEX NO 4: 2 CANAL STREET WEST, TILBURY



Date of sale : Current listing
Sale Price : \$1,600,000 (asking)
Building Area : 12,000 sq ft
Site Area : 25,265 sq ft
Density : 0.48
Price Psf Bldg : **\$133 per sq ft (asking)**

Remarks : Current listing for sale of a larger freestanding commercial property located at downtown Tilbury, a short distance south of the subject.

The property appears to be in good condition and with moderately good street exposure; it is entirely leased to TBS, a large bargain shop for up to 2039.

It has been listed for sale on the market since June 2020.

Analysis

For comparable purposes, we have appraised the “As Is” value of the property. The reported renovation cost is then added on top to arrive at the “As-If- Completed” value of the proposed medical clinic and pharmacy facility.

The above refers to sale/listing of four commercial properties in the Municipality of Chatham-Kent, with two properties in Tilbury and two properties in Chatham. The sale prices range from \$91 to \$464 per square foot of building area. All of the comparable properties have building size larger or significantly larger than the subject.

At the high end of the range (Index 2) refers to a superior, larger property located at a prominent location in the City of Chatham, and is fully leased to a long term, triple A tenant. The indicated rate at \$464 per sq ft requires substantial downward adjustment compared with the subject.

At the low end of the range (Index 3) refers to sale of a vacant commercial property located in an employment area of Chatham. The property was sold for \$91 per sq ft.

Indices 1 and 4 are located in Tilbury with exposure more or less similar to the subject. These two properties are however much larger than the subject, thus the indicated rates at \$147 and \$133 per sq ft respectively, both require moderate upward adjustments compared with the subject.

Conclusion

Based on the foregoing and with all considered, it is our opinion that the “As Is” market value of the subject is in the region of **\$160 per sq ft**, which results in the following estimated value:

“As Is” Value: 1,580 sq ft @ \$160 per sq ft = **\$255,000** (rounded)

As noted, the property is under fitting out work for a medical clinic/pharmacy facility with a reported total cost of **\$155,000**. Therefore, on “As-If-Complete” basis, the prospective market value of the subject is estimated as follows:

“As-If-Completed” Value: \$253,000 + \$155,000 = **\$410,000**

The value provided herein is a prospective “As-If-completed” Value assuming that the proposed medical clinic and pharmacy facility has been fully completed in a good workmanlike manner in accordance with the plans, specifications and cost information provided herein. It is also assumed that the proposed facility is in-compliance with all municipal bylaws and with any other governmental agency having jurisdiction over the subject.

(BY THE DIRECT COMPARISON APPROACH)

RECONCILIATION & FINAL VALUE ESTIMATE

The value estimates for the subject property, utilizing the two approaches to value, are as follows:

INCOME APPROACH	:	\$400,000.00
DIRECT COMPARISON APPROACH	:	\$410,000.00

The Income Approach and the Direct Comparison Approach to value result to fairly similar values with slight variance.

As per market activities, negotiations for this type of small commercial properties are primarily based on comparison with similar properties sold/listed in market rather than based on investment returns. Therefore, it is our opinion that the value of the subject is best reflected by the Direct Comparison Approach.

Therefore, having considered the data investigated and all other factors that may affect value, it is our opinion that the prospective “**As-If-Completed**” market value of the appraised property, subject to all the assumptions and limiting conditions as contained herein, as at July 8, 2020, was:

(\$410,000.00)

FOUR HUNDRED & TEN THOUSAND DOLLARS

The value provided herein is a prospective “As-If-completed” Value assuming that the proposed medical clinic and pharmacy facility has been fully completed in a good workmanlike manner in accordance with the plans, specifications and cost information provided herein. It is also assumed that the proposed facility is in-compliance with all municipal bylaws and with any other governmental agency having jurisdiction over the subject.

APPENDICES

APPENDIX A:

ASSUMPTIONS & LIMITING CONDITIONS

APPENDIX B:

MPAC PROPERTY DETAIL REPORT

APPENDIX C:

INVOICE FROM TILBURY GARDENS

APPENDIX D:

MPAC PROPERTY DETAIL REPORT

APPENDIX E:

CERTIFICATION

APPENDIX A
ASSUMPTIONS & LIMITING CONDITIONS

ASSUMPTIONS & LIMITING CONDITIONS

1. This report has been prepared for Mr. John Gerges to estimate the “***As-If-Completed***” Market Value of the subject property for conventional first mortgage refinancing purposes only. It is not reasonable for any person other than the person or those to whom this report is addressed to rely upon this appraisal without first obtaining written authorization from Mpire Real Estate Appraisers & Consultants and the author(s) of this report. This report has been prepared on the assumption that no other person will rely on it for any other purpose and all liability to all such persons is denied.
2. This report has been prepared for the exclusive and confidential use of the client as named herein and for the specific purpose and function as stated herein. All copyright is reserved to the author(s) and this report is considered confidential by the author(s) and the client. Possession of this report, or a copy thereof, does not carry with it the right to reproduction or publication in any manner, in whole or in part, nor may it be disclosed, quoted from or referred to in any manner, in whole or in part, without the prior written consent and approval of the author as to the purpose, form and content of any such disclosure, quotation or reference. Without Limiting the generality of the foregoing, neither all nor any part of the contents of this report shall be disseminated or otherwise conveyed to the public in any manner whatsoever or through any media whatsoever or disclosed, quoted from or referred to in any report, financial statement, prospectus, or offering memorandum of the client, or in any documents filed with any governmental agency without the prior written consent and approval of the author as to the purpose, form and content of such dissemination, disclosure, quotation or reference.
3. The estimated market rent for units of the property, which is the subject of this appraisal report, pertains to the Leasehold Interests that are typical and prevalent for similar rental units in the market as at the effective date of this report.
4. The concept of market value presumes reasonable exposure. The exposure period is the estimated length of time the asset being valued would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of valuation. The overall concept of reasonable exposure encompasses not only adequate, sufficient and reasonable time but also adequate, sufficient and reasonable effort. The reasonable exposure period is a function not only of time and effort, but will depend on the type of asset being valued, the state of the market at the date of valuation and the level at which the asset is priced. (The estimated length of the exposure period needed to achieve the estimated market value is set forth in the Letter of Transmittal, prefacing this report).
5. The estimate of value contained in this report is founded upon a thorough and diligent examination and analysis of information gathered and obtained from numerous sources. Certain information has been accepted at face value; especially if there was no reason to doubt its accuracy. Other empirical data required interpretative analysis pursuant to the objective of this appraisal. Certain inquiries were outside the scope of this mandate. For these reasons, the analyses, opinions and conclusions contained in this report are subject to the following Contingent and Limiting conditions.

-
6. The property has been valued on the basis that title to the real estate herein appraised is good and marketable.
 7. The author of this report cannot accept responsibility for legal matters, questions of survey, opinions of title, hidden or unapparent conditions of the property, toxic wastes or contaminated materials, soil or sub-soil conditions, environmental, engineering or other technical matters that might render this property more or Less valuable than as stated herein. If it came to our attention as the result of our investigation and analysis that certain problems may exist, a cautionary note has been entered in the body of the report.
 8. The legal description of the property and the area of the site were obtained from the Registry Office. Further, the plans and sketches contained in this report are included solely to aid the recipient in visualizing the location of the property, the configuration and boundaries of the site and the relative position of the improvements on the said Lands.
 9. The property has been valued on the basis that the real estate is free and clear of all value influencing encumbrances, encroachments, restrictions or covenants except as may be noted in this report and that there are no pledges, charges, liens or special assessments outstanding against the property other than as stated and described herein.
 10. The property has been valued on the basis that there are no outstanding Liabilities except as expressly noted herein, pursuant to any agreement with a municipal or other government authority, pursuant to any contract or agreement pertaining to the ownership and operation of the real estate or pursuant to any lease or agreement to Lease, which may affect the stated value or saleability of the subject property or any portion thereof.
 11. The interpretation of the leases and other contractual agreements if any, pertaining to the operation and ownership of the property, as expressed herein, is solely the opinion of the author and should not be construed as a legal interpretation. Further, the summaries of these contractual agreements, which appear in the Addenda, are presented for the sole purpose of giving the reader an overview of the salient facts thereof.
 12. The property has been valued on the basis that the real estate complies in all material respects with any restrictive covenants affecting the site and has been built and is occupied and being operated, in all material respects, in full compliance with all requirements of law, including all zoning, land use classification, building, planning, fire and health by-laws, rules, regulations, orders and codes of all federal, provincial, regional and municipal governmental authorities having jurisdiction with respect thereto. (It is recognized there may be work orders or other notices of violation of Law outstanding with respect to the real estate and that there may be certain requirements of law preventing occupancy of the real estate as described in this report. However, such circumstances have not been accounted for in the appraisal process).

-
13. Investigations have been undertaken in respect of matters that regulate the use of land. However, no inquiries have been placed with the fire department, the building inspector, the health department or any other government regulatory agency, unless such investigations are expressly represented to have been made in this report. The subject property must comply with such regulations and, if it does not comply, its non-compliance may affect the market value of this property. To be certain of such compliance, further investigations may be necessary.
 14. It is imperative that the reader or any other interested party be aware that the Appraiser did not inspect the premises for fire detection or smoke detection systems, or for the presence of carbon monoxide detectors, nor did the Appraiser inspect the condition of such equipment, if present. The Appraiser takes no responsibility whatsoever for the Lack of, or condition of, detection devices that may be located on the premises, nor does the Appraiser warrant compliance in any manner of such equipment, if present.
 15. The property has been valued on the basis that there is no action, suit, proceeding or investigation pending or threatened against the real estate or affecting the titular owners of the property, at Law or in equity or before or by any federal, provincial or municipal department, commission, board, bureau, agency or instrumentality which may adversely influence the value of the real estate herein appraised.
 16. The property has been valued on the basis that all leases, agreements to lease, or other contractual agreements relating to the terms and conditions of the tenants' occupation of space within the subject property are fully enforceable, notwithstanding that such documentation may not be fully executed by the parties thereto as at the date of this appraisal.
 17. The property has been valued on the basis that all rents referred to in this report are being paid in full and when due and payable under the terms and conditions of the attendant leases, agreements to lease or other contractual agreements. Further, it is assumed that all rents referred to in this report represent the rental arrangements stipulated in the leases, agreements to lease or other contractual agreements pertaining to the tenants' occupancy, to the extent that such rents have not been prepaid, abated, or inflated to reflect extraordinary circumstances, and are full enforceable notwithstanding that such documentation may not be fully executed by the parties thereto as at the date of this appraisal, unless such conditions have been identified and noted in this report.
 18. The data and statistical information contained herein were gathered from reliable sources and are believed to be correct. However, these data are not guaranteed for accuracy, even though every attempt has been made to verify the authenticity of this information as much as possible.

-
19. The estimated market value of the property does not necessarily represent the value of the underlying shares, if the asset is so held, as the value of the share could be affected by other considerations. Further, the estimated market value does not include consideration of any extraordinary financing, rental or income guarantees, special tax considerations or any other atypical benefits which may influence the ordinary market value of the property, unless the effects of such special conditions, and the extent of any special value that may arise there from, have been described and measured in this report.
 20. Should title to the real estate presently be held (or changed to a holding) by a partnership, in a joint venture, through a Co-tenancy arrangement or by any other form of divisional ownership, the value of any fractional interest associated therewith may be more or less than the percentage of ownership appearing in the contractual agreement pertaining to the structure of such divisional ownership. For the purposes of our valuation, we have not made any adjustment for the value of a fractional interest.
 21. In the event of syndication, the aggregate value of the limited partnership interests may be greater than the value of the freehold or fee simple interest in the real estate, by reason of the possible contributory value of non-realty interests or benefits such as provision for tax shelter, potential for capital appreciation, special investment privileges, particular occupancy and income guarantees, special financing or extraordinary agreements for management services.
 22. Unless otherwise noted, the estimated market value of the property referred to herein is predicated upon the condition that it would be sold on a cash basis to the vendor subject to any contractual agreements and encumbrances as noted in this report as-is and where-is, without any contingent agreements or caveats. Other financial arrangements, good or cumbersome, may affect the price at which this property might sell in the open market.
 23. Should the author of this report be required to give testimony or appear in court or at any administrative proceeding relating to this appraisal, prior arrangements shall be made therefore, including provisions for additional compensation to permit adequate time for preparation and for any appearances that may be required. However, neither this nor any other of these assumptions nor limiting conditions is an attempt to limit the use that might be made of this report should it properly become evidence in a judicial proceeding. In such a case, it is acknowledged that it is the judicial body which will decide the use of this report which best serves the administration of justice. Because market conditions, including economic, social and political factors, change rapidly and, on occasion, without notice or warning, the estimate of market value expressed herein, as of the effective date of this appraisal, cannot necessarily be relied upon as of any other date without subsequent advice of the author of this report.
 24. The value expressed herein Reliance upon this appraisal report which results in a claim in negligence against our firm and/or our appraiser is limited to any unimpaired amount of valid and collectible Professional Liability Insurance coverage maintained by our firm and/or our appraiser to a maximum of any remaining policy limits or the loan amount, whichever is less, regardless of any limitation agreed to by our client.

25. The value expressed herein is in Canadian dollars.

26. This report is only valid if it bears the original signature(s) of the author(s).

These Assumptions and Limiting Conditions shall be read with all changes in number and gender as may be appropriate or required by the context or by the particulars of this mandate.

APPENDIX B
MPAC PROPERTY REPORT

Property Detail Report



Date: 2020-07-10



Property Address: 2 DUFFERIN ST S

Municipality: CHATHAM-KENT MUNICIPALITY

Roll Number: 365008000168000

Base Sales & Assessment Data

Property Information:

Property Type: Commercial
Property Code & Description: 421-Specialty automotive shop/auto repair/ collision service/car or truck wash
Assessment Roll Legal Description: PLAN 191 PT LOT 22
Legal Description: PART LOT 22, PLAN 191 AS IN 305265 EXCEPT PT. 5, 24R6818 ; CHATHAM-KENT

Year Built:	Frontage(ft):	81.76
Number of Full Storeys:	Depth(ft):	-
Number of Partial Storeys:	Site Area(sq.ft.):	8,276.40 Sq,Feet
	Variance:	Corner

Sale Information:

Last Sale Date: 19/09/2018
Last Sale Amount: \$222,500

Valuation Information:

Assessed Value on January 1, 2016*:	\$164,000
Assessed Value on January 1, 2012:	\$162,000
Taxation Year:	Phased-In Assessment
2016	\$162,000
2017	\$162,500
2018	\$163,000
2019	\$163,500
2020	\$164,000**

NOTE: Under the Assessment Act a number of changes have been made to the property assessment system, which became effective in the 2005 property tax year. These changes include the introduction of a four-year assessment update and a phase-in of assessment increases. For more information regarding Assessment Updates visit www.mpac.ca

*Assessed Value is based on a January 1, 2016 Valuation Date.

**Phased-In Assessment reflects the phased-in portion of the Assessed Value returned to the municipality/local taxing authority on the 2019 Assessment Roll for the 2020 taxation year.

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APPENDIX C
INVOICE FROM TILBURY GARDENS

TILBURY GARDENS

INVOICE

226-627-2624
seandavid@hotmail.ca

7 Young St.
Tilbury ON N0P2L0

Attention: John Gerges
Mill Street Pharmacy
15 Mill St.
Tilbury ON N0P2L0
Date: August 7, 2020

Project Title: 2 Dufferin St
Project Description: Construct pharmacy and medical office
Invoice Number: 1101

Description	Quantity	Unit Price	Cost
Source and install HVAC, Air circulation and Ducts	1	\$28,000.00	\$28,000.00
Out and remove concrete floor for underground plumbing. Pour and level concrete floor, fill in floor drain	1	\$6,800.00	\$6,800.00
Install underground rough in, install above ground rough in rough in	1	\$8,524.61	\$8,524.61
Electrical retrofit of Electrical panel, install plug switches and lighting	1	\$8,500.00	\$8,500.00
		Subtotal	\$51,824.61
		Tax	13.00% \$6,737.20
		Total	\$58,561.81

Thank you for your business. It's a pleasure to work with you on your project.

Sincerely yours,

Sean David

TILBURY GARDENS

INVOICE

226-627-2524
seandavid@hotmail.ca
7 Young St
Tilbury ON N0P2L0

Attention: John Gerges
Mill Street Pharmacy
15 Mill Street
Tilbury ON N0P2L0
Date: 1/8/20
Project Title: 2 Dufferin
Project Description: Pharmacy and medical office
Invoice Number: 1102

Description	Quantity	Unit Price	Cost
Frame 10' walls	1	\$8,000.00	\$8,000.00
Install insulation and drywall	1	\$12,500.00	\$12,500.00
Tape and mud drywall, prime seal all installed drywall, Paint walls	1	\$11,500.00	\$11,500.00
Paint and install baseboards and trim. Install vinyl laminate floors paint and install doors and hardware, install ceiling grid and tiles purchase sink for offices and washroom	1	\$20,500.00	\$20,500.00
		Subtotal	\$52,500.00
	Tax	13.00%	\$6,825.00
		Total	\$59,325.00

Thank you for your business. It's a pleasure to work with you on your project.

Sincerely yours,
Sean David.

APPENDIX D
MILLWORK QUOTATION



QUOTATION

DATE: August 06, 2020

PROJECT NAME: JM Westview Pharmacy Inc.

CLIENT NAME: John Gerges

PROJECT ADDRESS: 15 Mill St E. Tilbury, Ontario

Statement of Work:

Milwork for new Pharmacy

Milwork:

- * To supply, delivery and install the following items (shop drawings to be approved)
 - o Main front counter 170" long with cabinetry, pull out trays, printer cabinetry, counters and transaction top, pick up area, fold up counter and swing gates
 - o Reception back counter and shelving
 - o Pick up area counter, reception base and uppers
 - o OTC 3 sides shelving unit 8ft height
 - o OTC cabinetry in front of reception
 - o Counter and uppers 10ft long with base cabinetry
 - o Base and uppers sink cabinet behind pick up counter
 - o otc counter, below medical reception window wall
 - o additional 8ft height x 3ft width x 10" depth shelving unit, on side wall, corridor to lunch room
 - o kitchenette, lunch room- L-shape 47.25 x 87.25, base cabinetry and counter top
 - o Travel, meals and hotel costs (if any)

Total FEES: \$ 33,200 +HST (Thirty Three Thousand and Two Hundred Dollars)

PHONE: (416) 291-1111 • EMAIL: info@matthewvincent.ca • WEB: www.matthewvincent.ca



Assumptions

- Adequate space on site for storage of tools and materials
- The site is prepared cleaned and ready for installation of millwork items
- Disposal bins if required to be supplied by others
- Client will provide key and security access code so work can be completed at any hour of the day

Services and fees, as maybe required for out of scope work, are available based on the following hourly rate schedule and terms:

Service	Fee
Change Orders	Fixed rate
Principal	\$250/hour
Lead Designer	\$300/per site visit
Multi Skilled Trade	\$65/hour
Labour	\$40/hour
Licensed Electrician	\$105/hour
Licensed Plumber	\$105/hour

330 BRUNEL RD. MISSISSAUGA, ON L4Z2C2

PHONE 905 899 0155 • EMAIL SALES@MATTHEWVINCENT.CA • WEB MATTHEWVINCENT.CA



Terms & Conditions:

- Matthew Vincent Building Group (Hereinafter referred to as "MVBG") reserves the right to complete scopes of work using in house staff, including, but not limited to - Labourers, Site Supervision, Framing, Finish Carpentry, Insulation and any other trades needed to complete the scope of work.
- Materials and items purchased by MVBG to be billed at cost plus 10%
- MVBG reserves the right to halt work if payments are not completed as per progress billings
- The Services to be performed by MVBG are unique, complex and involve a large degree of interaction and discussion between Client, MVBG and project team members. The time required to complete the Services, or any portion thereof, may vary subject to the Client's availability, timely delivery of information to MVBG, unforeseen issues, design changes & modifications and other matters which generally affect the Services.
- Because of any such change to Services, the MVBG will have the ability to alter any schedules and/or costs as a result, in its sole discretion. Any such changes will be made in writing with reference to this Agreement (Hereinafter referred to as "Change Orders"). In the event Change Orders are needed, the parties will do so in writing describing the scope, the fee structure and schedule for that specific work.
- MVBG reserves the right to invoice clients (according to fee structure) for delays in project due to, but not limited to: Finalizing approvals and missed deadlines of finishes and materials, Interior Designer sign offs and neglecting contract payment terms.
- In the case an options item affects the current scope of fixed portion items, the additionally work will be treated as a change order.
- Change order must be approved in the form of writing by client prior to completion (verbal will not be accepted)
- All deposits are non refundable
- Pricing does not include moving of furniture, cabinetry and other items in spaces where construction will be completed
- In consideration of the Services by the MVBG to the Client under this Agreement, the Client agrees that any and all claims which the Client has or hereafter may have against MVBG in any way arising out of or related to MVBG's duties and responsibilities pursuant to this Agreement, whether such claims arise in contract or in tort, shall be limited to the amount of \$2,000,000.00 (being the amount of the MVBG's professional indemnity insurance claims limit).
- Pricing does not include final cleaning by professional cleaning company. To be quoted and approved at time of project completion
- The above quoted fees and hourly rates are valid for 14 days from the date of this proposal.
- The undersigned agrees that if a 20% progress payment (Prior to site delivery) is not made within 30 days, MVBG retains to right to cancel the contract without issuance of a refund or supply of any labour and materials associated.
- Pricing is only applicable to payments made via cheque, draft or money transfer, a 3% fee is charged if credit card is to be used.
- Applicable taxes will be added to all fees and expenses.



Terms of payment are:
60% Deposit due upon acceptance
20% To be issued PRIOR to site delivery
20% Upon completion

Project start date:
August 7 2020
Estimated On site Date:
August 28 2020

Yours truly,

Matthew Rabba

This consulting agreement contains the entire understanding of the parties relating to the subject matter described in this agreement, and there are no representations, inducements, promises or agreements between the parties except as specifically set forth in this agreement. This consulting agreement represents the entire agreement between the Parties and supersedes prior negotiations, representation or agreements, either written or oral. The Client acknowledges having received, read and understood the terms of this agreement and being given sufficient opportunity to obtain independent legal advice and being advised by the Matthew Vincent Building Group to do so.

Signature  Signature: _____

Client Name: John Gerges Client Name: _____

Date: August 7, 2020 Date: _____

330 BRUNEL RD. MISSISSAUGA, ON L4Z2C2
PHONE 289 999-0155 • EMAIL SALES@MATTHEWVINCENT.CA • WEB MATTHEWVINCENT.CA

APPENDIX E
CERTIFICATE

Re: 2 Dufferin Street South, Tilbury, Ontario

I certify, that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and is my personal, unbiased professional analyses, opinions and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and we have no personal interest or bias with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report.
- My compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Canadian Uniform Standards of Professional Appraisal Practice and with the requirements of the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute of Canada (A.I.C.).
- I made a personal inspection of the subject property on July 7, 2020.
- I have the knowledge and experience to complete the assignment competently.
- The Appraisal Institute of Canada has a Mandatory Recertification Program for designated members. As of the date of this report, I have fulfilled the requirements of the program.
- No other person provided significant professional assistance in the preparation of this report. The value estimate contained in this report applies as at the Effective Date of valuation as defined within the body of this report.

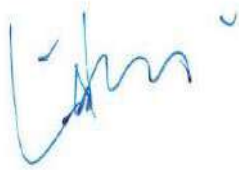
Based on our analysis, the prospective “**As-If-Complete**” market value of the appraised property subject to the underlying contingent and limiting conditions outlined herein as of July 7, 2020, was:

(\$410,000.00)

FOUR HUNDRED & TEN THOUSAND DOLLARS

The value provided herein is a prospective “As-If-completed” Value assuming that the proposed medical clinic and pharmacy facility has been fully completed in a good workmanlike manner in accordance with the plans, specifications and cost information provided herein. It is also assumed that the proposed facility is in-compliance with all municipal bylaws and with any other governmental agency having jurisdiction over the subject.

The coronavirus pandemic is causing a significant degree of uncertainty in capital markets and could have an effect on real estate values depending on the duration and severity of the crisis. Values contained in this appraisal are based on market conditions as at the time of this report. This appraisal does not provide a prediction of future values. In the event of market instability and/or disruption, values may change rapidly, and such potential future events have been NOT been considered in this report. As this appraisal does not and cannot consider any changes to the property appraised or market conditions after the effective date, readers are cautioned in relying on the appraisal after the effective date noted herein.



Per _____
WITMAN AU YEUNG, AACI, P App
Senior Commercial Appraiser

Dated: August 21, 2020

APPENDIX 5

Mukul Manchanda

From: John Gerges <john.gerges01@gmail.com>
Sent: October 27, 2020 5:58 PM
To: Mukul Manchanda
Cc: Edmond Lamek
Subject: Global picture

Hello sir,

I hope all is well. Please find global summary as discussed earlier if deals we're working on.

Telus revoked stores:

1. JM westview: Samir had proposed purchasing the files and moving to obtain new Telus number.
2. Cooksville: Samir had proposed purchasing the files and moving to obtain new Telus number.
3. Brighton: Anoop had proposed purchase and moving to obtain new Telus number. Anoop trying to obtain alternative financing.
4. Brimley pharmacy: only 7 years remaining on the lease. Landlord will not give extension. Previously told Rofael any assignment he will add a demolition clause enforced with 6 months notice. He is already demolishing other half of the plaza to build town homes. (Short lease and huge risk of demolition may not bring good offers). * proposed downpayment method
5. Apothecary pharmacy: Essam Siha might still be interested to pursue. *proposed downpayment method
6. Toronto Surrey: main store Sandra works at, literally her whole life. *Proposed payout perhaps?
7. River hill & westway: * Proposed downpayment method
8. Bless Hui & ST. Mary theotokos: * proposed downpayment method
9. Stoney creek pharmacy: *proposed downpayment method
10. JG Windsor inc. & pharmacy: speaking to a local pharmacist in pharmacist to purchase both & realize the equity, all proceeds to cwb. Buyer currently trying to arrange financing.

Non-Telus issues:

1. Maple Medi: buyers have been worried the same pharmacists work down the street. I have a great relationship with them, store has been doing better *proposed downpayment method
2. Agincourt Pharmacy: tentative closing date November 5. Landlord very difficult, \$25,000 assignment fee, we are almost there !
3. Supercare & charter: Anoop interested. Any alternative buyer though, ready to go!
4. Olde walkerville: khan is ready with his own money in hand, I know cwb not Comfortable pursuing this, but the case can go parallel with this closing, no problem. This is best for everyone, the quicker the deal gets done the better for everyone.

I hope this helps. Anything I can do to help honestly .. just to protect my wife and family please. We just want to preserve the value and get maximum return please.

Regards,
John g

APPENDIX 6

PROPERTY DESCRIPTION: PART LOT 22, PLAN 191 AS IN 305265 EXCEPT PT. 5, 24R6818 ; CHATHAM-KENT

PROPERTY REMARKS:

ESTATE/QUALIFIER:
FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:
DIVISION FROM 00803-0035

PIN CREATION DATE:
2001/09/04

OWNERS' NAMES
JG TILBURY INC.

CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2001/09/04 **						
**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:						
** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *						
** AND ESCHEATS OR FORFEITURE TO THE CROWN.						
** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF						
** IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY						
** CONVENTION.						
** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.						
**DATE OF CONVERSION TO LAND TITLES: 1994/02/07 **						
305265	1976/10/29	TRANSFER		*** COMPLETELY DELETED ***	HUGH WHITLOCK MOTORS LIMITED	
LT21321	1998/08/17	APL CH NAME OWNER		*** COMPLETELY DELETED *** HUGH WHITLOCK MOTORS LIMITED	THE GARY MACKIE ORGANIZATION INC.	
LT37909	2002/06/19	TRANSFER		*** COMPLETELY DELETED *** THE GARY MACKIE ORGANIZATION INC.	RIVAIT, CRAIG DONALD RIVAIT, NICOLE COLETTE	
LT44749	2003/10/17	NOTICE AGREEMENT		RIVAIT, CRAIG RIVAIT, NICOLE COLETTE	THE CORPORATION OF THE MUNICIPALITY OF CHATHAM-KENT	C
CK149486	2018/09/19	TRANSFER	\$222,500	RIVAIT, CRAIG DONALD RIVAIT, NICOLE COLETTE	JG TILBURY INC.	C
CK149487	2018/09/19	CHARGE	\$120,000	JG TILBURY INC.	COUREY, PAUL COUREY DENTISTRY PROFESSIONAL CORPORATION FAHRINGER, MARILYN	C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date		
2653919	JG TILBURY INC.	2018/09/06		
		Jurisdiction		
		ONTARIO		
Corporation Type	Corporation Status	Former Jurisdiction		
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE		
Registered Office Address		Date Amalgamated	Amalgamation Ind.	
2 DUFFERIN STREET		NOT APPLICABLE	NOT APPLICABLE	
TILBURY ONTARIO CANADA N0P 2L0		New Amal. Number	Notice Date	
		NOT APPLICABLE	NOT APPLICABLE	
Mailing Address			Letter Date	
2 DUFFERIN STREET			NOT APPLICABLE	
TILBURY ONTARIO CANADA N0P 2L0		Revival Date	Continuation Date	
		NOT APPLICABLE	NOT APPLICABLE	
		Transferred Out Date	Cancel/Inactive Date	
		NOT APPLICABLE	NOT APPLICABLE	
		EP Licence Eff.Date	EP Licence Term.Date	
		NOT APPLICABLE	NOT APPLICABLE	
		Number of Directors	Date Commenced in Ontario	Date Ceased in Ontario
		Minimum Maximum		
		00001 00010	NOT APPLICABLE	NOT APPLICABLE
Activity Classification				
NOT AVAILABLE				

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
2653919	JG TILBURY INC.

Corporate Name History	Effective Date
JG TILBURY INC.	2018/09/06

Current Business Name(s) Exist:	NO
Expired Business Name(s) Exist:	NO

Administrator: Name (Individual / Corporation)	Address
DIEP NGUYEN	2088 LAWRENCE AVENUE WEST Suite # 309 TORONTO ONTARIO CANADA M9N 3Z9

Date Began	First Director	
2020/07/29	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
DIRECTOR		Y

CORPORATION PROFILE REPORT

Ontario Corp Number

2653919

Corporation Name

JG TILBURY INC.

Administrator:

Name (Individual / Corporation)

DIEP
NGUYEN

Address

2088 LAWRENCE AVENUE WEST

Suite # 309
TORONTO
ONTARIO
CANADA M9N 3Z9

Date Began

2020/07/29

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

PRESIDENT

Resident Canadian

Administrator:

Name (Individual / Corporation)

DIEP
NGUYEN

Address

2088 LAWRENCE AVENUE WEST

Suite # 309
TORONTO
ONTARIO
CANADA M9N 3Z9

Date Began

2020/07/29

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

SECRETARY

Resident Canadian

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
2653919	JG TILBURY INC.

Administrator: Name (Individual / Corporation)	Address
DIEP NGUYEN	2088 LAWRENCE AVENUE WEST Suite # 309 TORONTO ONTARIO CANADA M9N 3Z9

Date Began	First Director	Resident Canadian
2020/07/29	NOT APPLICABLE	
Designation	Officer Type	
OFFICER	TREASURER	

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
2653919	JG TILBURY INC.

Last Document Recorded		Form	Date
Act/Code	Description		
CIA	CHANGE NOTICE	1	2020/07/31 (ELECTRONIC FILING)

THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

The issuance of this report in electronic form is authorized by the Ministry of Government Services.

CORPORATION POINT IN TIME REPORT **As of: 2020/07/31**

Ontario Corp Number	Corporation Name	Incorporation Date	
2653919	JG TILBURY INC.	2018/09/06	
		Jurisdiction	
		ONTARIO	
Corporation Type	Corporation Status	Former Jurisdiction	
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE	
Registered Office Address	Date Amalgamated	Amalgamation Ind.	
2 DUFFERIN STREET	NOT APPLICABLE	NOT APPLICABLE	
TILBURY ONTARIO CANADA N0P 2L0	New Amal. Number	Notice Date	
	NOT APPLICABLE	NOT APPLICABLE	
Mailing Address	Letter Date	NOT APPLICABLE	
2 DUFFERIN STREET			
TILBURY ONTARIO CANADA N0P 2L0	Revival Date	Continuation Date	
	NOT APPLICABLE	NOT APPLICABLE	
	Transferred Out Date	Cancel/Inactive Date	
	NOT APPLICABLE	NOT APPLICABLE	
	EP Licence Eff.Date	EP Licence Term.Date	
	NOT APPLICABLE	NOT APPLICABLE	
	Number of Directors Minimum Maximum	Date Commenced in Ontario	Date Ceased in Ontario
	00001 00010	NOT APPLICABLE	NOT APPLICABLE
Activity Classification			
NOT AVAILABLE			

CORPORATION POINT IN TIME REPORT

As of: 2020/07/31

Ontario Corp Number

Corporation Name

2653919

JG TILBURY INC.

Corporate Name History

Effective Date

JG TILBURY INC.

2018/09/06

Current Business Name(s) Exist:

NO

Expired Business Name(s) Exist:

NO

**Active Administrator:
Name (Individual / Corporation)**

Address

DIEP
NGUYEN

2088 LAWRENCE AVENUE WEST

Suite # 309
TORONTO
ONTARIO
CANADA M9N 3Z9

Date Began

First Director

2020/07/29

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

DIRECTOR

Y

CORPORATION POINT IN TIME REPORT **As of: 2020/07/31**

Ontario Corp Number

Corporation Name

2653919

JG TILBURY INC.

**Active Administrator:
Name (Individual / Corporation)**

Address

DIEP
NGUYEN

2088 LAWRENCE AVENUE WEST

Suite # 309
TORONTO
ONTARIO
CANADA M9N 3Z9

Date Began
2020/07/29

First Director
NOT APPLICABLE

Designation **Officer Type**
OFFICER PRESIDENT

Resident Canadian

**Active Administrator:
Name (Individual / Corporation)**

Address

DIEP
NGUYEN

2088 LAWRENCE AVENUE WEST

Suite # 309
TORONTO
ONTARIO
CANADA M9N 3Z9

Date Began
2020/07/29

First Director
NOT APPLICABLE

Designation **Officer Type**
OFFICER SECRETARY

Resident Canadian

CORPORATION POINT IN TIME REPORT **As of: 2020/07/31**

Ontario Corp Number

Corporation Name

2653919

JG TILBURY INC.

Active Administrator:

Name (Individual / Corporation)

Address

DIEP
NGUYEN

2088 LAWRENCE AVENUE WEST

Suite # 309
TORONTO
ONTARIO
CANADA M9N 3Z9

Date Began

First Director

2020/07/29

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

OFFICER

TREASURER

Inactive Administrators Reported on 2020/07/31 CIA Form 1 Filing

Inactive Administrator:

Name (Individual / Corporation)

Address

JOHN
GERGES

676 SHEPPARD AVENUE EAST

Suite # 703
NORTH YORK
ONTARIO
CANADA M2K 3E7

Date Began

Date Ceased

First Director

2018/09/06

2020/07/29

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

DIRECTOR

Y

CORPORATION POINT IN TIME REPORT **As of: 2020/07/31**

Ontario Corp Number

Corporation Name

2653919

JG TILBURY INC.

**Inactive Administrator:
Name (Individual / Corporation)**

Address

JOHN
GERGES

676 SHEPPARD AVENUE EAST

Suite # 703
NORTH YORK
ONTARIO
CANADA M2K 3E7

Date Began

Date Ceased

First Director

2018/09/06

2020/07/29

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

OFFICER

PRESIDENT

Y

**Inactive Administrator:
Name (Individual / Corporation)**

Address

JOHN
GERGES

676 SHEPPARD AVENUE EAST

Suite # 703
NORTH YORK
ONTARIO
CANADA M2K 3E7

Date Began

Date Ceased

First Director

2018/09/06

2020/07/29

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

OFFICER

SECRETARY

Y

CORPORATION POINT IN TIME REPORT

As of: 2020/07/31

Ontario Corp Number

Corporation Name

2653919

JG TILBURY INC.

**Inactive Administrator:
Name (Individual / Corporation)**

Address

JOHN
GERGES

676 SHEPPARD AVENUE EAST

Suite # 703
NORTH YORK
ONTARIO
CANADA M2K 3E7

Date Began

Date Ceased

First Director

2018/09/06

2020/07/29

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

OFFICER

TREASURER

Y

CORPORATION POINT IN TIME REPORT **As of: 2020/07/31**

Ontario Corp Number	Corporation Name
2653919	JG TILBURY INC.

Last Document Recorded

Act/Code	Description	Form	Date
CIA	CHANGE NOTICE	1	2020/07/31 (ELECTRONIC FILING)

THIS REPORT SETS OUT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992 AND RECORDED ON THE ONTARIO BUSINESS INFORMATION SYSTEM UP TO THE "AS OF DATE" INDICATED ON THE REPORT. ALL CURRENT DIRECTORS AND OFFICERS ARE INCLUDED AS ACTIVE ADMINISTRATORS.

ALL DIRECTORS AND OFFICERS REPORTED CEASED VIA A *CORPORATIONS INFORMATION ACT* DOCUMENT FILED ON THE "AS OF DATE" OF THIS REPORT, ARE INCLUDED AS INACTIVE ADMINISTRATORS.

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON THE MICROFICHE.

The issuance of this report in electronic form is authorized by the Ministry of Government Services.

APPENDIX 7



January 26, 2021

Sent via Email to john.gerges01@gmail.com

John Gerges

Re: In the Matter of the Receivership of JM Westview Pharma Inc. o/a Mill Street Pharmacy (“Mill Street Pharmacy” or the “Debtor”)

Dear Sir,

As you are aware msi Spergel inc. was appointed as receiver (the “**Receiver**”) of all of the assets, undertakings and properties (the “**Property**”) of the Debtor pursuant to the order (the “**Receivership Order**”) of Honourable Mr. Justice Cavanagh of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) made on January 26, 2021 (the “**Date of Appointment**”). A copy of the Receivership Order is enclosed herein.

The Receiver understands that the Debtor operated from a leased premises located at 15 Mill Street East, Tilbury, ON (the “**Mill Street Premises**”).

Pursuant to paragraph 4 (a) of the Receivership Order, the Receiver is empowered to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property. Further, pursuant to paragraph 5 of the Receivership Order, the Debtor and all of its current and former directors, amongst others, are required to forthwith advise the Receiver of the existence of any Property in such Person’s possession or control and are required to grant immediate and continued access to the Property to the Receiver and are required to deliver all such Property to the Receiver upon the Receiver’s request. Accordingly, the Receiver is asking that you advise the Receiver of the existence of any Property in your control and provide access to the Mill Street Premises on an urgent basis. The Receiver is available tomorrow or on January 28th, 2021 with 4 hour notice to attend at the Mill Street Pharmacy. Please also provide the contact information for the landlord of the Mill Street Pharmacy.

In addition, pursuant to paragraph 6 of the Receivership Order, all Persons (as defined in the Receivership Order) are required to advise the Receiver of the existence of the Records (as defined in the Receivership Order) in that Person’s possession or control and is required to deliver the Records or allow the Receiver to make, retain and take away copies of such Records. Accordingly, the Receiver is asking that you deliver or provide access to the Records including but not limited to:

- a) Bank statements of the Debtor for the 12 month period prior to the Date of Appointment;
- b) Copy of the accounting software of the Debtor;
- c) A general ledger for the period from January 1, 2020 to the Date of Appointment;
- d) A trial balance as at the Date of Appointment;
- e) Copy of the lease of the Mill Street Premises;
- f) Copies of invoices received from McKesson and/or K&F for the 12 month period prior to the Date of Appointment; and
- g) The computer containing the drug dispensing software (Fillware) of the Mill Street Pharmacy along with any passwords required to access same

Furthermore, the Receiver is asking that you advise the Receiver of the following:

- a) When did the Mill Street Pharmacy stop operating?
- b) What happened to the inventory of drugs on hand at the time of closing?
- c) What happened to the patient list / script count available to the Mill Street Pharmacy at the time of closing?

The Receiver trusts that you will give this matter your immediate attention. Please contact the undersigned to arrange the foregoing.

Yours truly,

msi Spergel inc.,
solely in its capacity as the Court-Appointed
Receiver of JM Westview Pharma Inc.
and not in its personal or corporate capacity

Per:



Mukul Manchanda, CPA, CIRP, LIT
Partner

Cc: pgennis@spergel.ca

APPENDIX 8

Mukul Manchanda

From: Philip Gennis
Sent: January 29, 2021 8:37 AM
To: jason.azad@yahoo.ca
Cc: Mukul Manchanda; Philip Gennis
Subject: JM Westview Pharma Inc. o/a Mill Street Pharmacy
Attachments: 51959856_1_Amended and Restated Receivership Order of Justice Cavanagh - January 26, 2021.PDF; 51959857_1_Order of Justice Cavanagh - Adding Respondents - January 26, 2021.PDF

Dear Dr. Azad,

Further to our telephone discussion earlier in the week we confirm our appointment as Court-Appointed Receiver over the above company. Copies of the Court orders are attached for your reference.

We understand that the company was until recently a tenant in your property located at 15 Mill Street, Tilbury, Ontario

We confirm our discussion, during which you advised that the Company was a month-to-month tenant and had vacated the leased premises sometime in January of this year.

We would appreciate being provided with a copy of the lease under which the company occupied your premises and a more detailed description of the circumstances surrounding the vacating of your property.

We are especially interested in learning:

1. The exact date that the premises were vacated;
2. Whether the tenant gave you any notice of its intention to leave and if so, when was that notice given;
3. Were the premises vacated without notice to you;
4. Was there rent owing at the time the premises were abandoned;
5. Was anything left behind, such as fixtures, computers or books and records.

This information is vital to our investigation and we look forward to your reply. If you have any questions, please do not hesitate to reach out to me by telephone.

Thank you in advance for your cooperation.

Philip Gennis, J.D., CIRP, LIT

msi Spergel Inc. | Licensed Insolvency Trustees
505 Consumers Road, Suite 200, North York, M2J 4V8
T/F: 416-498-4325

PGennis@spergel.ca | www.spergelcorporate.ca

Insolvency • Restructuring • Consulting



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Mukul Manchanda

From: Philip Gennis
Sent: February 1, 2021 4:57 PM
To: Mukul Manchanda
Cc: Susan Downey
Subject: Email from Tilbury Landlord.

See email below from Tilbury Landlord.

Philip Gennis, J.D., CIRP, LIT
msi Spergel Inc. | Licensed Insolvency Trustees
505 Consumers Road, Suite 200, North York, M2J 4V8
T/F: 416-498-4325
PGennis@spergel.ca | www.spergelcorporate.ca
Insolvency • Restructuring • Consulting



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From: Jason Azad <jason.azad@yahoo.ca>
Sent: February 1, 2021 4:51 PM
To: Philip Gennis <PGennis@spergel.ca>; Philip Gennis <PGennis@spergel.ca>
Cc: Philip Gennis <PGennis@spergel.ca>
Subject: Re: Mailing Address

The address is:

1670016 Ontario Inc.
15 Mill Street East
Tilbury, Ontario
NOP 2L0

At the present time, there is nothing left in the pharmacy. No books or computers.

We have possession of the building now and have changed the locks.

Their lease had been month to month for over 2 years. They needed 1 month notice to vacate the premises. We sent them a letter early in December to vacate by January 31st. They left the building around the 15th of the month without notice.

They were supposed to pay rent for December but their rent cheque bounced. This was before we even sent them the letter to vacate. It seems that they had other plans.

Regards,

Dr. Jason Azad

[Sent from Yahoo Mail on Android](#)

On Mon., 1 Feb. 2021 at 1:56 p.m., Philip Gennis
<PGennis@spergel.ca> wrote:

Dr. Azad,

Can you please provide me with your mailing address.

We are obliged to send notices to Landlords. We also require the full name of the building owner assuming that it is not you personally.

Thanks,

Philip Gennis, J.D., CIRP, LIT
msi Spergel Inc. | Licensed Insolvency Trustees
505 Consumers Road, Suite 200, North York, M2J 4V8
T/F: 416-498-4325
PGennis@spergel.ca | www.spergelcorporate.ca
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APPENDIX 9

(CL) BRIGHTON DRUG MART
12 ELIZABETH ST
BRIGHTON ON K0K 1H0

Account Number : 7038550
Customer Number : 620252
Last Automatic Payment :
Late Payment Charge :

STATEMENT

Remit to

McKesson Canada Corporation c/o T9631
PO BOX 9631 STN A
TORONTO ON M5W 1P8
Tel 1-800-576-2380
Fax 289-247-1174

The following invoices are current.

Invoice Number	Co de	Invoice Date	Effective Date	Invoice Amount	Pmt. Terms	Discount Date	Discountable Amount	Discount Amount	Due Date	Gross Amount Due	
CK113020EFT	14	2020/11/30	2020/11/30	8.69					2020/11/30	8.69	
321758407	DR	2020/09/10	2020/11/27	22.81	UC16				2020/12/11	22.81	
321758408	DR	2020/09/10	2020/11/27	88.42	UC16				2020/12/11	88.42	
321934811	DR	2020/09/28	2020/11/27	165.81	UC16				2020/12/11	165.81	
322008043	DR	2020/10/05	2020/11/27	12.31	UN14				2020/12/11	12.31	
322501640	DR	2020/11/22	2020/11/27	25,306.07	UC16				2020/12/11	25,306.07	
322501641	DR	2020/11/22	2020/11/27	326.61	UN14				2020/12/11	326.61	
321791751	DR	2020/09/14	2020/12/11	58.32	UC16				2020/12/25	58.32	
321805071	DR	2020/09/15	2020/12/11	45.62	UC16				2020/12/25	45.62	
321816722	DR	2020/09/16	2020/12/11	45.62	UC16				2020/12/25	45.62	
321829519	DR	2020/09/17	2020/12/11	205.12	UC16				2020/12/25	205.12	
321829520	DR	2020/09/17	2020/12/11	99.89	UN14				2020/12/25	99.89	
321861385	DR	2020/09/21	2020/12/11	60.80	UC16				2020/12/25	60.80	
322661344	DG	2020/12/07	2020/12/11	-299.29	UN14				2020/12/25	-299.29	
322661345	DG	2020/12/07	2020/12/11	-23,052.73	UC16				2020/12/25	-23,052.73	
322661348	DG	2020/12/07	2020/12/11	-27.32	UN14				2020/12/25	-27.32	
322661349	DG	2020/12/07	2020/12/11	-832.63	UC16				2020/12/25	-832.63	
321934812	DR	2020/09/28	2020/12/25	44.62	UC16				2021/01/08	44.62	
321995207	DR	2020/10/04	2020/12/25	35.57	UC16				2021/01/08	35.57	
322008045	DR	2020/10/05	2020/12/25	22.24	UN14				2021/01/08	22.24	
322221316	DR	2020/10/26	2020/12/25	7.70	UN14				2021/01/08	7.70	
322069460	DR	2020/10/12	2021/01/08	45.18	UC16	2021/01/22	45.18	0.90	2021/01/22	45.18	
322108667	DR	2020/10/15	2021/01/08	41.28	UC16	2021/01/22	41.28	0.83	2021/01/22	41.28	
322145626	DR	2020/10/19	2021/01/08	51.86	UC16	2021/01/22	51.86	1.04	2021/01/22	51.86	
322186355	DR	2020/10/22	2021/01/08	41.24	UC16	2021/01/22	41.24	0.82	2021/01/22	41.24	
322186356	DR	2020/10/22	2021/01/08	51.70	UC16	2021/01/22	51.70	1.03	2021/01/22	51.70	
322501642	DR	2020/11/22	2021/01/08	25.65	UC16	2021/01/22	25.65	0.51	2021/01/22	25.65	
322661346	DG	2020/12/07	2021/01/08	-25.14	UC16	2021/01/22			2021/01/22	-25.14	
322907545	Y6	2021/01/04	2021/01/08	-27.94	UN14				2021/01/22	-27.94	
322194730	DR	2020/10/25	2021/01/22	366.33	UC16	2021/02/05	350.08	7.00	2021/02/05	366.33	
322221320	DR	2020/10/26	2021/01/22	42.93	UC16	2021/02/05	42.93	0.86	2021/02/05	42.93	
322235944	DR	2020/10/27	2021/01/22	114.05	UC16	2021/02/05	114.05	2.28	2021/02/05	114.05	
322235945	DR	2020/10/27	2021/01/22	66.04	UC16	2021/02/05	66.04	1.32	2021/02/05	66.04	
322262254	DR	2020/10/29	2021/01/22	28.59	UC16	2021/02/05	28.59	0.57	2021/02/05	28.59	
322262256	DR	2020/10/29	2021/01/22	58.50	UC16	2021/02/05	58.50	1.17	2021/02/05	58.50	
Customer Number	620252			(CL) BRIGHTON DRUG MART						3,224.52	

Customer

(CL) BRIGHTON DRUG MART

Account Number : 7038550

Customer Number : 620252

STATEMENT

Remit to

McKesson Canada Corporation c/o T9631
 PO BOX 9631 STN A
 TORONTO ON M5W 1P8

Statement must be paid in full to receive discount			
Remit to: McKesson Canada Corporation c/o T9631 PO BOX 9631 STN A TORONTO ON M5W 1P8	TOTAL		
	Gross Amount Due	Discount Amount	Net Due Amount
	3,224.52	18.33	3,206.19

Customer

(CL) BRIGHTON DRUG MART

Account Number : 7038550

Customer Number : 620252

STATEMENT

Remit to

McKesson Canada Corporation c/o T9631
PO BOX 9631 STN A
TORONTO ON M5W 1P8

The following invoices will become effective on a future statement.

Invoice Number	Code	Invoice Date	Effective Date	Invoice Amount	Pmt. Terms	Discount Date	Discountable Amount	Discount Amount	Due Date	Gross Amount Due
322235941	FU	2020/10/27	2021/02/05	114.05	UC16	2021/02/19	114.05	2.28	2021/02/19	114.05
322491570	FU	2020/11/22	2021/02/19	5,950.97	UC16	2021/03/05	5,950.97	119.02	2021/03/05	5,950.97
322501643	FU	2020/11/22	2021/02/19	986.75	UC16	2021/03/05	986.75	19.74	2021/03/05	986.75
322504497	FU	2020/11/22	2021/02/19	-5,831.95	UC16	2021/03/05			2021/03/05	-5,831.95
322661347	FU	2020/12/07	2021/02/19	-809.69	UC16	2021/03/05			2021/03/05	-809.69
322661350	FU	2020/12/07	2021/02/19	-157.33	UC16	2021/03/05			2021/03/05	-157.33

Customer Number 620252 (CL) BRIGHTON DRUG MART 252.80

Statement must be paid in full to receive discount

Remit to:

McKesson Canada Corporation c/o T9631
PO BOX 9631 STN A
TORONTO ON M5W 1P8

TOTAL

Gross Amount Due	Discount Amount	Net Due Amount
252.80	141.04	111.76

LEGEND - Invoice codes & Payment Terms

14	Customer EFT	DG	Customer credit memo
DR	Customer invoice	Y6	Volume Rebates
FU	Dating		

UC16 2% 14 Days, Net 14 Days

UN14 Net 14 Days

FUTURE	CURRENT	1 TO 15	16 TO 30	31 TO 45	46 TO 90	91 TO 180	OVER 181	Outstanding Balance
252.80	880.27	110.13	-23,696.60	25,922.03	8.69	0.00	0.00	3,477.32

(CL) PC5571 MILL STREET PHAR
 15 MILL ST E
 TILBURY ON N0P 2L0

Account Number : 7011421
Customer Number : 531277
Last Automatic Payment : 2020/12/31
1400515188 \$28,206.76
Late Payment Charge :

STATEMENT

Remit to

McKesson Canada Corporation c/o T9631
 PO BOX 9631 STN A
 TORONTO ON M5W 1P8
 Tel 1-800-576-2380
 Fax 289-247-1174

The following invoices are current.

Invoice Number	Co de	Invoice Date	Effective Date	Invoice Amount	Pmt. Terms	Discount Date	Discountable Amount	Discount Amount	Due Date	Gross Amount Due
362373934	DR	2020/09/30	2020/12/31	886.38	UC18				2021/01/15	886.38
321966747	DR	2020/10/01	2020/12/31	21.52	UN15				2021/01/15	21.52
362383568	DR	2020/10/01	2020/12/31	121.12	UC18				2021/01/15	121.12
362386245	DR	2020/10/01	2020/12/31	1,127.63	UC18				2021/01/15	1,127.63
362399800	DR	2020/10/04	2020/12/31	774.57	UC18				2021/01/15	774.57
362412210	DR	2020/10/05	2020/12/31	1,192.88	UC18				2021/01/15	1,192.88
362422252	DR	2020/10/06	2020/12/31	303.93	UC18				2021/01/15	303.93
362426568	DR	2020/10/06	2020/12/31	1,261.09	UC18				2021/01/15	1,261.09
362434965	DR	2020/10/07	2020/12/31	276.02	UC18				2021/01/15	276.02
362438030	DR	2020/10/07	2020/12/31	1,006.17	UC18				2021/01/15	1,006.17
362446521	DR	2020/10/08	2020/12/31	20.90	UC18				2021/01/15	20.90
362448896	DR	2020/10/08	2020/12/31	943.09	UC18				2021/01/15	943.09
362459046	DR	2020/10/12	2020/12/31	23.33	UC18				2021/01/15	23.33
362461781	DR	2020/10/12	2020/12/31	266.79	UC18				2021/01/15	266.79
362476863	DR	2020/10/13	2020/12/31	676.93	UC18				2021/01/15	676.93
362484901	DR	2020/10/14	2020/12/31	23.33	UC18				2021/01/15	23.33
362487987	DR	2020/10/14	2020/12/31	1,302.95	UC18				2021/01/15	1,302.95
362497693	DR	2020/10/15	2020/12/31	14.17	UC18				2021/01/15	14.17
362500464	DR	2020/10/15	2020/12/31	314.16	UC18				2021/01/15	314.16
362654353	DR	2020/11/02	2020/12/31	58.68	UC18				2021/01/15	58.68
362691821	DR	2020/11/05	2020/12/31	19.45	UC18				2021/01/15	19.45
362703618	DR	2020/11/08	2020/12/31	17.56	UC18				2021/01/15	17.56
362741371	DR	2020/11/11	2020/12/31	66.51	UC18				2021/01/15	66.51
362918635	DR	2020/12/02	2020/12/31	540.61	UC18				2021/01/15	540.61
322636884	DR	2020/12/06	2020/12/31	13.54	UN15				2021/01/15	13.54
322650085	DR	2020/12/07	2020/12/31	35.46	UN15				2021/01/15	35.46
322664443	DR	2020/12/08	2020/12/31	9.19	UN15				2021/01/15	9.19
322676372	DR	2020/12/09	2020/12/31	9.19	UN15				2021/01/15	9.19
322736593	DR	2020/12/15	2020/12/31	278.59	UN15				2021/01/15	278.59
363029765	DR	2020/12/15	2020/12/31	78.24	UC18				2021/01/15	78.24
363039432	DR	2020/12/16	2020/12/31	612.56	UC18				2021/01/15	612.56
363041896	DR	2020/12/16	2020/12/31	1,097.19	UC18				2021/01/15	1,097.19
363050287	DG	2020/12/16	2020/12/31	-20.66	UC18				2021/01/15	-20.66
322762398	DR	2020/12/17	2020/12/31	752.73	UN15				2021/01/15	752.73
363051719	DR	2020/12/17	2020/12/31	51.68	UC18				2021/01/15	51.68
363054839	DR	2020/12/17	2020/12/31	427.76	UC18				2021/01/15	427.76
322781312	DR	2020/12/20	2020/12/31	16.08	UN15				2021/01/15	16.08
363064622	DR	2020/12/20	2020/12/31	357.39	UC18				2021/01/15	357.39
363067263	DR	2020/12/20	2020/12/31	2,591.12	UC18				2021/01/15	2,591.12
363078059	DR	2020/12/21	2020/12/31	288.58	UC18				2021/01/15	288.58
363081468	DR	2020/12/21	2020/12/31	2,816.77	UC18				2021/01/15	2,816.77

Account Number : 7011421

Customer Number : 531277

Customer

(CL) PC5571 MILL STREET PHAR

STATEMENT

Remit to

McKesson Canada Corporation c/o T9631
 PO BOX 9631 STN A
 TORONTO ON M5W 1P8

The following invoices are current.

Invoice Number	Code	Invoice Date	Effective Date	Invoice Amount	Pmt. Terms	Discount Date	Discountable Amount	Discount Amount	Due Date	Gross Amount Due
322807184	DR	2020/12/22	2020/12/31	313.77	UN15				2021/01/15	313.77
363094365	DR	2020/12/22	2020/12/31	3,899.87	UC18				2021/01/15	3,899.87
322822684	DR	2020/12/23	2020/12/31	105.11	UN15				2021/01/15	105.11
363103166	DR	2020/12/23	2020/12/31	8.24	UC18				2021/01/15	8.24
363105928	DR	2020/12/23	2020/12/31	1,559.92	UC18				2021/01/15	1,559.92
621316450	DR	2020/12/23	2020/12/31	27.36	UN15				2021/01/15	27.36
322837271	DR	2020/12/28	2020/12/31	631.53	UN15				2021/01/15	631.53
363115479	DR	2020/12/28	2020/12/31	145.68	UC18				2021/01/15	145.68
363119919	DR	2020/12/28	2020/12/31	1,677.52	UC18				2021/01/15	1,677.52
322852518	DR	2020/12/29	2020/12/31	701.89	UN15				2021/01/15	701.89
363133685	DR	2020/12/29	2020/12/31	355.63	UC18				2021/01/15	355.63
363136904	DR	2020/12/29	2020/12/31	1,022.51	UC18				2021/01/15	1,022.51
322865178	DR	2020/12/30	2020/12/31	395.37	UN15				2021/01/15	395.37
363145246	DR	2020/12/30	2020/12/31	12.07	UC18				2021/01/15	12.07
363147764	DR	2020/12/30	2020/12/31	1,780.56	UC18				2021/01/15	1,780.56
362513469	DR	2020/10/18	2021/01/15	1,181.46	UC18				2021/01/30	1,181.46
322136040	DR	2020/10/19	2021/01/15	10.40	UN15				2021/01/30	10.40
362525660	DR	2020/10/19	2021/01/15	425.92	UC18				2021/01/30	425.92
362535424	DR	2020/10/20	2021/01/15	73.35	UC18				2021/01/30	73.35
362537245	DR	2020/10/20	2021/01/15	379.72	UC18				2021/01/30	379.72
322161613	DR	2020/10/21	2021/01/15	116.16	UN15				2021/01/30	116.16
362545017	DR	2020/10/21	2021/01/15	57.40	UC18				2021/01/30	57.40
362548584	DR	2020/10/21	2021/01/15	225.05	UC18				2021/01/30	225.05
322177447	DR	2020/10/22	2021/01/15	8.90	UN15				2021/01/30	8.90
362561370	DR	2020/10/22	2021/01/15	786.89	UC18				2021/01/30	786.89
362571885	DR	2020/10/25	2021/01/15	34.88	UC18				2021/01/30	34.88
362577298	DR	2020/10/25	2021/01/15	530.64	UC18				2021/01/30	530.64
362585858	DR	2020/10/26	2021/01/15	70.96	UC18				2021/01/30	70.96
362588826	DR	2020/10/26	2021/01/15	66.01	UC18				2021/01/30	66.01
362604782	DR	2020/10/27	2021/01/15	487.48	UC18				2021/01/30	487.48
322239679	DR	2020/10/28	2021/01/15	42.97	UN15				2021/01/30	42.97
362614528	DR	2020/10/28	2021/01/15	395.35	UC18				2021/01/30	395.35
362624766	DR	2020/10/29	2021/01/15	155.50	UC18				2021/01/30	155.50
362627795	DR	2020/10/29	2021/01/15	425.17	UC18				2021/01/30	425.17
362791265	DR	2020/11/17	2021/01/15	29.62	UC18				2021/01/30	29.62
362840189	DR	2020/11/23	2021/01/15	66.49	UC18				2021/01/30	66.49
362852174	DR	2020/11/24	2021/01/15	25.01	UC18				2021/01/30	25.01
362864452	DR	2020/11/25	2021/01/15	83.45	UC18				2021/01/30	83.45
363094366	DR	2020/12/22	2021/01/15	540.61	UC18				2021/01/30	540.61
322881978	DR	2021/01/03	2021/01/15	59.89	UN15				2021/01/30	59.89
363159240	DR	2021/01/03	2021/01/15	569.59	UC18				2021/01/30	569.59
322893608	DR	2021/01/04	2021/01/15	72.87	UN15				2021/01/30	72.87
363169107	DR	2021/01/04	2021/01/15	32.05	UC18				2021/01/30	32.05
363172131	DR	2021/01/04	2021/01/15	1,783.66	UC18				2021/01/30	1,783.66
322910428	DR	2021/01/05	2021/01/15	219.60	UN15				2021/01/30	219.60
363185029	DR	2021/01/05	2021/01/15	2,260.21	UC18				2021/01/30	2,260.21
322922655	DR	2021/01/06	2021/01/15	209.11	UN15				2021/01/30	209.11
363197651	DR	2021/01/06	2021/01/15	904.15	UC18				2021/01/30	904.15
322938726	DR	2021/01/07	2021/01/15	160.73	UN15				2021/01/30	160.73
322946437	DG	2021/01/07	2021/01/15	-20.37	UC18				2021/01/30	-20.37

Account Number : 7011421

Customer Number : 531277

Customer

(CL) PC5571 MILL STREET PHAR

STATEMENT

Remit to

McKesson Canada Corporation c/o T9631
PO BOX 9631 STN A
TORONTO ON M5W 1P8

The following invoices are current.

Invoice Number	Code	Invoice Date	Effective Date	Invoice Amount	Pmt. Terms	Discount Date	Discountable Amount	Discount Amount	Due Date	Gross Amount Due
363209816	DR	2021/01/07	2021/01/15	1,369.60	UC18				2021/01/30	1,369.60
322956498	DR	2021/01/10	2021/01/15	81.91	UN15				2021/01/30	81.91
363220547	DR	2021/01/10	2021/01/15	474.57	UC18				2021/01/30	474.57
363223640	DR	2021/01/10	2021/01/15	457.58	UC18				2021/01/30	457.58
322968278	DR	2021/01/11	2021/01/15	662.17	UN15				2021/01/30	662.17
363236708	DR	2021/01/11	2021/01/15	1,358.31	UC18				2021/01/30	1,358.31
322982626	DR	2021/01/12	2021/01/15	628.59	UN15				2021/01/30	628.59
363249524	DR	2021/01/12	2021/01/15	1,272.39	UC18				2021/01/30	1,272.39
322994758	DR	2021/01/13	2021/01/15	243.96	UN15				2021/01/30	243.96
363262064	DR	2021/01/13	2021/01/15	2,500.99	UC18				2021/01/30	2,500.99
323007231	DR	2021/01/14	2021/01/15	703.64	UN15				2021/01/30	703.64
363271184	DR	2021/01/14	2021/01/15	84.25	UC18				2021/01/30	84.25
363273701	DR	2021/01/14	2021/01/15	2,047.12	UC18				2021/01/30	2,047.12
362642564	DR	2020/11/01	2021/01/31	185.44	UC18	2021/02/15	185.44	3.71	2021/02/15	185.44
362651729	DR	2020/11/02	2021/01/31	12.25	UC18	2021/02/15	10.84	0.22	2021/02/15	12.25
362654354	DR	2020/11/02	2021/01/31	507.78	UC18	2021/02/15	507.78	10.16	2021/02/15	507.78
362667826	DR	2020/11/03	2021/01/31	252.21	UC18	2021/02/15	252.21	5.04	2021/02/15	252.21
322315558	DR	2020/11/04	2021/01/31	20.48	UN15				2021/02/15	20.48
362679827	DR	2020/11/04	2021/01/31	149.76	UC18	2021/02/15	149.76	3.00	2021/02/15	149.76
362691822	DR	2020/11/05	2021/01/31	1,326.60	UC18	2021/02/15	1,326.60	26.53	2021/02/15	1,326.60
322347550	DR	2020/11/08	2021/01/31	5.20	UN15				2021/02/15	5.20
362701240	DR	2020/11/08	2021/01/31	110.72	UC18	2021/02/15	109.31	2.19	2021/02/15	110.72
362703619	DR	2020/11/08	2021/01/31	776.76	UC18	2021/02/15	771.93	15.44	2021/02/15	776.76
362716473	DR	2020/11/09	2021/01/31	790.14	UC18	2021/02/15	785.31	15.71	2021/02/15	790.14
322375792	DR	2020/11/10	2021/01/31	21.52	UN15				2021/02/15	21.52
362730865	DR	2020/11/10	2021/01/31	388.88	UC18	2021/02/15	388.88	7.78	2021/02/15	388.88
362741372	DR	2020/11/11	2021/01/31	293.37	UC18	2021/02/15	293.37	5.87	2021/02/15	293.37
362753324	DR	2020/11/12	2021/01/31	467.15	UC18	2021/02/15	467.15	9.34	2021/02/15	467.15
362763255	DR	2020/11/15	2021/01/31	23.33	UC18	2021/02/15	23.33	0.47	2021/02/15	23.33
362765527	DR	2020/11/15	2021/01/31	596.66	UC18	2021/02/15	596.66	11.93	2021/02/15	596.66
362918636	DR	2020/12/02	2021/01/31	160.71	UC18	2021/02/15	160.71	3.21	2021/02/15	160.71
362930763	DR	2020/12/03	2021/01/31	135.06	UC18	2021/02/15	135.06	2.70	2021/02/15	135.06
362943983	DR	2020/12/06	2021/01/31	8.78	UC18	2021/02/15	8.78	0.18	2021/02/15	8.78
362979911	DR	2020/12/09	2021/01/31	57.15	UC18	2021/02/15	57.15	1.14	2021/02/15	57.15
362991811	DR	2020/12/10	2021/01/31	44.34	UC18	2021/02/15	44.34	0.89	2021/02/15	44.34
363004750	DR	2020/12/13	2021/01/31	130.00	UC18	2021/02/15	130.00	2.60	2021/02/15	130.00
363136905	DR	2020/12/29	2021/01/31	1,713.26	UC18	2021/02/15	1,713.26	34.27	2021/02/15	1,713.26
363223641	DR	2021/01/10	2021/01/31	1,713.26	UC18	2021/02/15	1,713.26	34.27	2021/02/15	1,713.26
322968279	DR	2021/01/11	2021/01/31	7.51	UN15				2021/02/15	7.51
363307110	DG	2021/01/18	2021/01/31	-230.37	UC18	2021/02/15			2021/02/15	-230.37
323074868	DG	2021/01/20	2021/01/31	-32.07	UC18	2021/02/15			2021/02/15	-32.07
363330888	DG	2021/01/20	2021/01/31	-444.65	UC18	2021/02/15			2021/02/15	-444.65
323157210	23	2021/01/28	2021/01/31	100.00	UN15				2021/02/15	100.00
Customer Number		531277			(CL) PC5571 MILL STREET PHAR					66,959.40

(CL) PS668 BRIGHTON DRUG MART
 12 ELIZABETH ST
 BRIGHTON ON K0K 1H0

Account Number : 7030080
Customer Number : 595801
Last Automatic Payment :
Late Payment Charge :

STATEMENT

Remit to

McKesson Canada Corporation c/o T9631
 PO BOX 9631 STN A
 TORONTO ON M5W 1P8
 Tel 1-800-576-2380
 Fax 289-247-1174

The following invoices are current.

Invoice Number	Co de	Invoice Date	Effective Date	Invoice Amount	Pmt. Terms	Discount Date	Discountable Amount	Discount Amount	Due Date	Gross Amount Due	
326687746	DG	2019/04/24	2019/04/30	-729.89	UC18	2019/05/15			2019/05/15	-729.89	
326760419	DG	2019/05/01	2019/05/15	-271.38	UC18	2019/05/30			2019/05/30	-271.38	
321631892	DG	2020/08/27	2020/08/31	-1,526.38	UC18	2020/09/15			2020/09/15	-1,526.38	
322732345	DG	2020/12/14	2020/12/15	-198.72	UC18	2020/12/30			2020/12/30	-198.72	
Customer Number	595801		(CL) PS668 BRIGHTON DRUG MART						-2,726.37		

Statement must be paid in full to receive discount Remit to: McKesson Canada Corporation c/o T9631 PO BOX 9631 STN A TORONTO ON M5W 1P8	TOTAL		
	Gross Amount Due	Discount Amount	Net Due Amount
	-2,726.37		-2,726.37

LEGEND - Invoice codes & Payment Terms	
DG	Customer credit memo
UC18 2% 15 Days, Net 15 Days	

FUTURE	CURRENT	1 TO 15	16 TO 30	31 TO 45	46 TO 90	91 TO 180	OVER 181	Outstanding Balance
0.00	0.00	0.00	0.00	-198.72	0.00	-1,526.38	-1,001.27	-2,726.37

APPENDIX 10

19 Elizabeth Street, Brighton [Suggest an address correction](#)



Owner Name
19 ELIZABETH STREET
INC.



Last Sale
\$415,000
Aug 24, 2020



Lot Size
60.27 ft **135.22 ft**
Frontage Depth
Measurements Available
(See Site & Structure)



Assessed Value
\$197,000
Based on Jan 1, 2016

Phased-In Value
\$197,000
2021 Tax Year

Legal Description

PT LT 4, PL 52, BRIGHTON, BEING PT 1 39R13151 MUNICIPALITY OF BRIGHTON

Property Details



GeoWarehouse Address
19 ELIZABETH STREET, BRIGHTON

Land Registry Office
Northumberland (39)

Owner Names
19 ELIZABETH STREET INC.

Ownership Type
Freehold

Land Registry Status
Active

Registration Type
Certified (Land Titles)

PIN
511661197

Site & Structure



Lot Size | Area: 8,148.27 ft² (0.187 ac) | Perimeter: 390.42 ft
 Measurements: 60.33 ft x 135.31 ft x 60.21 ft x 135.32 ft [📏](#)
 Lot Measurement Accuracy: LOW [📉](#)

Assessment 1 | ARN : 140810804002100



Site | Frontage: 60.28 ft | Depth: 135.22 ft

Structure | Property Description: Residence with a commercial/industrial unit | Property Code: 303
 Total Floor Area (above grade): [Click to purchase](#)

[Phased-In Value](#) [Click to purchase the 4-year Phase-in Report](#)

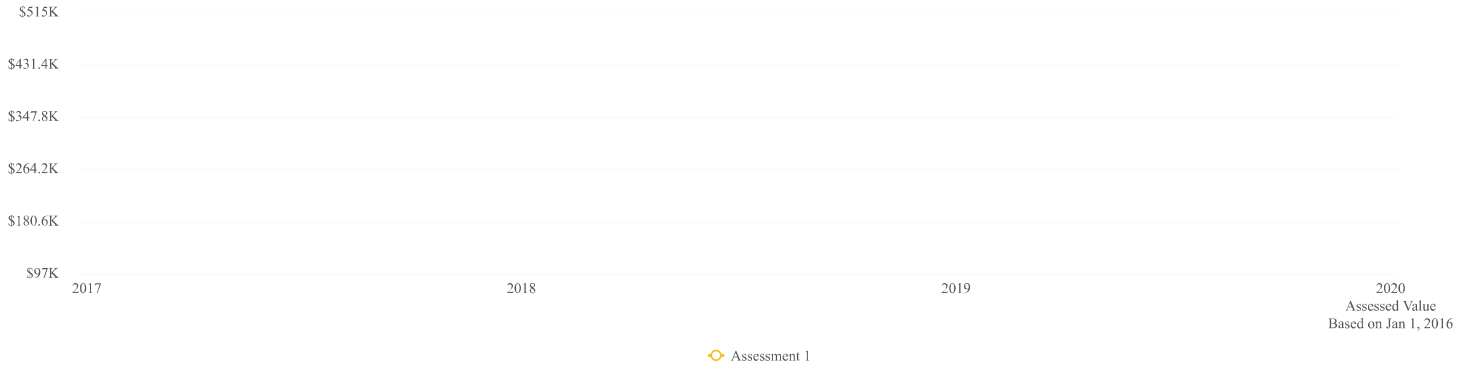
Assessed Value
\$197,000
 Based on Jan 1, 2016

Valuation & Sales

Sales History

Sale Date	Sale Amount	Type	Party To	Notes
Aug 24, 2020	\$415,000	Transfer	19 ELIZABETH STREET INC.;	
Sept 15, 2017	\$350,000	Transfer	RAYNER, DAPHNE CLAIR;	
March 21, 2012	\$125,000	Transfer	GRILLS, SARAH MARLENE; MCMURDO, MATTHEW LEIGH;	

Assessed Value



Demographics

Neighbourhood (NBH)

Community (COM)

City (CITY)

Neighbourhood: refers to the property's Dissemination Area as defined by Statistics Canada.

Community: refers to the property's Forward Sortation Area (FSA), the first 3 digits of the property's postal code.

City: refers to the property's Census Subdivision as defined by Statistics Canada.

For questions, please contact GeoWarehouse.support@teranet.ca

Population

Total Population NBH **425** COM **117,710** CITY **12,793**

Gender



Family Status

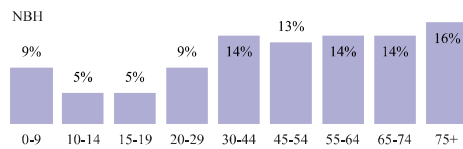


Marital Status



Single	23%
Married	45%
Separated / Divorced	17%
Other	15%

Age Distribution



Households

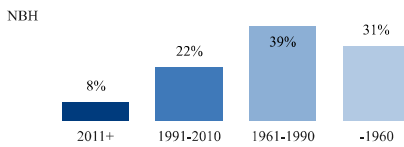
Structure Details



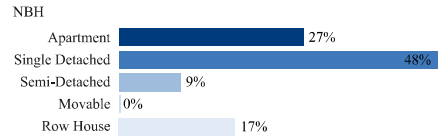
Ownership



Age of Home (Years)



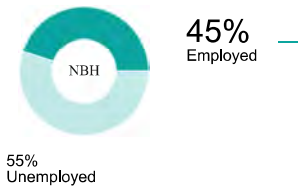
Structural Type



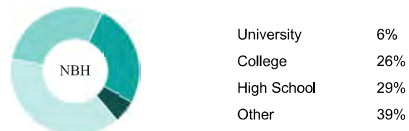
Socio-Economic

Avg. Household Income NBH **\$61,315** COM **\$94,096** CITY **\$92,939**

Employment



Highest Level of Education



Cultural

Dominant Language



Immigration Status



Dominant Market Group

 Suburban Recliners

SOURCE

Prizm is the latest release of the pioneering segmentation system from Environics Analytics that classifies Canada's neighbourhoods into 68 unique lifestyle types.

Request ID: 025604344
Transaction ID: 77975036
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2021/01/27
Time Report Produced: 10:57:50
Page: 1

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date		
2766457	19 ELIZABETH STREET INC.	2020/07/16		
		Jurisdiction		
		ONTARIO		
Corporation Type	Corporation Status	Former Jurisdiction		
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE		
Registered Office Address		Date Amalgamated	Amalgamation Ind.	
ANOOP GUPTA 19 ELIZABETH STREET		NOT APPLICABLE	NOT APPLICABLE	
		New Amal. Number	Notice Date	
BRIGHTON ONTARIO CANADA K0K 1H0		NOT APPLICABLE	NOT APPLICABLE	
			Letter Date	
Mailing Address			NOT APPLICABLE	
ANOOP GUPTA 19 ELIZABETH STREET		Revival Date	Continuation Date	
		NOT APPLICABLE	NOT APPLICABLE	
BRIGHTON ONTARIO CANADA K0K 1H0		Transferred Out Date	Cancel/Inactive Date	
		NOT APPLICABLE	NOT APPLICABLE	
		EP Licence Eff.Date	EP Licence Term.Date	
		NOT APPLICABLE	NOT APPLICABLE	
	Number of Directors	Date Commenced	Date Ceased	
	Minimum	in Ontario	in Ontario	
	00001	00010	NOT APPLICABLE	NOT APPLICABLE
Activity Classification				
NOT AVAILABLE				

Request ID: 025604344
Transaction ID: 77975036
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2021/01/27
Time Report Produced: 10:57:50
Page: 2

CORPORATION PROFILE REPORT

Ontario Corp Number

2766457

Corporation Name

19 ELIZABETH STREET INC.

Corporate Name History

19 ELIZABETH STREET INC.

Effective Date

2020/07/16

Current Business Name(s) Exist:

NO

Expired Business Name(s) Exist:

NO

Administrator:

Name (Individual / Corporation)

ANOOP
GUPTA

Address

14 MCKENNON STREET

MARKHAM
ONTARIO
CANADA L6E 1H6

Date Began

2020/07/16

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Request ID: 025604344
Transaction ID: 77975036
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2021/01/27
Time Report Produced: 10:57:50
Page: 3

CORPORATION PROFILE REPORT

Ontario Corp Number

2766457

Corporation Name

19 ELIZABETH STREET INC.

Administrator:

Name (Individual / Corporation)

ANOOP
GUPTA

Address

14 MCKENNON STREET

MARKHAM
ONTARIO
CANADA L6E 1H6

Date Began

2020/07/16

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

SECRETARY

Resident Canadian

Administrator:

Name (Individual / Corporation)

ANOOP
GUPTA

Address

14 MCKENNON STREET

MARKHAM
ONTARIO
CANADA L6E 1H6

Date Began

2020/07/16

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

PRESIDENT

Resident Canadian

Request ID: 025604344
Transaction ID: 77975036
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2021/01/27
Time Report Produced: 10:57:50
Page: 4

CORPORATION PROFILE REPORT

Ontario Corp Number

2766457

Corporation Name

19 ELIZABETH STREET INC.

Administrator:

Name (Individual / Corporation)

ANOOP

GUPTA

Address

14 MCKENNON STREET

MARKHAM
ONTARIO
CANADA L6E 1H6

Date Began

2020/07/16

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

TREASURER

Resident Canadian

Request ID: 025604344
Transaction ID: 77975036
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2021/01/27
Time Report Produced: 10:57:50
Page: 5

CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

2766457

19 ELIZABETH STREET INC.

Last Document Recorded

Act/Code Description

Form

Date

CIA INITIAL RETURN

1

2020/09/10 (ELECTRONIC FILING)

THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

The issuance of this report in electronic form is authorized by the Ministry of Government Services.

APPENDIX 11



January 28, 2021

Sent via Email to ninedurga01@gmail.com

Anoop Gupta

Re: In the Matter of the Receivership of SJ East Pharma Inc. o/a Brighton Global Health (“Brighton Pharmacy” or the “Debtor”)

Dear Sir,

Please be advised that msi Spergel inc. was appointed as receiver (the “**Receiver**”) of all of the assets, undertakings and properties (the “**Property**”) of the Debtor pursuant to the order (the “**Receivership Order**”) of Honourable Mr. Justice Cavanagh of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) made on January 26, 2021 (the “**Date of Appointment**”). A copy of the Receivership Order is enclosed herein.

The Receiver understands that the Debtor operated from a leased premises located at 12 Elizabeth Street, Brighton, ON (the “**Elizabeth Street Premises**”) and that you were the designated manager at the Brighton Pharmacy.

Pursuant to paragraph 4 (a) of the Receivership Order, the Receiver is empowered to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property. Further, pursuant to paragraph 5 of the Receivership Order, the Debtor and all of its current and former directors, officers, employees, amongst others, are required to forthwith advise the Receiver of the existence of any Property in such Person’s possession or control and are required to grant immediate and continued access to the Property to the Receiver and are required to deliver all such Property to the Receiver upon the Receiver’s request. Accordingly, the Receiver is asking that you advise the Receiver of the existence of any Property in your control and provide access to same without delay.

In addition, pursuant to paragraph 6 of the Receivership Order, all Persons (as defined in the Receivership Order) are required to advise the Receiver of the existence of the Records (as defined in the Receivership Order) in that Person’s possession or control and is required to deliver the Records or allow the Receiver to make, retain and take away copies of such Records. Accordingly, the Receiver is asking that you deliver or provide access to the Records in your control or possession, including but not limited to:

- a) Bank statements of the Debtor for the 12 month period prior to the Date of Appointment;
- b) Copy of the accounting software of the Debtor;

- c) A general ledger for the period from January 1, 2020 to the Date of Appointment;
- d) A trial balance as at the Date of Appointment;
- e) Copy of the lease of the Elizabeth Street Premises;
- f) Copies of invoices received from McKesson and/or K&F for the 12 month period prior to the Date of Appointment; and
- g) The computer containing the drug dispensing software (Fillware) of the Elizabeth Street Pharmacy along with any passwords required to access same

Furthermore, the Receiver is asking that you advise the Receiver of the following:

- a) When did the Brighton Pharmacy stop operating?
- b) What happened to the inventory of drugs on hand at the time of closing?
- c) What happened to the patient list / script count available to the Brighton Pharmacy at the time of closing?

The Receiver trusts that you will give this matter your immediate attention. Please contact the undersigned to arrange the foregoing.

Yours truly,

msi Spergel inc.,
solely in its capacity as the Court-Appointed
Receiver of SJ East Pharma Inc.
and not in its personal or corporate capacity

Per:



Mukul Manchanda, CPA, CIRP, LIT
Partner

Cc: pgennis@spergel.ca

SAMUEL A. MOSSMAN

BARRISTER

SAMUEL A. MOSSMAN LAW PROFESSIONAL CORPORATION
PRACTICING IN ASSOCIATION WITH:
JASON P. HOWIE

420 DEVONSHIRE ROAD
WINDSOR, ONTARIO N8Y 4T6
PHONE: 519 258 0903
FAX: 519 973 9905
EMAIL: sam@mossmanlaw.com
WEBSITE: www.mossmanlaw.ca

January 30, 2021

Mukul Manchanda
120 Adelaide St. West
Toronto, Ontario M5H 1T1
by email: mmanchand@spergel.ca

Dear Sir:

Re: ANOOP GUPTA / SJ EAST PHARMA INC. RECEIVERSHIP

I have been asked to respond to your letter to Mr. Gupta of January 29, 2021.

I am advised that Mr. Gupta resigned from his employment with SJ East Pharma in September 2020. His position did not give him access to any financial or other confidential information of that corporation. As such, Mr. Gupta has no property or documents of SJ East Pharma Inc. in his possession or under his control.

I trust you will find the foregoing in order.

Thank you.

Yours truly,

Sam Mossman

SAMUEL A. MOSSMAN

cc: Anoop Gupta

APPENDIX 12

Mukul Manchanda

From: Philip Gennis
Sent: February 1, 2021 4:43 PM
To: Mukul Manchanda
Subject: Fwd: SJ East Pharma Inc. o/a Brighton Pharmacy and JM Westview Pharma Inc., o/a Mill Street Pharmacy- In Receivership

FYI

Philip Gennis, J.D., CIRP, LIT

msi Spergel Inc. | Licensed Insolvency Trustees

[505 Consumers Road, Suite 200, North York, M2J 4V8](#)

T/F: [416-498-4325](tel:416-498-4325) |

PGennis@spergel.ca<<mailto:PGennis@spergel.ca>> | www.spergelcorporate.ca<<https://www.spergelcorporate.ca>>

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Begin forwarded message:

From: pharmacyapplications <pharmacyapplications@ocpinfo.com>

Date: February 1, 2021 at 4:22:55 PM EST

To: Philip Gennis <PGennis@spergel.ca>

Subject: RE: SJ East Pharma Inc. o/a Brighton Pharmacy and JM Westview Pharma Inc., o/a Mill Street Pharmacy- In Receivership

Hello Philip,

Per our conversation, the operating name of the pharmacy on our file is Brighton Global Health, accreditation #306410. The following two designated managers are listed:

Anoop Gupta (OCP registration #209700)

Start Date: 7/24/2017

End Date: 9/18/2020

Diep Nguyen (OCP registration #98949)

Start Date: 9/21/2020

End Date: 11/25/2020

Regards,



**Ontario College
of Pharmacists**
Putting patients first since 1871.

Jaswant Sandhu

Pharmacy Applications & Renewals

t. 416-962-4861 ext. 3600

f. 416-847-8399

pharmacyapplications@ocpinfo.com

www.ocpinfo.com

Putting Patients First Since 1871



From: Philip Gennis <PGennis@spergel.ca>

Sent: Sunday, January 31, 2021 5:49 PM

To: pharmacyapplications <pharmacyapplications@ocpinfo.com>

Cc: Mukul Manchanda <mmanchanda@spergel.ca>; Brendan Bissell - Goldman Sloan Nash & Haber LLP (bissell@gsnh.com) <bissell@gsnh.com>; Philip Gennis <PGennis@spergel.ca>

Subject: SJ East Pharma Inc. o/a Brighton Pharmacy and JM Westview Pharma Inc., o/a Mill Street Pharmacy- In Receivership

Importance: High

[EXTERNAL EMAIL] DO NOT CLICK links or attachments unless you recognize the sender and know the content is safe.

Please find attached copies of Court Orders confirming the appointment of msi Spergel inc., as Receiver over the above two pharmacies.

We confirm that both pharmacies were in fact closed prior to our appointment and accordingly, we will not be operating either of them.

We are presently investigating the closure of these pharmacies and accordingly require some information from the College.

In accordance with Paragraphs 5 and 6 of the Order, request confirmation from you as to who was the DM of the **Brighton Pharmacy** from September 1, 2020 to and including November 25, 2020.

We are in the process of preparing a Report and need this information urgently.

Thank you in advance for your prompt response.

Philip Gennis, J.D., CIRP, LIT

msi Spergel Inc. | Licensed Insolvency Trustees

505 Consumers Road, Suite 200, North York, M2J 4V8

T/F: 416-498-4325

PGennis@spergel.ca | www.spergelcorporate.ca

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From: pharmacyapplications <pharmacyapplications@ocpinfo.com>

Sent: December 1, 2020 3:49 PM

To: Philip Gennis <PGennis@spergel.ca>

Cc: Mukul Manchanda <mmanchanda@spergel.ca>; Gillian Goldblatt <GGGoldblatt@spergel.ca>; Frieda Kanaris <fkanaris@spergel.ca>; Susan Downey <sdowney@spergel.ca>; Paula Amaral <pamaral@spergel.ca>; Philip Gennis <PGennis@spergel.ca>

Subject: RE: Pharmacy Receiverships

Hello Philip,

This will acknowledge receipt of your email advising the College that your firm msi Spergel Inc. has been appointed as Receiver over the pharmacies indicated on the attached Excel Sheet.

In the event any pharmacy is sold or closed, the College must be informed immediately and paperwork will be required. The Designated Manager will assume the full responsibility to oversee the day to day operation of the pharmacy.

Regards,



Jaswant Sandhu

Pharmacy Applications & Renewals

t. 416-962-4861 ext. 3600

f. 416-847-8399

pharmacyapplications@ocpinfo.com

www.ocpinfo.com

Putting Patients First Since 1871



From: Philip Gennis <PGennis@spergel.ca>

Sent: Thursday, November 26, 2020 2:02 PM

To: pharmacyapplications <pharmacyapplications@ocpinfo.com>

Cc: Mukul Manchanda <mmanchanda@spergel.ca>; Gillian Goldblatt <GGGoldblatt@spergel.ca>; Frieda Kanaris <fkanaris@spergel.ca>; Susan Downey <sdowney@spergel.ca>; Paula Amaral <pamaral@spergel.ca>; Philip Gennis <PGennis@spergel.ca>

Subject: RE: Pharmacy Receiverships

Importance: High

[EXTERNAL EMAIL] DO NOT CLICK links or attachments unless you recognize the sender and know the content is safe.

Please find attached are copies of Court Orders issued November 25, 2020. While the Court Orders list many respondents, we are presently only Receiver over the pharmacies listed below.

Those pharmacies that we are continuing to operate are on the attached list.

Please advise if there is anything more that you require from us in this regard.

Thank you.

Philip Gennis, J.D., CIRP, LIT | Partner

msi Spergel Inc. | Licensed Insolvency Trustees
505 Consumers Road, Suite 200, North York, M2J 4V8
T/F: 416-498-4325 | C: (416) 457-4773
PGennis@spergel.ca | www.spergelcorporate.ca
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From: pharmacyapplications <pharmacyapplications@ocpinfo.com>
Sent: November 23, 2020 2:32 PM
To: Philip Gennis <PGennis@spergel.ca>
Subject: Pharmacy Receiverships



Lance Miller
Pharmacy Applications & Renewals Coordinator
416-962-4861 ext. 2267
lmiller@ocpinfo.com
www.ocpinfo.com

Putting Patients First Since 1871



APPENDIX 13



January 26, 2021

Sent via Email to diepn1951@gmail.com

Diep Nguyen

Re: In the Matter of the Receivership of SJ East Pharma Inc. o/a Brighton Global Health (“Brighton Pharmacy” or the “Debtor”)

Dear Sir,

As you are aware msi Spergel inc. was appointed as receiver (the “**Receiver**”) of all of the assets, undertakings and properties (the “**Property**”) of the Debtor pursuant to the order (the “**Receivership Order**”) of Honourable Mr. Justice Cavanagh of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) made on January 26, 2021 (the “**Date of Appointment**”). A copy of the Receivership Order is enclosed herein.

The Receiver understands that the Debtor operated from a leased premises located at 12 Elizabeth Street, Brighton, ON (the “**Brighton Premises**”).

Pursuant to paragraph 4 (a) of the Receivership Order, the Receiver is empowered to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property. Further, pursuant to paragraph 5 of the Receivership Order, the Debtor and all of its current and former directors, amongst others, are required to forthwith advise the Receiver of the existence of any Property in such Person’s possession or control and are required to grant immediate and continued access to the Property to the Receiver and are required to deliver all such Property to the Receiver upon the Receiver’s request. Accordingly, the Receiver is asking that you advise the Receiver of the existence of any Property in your control and provide access to the Brighton Premises (if possible) on an urgent basis. The Receiver is available tomorrow or on January 28th, 2021 with 2 hour notice to attend at the Brighton Pharmacy. Please also provide the contact information for the landlord of the Brighton Premises.

In addition, pursuant to paragraph 6 of the Receivership Order, all Persons (as defined in the Receivership Order) are required to advise the Receiver of the existence of the Records (as defined in the Receivership Order) in that Person’s possession or control and is required to deliver the Records or allow the Receiver to make, retain and take away copies of such Records. Accordingly, the Receiver is asking that you deliver or provide access to the Records including but not limited to:

- a) Bank statements of the Debtor for the 12 month period prior to the Date of Appointment;
- b) Copy of the accounting software of the Debtor;
- c) A general ledger for the period from January 1, 2020 to the Date of Appointment;
- d) A trial balance as at the Date of Appointment;
- e) Copy of the lease of the Brighton Premises;
- f) Copies of invoices received from McKesson and/or K&F for the 12 month period prior to the Date of Appointment; and
- g) The computer containing the drug dispensing software (Fillware) of the Brighton Pharmacy along with any passwords required to access same.

Furthermore, the Receiver is asking that you advise the Receiver of the following:

- a) When did the Brighton Pharmacy stop operating?
- b) What happened to the inventory of drugs on hand at the time of closing?
- c) What happened to the patient list / script count available to the Brighton Pharmacy at the time of closing?

The Receiver trusts that you will give this matter your immediate attention. Please contact the undersigned to arrange the foregoing.

Yours truly,

msi Spergel inc.,
solely in its capacity as the Court-Appointed
Receiver of SJ East Pharma Inc. and not in its
personal or corporate capacity

Per:



Mukul Manchanda, CPA, CIRP, LIT
Partner

Cc: pgennis@spergel.ca
John.gerges01@gmail.com

APPENDIX 14

Mukul Manchanda

From: Mukul Manchanda
Sent: January 29, 2021 12:30 PM
To: 'Diep Nguyen'
Cc: Philip Gennis; John Gerges
Subject: RE: In the Matter of the Receivership of SJ East Pharma Inc.

Thank you for your email Mr. Nguyen.

Are you saying you are still in possession of the Brighton Premises or is the landlord now in possession? Also please provide your response to the following on an expedited basis:

- a) When did the Brighton Pharmacy stop operating?
- b) What happened to the inventory of drugs on hand at the time of closing?
- c) What happened to the patient list / script count available to the Brighton Pharmacy at the time of closing?
- d) Where is the computer containing the drug dispensing software (including the patient list)?

Regards,

Mukul Manchanda, CPA, CIRP, LIT | **Partner**

msi Spergel inc. | Licensed Insolvency Trustees
505 Consumers Road, Suite 200, North York, M2J 4V8
T: 416-498-4314 | C: 416-454-4246 | F: 416-498-4314
mmanchanda@spergel.ca | www.spergelcorporate.ca
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From: Diep Nguyen <diepn1951@gmail.com>
Sent: January 29, 2021 12:06 PM
To: Mukul Manchanda <mmanchanda@spergel.ca>
Cc: Philip Gennis <PGennis@spergel.ca>; John Gerges <john.gerges01@gmail.com>
Subject: Re: In the Matter of the Receivership of SJ East Pharma Inc.

Hello Mr. Manchanda,

I'm sorry for delay. I just don't have copy of the keys, can I arrange locksmith for you? If you like to enter anytime tell me, i can open for you .

I am checking with accountant for the items, if you like to ask him Bob also, please.

Thanks you

On Jan 29, 2021, at 11:39 AM, Mukul Manchanda <mmanchanda@spergel.ca> wrote:

Mr. Nguyen,

We haven't received any response from you with respect to our attached correspondence. Please note that you have a positive obligation under the Receivership Order to provide the requested information and access.

Look forward to hearing from you.

Thanks

Mukul Manchanda, CPA, CIRP, LIT | **Partner**
msi Spergel inc. | Licensed Insolvency Trustees
505 Consumers Road, Suite 200, North York, M2J 4V8
T: 416-498-4314 | C: 416-454-4246 | F: 416-498-4314
mmanchanda@spergel.ca | www.spergelcorporate.ca
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<image001.jpg>

<image002.png>

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From: Mukul Manchanda
Sent: January 26, 2021 9:15 PM
To: 'diepn1951@gmail.com' <diepn1951@gmail.com>
Cc: Philip Gennis <PGennis@spergel.ca>; 'John Gerges' <john.gerges01@gmail.com>
Subject: In the Matter of the Receivership of SJ East Pharma Inc.

Mr. Nguyen,

Enclosed you will find our letter of even date.

Thanks

Mukul Manchanda, CPA, CIRP, LIT | **Partner**
msi Spergel inc. | Licensed Insolvency Trustees
505 Consumers Road, Suite 200, North York, M2J 4V8
T: 416-498-4314 | C: 416-454-4246 | F: 416-498-4314
mmanchanda@spergel.ca | www.spergelcorporate.ca
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<image001.jpg>

<image005.png>

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<Letter to D. Nguyen January 26, 2021.pdf>

<CV-20-00650853-00CL_Consent Amended and Restated Receivership Order.pdf>

APPENDIX 15

Mukul Manchanda

From: Philip Gennis
Sent: February 1, 2021 8:01 PM
To: Mukul Manchanda
Subject: FW: SJ East Pharma Inc., o/a Brighton Pharmacy

Philip Gennis, J.D., CIRP, LIT
msi Spergel Inc. | Licensed Insolvency Trustees
505 Consumers Road, Suite 200, North York, M2J 4V8
T/F: 416-498-4325
PGennis@spergel.ca | www.spergelcorporate.ca
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From: Boo Yon Won <bwon@cwlawyers.ca>
Sent: January 29, 2021 5:34 PM
To: Philip Gennis <PGennis@spergel.ca>
Cc: Hosook Park <parkhosook@gmail.com>; Young Lee <ylee@cwlawyers.ca>
Subject: RE: SJ East Pharma Inc., o/a Brighton Pharmacy

Hello, Gennis:

Thank you for your email.

I spoke to my client again after our conversation. She told me that:

- (1) She is not sure exactly when the tenant vacated, but she suspects it was sometime in mid-November of 2020.
- (2) The tenant provided no prior notice to our client about their intent to vacate the premises. She found out after the tenant had already vacated the premises.
- (3) After our client repossesses the property on February 1st, 2021, she will allow your staff or you to access the property to check what was left behind. As I mentioned, she intends to retain a local realtor to put the property up for lease, and I will give you the name and contact information of the realtor at that time so that you can connect with the realtor to schedule an appointment.

If you have any further questions, please let me know.

Yours very truly,

Boo Yon Won, B.A., LL.B.

Barrister & Solicitor

CHOI & WON LLP, Barristers & Solicitors

Phone: 905-731-1200

Fax: 905-731-6300

Address: 11 Thornridge Drive, Thornhill, Ontario L4J 1C5 Canada

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Neither the act of sending this message nor your receipt hereof will constitute or create a lawyer-client or other relationship with, or otherwise impose any obligation on, this law office.

From: Philip Gennis <PGennis@spergel.ca>
Sent: Friday, January 29, 2021 4:41 PM
To: Boo Yon Won <bwon@cwlawyers.ca>
Cc: Philip Gennis <PGennis@spergel.ca>
Subject: FW: SJ East Pharma Inc., o/a Brighton Pharmacy
Importance: High

As discussed.

Thanks in advance for your help.

Philip Gennis, J.D., CIRP, LIT
msi Spergel Inc. | Licensed Insolvency Trustees
505 Consumers Road, Suite 200, North York, M2J 4V8
T/F: 416-498-4325
PGennis@spergel.ca | www.spergelcorporate.ca
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From: Philip Gennis
Sent: January 29, 2021 8:37 AM
To: 'parkhosook@gmail.com' <parkhosook@gmail.com>
Cc: Mukul Manchanda <mmanchanda@spergel.ca>; Philip Gennis <PGennis@spergel.ca>

Subject: SJ East Pharma Inc., o/a Brighton Pharmacy

Importance: High

Dear Ms. Park,

Further to our telephone discussion earlier in the week we confirm our appointment as Court-Appointed Receiver over the above company. Copies of the Court orders are attached for your reference.

We understand that the company was a tenant in your property located at 12 Elizabeth Street, Brighton, Ontario.

We confirm our discussion, during which you advised that the Company vacated the leased premises in November leaving rent owing to you.

We would appreciate being provided with a copy of the lease under which the company occupied your premises and a more detailed description of the circumstances surrounding the vacating of your property.

We are especially interested in learning:

1. The exact date that the premises were vacated;
2. Whether the tenant gave you any notice of its intention to leave and if so, when was that notice was given;
3. Were the premises vacated without notice to you;
4. Was anything left behind, such as fixtures, computers or books and records.

This information is vital to our investigation and we look forward to your reply. If you have any questions, please do not hesitate to reach out to me by telephone.

Thank you in advance for your cooperation.

Philip Gennis, J.D., CIRP, LIT

msi Spergel Inc. | Licensed Insolvency Trustees

505 Consumers Road, Suite 200, North York, M2J 4V8

T/F: 416-498-4325

PGennis@spergel.ca | www.spergelcorporate.ca

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This is Exhibit "Z" referred to in the Affidavit of Edward Hopkinson sworn by Edward Hopkinson of the City of Bryn Mawr, in the State of Pennsylvania, before me at the Town of Milton, in the Province of Ontario, on August 3, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:

Asim Iqbal

Commissioner for Taking Affidavits (or as may be)

ASIM IQBAL

IN THE MATTER OF THE BANKRUPTCY OF
JM WESTVIEW PHARMA INC.

IB/am

- - - - -

This is the Examination pursuant to section 163(1) of the Bankruptcy and Insolvency Act of AMY BELLAIRE, taken via videoconference at the offices of VICTORY VERBATIM REPORTING SERVICES, Suite 900, Toronto-Dominion Centre, 222 Bay Street, Toronto, Ontario, on the 28th day of May, 2021.

- - - - -

APPEARANCES:
BRENDAN BISSELL -- for the Trustee
JOEL TURGEON
ALSO PRESENT:
Mukul Manchanda

INDEX OF PROCEEDINGS

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AMY BELLAIRE, affirmed	
Examination by MR. BISSELL	1 - 31
Certificate	32

1 --- upon convening at 12:00 p.m.

2 --- upon commencing at 11:59 a.m.

3

4 AMY BELLAIRE, affirmed

5 EXAMINATION BY MR. BISSELL:

6 1. Q. Good afternoon, Ms. Bellaire. Could
7 you please state your full name for the record?

8 A. My name is Amy Mary Jane Bellaire.

9 2. Q. Thank you. And you have just been
10 sworn?

11 A. M'hmm.

12 3. Q. Thank you. Now, I understand that
13 you formerly worked at what was called the
14 Pharmachoice Pharmacy on Mill Street in Tilbury?

15 A. Yes, sir.

16 4. Q. Okay. And that is located...or that
17 was located, rather, at 11 Mill Street, right?

18 A. No, that was 15 Mill Street East,
19 sir.

20 5. Q. Oh, 15 Mill Street, okay, thank you.

21 A. Yes. It was inside the Tilbury
22 Walk-in Clinic.

23 6. Q. Got it.

24 A. Yes, sir.

25 7. Q. And that...do you know that that

1 pharmacy was owned by a company called JM Westview
2 Pharma Inc.?

3 A. Yes, and it shows on my pay stubs,
4 as well, that it says JM Westview Pharma, as well
5 as...yes, and also on my T4 statement, sir.

6 8. Q. Right, actually...precisely. That
7 is the sort of place where one needs to use the
8 legal name of the pharmacy, rather than its trade
9 name, the Pharmachoice.

10 A. M'hmm.

11 9. Q. My understanding is that that
12 pharmacy closed on or around January 15. Do you
13 know anything about that?

14 A. It was a very sudden, last-minute
15 thing that...to my knowledge and such, because from
16 what I was understanding, I was told that the lease
17 was to be up at the end of January from...to my
18 understanding. But things were closed up January
19 15th.

20 10. Q. Okay. And who gave you that
21 understanding, or who told you that, as you
22 indicated?

23 A. There was a phone call that was sent
24 to the pharmacy, I believe, less than two days
25 before that. And I was not the one who received the

1 call.

2 11. Q. Okay.

3 A. Yes.

4 12. Q. What do you know about the call,
5 then, even if it is something someone else told you?

6 A. I did not receive the phone call,
7 but I was told that everything was to be packed up
8 and out of the building by that time.

9 13. Q. Okay. Who gave you that direction
10 or instruction, if I can put it that way?

11 A. There was a pharmacist that was on
12 staff that day. She was the one who took the phone
13 call, who had relayed the message to both me and to
14 my co-worker.

15 14. Q. Okay. Who was that pharmacist,
16 please?

17 A. Her name was Imelda Castillo.

18 15. Q. Okay.

19 A. Yes. She was the pharmacist that
20 was on staff that day.

21 16. Q. Okay. And who was your co-worker
22 who was also with you that day?

23 A. Sophie Lalonde.

24 17. Q. Okay. And did Ms. Castillo tell you
25 anything else about that phone call? Who was it

1 from, or what else was said?

2 A. I believe she said it was from John,
3 but I am not 100 percent. Like, it was just a
4 relayed message.

5 18. Q. I understand.

6 A. That we were, you know, told to do
7 this.

8 19. Q. Right, yes. I am only asking for
9 what you were told. That is all we can ask about.

10 A. Yes, like I was just strictly...I
11 was like, I have worked for the pharmacy for over
12 seven years, and, you know, like, this was not
13 something that...you know, that I was expecting, so
14 sudden and such. So, it was just something that we
15 were just told.

16 20. Q. Sounds like it was a bit of a fire
17 drill.

18 A. Well, something like that, and it
19 was quite a shock, and it was something that was
20 really hard to wrap my head around and such,
21 because, you know, there wasn't enough time, you
22 know, we weren't given enough warning beforehand.
23 Because originally, we were told, okay, the lease
24 was to be up at the end of the month, but then there
25 was a phone call that was intercepted a couple of

1 days before the 15th, and that is what had happened.

2 21. Q. All right. And you mentioned John.
3 I am taking it that is John Gerges?

4 A. Yes.

5 22. Q. And my understanding is Mr. Gerges
6 was the owner of JM Westview Pharma Inc., the
7 company name of the Pharmachoice, is that right?

8 A. Yes, sir.

9 23. Q. Okay. And, so, that phone call, you
10 said, came in a couple of days before the 15th...

11 A. M'hmm.

12 24. Q. ...and the instruction was to get
13 ready to get out. Were you told anything about
14 where things were supposed to go to?

15 A. No.

16 25. Q. Okay. And, so, the pharmacy, then,
17 was shut down, I guess, on or around January 15, a
18 couple of days later?

19 A. Yes.

20 26. Q. Okay. Sorry, we are getting a bit
21 of a lag here, so we will just have to bear with the
22 technology. Did the pharmacy stay in operation over
23 the couple of days between when that call came in
24 and January 15?

25 A. We were still inside of the

1 pharmacy, inside the clinic, up until the 15th.

2 27. Q. Okay.

3 A. We were still in there.

4 28. Q. All right. And what did you do,
5 then, in light of the instruction that Ms. Castillo
6 gave you, or relayed to you, that the pharmacy was
7 vacating ASAP?

8 A. We were asked to pack everything up.

9 29. Q. Okay.

10 A. M'hmm.

11 30. Q. So, you basically just put it in
12 boxes and whatnot?

13 A. M'hmm.

14 31. Q. Okay. So, that would have included
15 the inventory, obviously the over-the-counter stuff,
16 the sundries. Did that include the pharmaceuticals,
17 as well?

18 A. Everything.

19 32. Q. Okay. Patient records,
20 prescriptions, computers and stuff?

21 A. Everything.

22 33. Q. Okay.

23 A. All of it.

24 34. Q. Yes, so basically everything down to
25 the walls was getting ready to go?

1 A. M'hmm.

2 35. Q. Okay. Do you know what happened
3 with all that stuff?

4 A. We were asked...okay, I know that
5 there is Sameer Shenoda. He is the owner of Sigma
6 Drug Mart. He is the new owner of the pharmacy, and
7 we were asked to move everything across the street
8 into the new pharmacy.

9 36. Q. Right. So, I am told that Mr.
10 Shenoda is, in fact, the owner of something called
11 Sigma Health Care Inc.

12 A. Yes, it is called Sigma Drug Mart in
13 Tilbury, and Sophie and I, we were asked to move
14 everything from inside the Tilbury Walk-in Clinic,
15 which is known as Mill Street Pharmacy, across the
16 street to Sigma.

17 37. Q. Right, and that is located at 2
18 Dufferin Street, right?

19 A. Correct, yes.

20 38. Q. Yes. And, as you say, it is across
21 the street, around the corner?

22 A. Yes.

23 39. Q. Okay. Did you and Sophie physically
24 move all the stuff yourselves, or was there a moving
25 company involved?

1 A. There was...well, John had hired
2 somebody with a pickup truck. There were two
3 movers, and it was me and Sophie and her...well, she
4 has a teenage daughter that was helping move
5 everything across the road.

6 40. Q. Got it.

7 A. M'hmm. This was not something that,
8 you know, that we were expecting to do ourselves and
9 such. Like, we didn't, you know, want to
10 participate in it and such, like, to be honest.
11 This was not something that I didn't want to be
12 roped into, but...

13 41. Q. What were your concerns in that
14 regard, Ms. Bellaire?

15 A. Well, it is just, you know, like...
16 well, because, you see, I have two kids at home and
17 such and, you know, and...you know, it just took up
18 a whole weekend and stuff. So, I didn't, you know,
19 get to really...have any time with them and such,
20 and it was not something that I had volunteered to
21 do. Like, we were asked and told to do it. Like,
22 there was no getting out of it...

23 42. Q. I understand.

24 A. ...and such. And, so, like, it was
25 not something that, you know, I wanted to do.

1 And...but we were practically volunteered and told
2 to do it. So, it was a volun-told type of thing.
3 So, I mean, it was a very stressful situation, and
4 such, because I mean, there was just so much that
5 was there and, you know, like, I was the
6 longest-standing employee with the company. I was
7 with the company for over seven years. I was there
8 about a month and a half after John had acquired it
9 in 2013.

10 43. Q. I understand.

11 A. Because he took over August 1st, I
12 started September 13th of, you know...September
13 18th, 2013. And then Sophie, she came a couple of
14 years after that.

15 44. Q. I understand.

16 A. M'hmm.

17 45. Q. And I should ask, actually, before
18 we leave the Mill Street Pharmacy...

19 A. M'hmm.

20 46. Q. ...what was your job function there?
21 I understand you were a pharmacy technician, or...

22 A. I was an assistant. I also
23 helped...I was a backup delivery driver...let's say,
24 for example, if one of the drivers did not show up,
25 I was more than willing to take on that task, and I

1 would deposit the cheques that would come in front
2 of the insurance companies to the bank, and that was
3 my role. I did not have any bookkeeping. That was
4 not my role. I was a pharmacy assistant. I helped
5 dispensing medications, I was compliance packaging.
6 That was my role.

7 47. Q. Okay.

8 A. Yes.

9 48. Q. Thank you. No, I just wanted to
10 make sure that we had that.

11 A. M'hmm.

12 49. Q. Do you know what happened to the
13 mail for the Mill Street Pharmacy after you and
14 Sophie made the move you described?

15 A. In regards to the mail, the mail was
16 not for me to pick up. I did not have a key to the
17 Tilbury post office. So, there was...okay, there
18 was a doctor inside the walk-in clinic. His name is
19 Mark. Like, he would have a key to pick up for the
20 whole building and such. But as for the pharmacy,
21 like, whenever Mark would come and pick up the mail
22 and stuff like that, he would hand it out
23 accordingly, whether it was rehab, whether it was
24 pharmacy, or if it was for the doctors for the
25 walk-in clinic. I did not have any access to any

1 mail...

2 50. Q. I understand.

3 A. ...from the post office.

4 51. Q. Okay. So, the owner of the
5 building, the doctor you described, would collect
6 the mail and divvy it up among the occupants, then?

7 A. M'hmm.

8 52. Q. Okay. Do you know what happened to
9 the mail for the Mill Street Pharmacy after it
10 moved?

11 A. No, I do not.

12 53. Q. Okay.

13 A. Like I said, the mail was not part
14 of my job and stuff, to go and collect anything. I
15 believe, you know, if any mail that was to be
16 coming, that should have been on the part of who was
17 ever taking over and stuff. And anything should
18 have been forwarded from Mill Street to the new
19 location, if there were to be anything.

20 54. Q. I understand.

21 A. Yes.

22 55. Q. I am just asking about that. All
23 right, so let's move forward, then, and speak about
24 the Sigma Drug Mart.

25 A. M'hmm.

1 56. Q. I take it is where you are working
2 now, Ms. Bellaire?

3 A. Okay, well, as of right now, like, I
4 am just as a backup casual call-in. I started a
5 brand new job just a few months ago. I am almost at
6 my 90-day mark right now. I am in a factory job,
7 and...the HR company, they were nice enough to allow
8 me to sit in their conference room right now. So,
9 that is where I am at right now. I am at my new
10 job. I am a factory worker, but, like, I am at the
11 pharmacy just as a casual backup, and I haven't
12 worked in the pharmacy yet this month.

13 57. Q. Okay.

14 A. But Sameer, he still has me, you
15 know, like, as an employee, but, like, I am just not
16 on the work schedule at the moment.

17 58. Q. All right.

18 A. M'hmm.

19 59. Q. Did you start working at the Sigma
20 Drug Mart after January 15?

21 A. Yes.

22 60. Q. Okay.

23 A. He had it open on January 18.

24 61. Q. Okay. And if my math is right, your
25 new position at the factory that you are mentioning,

1 it started, what, in February?

2 A. No, I started in the middle of
3 March...

4 62. Q. Okay.

5 A. ...of this year.

6 63. Q. And were you, then, working more or
7 less full-time at the Sigma Drug Mart until that
8 point?

9 A. Well, I...I was in between and
10 stuff. But, like, here and there, like, for
11 hour-wise, because I am on a 12-hour continental
12 rotation right now. I am in between days and
13 midnights, but whatever days, like, I did have, I
14 did and do have off, I am willing to go in for a few
15 hours here and there, like, if he happens to be
16 stuck, and if anybody falls short, then that is
17 where I would step in for now.

18 64. Q. I understand. I am sorry, I should
19 be more clear. I was talking about the period of
20 time between January 15 and when you started your
21 current job.

22 A. Okay. Yes, I was at Sigma January
23 18th, and like, up until, you know, like the present
24 and such. But, like, after March 15th, like, I
25 slowly started, you know, taking, little bit, steps

1 back from the pharmacy a bit because of the new job.

2 65. Q. I understand.

3 A. M'hmm.

4 66. Q. Okay, that is what I wanted to
5 figure out...

6 A. Yes.

7 67. Q. ...is when and how long you were at
8 Sigma...

9 A. M'hmm.

10 68. Q. ...sort of, on a full-time basis.
11 So, that is helpful.

12 A. Okay.

13 69. Q. And your role at Sigma before, let's
14 talk about until, you know, the March period, when
15 you went to your current employment.

16 A. M'hmm.

17 70. Q. Were you doing more or less the same
18 thing as you described as for the Mill Street
19 Pharmacy?

20 A. Same role, same everything. Like, I
21 was...you know, dispensing, backup delivery,
22 compliance packaging.

23 71. Q. Okay.

24 A. But as for anything bank-related,
25 like, sending cheques to the bank to be deposited,

1 Sameer, he takes care of all of that, I believe,
2 now.

3 72. Q. I understand.

4 A. Like, I have no touching with
5 anything financial. I believe he takes care of all
6 of that on his own.

7 73. Q. I understand. Sorry, I forgot to
8 ask this about the old pharmacy on Mill Street.

9 A. Okay.

10 74. Q. You have mentioned yourself, Sophie
11 Lalonde, and Imelda Castillo as employees there.
12 Were there any other employees of that pharmacy, as
13 well?

14 A. Like, were you looking at current
15 employees, or were you looking at past employees?
16 Like...

17 75. Q. I was talking about...

18 A. Like, whoever was current?

19 76. Q. Yes, whoever was an employee of the
20 Mill Street Pharmacy, you know, on the days up to
21 and before it closed?

22 A. It was just me and Sophie, and
23 Imelda Castillo, she was the pharmacist on staff.

24 77. Q. Right. Okay. And who are, then,
25 the employees of the Sigma Pharmacy...let's start

1 about when it opened.

2 A. It was me and Sophie.

3 78. Q. Okay.

4 A. And Sameer, he was there for the
5 first little bit, and then he had Imelda come back
6 into the fold as the relief pharmacist. But then
7 she handed in her resignation early March.

8 79. Q. Okay. And is Sameer back in that
9 role, then?

10 A. Sameer, he has been there, like, as
11 far as I know, for the last little while. But he
12 had to take a step back, because he had an operation
13 done, like, between late February, early March,
14 somewhere in there. But, like, he has, you know,
15 been back and forth between here and wherever he is
16 from from the GTA.

17 80. Q. I understand.

18 A. M'hmm.

19 81. Q. Okay. What do you know about the
20 arrangements between Mr. Gerges and Mr. Shenoda
21 about the transfer of the business from Mill Street
22 to Sigma?

23 A. As an employee, I did not know a
24 whole lot...from the beginning, because I do know
25 that before Mr. Shenoda had taken over, I did happen

1 to see a few people coming in and out of the
2 pharmacy every now and then to have a look at
3 things, so I don't know...like, you know,
4 purchase-wise and such, but I remember Sameer, he
5 came...I think there was, like, one time, like,
6 early...somewhere between early, late August, I
7 think it was last year, but there were also a few
8 other people before that that were coming in to have
9 a look at the pharmacy and such beforehand. I
10 didn't know who they were or what their role was.
11 Like, I mean, I was just there as an employee,
12 just...you know, just doing my job, minding my own
13 business. I didn't know a whole lot of what was
14 going on, what was being said, and the whole matter
15 of what was happening with the pharmacy.

16 82. Q. I understand. Did Mr. Gerges or Mr.
17 Shenoda at any point explain to you why the business
18 moved from Mill Street, and then opened up at Sigma?

19 A. There was never really a big
20 discussion about that. Like, we were just told, you
21 know, like on a short notice type of thing, we did
22 see...well, Sophie and I, we did see some things
23 happening somewhere between November, December of
24 what was being done, but we weren't sure about when
25 a move was going to be happening and such. We

1 didn't really know, because there weren't a whole
2 lot of details. There wasn't a whole lot of what
3 was being said. Like, we would see things outside
4 from across the street, but that was about as far as
5 it got. Like, there was never really a whole lot of
6 communication in that department.

7 83. Q. The sort of thing you are
8 mentioning, can you be more specific about what you
9 were observing?

10 A. Well, when you go outside of the
11 Tilbury Walk-in Clinic, like, we could see a few
12 things going on across the road, because that is
13 where Sigma is. It is right across the road,
14 just...it is on an angular-type view. So, like, we
15 would see, you know, little bits and pieces
16 happening here and there, but we weren't given a
17 whole lot of details. Like, nobody was really
18 coming in to talk to us to explain, okay, what was
19 going on, what was happening. That is what I am
20 referring to.

21 84. Q. I see, okay. So, construction,
22 fitting up, getting the new space ready to go, kind
23 of thing?

24 A. M'hmm, yes.

25 85. Q. I see. All right. And, so, when

1 Sigma opened on January 18, it was using all the
2 stuff that got boxed up from Mill Street and moved
3 across the street?

4 A. Yes, sir.

5 86. Q. All right. So, the same computer
6 records and...

7 A. Everything that was removed from the
8 Mill Street Pharmacy was all transferred and moved
9 into the new building.

10 87. Q. Got it.

11 A. M'hmm.

12 88. Q. Was there any type of a sign or
13 notification left for customers so that they
14 would...you know, if they went to the old Mill
15 Street Pharmacy, that they would know they could go
16 across the street to where Sigma was then located?

17 A. Yes, there were signs that were put
18 up.

19 89. Q. Okay.

20 A. M'hmm.

21 90. Q. I guess on the Mill Street premises?

22 A. Well, there was a sign on the front
23 door that leads inside to the walk-in clinic.

24 91. Q. Okay.

25 A. M'hmm.

1 because, like, I know that his scandal, like, with
2 what happened with him in Toronto, like, I mean, it
3 blew up. Like, it was a whole crap storm.

4 And, so, like, what I remember, like,
5 to...from the top of my head, so with the
6 SureHealth, there was...we had a bunch of patients,
7 like, and I happened to be a SureHealth client
8 myself, because I am through my ex-husband's plan
9 with his job.

10 99. MR. BISSELL: I see. It looks like we
11 may have lost Ms. Bellaire for a moment
12 here.

13

14 --- DISCUSSION OFF THE RECORD

15

16 BY MR. BISSELL:

17 100. Q. So, Ms. Bellaire, please continue,
18 thank you.

19 A. Okay. So, this was in regards to
20 the SureHealth account, the Telus?

21 101. Q. Yes, please.

22 A. Okay. So, right after, on the whole
23 thing with John breaking out in the media, we had a
24 bunch of our pharmacy patients, they had received
25 letters in the mail stating that anybody that was a

1 SureHealth client customer, that sort of thing, they
2 were told that the pharmacy was being delisted
3 because of what had happened with John. And, so,
4 what happened was we lost some patients as a result
5 of that, because we could not process any claims for
6 them.

7 102. Q. Right.

8 A. M'hmm.

9 103. Q. And, so, that was at the Mill Street
10 Pharmacy, right?

11 A. Correct, sir.

12 104. Q. Okay. And did the Sigma Drug Mart
13 ever have an Assure or Telus Health account?

14 A. Okay, well, Sameer, he has his own
15 account with Assure, and that one is currently
16 active, and everything is up and going with that
17 account.

18 105. Q. Okay. And is that account the one
19 that is being used for the Sigma Drug Mart?

20 A. It is strictly for Sigma Drug Mart.
21 It was not...he did not carry the one over from Mill
22 Street Pharmacy.

23 106. Q. Okay.

24 A. I believe he got his own account.
25 So, everything on his end is good.

1 107. Q. Right. But if I understood you
2 correctly, there was nothing...there was no Telus
3 Health account to give from Mill Street because it
4 had been ended.

5 A. Yes. The letters that the customers
6 and the patients, they had received, they said that
7 the pharmacy had been delisted.

8 108. Q. Okay.

9 A. M'hmm. So, any patient that had
10 that Assure card, their claims would not go through.
11 So, they were given the option of... unfortunately,
12 they would have to switch pharmacies.

13 109. Q. I understand. Okay.

14 A. So, in order for their claims to go
15 through.

16 110. MR. BISSELL: Okay. If you could give
17 me a couple of minutes, I am just going to
18 have a call offline with Mr. Manchanda and
19 Mr. Turgeon. I think we may be close to
20 being done. So, if you can give me five
21 minutes, I am going to go on mute...

22 THE DEPONENT: Okay.

23 111. MR. BISSELL: ...and off video. You can
24 go take...stretch your legs for a minute or
25 two if you wish, and why don't we come back

1 in five minutes, please?

2 THE DEPONENT: Okay, thank you.

3 112. MR. TURGEON: Thank you. So, off the
4 record, please.

5

6 --- upon recessing at 12:25 p.m.

7 --- A BRIEF RECESS

8 --- upon resuming at 12:30 p.m.

9

10 AMY BELLAIRE, resumed

11 CONTINUED EXAMINATION BY MR. BISSELL:

12 113. Q. So, Ms. Lalonde, the one thing I
13 wanted to just discuss with you further, or perhaps
14 clarify from what we were talking about earlier...

15 A. I think you got the wrong person.
16 It is still Ms. Bellaire.

17 114. Q. Oh, Ms. Bellaire, I am sorry.

18 A. That is okay. Yes, because I know
19 you don't have Sophie for a while yet. So, I know
20 you guys probably had me contacted first because I
21 was the longest-standing employee, I believe, so...

22 115. Q. Right, exactly.

23 A. M'hmm.

24 116. Q. Yes, we will be speaking with...

25 A. Yes, because I...

1 117. Q. ...Ms. Lalonde shortly.

2 A. Yes, because I know that Sophie and
3 I had different timeslots on this thing. I figured
4 her and I would be on the same time, but I guess
5 not, so...

6 118. Q. No, no, we have to do these things
7 individually, so...

8 A. Okay.

9 119. Q. Speaking of that, did you discuss
10 today's examination with anyone? Obviously, you
11 talked about it with Sophie Lalonde.

12 A. Well, Sophie is the only person
13 that...you know, that I could only discuss this
14 with, because her and I had worked together, you
15 know, like, basically ever since she started at the
16 pharmacy, and she started in 2015. So, like, I was
17 there a couple of years longer than she has been,
18 so...

19 120. Q. I understand.

20 A. Yes.

21 121. Q. Did you discuss it with anyone else,
22 Mr. Shenoda or anyone?

23 A. Well, the only thing that I showed
24 Sameer was just what I was served last Friday and
25 stuff, and he didn't know anything about it, so he

1 couldn't really help a whole lot. So...but he was
2 just...you know, like, I showed it to him, like, he
3 tried his best, but he didn't really know what was
4 going on.

5 122. Q. I understand. That is okay.

6 A. So, yes.

7 123. Q. To be clear, you are a witness in
8 all of this, and that is...

9 A. M'hmm.

10 124. Q. ...all that you are.

11 A. M'hmm.

12 125. Q. So, the one thing I wanted to speak
13 about with you further, Mr. Bellaire, and sorry, I
14 will get your surname right this time...

15 A. That is okay.

16 126. Q. ...is when we were talking about the
17 windup of the Mill Street Pharmacy, we have been
18 told by Ms. Castillo that it was pretty fully if not
19 entirely fully stocked with inventory and sundries
20 and pharmaceuticals right up until when it shut down
21 and moved. Is that your recollection, as well?

22 A. Yes, the pharmacy was still intact
23 up until January 15th.

24 127. Q. Okay.

25 A. And, so, yes.

1 128. Q. And aside from things that were
2 being put in boxes, because it didn't all happen...

3 A. Yes.

4 129. Q. ...right at the moment, the pharmacy
5 was still operating, seeing customers, fulfilling
6 prescriptions until...

7 A. Yes, and, well, the thing is,
8 though, Sophie and I...like, we started, you know,
9 with the whole packing up, like, after hours, after
10 5:00. And, so, like, once 5:00 hit, that is when
11 everything started, you know, to be all packed up.

12 130. Q. So, January 15th, that was a...

13 A. That was the Friday. That was the
14 last day that we were inside the building.

15 131. Q. Okay. And had you started the
16 packing up before end of day on the 15th, or did you
17 start getting going after you closed the doors?

18 A. Well, in my workspace, because I...
19 my role was I was mostly compliance packaging, with
20 all the blister packs and such. So, whatever of,
21 like, of my work with the blister packs, of
22 whatever, like, we...because I would always have a
23 bunch of patients done up ahead of time, stuff
24 like...like, I would have those people, like, all in
25 bins and stuff, to just be...you know, just pick

1 them up and go, type of thing. But there were a few
2 things in my area that were packed up. Like, there
3 wasn't a whole lot in my space. Like, I just had
4 trifolds, I had the trays, and such, and there was
5 just, you know, like, some of my other items, and
6 that was just it.

7 132. Q. Okay. So, in your workspace, you
8 were sort of partly ready to move before the 15th,
9 but there was still stuff that had to be boxed up at
10 end of day?

11 A. Yes, there was still a lot that had
12 to be packed up.

13 133. Q. Yes. What about the general
14 inventory for the pharmaceuticals? Were they, more
15 or less, only boxed after business closed on the
16 15th?

17 A. Like, everything that was on the
18 shelves, like all the OTC, all of the...like, the
19 regular medications, like, everything, like, was all
20 done after hours on the 15th.

21 134. Q. Right. Yes, because you were
22 otherwise open for business for customers until
23 then, and you wanted to have it all out there for
24 them.

25 A. M'hmm.

1 135. MR. BISSELL: I see. Okay, that is
2 helpful to know. So, Ms. Bellaire, thank
3 you. Those are all the questions I wanted
4 to ask of you, and thank you, especially,
5 for taking time from your new employment to
6 be with us. And please pass along my
7 thanks to your new employer for giving you
8 the accommodation to attend.

9 THE DEPONENT: M'hmm, okay. So, was
10 this all that you had needed today? Like,
11 is this the only time I am to speak to you,
12 or is this all?

13 136. MR. BISSELL: This will be the only time
14 for today. So, Nicole, why don't we go off
15 the record, please?

16
17 --- upon adjourning at 12:35 p.m.

This is Exhibit "AA" referred to in the Affidavit of Edward Hopkinson sworn by Edward Hopkinson of the City of Bryn Mawr, in the State of Pennsylvania, before me at the Town of Milton, in the Province of Ontario, on August 3, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:

Asim Iqbal

Commissioner for Taking Affidavits (or as may be)

ASIM IQBAL

IN THE MATTER OF THE BANKRUPTCY OF
JM WESTVIEW PHARMA INC.

IB/am

- - - - -

This is the Examination pursuant to Section 163(1) of the Bankruptcy and Insolvency Act of SOPHIE LALONDE, taken via videoconference at the offices of VICTORY VERBATIM REPORTING SERVICES, Suite 900, Toronto-Dominion Centre, 222 Bay Street, Toronto, Ontario, on the 28th day of May, 2021.

- - - - -

APPEARANCES:
JOEL TURGEON -- for the Trustee
BRENDAN BISSELL
ALSO PRESENT:
Mukul Manchanda

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1 --- upon commencing at 3:00 p.m.

2

3 SOPHIE LALONDE, affirmed

4 EXAMINATION BY MR. BISSELL:

5 1. Q. Good afternoon, Ms. Lalonde. Could
6 you please provide your full name for the record?

7 A. Sophie Lalonde.

8 2. Q. Thank you. And you have just been
9 affirmed by the person at Victory Verbatim?

10 A. Yes.

11 3. Q. Thank you. Now, I understand that
12 you used to work at the Pharmachoice Drugstore
13 located on Mill Street at...I had it as 11 Mill
14 Street, but I am told it is actually 15 Mill Street.

15 A. 15 Mill Street is correct, yes.

16 4. Q. Okay. And that is in Tilbury?

17 A. Yes.

18 5. Q. All right. And that pharmacy was
19 owned by a company by the name of JM Westview Pharma
20 Inc.?

21 A. Yes.

22 6. Q. And do you know that the owner of
23 that company was a gentleman by the name of John
24 Gerges?

25 A. Yes, I do.

1 7. Q. Okay. I am told, as I mentioned
2 before we went on the record, we examined Amy
3 Bellaire earlier today. I am told that you started
4 work at...I am going to call it the Mill Street
5 Pharmacy in or around 2015, is that about right?

6 A. Yes, I think it was September,
7 around there...

8 8. Q. Okay.

9 A. ...2015.

10 9. Q. And did you work there, more or less
11 full-time, until the Mill Street Pharmacy closed on
12 January 15 of this year?

13 A. Yes.

14 10. Q. Okay. Could you describe what your
15 job title or duties were, please?

16 A. I was a pharmacy technician, and I
17 was also responsible for billing the government and
18 third parties for prescriptions. I was also dealing
19 with billing trustees for certain patients in
20 nursing homes, and the regular pharmacy technician
21 duties, as well.

22 11. Q. Okay, I see. And I am told that the
23 other employees of the Mill Street Pharmacy were Ms.
24 Bellaire, who I have already mentioned, and also
25 Imelda Castillo?

1 A. Yes, she was pharmacist manager for
2 a little while there, yes.

3 12. Q. All right. And then Ms. Bellaire
4 was mentioning to us that shortly before January 15,
5 word came in that the pharmacy was supposed to be
6 ready to move rather quickly. Can you tell me what
7 you know about how that happened?

8 A. We were just asked if we were
9 available to move the pharmacy over the weekend. We
10 had a very short notice, and we didn't know much
11 about it, so that is what we did. We helped move
12 everything along with hired movers to the...

13 13. Q. All right.

14 A. ...to another location.

15 14. Q. Was that request of you and Ms.
16 Bellaire from Ms. Castillo?

17 A. No, I believe it was from John.
18 John called me.

19 15. Q. Oh, John called you, okay.

20 A. Yes.

21 16. Q. And that is John Gerges?

22 A. John Gerges, yes.

23 17. Q. Yes. And did he explain anything
24 about why this was being done?

25 A. No.

1 18. Q. And anything about why it was being
2 done on such a short basis?

3 A. Not really. We were not really
4 given...barely any information. We were told the
5 pharmacy was sold, and we are moving across the way,
6 and start working for a new owner.

7 19. Q. Okay. All right. And the pharmacy
8 across the way, that is the Sigma Drug Mart located
9 at 2 Dufferin Street, which I am told is sort of
10 just across the street and a little bit further
11 over.

12 A. Yes.

13 20. Q. Is that right?

14 A. That is correct, yes.

15 21. Q. And I am told that the corporation
16 that owns that drug mart is Sigma Health Care Inc.?

17 A. Something like that, yes.

18 22. Q. All right. And...

19 A. Sorry, I didn't work there very
20 long, so I don't know much about that corporation at
21 all.

22 23. Q. Okay. And I was told that a
23 gentleman by the name of Sameer Shenoda is the owner
24 of the company that owns that new pharmacy, is that
25 right?

1 A. As far as I know, yes.

2 24. Q. Okay. So, why don't we talk for a
3 second about what you just said, which was that you
4 didn't work there very long. I gather from Ms.
5 Bellaire that the Mill Street Pharmacy closed on
6 January 15, which is a Friday. And you and she and
7 I believe your daughter apparently worked over the
8 weekend to box everything up and move it.

9 A. Yes.

10 25. Q. Did you start work, then, on the
11 Monday morning at the Sigma Drug Mart?

12 A. Yes.

13 26. Q. Okay. Were you doing the same
14 duties at Sigma Drug Mart as you just described you
15 were doing for Mill Street?

16 A. Same, yes.

17 27. Q. Okay. And you mentioned you didn't
18 work at Sigma Drug Mart very long. So, that is what
19 I wanted to get to with this.

20 A. Yes.

21 28. Q. How long did you end up working
22 there after you arrived on January 18th?

23 A. So, we started January 18th, we
24 said, and I was out by February 12th.

25 29. Q. Okay. May I ask the reason for your

1 departure?

2 A. I did not get along with the new
3 owner. I have very high standards for work, and he
4 did not meet my...how can I say? My hopes, I
5 suppose, or my expectations, as an employer. So...

6 30. Q. I see. Okay. So, I would like to
7 talk for a moment about the things that were inside
8 the Mill Street Pharmacy before the move. The
9 Trustee and Receiver has been told by Ms. Castillo,
10 and I think Ms. Bellaire indicated this, as well,
11 that the Mill Street Pharmacy was pretty well fully
12 stocked in terms of prescriptions, sundries,
13 over-the-counter stuff, when it came time to do the
14 move on January 15. Is that your recollection, as
15 well?

16 A. Yes. Yes, it was not...you know, it
17 was fully stocked, yes.

18 31. Q. Okay.

19 A. Not overstocked, but it was.

20 32. Q. Yes, nothing like bare shelves or,
21 you know, things running out or anything like that?

22 A. Not really. The over-the-counter
23 section was never a big section. We just had, you
24 know, regular things that patients might need, but
25 nothing extra.

1 33. Q. Got it. Okay. And, so, on either
2 the lead-up to or certainly after the close of
3 business on January 15, Ms. Bellaire tells us that
4 you and she and perhaps your daughter were then
5 basically boxing up, you know, everything but the
6 walls inside the pharmacy to get it ready to move
7 across the street to the Sigma pharmacy, is that
8 right?

9 A. Yes. That is right.

10 34. Q. Okay. And, so, that included
11 over-the-counter stuff, you know, the sundries like,
12 you know, suntan lotion if they had it or what have
13 you. Also the pharmaceuticals?

14 A. Yes, everything.

15 35. Q. Yes.

16 A. We brought everything.

17 36. Q. Okay. And the computer systems and
18 all the patient records and everything that were on
19 those?

20 A. Yes.

21 37. Q. Sorry, a question I should ask. At
22 least at my pharmacy, when prescriptions come in,
23 they are scanned and they are kept on the system
24 that way. Was that the way that the Mill Street did
25 it, as well, or did you have hard copies?

1 A. No, we scanned the prescriptions,
2 and then the hard copies, once they were filled and
3 signed by the pharmacist. We would scan those, as
4 well.

5 38. Q. Okay. And, so, all of those
6 prescription records, and all the client records and
7 everything else, those were on the computers that
8 went across the street, as well?

9 A. On the computers, and we had
10 physical copies, as well.

11 39. Q. Okay.

12 A. For, like, the older prescriptions
13 before we started scanning.

14 40. Q. Okay. So, those ones went across
15 the street, as well, okay. And you were obviously
16 interacting with customers, both at Mill Street and
17 at the Sigma Drug Mart.

18 A. Yes.

19 41. Q. Were they the same customers or were
20 they different?

21 A. Mostly the same.

22 42. Q. Okay. And aside from yourself and
23 Ms. Bellaire, who were the other employees of the
24 Sigma Drug Mart at the time you were there?

25 A. Just myself, Ms. Bellaire and Imelda

1 Castillo.

2 43. Q. Okay.

3 A. And the delivery service, which are
4 not part of the pharmacy. They are contractors.

5 44. Q. Got it. Was there any form of
6 notice given to the Mill Street Pharmacy customers
7 that they should be going across the street for
8 their prescriptions and whatnot?

9 A. Not really, no. I believe the
10 doctor's office next door, because the place was
11 vacant at the time, I believe they were sending them
12 over.

13 45. Q. Okay. Let me try to assist. Ms.
14 Bellaire indicated that she recalled that there was
15 a notice, probably a printed sheet that was put on
16 the door of what used to be the Mill Street
17 Pharmacy. Does that ring a bell for you, or...

18 A. It is possible, but I have never
19 seen it myself.

20 46. Q. Okay.

21 A. I don't know for sure.

22 47. Q. Only tell me what you know, please,
23 or if you have...

24 A. Yes.

25 48. Q. ...if you have reason to believe it,

1 you can tell me that, too. But if you don't know,
2 that is the most I can ask you about.

3 A. No. I have heard that they might
4 want to put a sign up. But, like I said, I have
5 never seen it. I went back there just a couple of
6 times to see the fax machine, because one of the fax
7 machines was left.

8 49. Q. Okay.

9 A. So, I went there to retrieve faxes.

10 50. Q. Got it.

11 A. The next couple of days.

12 51. Q. So, those would have been faxes that
13 were being sent to Mill Street, and they were then
14 picked up and brought across the street to Sigma?

15 A. Yes.

16 52. Q. Okay.

17 A. Because we would have patient
18 calling, saying, "It was faxed over, but we didn't
19 receive it". So, I was asked to go and check.

20 53. Q. Got it. Okay, and let me talk for a
21 moment about the billings that you said you did to
22 trustees and the government and other providers.
23 How often are those billings done? Are they done on
24 a daily or weekly or periodic basis?

25 A. I had like a system where I would

1 bill three days a week, every week, like Tuesdays,
2 Wednesdays and Thursdays. Some patients were billed
3 weekly, some patients were billed bi-weekly, and
4 some others were billed every 28 days. So, I had,
5 like...I had set up a schedule for that.

6 54. Q. Okay. So, I am guessing that means
7 that when Mill Street shut down on January 15, there
8 probably were some things that were yet to be billed
9 but hadn't yet been billed.

10 A. What do you mean?

11 55. Q. Well, let's say, for example, you
12 had someone...one of your patients was on a
13 bi-weekly or a 28-day billing cycle. If they had
14 last been billed on, let's choose a date, January 1,
15 and they were on a 28-day billing cycle, you would
16 have been halfway through that cycle when the move
17 went on. And then you would have been doing a bill
18 on, you know, January 29, for example?

19 A. Right, well, the schedule was never
20 interrupted, because the last day was a Friday,
21 which I don't do billing on. And then the next
22 billing day would be the following Tuesday. So...

23 56. Q. Right.

24 A. ...it was never really interrupted.
25 So, it just...

1 57. Q. So, that is, I think, what I am
2 getting at. So, if we were to assume that we have
3 got a patient, let's call her Jane Smith, and you
4 did the billing on Tuesday the 19th, which would
5 have been the first day you were doing billings at
6 Sigma, if you were doing the billing for my
7 hypothetical patient on January 19, you would have
8 then been billing from Sigma for stuff that Mill
9 Street had been doing.

10 A. Like, for dispensing-wise, you mean?

11 58. Q. Yes.

12 A. They were billed before they were
13 dispensed. So, the billing, like, the billing, you
14 know, the prescriptions wouldn't go out before they
15 are being billed.

16 59. Q. Oh, okay, you bill before the
17 products are...

18 A. Yes, because, well, I tried to...you
19 know, because if there are narcotics or benzos or
20 anything like that, they can't go out of the
21 pharmacy without being billed.

22 60. Q. All right. Let me ask a different
23 question, then. I am told that Telus Health, which
24 may have a different trade name, had been an
25 insurance provider at the Mill Street pharmacy, and

1 then they discontinued that service at some point in
2 2020. Does that ring a bell for you?

3 A. Oh, yes, definitely.

4 61. Q. Okay. Do you know whether the Sigma
5 Drug Mart had an account with Telus Health?

6 A. When we moved, yes, the service with
7 Telus Health was restored. Not restored, but it is
8 a new pharmacy, so there was no problem with the new
9 provider.

10 62. Q. Okay. And was that Telus Health
11 still in place when you left in February?

12 A. Yes.

13 63. Q. Okay. After the time that you did
14 the move, did either Mr. Gerges or Mr. Shenoda
15 explain any of what had gone on between them for the
16 sale of the pharmacy?

17 A. No. That was very worrisome, to be
18 honest. We were going through all these things, and
19 we didn't really know what was happening.

20 64. Q. Okay. Please explain your worry. I
21 want to give you a chance to elaborate on that.

22 A. Well, we didn't know what is going
23 on, so we didn't...we were told at the last moment
24 that we have to move. It was...well, for me, I was
25 worried because it is a new person, probably

1 different views, different way to do things. I have
2 been doing this for 30 years. So, I worry about
3 change, you know? But...yes.

4 65. Q. I understand.

5 A. Like, not knowing what is happening,
6 being left in the dark, I found that difficult.

7 66. MR. BISSELL: I see. All right. Could
8 I suggest, Ms. Lalonde, why don't we take a
9 break for a few minutes, maybe as many as
10 five minutes? I am going to discuss with
11 Mr. Manchanda and Mr. Turgeon if there is
12 anything else that I should ask you, but I
13 think we are probably close to being done.
14 So, if you want to step away and stretch
15 your legs for a second, we will go on mute
16 and off video, and we will have a phone
17 call to touch base, and then resume in a
18 couple of minutes, and hopefully let you
19 get on with the rest of your afternoon.

20 THE DEPONENT: Okay.

21 67. MR. BISSELL: Okay?

22 THE DEPONENT: Yes, perfect.

23 68. MR. BISSELL: So, we will just go on
24 hold for a minute. Thank you.

25

1 --- upon recessing at 3:21 p.m.

2 --- A BRIEF RECESS

3 --- upon resuming at 3:26 p.m.

4

5 SOPHIE LALONDE, resumed

6 CONTINUED EXAMINATION BY MR. BISSELL:

7 69. MR. BISSELL: So, thank you very much
8 for indulging us with the break, Ms.
9 Lalonde. We have no further questions for
10 you. So, thank you very much for taking
11 the time to attend here.

12 THE DEPONENT: Okay.

13 70. MR. BISSELL: So, why don't we go off
14 the record?

15

16 --- upon adjourning at 3:27 p.m.

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and accurate
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before me on the
7
skill, ability

I hereby certify the foregoing to be a true
transcription of the above-noted proceedings held
28th DAY OF MAY, 2021, and taken to the best of my
and understanding.

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Correct:
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Reporter
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} Nicole Smith
} Verbatim

This is Exhibit "BB" referred to in the Affidavit of Edward Hopkinson sworn by Edward Hopkinson of the City of Bryn Mawr, in the State of Pennsylvania, before me at the Town of Milton, in the Province of Ontario, on August 3, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:

Asim Iqbal

Commissioner for 6F056F5F3BC8405... (or as may be)

ASIM IQBAL

IN THE MATTER OF THE BANKRUPTCY OF
ST. MARY COOKSVILLE PHARMA INC.

IB/am

- - - - -

This is the Examination pursuant to Section 163(1) of the Bankruptcy and Insolvency Act of ELMAINE CHOW, taken via videoconference at the offices of VICTORY VERBATIM REPORTING SERVICES, Suite 900, Toronto-Dominion Centre, 222 Bay Street, Toronto, Ontario, on the 9th day of June, 2021.

- - - - -

APPEARANCES:
JOEL TURGEON

-- for the Trustee

ALSO PRESENT:
Mukul Manchanda

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1 --- upon convening at 10:00 a.m.

2 --- upon commencing at 10:03 a.m.

3

4 ELMARINE CHOW, affirmed

5 EXAMINATION BY MR. TURGEON:

6 1. Q. Ms. Chow, please state your full
7 name for the record.

8 A. My name is Elmaine, first name, last
9 name is Chow.

10 2. Q. Can you spell it for the court
11 reporter, please?

12 A. Yes. E-L-M-A-I-N-E is the first
13 name, last name is C-H-O-W.

14 3. Q. Thank you. Where do you work right
15 now, Ms. Chow?

16 A. I have a full-time job, working at
17 Cooksville or St. Mary. Cooksville was a part-time
18 job.

19 4. Q. All right. So, now you have a
20 different job and it is full-time. And where is
21 that?

22 A. I have always only worked part-time
23 there, for the last 30 years.

24 5. Q. Thirty years, all right.

25 A. Yes.

1 6. Q. And where is it that you work now?

2 A. I work for Bayer, full-time.

3 7. Q. Come again?

4 A. I work for Bayer.

5 8. Q. Bayer?

6 A. Yes.

7 9. Q. All right. Since when do you work
8 for Bayer?

9 A. Last October.

10 10. Q. Last October. So, October...

11 A. October 2020, that is my full-time
12 job. And prior to that, I have other full-time job.
13 Like I said, working at the pharmacy is just a
14 part-time job.

15 11. Q. I see. So, I understand that you
16 were working at the Cooksville Pharmacy at 3035
17 Hurontario Street in Mississauga in 2020?

18 A. Yes, throughout the entire time, but
19 part-time, seven hours or so, every two weeks.

20 12. Q. Seven hours every two weeks? All
21 right?

22 A. Yes, only on Saturday.

23 13. Q. Right. So, you came in every
24 Saturday, 3.5 hours?

25 A. Every other Saturday.

1 14. Q. Every other Saturday for the whole
2 day?

3 A. Yes, that is correct.

4 15. Q. Okay. When did you start working at
5 that pharmacy?

6 A. Thirty years ago, when I was 15. It
7 was the previous owner then.

8 16. Q. Right. But you...

9 A. So, I just continued. Do you want
10 the year?

11 17. Q. No. I mean, 30 years is a good
12 time.

13 A. It is enough.

14 18. Q. Do you remember who the past owner
15 was?

16 A. Yes, of course. He is like family.
17 The previous owner was Ken and Poon. There are two
18 owners.

19 19. Q. Can you...

20 A. A family.

21 20. Q. ...spell their names for the record,
22 please?

23 A. Yes. Last name is P-O-O-N. That is
24 one of the gentlemen there. I don't know his first
25 name. That is what we call him. And the other

1 gentleman, his name is Ken, K-E-N.

2 21. Q. Okay. And...

3 A. They are the owners for more than 20
4 years.

5 22. Q. Right. Do you know a man by the
6 name of John Gerges?

7 A. I know he is the owner, but I have
8 never met him. He took over, or he bought the
9 company, he bought the store, I will say about two
10 years, two and a half years ago, and he just kept
11 most of us. I don't...not everybody stayed on. He
12 looked at our CV. He kept whoever he wants to keep,
13 and I was lucky enough to stay on, but I have never
14 met him in person.

15 23. Q. Right. So, he purchased it from the
16 prior owners, and kept most of the employees at 3035
17 Hurontario Street, and that was about...

18 A. Correct.

19 24. Q. All right. I am learning those
20 facts as I ask you them. And I am working on...

21 A. Okay.

22 25. Q. ...learning them at the same time.
23 We will get into the change of ownership, but I
24 understand that around November 2020, the pharmacy
25 moved from 3035 Hurontario Street to some other

1 place.

2 A. To the current place, yes.

3 26. Q. Okay, we will get into that. Can
4 you please describe your function and tasks at the
5 pharmacy, at the Cooksville pharmacy?

6 A. Yes, sure. I come in in the morning
7 on Saturday. My job is to pick up the phone, call
8 customers to let them know prescriptions are ready.
9 If they come in with a physical prescription, I will
10 be the one helping to enter them into the system,
11 counting the pills, making sure they are checked by
12 the pharmacist and dispensing them. And
13 occasionally they need some help with
14 over-the-counter. I go and help them.

15 Very basic, and call them to let them know,
16 sometimes we have routine, we have a list of items
17 to be picked up, and I just call them...there is
18 usually a basket of ten items for me to call for
19 that morning. Throughout the day, I call them, and
20 they come and pick them up, or let them know when
21 they can come and pick them up, or some items need
22 to be ordered. Replenish them, write down for what
23 needs to be replenished for the full-time staff.
24 That is it. Take the cash, if it needs to be, clean
25 out the trash, very basic.

1 27. Q. Right. Well, I used to work in a
2 pharmacy for four years before I was a lawyer, so...

3 A. Oh.

4 28. Q. ...I have some form of knowledge of
5 what is actually going on in the normal course of
6 the pharmacy. So, you weren't working OTC. You
7 were working behind the counter. You were working
8 with the pharmacy to call...hauling the client
9 records?

10 A. Both. There are only two
11 technicians on shift, usually.

12 29. Q. Okay. And you would scan the
13 prescriptions and...

14 A. Yes.

15 30. Q. ...assist them and...

16 A. Yes.

17 31. Q. ...make sure the physical copies
18 were kept someplace...

19 A. Yes.

20 32. Q. ...and the electronic copies were...

21 A. Yes.

22 33. Q. ...in the system?

23 A. Yes.

24 34. Q. All right. And you were also
25 handling the pharmaceuticals. I think I said that,

1 but you were counting the pills and making sure that
2 the pharmacists had reviewed it, then selling it to
3 the client...

4 A. Yes.

5 35. Q. ...and then...okay. Who was
6 managing the pharmacy?

7 A. We have a store manager.

8 36. Q. All right. Do you recall his name?

9 A. Yes, at the time, it was Bryan
10 Nguyen. His last name...first name, B-R-Y-A-N.
11 Last name is Nguyen, N-U-G-Y-E-N (sic), I believe.

12 37. Q. Come again? I would like to take
13 note of that.

14 A. Last name, N-U-G-Y-E-N (sic). I
15 hope I am spelling it correctly.

16 38. Q. Sure, that is a common name. Okay.
17 So, that was the store manager?

18 A. He is the designate manager, as a
19 pharmacist.

20 39. Q. Oh, he was a pharmacist?

21 A. Yes, he worked at the store.

22 40. Q. Were there any other pharmacists?

23 A. Yes, there are part-time pharmacists
24 and other, I think, maybe full-time pharmacists.
25 There are other pharmacists on duty. Some are still

1 with the company now that we moved to the new
2 company, and one has left the store.

3 41. Q. Okay. Do you recall their names?
4 We are still at the Cooksville pharmacy, so prior to
5 the move, do you recall...

6 A. Yes, so there is Justin,
7 J-U-S-T-I-N. His last name, I am trying to recall.
8 Sorry, I don't remember the last name at this
9 moment. I am sure you have the list of staff on
10 hand.

11 42. Q. Well, I am not sure I would have all
12 the pharmacists. So, Justin...if you have his
13 family name, that would be great.

14 A. I have to look up. Let me see if I
15 can find my phone. Just give me a moment and let me
16 check my phone...last name, I think, is Ho. H-O.
17 Let me just check my phone.

18 43. Q. H-O?

19 A. I can check, but I thought you would
20 have a list of all this information. Yes, last name
21 is Ho, H-O.

22 44. Q. Okay. Any other pharmacists?

23 A. And there are other pharmacists,
24 yes. There is Ann, A-N-N, again, I don't know their
25 last name. I actually don't even work with them,

1 because I only work every other Saturday. I have
2 met them on many occasions coming in, dropping by.
3 They would come and drop by, but I don't know the
4 last name. There is another pharmacist...

5 45. Q. So, just to...

6 A. Anju...A-N-U? A-N-H-U (sic)? I
7 mean, we just call each other, but I don't know her
8 name.

9 46. Q. That is her first name, Anju?

10 A. Yes, Anju.

11 47. Q. So...

12 A. I don't even have her contact.

13 48. Q. Okay. Any other?

14 A. There are part-time pharmacists that
15 come in and out. Maybe they come in as a relief at
16 the very last bit of the old company, at Cooksville.
17 There were a lot of relief coming in, because we
18 don't have a permanent staff. At that point, I
19 would just wait for the relief to come in and open
20 the door. I don't have the key.

21 49. Q. Okay. So, those would change from
22 time to time?

23 A. Yes. In and out.

24 50. Q. Okay.

25 A. Yes.

1 51. Q. Was there any one particular
2 pharmacist that was coming by, that wouldn't work
3 full-time, but would come more than on several
4 occasions?

5 A. There was George. He was coming,
6 maybe, on a slightly more regular basis at the end,
7 because we simply had nobody. His last name...I
8 don't know his first name. Let me try to find...I
9 don't even know them, so I don't keep contact at
10 all.

11 MR. MANCHANDA: Is that George Chan,
12 C-H-A-N?

13 THE DEPONENT: No. No, he is from an
14 Arabic background. I don't know his last
15 name at all. Sorry, I only know them by
16 first name, and I have worked with them
17 maybe ten times over the course of six
18 months. I don't remember the last name at
19 all.

20
21 BY MR. TURGEON:

22 52. Q. That is all right. And you said
23 "because we had nobody". Can you elaborate on that
24 a little bit?

25 A. Okay, so there was a permanent...or

1 a structure, someone coming in on Saturday, and then
2 once that pharmacist has quit or left, there was no
3 one working on a permanent basis every other
4 Saturday. So, I would come in and say, "Okay, who
5 is going to come in and work with us?" And we had,
6 I would say, maybe six, seven, eight different
7 pharmacists coming on every other Saturday that I
8 work.

9 53. Q. And when did that prior...

10 A. Towards the end. So, the last six
11 months, let's say.

12 54. Q. The last six months before November
13 2020?

14 A. Correct, yes.

15 55. Q. So, the owner, if I tell you, was
16 John Gerges, would that ring a bell?

17 A. I know his name, but I have never
18 met him.

19 56. Q. All right. And if I tell you that a
20 company by the name of St. Mary Cooksville Pharma
21 Inc. was the registered owner, that would make
22 sense?

23 A. Yes, it prints on the receipt, on
24 the receipt that we give patient and says St. Mary
25 Cooksville.

1 57. Q. Very well. Would it show on your
2 T4, presumably?

3 A. Yes, I think so.

4 58. Q. All right. How would you describe
5 your relationship with management, generally, at the
6 pharmacy?

7 A. Very good. We are a good family. I
8 have worked there for many, many years. Many of the
9 staff has been there over ten years, if not 20. So,
10 we are like a good family, and that is one of the
11 reasons I kept staying on, especially during COVID,
12 it was very difficult. So, we just kind of help
13 each other. There were times I wanted to quit, but
14 if nobody goes to work, who is going to dispense
15 medication? So, I just stuck to my every other
16 week.

17 59. Q. So, a tight group of people who knew
18 each other very well for a long time?

19 A. Yes.

20 60. Q. How many employees were there
21 overall?

22 A. About ten, technician...I mean, I
23 have to count. Yes, about ten, nine or ten.

24 61. Q. I was going to ask...thank you. I
25 was going to ask you the names of all of them, but

1 this is probably going to be...well, either
2 difficult for you, or not very efficient. But I
3 have a list of what we think were employees of St.
4 Mary Cooksville around...

5 A. Okay, you can read them out. I can
6 tell you.

7 62. Q. Yes, just so you can confirm,
8 please. So, Randall Cheung?

9 A. Yes. Yes, he worked with us as a
10 pharmacist, maybe about six, seven, eight months.
11 He was more of a...I don't want to say full-time,
12 because in this industry, we don't really do
13 full-time hours 9:00 to 5:00, but he was regular,
14 and then he left the company for another
15 opportunity. I personally have worked with him.

16 63. Q. Okay. Ms. Reporter, we are going to
17 spell the names out at the end, so you can have the
18 names, all right? Let's keep going. Nina Loukov?

19 A. Yes. She is one of the technicians
20 that I have met, maybe two, three times. I can't
21 confirm her last name, though. I just call her
22 Nina.

23 64. Q. Sure, okay. Melanie Burrows?

24 A. She hasn't been working at the store
25 since COVID. She has a little kid.

1 73. Q. Technicians?

2 A. Yes.

3 MR. MANCHANDA: So, can I interject
4 here? When you say "she is still there",
5 you are saying she is still there working
6 at the Capital Pharmacy?

7 THE DEPONENT: Yes, that is correct.

8 MR. MANCHANDA: Okay.

9

10 BY MR. TURGEON:

11 74. Q. And that is what you meant when you
12 were saying "all of the other ones that are still
13 with us", that is what you meant? They went
14 through...

15 A. Yes, they are still working.

16 75. Q. All right.

17 A. Like, to us, changing ownership
18 really doesn't mean anything. We just still come
19 into work, do the exact same job. We don't have any
20 interaction with, you know, the owners per se. We
21 just work with each other. So, to us there is
22 really no change.

23 76. Q. And we will get into that, right?
24 That is important for us, so we will get into that.
25 Let's just finish the list. Caterina Kam?

1 A. Yes, she works there part time, like
2 me, every other week. Maybe five, six hours every
3 other week.

4 77. Q. Bryan Nguyen, I think you
5 confirmed...

6 A. Bryan, he was the store manager.

7 78. Q. Manager, sorry, yes.

8 A. And a pharmacist.

9 79. Q. And he still works at the new...

10 A. He no longer works at Capital.

11 80. Q. When did he stop working there? I
12 think you may have...

13 A. He moved with us to the new store...

14 81. Q. Yes?

15 A. ...maybe two months, he found
16 another opportunity close by.

17 82. Q. Right. Kimberly Ramboanga?

18 A. Yes, she is one of the technicians.
19 We worked together on every other Saturday.

20 83. Q. Carri Yeung?

21 A. Yes, she is one of the licensed
22 technicians that works with us still.

23 84. Q. And Sandra Youssef?

24 A. I heard she is the owner, but I have
25 not met with her.

1 85. Q. When you say she is the owner, do
2 you mean the owner of St. Mary Cooksville?

3 A. I believe so, because, you know...
4 and by the phone, there is a contact, emergency
5 contact, her name is listed there, but I have never
6 had to call her or met her.

7 86. Q. What was her function?

8 A. Her function?

9 87. Q. Yes.

10 A. I don't know her at all.

11 88. Q. She has never attended the pharmacy?

12 A. I have never met her on the time
13 that I was there. She might have come in during the
14 week when I am not there.

15 89. Q. All right. Is her name still the
16 emergency contact for the new pharmacy?

17 A. No. No, since we have moved, we
18 have a different owner, different contact, different
19 pharmacist on duty.

20 90. Q. Okay. So, you haven't seen her name
21 since the move?

22 A. That is correct.

23 91. Q. All right. I have a couple more.

24 A. Okay.

25 92. Q. Anju...sorry, but I am...

1 A. Anju? She is the pharmacist that I
2 was trying to spell...

3 93. Q. Right. So, I am going to tell her
4 her name right now, the one that I have on my list:
5 F-U-J-A-R...

6 A. Yes, last name.

7 94. Q. ...Fujarczuk.

8 A. Yes, I don't know how to pronounce
9 it, but she is the pharmacist at the time. I don't
10 know if she is still working at Capital now. I
11 haven't seen her...like I said, I don't know the
12 schedule for weekdays. She may have come in
13 occasionally, but I don't think she is regular, and
14 I don't work with her on a Saturday.

15 95. Q. But she did the transition. She
16 worked for Cooksville and now she...

17 A. Yes, she moved with us, but I don't
18 know her current status.

19 96. Q. Ann Sawhney? You mentioned her
20 earlier, I think?

21 A. Yes, Ann is another pharmacist. I
22 believe she is still with Capital on a part-time
23 basis, but I don't work with her on Saturday.

24 97. Q. She did the transition, too?

25 A. Yes.

1 98. Q. Okay. Well, there may have been
2 some repetition. I am sorry about that if there is.
3 Carri Yeung, we...

4 A. Yes, she is one of the technicians.

5 99. Q. Right, we spoke about her. That is
6 a new one. Nancy Tawadrous?

7 A. Oh, she is not with St. Mary. She
8 is the new pharmacist, and the new pharmacy manager,
9 my manager when I am there at the new store.

10 100. Q. But she was not part of the team at
11 the old store?

12 A. No. No, not that I am aware of.

13 101. Q. So, she would have replaced Bryan?

14 A. Bryan, yes. Yes, she is the on-duty
15 pharmacist.

16 102. Q. Bryan was there for a few months,
17 and then he went away, so Nancy replaced Bryan?

18 A. That is right. That is right.

19 103. Q. And Sameer Shenoda?

20 A. He is the owner of the new store.

21 104. Q. Right.

22 A. I have met him two, three times. I
23 have worked with him one time.

24 105. Q. And he is a pharmacist, so...

25 A. M'hmm.

1 106. Q. ...he is there? So, for the most
2 part...

3 A. I don't really see him at the store.

4 107. Q. Right. So, it looks like, for the
5 most part, all the employees that were at the old
6 place were just carried over to the new place?

7 A. M'hmm, yes.

8 108. Q. Does Imelda Castillo ring a bell to
9 you?

10 A. No. Can you spell it for me?

11 109. Q. Yes. Imelda, A-M-A-L-D-A (sic),
12 Castillo, C-A-S-T-I-L-L-O?

13 A. No, not a technician or pharmacist
14 that I know.

15 110. Q. That is what I thought. All right.
16 We are now going to go back to that critical month
17 of November of 2020.

18 A. Okay.

19 111. Q. Just to refresh your memory, that
20 was when Joe Biden was elected president, so you
21 would remember that very well.

22 A. Yes.

23 112. Q. Around November 2020, did you notice
24 anything unusual at the pharmacy, or was it business
25 as usual?

1 A. It was business as usual on a
2 Saturday. Again, I was mentioning that we don't
3 have proper pharmacists on duty. Like, I don't know
4 who is going to come in, and that persists until the
5 end. Like, who is going to come in and help us
6 during this shift?

7 That was the only thing that I am concerned
8 about. I need support, and I can't open the store.
9 I don't even have the key to open the store and get
10 in. There were times where I come into work on
11 Saturday morning at 10:00 or 9:00, depending on when
12 they schedule my shift, and the door was locked.
13 Maybe happened twice.

14 113. Q. That happened twice in November
15 2020?

16 A. Yes, and we had to call someone,
17 "Please, is someone coming in? What do we do?"
18 That is the only challenge that we were facing
19 during that time. We thought, because of COVID, no
20 one really wanted to work.

21 114. Q. So, who would you call on those
22 times?

23 A. We would call the store manager,
24 Bryan.

25 115. Q. Bryan?

1 A. At the time, yes.

2 116. Q. So, did you notice that there were
3 meetings among management?

4 A. No, I am not involved, and I am not
5 aware.

6 117. Q. That is okay. If you don't know,
7 you don't know. We are just asking. No
8 speculation. Did you notice that people were
9 inspecting the premises, walking around with the
10 owner or management?

11 A. Not on Saturday, that I work.

12 118. Q. Okay. Were people talking about
13 that, your co-workers? Were they noticing anything
14 unusual? Would they tell you?

15 A. Not on Saturday. We are so swamped
16 on Saturday, with new staff coming every other week,
17 we couldn't keep up. With COVID, customers are
18 angry at us. It was a very tough time for us.

19 119. Q. I understand. So, it was business
20 as usual, from your perspective?

21 A. Yes. Yes.

22 120. Q. For the whole of November 2020,
23 correct?

24 A. Correct, and throughout November, I
25 worked twice.

1 121. Q. Yes.

2 A. So, nothing...

3 122. Q. So leading up to November, the
4 months before that, nothing unusual?

5 A. Nothing unusual, from my
6 perspective.

7 123. Q. Okay. So, you would have been
8 ordering the same amount of stock?

9 A. I don't place the order. If there
10 is anything that depleted, I just write it down for
11 the regular staff on Monday or Tuesday. When the
12 regular employee comes in, they would place the
13 order. I have been asked not to place any order,
14 and I don't have access or passwords to place the
15 orders, and there is no need, because by the time I
16 place, it won't come in Monday anyway. So, we just
17 record what is necessary, and they would place and
18 replenish on Monday morning.

19 124. Q. And you would do that throughout
20 November, as usual?

21 A. Yes.

22 125. Q. And did you notice that the shelves
23 in the OTC and over-the-counter, they were kept
24 full, as usual, too?

25 A. No, OTC...not really. I think we

1 were overwhelmed. There were times when we were
2 told, "Just don't place the order. Whatever you
3 need, if a customer pick it up, just write it down",
4 and that is the instruction we were given.

5 126. Q. Can you explain that for a bit?

6 A. So, let's say someone picked up
7 three bottles of Tylenol and the shelf was empty. I
8 just write down.

9 127. Q. In the sense of the next day,
10 someone...

11 A. Like a notepad, yes.

12 128. Q. And...

13 A. Someone will pick it up and review
14 if it is necessary to order.

15 129. Q. Right, and that kept happening
16 towards November, no change in that?

17 A. Correct.

18 130. Q. Were any employees dismissed?

19 A. No. Oh, you mean during the
20 transition, that anyone was let go?

21 131. Q. In November of 2020.

22 A. No.

23 132. Q. All right. Did you notice that
24 insurers were delisting the pharmacy?

25 A. Yes.

1 133. Q. Yes?

2 A. We were told not to Build Assure.
3 Again, we just follow on instruction. We were told
4 the billing is not going to go through, keep the
5 receipt, document, write down, keep it aside and
6 release the medication.

7 134. Q. What do you recall about that
8 delisting? How did it happen? When did it happen?

9 A. When? I would say maybe August,
10 September-ish, maybe. I don't know the exact time,
11 but the rationale that was given to us, we can't
12 leave patient without medication. Give it to them,
13 we will deal with the building later, management
14 will deal with it. Okay? We do as instructed.

15 135. Q. And that was Assure?

16 A. Yes.

17 136. Q. Was there any insurer that did the
18 same thing?

19 A. There may be other, but I am not
20 aware. The insurer takes a bulk of it.

21 137. Q. Right. Okay, so it is my
22 understanding that the Cooksville pharmacy, and just
23 to be extra clear for the record, when I am
24 referring to the Cooksville pharmacy, I mean the one
25 at 3035 Hurontario Street, okay?

1 A. With the old owner.

2 138. Q. Yes, with the old pharmacy, the
3 prior place, all those terms refer to Cooksville?

4 A. Yes.

5 139. Q. And then sometime around November
6 2020, that pharmacy basically moved from there to a
7 couple of places down the street, and it is now a
8 Capital pharmacy.

9 A. With new ownership.

10 140. Q. With new ownership.

11 A. Yes.

12 141. Q. So, this is what I want to talk
13 about now.

14 A. Okay.

15 142. Q. Okay? When did that move happen?

16 A. It moved on the Saturday or Sunday.
17 I remember we were still working because I work
18 Saturday. I remember saying to my colleague, "Oh,
19 this is the last day we are going to work here", so
20 I think they moved on a Sunday, because business was
21 still as usual on a Saturday, the day prior to the
22 move. I don't know the exact date, but I believe
23 they moved overnight on Sunday, or during the day on
24 Sunday, and the Monday morning, the regular staff
25 would have resumed work on the new store.

1 or the 29th of November? That is when the
2 move happened?

3 THE DEPONENT: It could be. It could be
4 either the 21st or the 28th weekend.

5 MR. MANCHANDA: So, it is towards the
6 end of the month?

7 THE DEPONENT: I believe so. But like I
8 said, I wasn't part of the move. I don't
9 have, you know, detailed records. I only
10 have the times when I work. I work on the
11 7th from what I can see on my phone, and I
12 believe I work on the 21st.

13

14 BY MR. TURGEON:

15 146. Q. All right.

16 A. But I can't say for sure when the
17 move happened.

18 147. Q. So, well, we know it was overnight,
19 right?

20 A. On a Sunday, I believe.

21 148. Q. On a Sunday, and on a Sunday, the
22 pharmacy was operating at Cooksville. And on the
23 Monday, it was operating down the street. What is
24 the address of the Capital Pharmacy?

25 A. I have to Google. Sorry, I just

1 wanted to mention, Sunday we don't open. So, Sunday
2 we would have been closed.

3 149. Q. Okay.

4 A. I don't know the...I mean, I am just
5 going to Google, if you can do the same. 3075
6 Hurontario. Same side of the street, just one
7 block, one plaza up.

8 150. Q. I think we knew this, just for the
9 record, right...

10 A. M'hmm.

11 151. Q. ...setting up the facts. And from
12 what you are telling me, it seems that it was for
13 pretty sudden news?

14 A. Yes, we were not told months and
15 months ahead. Normally we would be told, "Okay,
16 this is what you get", because patients are getting
17 upset with us, let alone the staff. We just walk up
18 the street. I park in the same parking lot, but the
19 patients are getting upset. "How am I going to get
20 my medication?" And we have to deal with the
21 repercussion, calling patients, telling them we are
22 moving, "Please pick up at the new store, at the new
23 location". That is the concern that we would have.

24 152. Q. And you all did that within a span
25 of a few hours?

1 A. Well, I was given a little piece of
2 paper that says we are moving, and that was maybe
3 the week before, or the week...remember, because I
4 only come in every two weeks, probably the week
5 before I work, let's assume it was the 21st, then I
6 would be given that paper the week before, "Here,
7 give it to the patient". "Okay". I staple it to
8 the bag. It is a little move sign. So, literally
9 days.

10 153. Q. But that is how the patient is
11 notified, is that little sticker on the
12 prescription...

13 A. Yes.

14 154. Q. ...that we are moving...

15 A. Call them if they are coming, if you
16 know that they are coming, they are due for their
17 medication, call them, let them know. And when they
18 do come, if they call, we had a sign in the old
19 store guiding them to the new store, which is just
20 steps away.

21 155. Q. And who gave you that note that
22 you...

23 A. It was on the counter. The way we
24 communicate at the store, we just go word of mouth.
25 You come into the store, whoever is on, "Okay, hey,

1 this week we are doing this".

2 156. Q. So, really, no employees knew that
3 before you, it just happened suddenly about a week
4 prior, you had a note...

5 A. Yes.

6 157. Q. ...and that was it?

7 A. "Just stick it to the bag and let
8 patient know". "Okay".

9 158. Q. Were you told why the pharmacy was
10 moving?

11 A. Why are we moving? We were told it
12 was a change in owners.

13 159. Q. So, it went from Gerges, or a
14 company operated by Gerges...

15 A. M'hmm, to Sameer.

16 160. Q. Sameer, or his company?

17 A. We met Sameer. We had a little...
18 like a farewell, or a hi, a little potluck to meet
19 him. I don't know if it was his idea or someone's
20 idea. I came in, I have to check the date, to meet
21 him and say hi, and he was going to take a look at
22 our CV to see if he wants to keep us, the same idea.
23 So, we met him...I have to check, maybe early
24 November, just to come in during lunch to say hi. I
25 have to go back and check my dates. I can probably

1 find something, if you find that helpful.

2 161. Q. Thank you.

3 A. Yes. That was my first time meeting
4 Sameer.

5 162. Q. Did you say you would have a record
6 of the date?

7 A. Yes, I might. I might.

8 163. Q. Please check.

9 A. Sometime in November. Yes, I can
10 check and e-mail you.

11 164. Q. Okay. Sure, why don't you do that?
12 That would be great. So, at that time, when you met
13 him, he knew he was going to take over the pharmacy?

14 A. I believe so.

15 165. Q. Right. Well, you met him in his
16 capacity as new owner?

17 A. Yes, that is the understanding, but
18 there was really no speech or introduction. It was
19 a potluck, and he was there with his wife.

20 166. Q. So, it is more like...

21 A. Very casual, it is kind of like,
22 "Okay, let's say goodbye to the old store now. I am
23 taking over. Nice to meet you".

24 167. Q. Okay.

25 A. I exchanged, like, three words with

1 him.

2 168. Q. Okay. So, you were working on a
3 Saturday. That was the last day. They were moving
4 the next day to open on the Monday of the new place?

5 A. Yes.

6 169. Q. What happened on the Saturday? Did
7 you pack stuff?

8 A. No. Business as usual.

9 170. Q. Business...

10 A. I didn't get involved with packing
11 at all.

12 171. Q. And then on the Sunday, something
13 happened. You weren't there?

14 A. That is right.

15 172. Q. And on the Monday, it opens down the
16 street. Presumably, they would have packed
17 everything that was in the pharmacy, bringing back
18 down the street.

19 A. Maybe overnight or Sunday morning.
20 They could have done that, yes. If somebody knew,
21 they could have done that.

22 173. Q. Okay. So, I guess what I am getting
23 at is, the stuff, pharmaceuticals, computers,
24 records, prescriptions, diapers, you know, stuff
25 that is just, like, in the normal floor, cash

1 machines, lottery machines, all that stuff was moved
2 to the new place?

3 A. M'hmm.

4 174. Q. So, in other words, the new place
5 started its business with the old place's inventory
6 and equipment and employees?

7 A. That is my understanding, yes. Same
8 cash register, yes, employee all moved. We do have
9 access to the old place for a couple of days after
10 the move. I remember seeing it vacant.

11 175. Q. You remember seeing it vacant?

12 A. Yes, the old place. The shelves are
13 still there, but vacant, and I believe some staff
14 still have access to the old store to pick up the
15 remaining, you know, stragglings items. But nothing
16 of medical prescriptions already moved. You know,
17 like, maybe a printer here and there. You know, old
18 TV screen or...sorry, computer screen left behind.
19 Just little items left behind that needs to be
20 cleaned up.

21 176. Q. But for all intents and purposes,
22 everything was boxed in and moved down the street?

23 A. Yes, all the necessary for business
24 was moved.

25 177. Q. And had you seen the place where the

1 pharmacy was going to be moved to, prior to the
2 move?

3 A. No.

4 178. Q. You had not seen it?

5 A. No. No access.

6 179. Q. Did you happen to walk in front of
7 that place, or drive in front of that place? No?

8 A. No.

9 180. Q. So, even though it was very close,
10 you hadn't seen it?

11 A. No, because no one would tell us,
12 "Oh, we are going there" at what time. There was,
13 like, lack of communication, and we are completely
14 overrun during the shift.

15 181. Q. I guess what I mean is you lived
16 around there, right? So, you have seen that plaza
17 before, where...

18 A. M'hmm. I used to go to school
19 around there.

20 182. Q. Right, so you know the environment.

21 A. M'hmm.

22 183. Q. Around that time in November,
23 something like that, when you were walking or
24 driving close to that, did you notice that it was
25 operating something?

1 A. No, because the sign was covered.
2 Even if I went there, the sign was covered. The
3 sign was covered after we opened for more than a
4 week, maybe two weeks. There was no sign.

5 184. Q. So, basically, there was nothing
6 there, and they just transferred to the new
7 pharmacy?

8 A. Yes, I guess maybe the people that
9 were doing renovation got delayed, because patients
10 called and complain, "I can't find you guys".

11 185. Q. So, definitely there was not a
12 pharmacy there, nor a pharmacy that could open? It
13 is just...

14 A. What do you mean? Like, it wasn't,
15 like, 100 percent beautiful at the time of
16 opening...

17 186. Q. And...

18 A. ...and the signs were not clear for
19 patients.

20 187. Q. Right. I guess what I am getting at
21 is before the move, that place was not operating a
22 pharmacy. It was vacant?

23 A. No, I don't think so. I believe it
24 was an electronics store. People come in, try to
25 buy electronics.

1 188. Q. Excellent.

2 MR. MANCHANDA: Do you know...sorry,
3 Joe.

4 189. MR. TURGEON: Go ahead.

5 MR. MANCHANDA: Do you know why the new
6 owner didn't keep the existing premises?
7 Generally, you know, when you buy assets
8 off a pharmacy, you generally operate from
9 an existing premises.

10 THE DEPONENT: No, I had no interaction
11 with Sameer on this topic, nor did I ask
12 him.

13

14 BY MR. TURGEON:

15 190. Q. So, I want to go back on the topic
16 of clients. That is obviously extremely important.

17 A. M'hmm.

18 191. Q. You know, their health is at play,
19 right? So, those guys...well, I am saying "those
20 guys", it is colloquial, but these people want to
21 know where their meds are, what is happening?

22 A. M'hmm.

23 192. Q. So, what you did, as part of your
24 checklist that you were given on the table, was to
25 look for the upcoming prescriptions and billings and

1 cycles, and call those clients to advise them that
2 the pharmacy would be moving, and to get their
3 prescription from the new pharmacy?

4 A. I made a couple of phone calls, yes,
5 to tell them that, "Please pick up from the new
6 location", and describe to them how to find us.

7 193. Q. So, did you handle billings?

8 A. Yes, as part of the prescription.
9 If I have to fill the prescription, it would be part
10 of billing, but only the ones I am handling.

11 194. Q. And those were not interrupted, the
12 billings, the cycles remain the same, for example,
13 if a client had his meds given to him on the first
14 Saturday of the month? And that was the first
15 Saturday of November, then he would just come in the
16 first Saturday of December and get his meds?

17 A. That, I cannot tell you, because if
18 they didn't come in on Saturday, I am not part of
19 the billing I had...group. If they come in on
20 Saturday, they need their medication on that day. I
21 would be responsible and help. But if they are not,
22 then I don't get involved.

23 195. Q. I guess what I am getting at is that
24 the clients were maintained. So...

25 A. There is no interruption for them...

1 196. Q. No interruption...

2 A. ...that I am aware, that is right.

3 197. Q. And then on the same...

4 A. Yes.

5 198. Q. ...space of time...

6 A. Whether they billed before or after,
7 I cannot attest to, but there is no interruption, as
8 best as we can.

9 199. Q. Okay.

10 MR. MANCHANDA: So, Elmaine, would you
11 say that Capital Pharmacy is servicing all
12 of the same patients, or substantially all
13 of the same patients that were the patients
14 of St. Mary Cooksville Pharmacy?

15 THE DEPONENT: Yes, we tried to retain
16 them as much as we can.

17 MR. MANCHANDA: Right.

18 THE DEPONENT: And reassure them that it
19 is the same staff, it is the same...we have
20 all the historical record, because they
21 were concerned, "Do you have my records
22 here?" And because we kept the system, we
23 have the records. That was their main
24 concern.

25 MR. MANCHANDA: How are you reassuring

1 them? It is just by talking to them, or is
2 there a letter that was sent to each
3 patient?

4 THE DEPONENT: No, I am not aware of a
5 letter. Just if they have a concern, if
6 they come in and say, "Do you have all my
7 history?" I tell them that, yes, we do.
8 We can show them if they need to be. We
9 can print off patient profile if they were
10 needed. So, we have all the records here.
11 We are not starting off fresh.

12 MR. MANCHANDA: So, generally speaking,
13 when you transfer a patient from one
14 pharmacy to another, there is a transfer
15 form that is being signed by a patient,
16 correct?

17 THE DEPONENT: No. If there was a
18 transfer, let's say, from here to Shoppers,
19 we just need a phone contact. We do check
20 with the patient, "Are you okay?" And that
21 is it. There is nothing in the signature.

22 MR. MANCHANDA: So, how did Capital
23 Pharmacy confirm that these patients wanted
24 to transfer from St. Mary Cooksville
25 Pharmacy over to the Capital Pharmacy?

1 THE DEPONENT: We don't...I believe we
2 don't need that, but we didn't do any kind
3 of formal documentation. Are you willing
4 to move with us? Because we assume the
5 record, it is almost like when a doctor
6 moves, he or she...so, their patient to
7 another physician, and it is up to the
8 patient to continue. They can come and
9 realize, "Oh, you guys moved. I don't want
10 to continue". That is their choice.

11 MR. MANCHANDA: So, essentially, Capital
12 Pharmacy is one and the same as St. Mary
13 Cooksville Pharmacy, with different owners?

14 MR. MANCHANDA: Yes, that is what we are
15 telling the patient. We changed owners, we
16 moved. Your record remains with us. It is
17 up to you if you want to stay.

18 MR. MANCHANDA: And everyone is telling
19 that to the patients, including
20 pharmacists, technicians, any other
21 assistants that are out there?

22 THE DEPONENT: Yes, that is what we
23 explain.

24 MR. MANCHANDA: And were these
25 instructions given to the staff by Sameer

1 Shenoda?

2 THE DEPONENT: Just word of mouth,
3 really. Because I don't see Sameer. The
4 way we function, because it is a very small
5 store, you come in on the shift, and
6 whoever is in charge will let you know,
7 "Hey, this is what happened this week.
8 This is what we are doing". "Okay". There
9 isn't really a formal communication, or a
10 memo written...

11 MR. MANCHANDA: Who told you? Who told
12 you?

13 THE DEPONENT: So, whoever was on duty
14 at that point, either the pharmacist that
15 was on duty, or the technician who may have
16 got this information from her previous
17 shift.

18 MR. MANCHANDA: You don't recall...

19 THE DEPONENT: Very informal. I don't
20 want to say because I don't remember, but
21 it is very normal for anything...this is
22 not unique.

23

24 BY MR. TURGEON:

25 200. Q. Let's talk about a couple of points

1 of mechanics. Did the phone number change?

2 A. Yes. Yes, the phone changed.

3 201. Q. Was it a new phone number, and the
4 clients were advised of the change of phone number?

5 A. Yes, but the old phone number gets
6 transferred to the new phone number. So, if they
7 call the old number, the new number should ring.

8 202. Q. All right. In terms of mail, would
9 you know how the mail was handled?

10 A. No, sorry.

11 203. Q. So, when doctors would call or speak
12 with the pharmacist, they may have called the old
13 place, and they would get transferred to the new
14 one. And if there was some kind of mail, I suppose
15 they would know to send it to the new one?

16 A. I suppose mail, but I don't know for
17 certain. But phone, definitely. At one point, we
18 had the old phone ringing on a separate line, and
19 then a new phone ring, but in either case we wanted
20 to make it seamless for the patient.

21 204. Q. What about e-mail addresses? Were
22 they the same?

23 A. I don't think so, but we don't
24 really use e-mail in this industry. Anything we are
25 getting from the doctor is fax, so we retain the old

1 fax and a new fax.

2 205. Q. So, if they send it to the old fax,
3 it would go to the new pharmacy?

4 A. Yes, we have two fax to this date.

5 206. Q. To this date, okay. What about the
6 website? Does the pharmacy have a website?

7 A. I am not aware of a website. We
8 just have Google.

9 207. Q. Okay. When was your first shift at
10 the new pharmacy?

11 A. That is the same...I think it is...
12 either end of November or first week of December,
13 because I only work every other week. I will have
14 to go back and check. Maybe my T4 says something,
15 but I don't have the exact date right now.

16 208. Q. Okay.

17 A. It looks like I work on December
18 5th. That could be the first shift, but I can't say
19 for certain.

20 209. Q. All right. And that was
21 well-stocked from the get-go, in terms of
22 pharmaceuticals, in terms of...it was the same thing
23 that was at the old place?

24 A. It was the same thing, but obviously
25 the first three weeks, it was, like, chaos. You

1 don't know where things are.

2 210. Q. M'hmm, right, it must have been
3 difficult for providers and deliveries and
4 everything...

5 A. Yes.

6 211. Q. ...because it was sudden.

7 A. Yes.

8 212. Q. And also, there was a change of
9 brand. So, it is not the same...when you order...
10 for example, if it is a certain type of pharmacy
11 order from their...

12 A. I don't...since I don't maintain
13 orders, so that is not something I need to be
14 concerned with. I just write down what is depleted.

15 213. MR. TURGEON: All right. I think we
16 will go off the record...

17 MR. MANCHANDA: Before we do that, let
18 me just ask one question. Do you now have
19 access to Assure at the Capital Pharmacy?

20 THE DEPONENT: Yes. Yes, I believe
21 billing is fine now.

22 214. MR. TURGEON: Okay. Let's please go off
23 the record.

24

25 --- upon recessing at 10:48 a.m.

1 --- A BRIEF RECESS

2 --- upon resuming at 10:55 a.m.

3

4 ELMINE CHOW, resumed

5 CONTINUED EXAMINATION BY MR. TURGEON:

6 215. MR. TURGEON: Yes, you may leave, Ms.

7 Chow. Thank you again.

8

9 --- upon adjourning at 10:55 a.m.

1
2
3
4
5
and accurate
6
before me on the
7
skill, ability

I hereby certify the foregoing to be a true
transcription of the above-noted proceedings held
9th DAY OF JUNE, 2021, and taken to the best of my
and understanding.

8
9
10
11
Correct:

}
} Certified

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}
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}

18
19
Reporter
20

} Ingrid Begaj
} Verbatim

This is Exhibit "CC" referred to in the Affidavit of Edward Hopkinson sworn by Edward Hopkinson of the City of Bryn Mawr, in the State of Pennsylvania, before me at the Town of Milton, in the Province of Ontario, on August 3, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:

Asim Iqbal

Commissioner for Family Affidavits (or as may be)

ASIM IQBAL

**Mill St. Pharmacy 303464
15 Mill St. E.
Tilbury ON N0P 2L0**

According to OCP records, the pharmacy was closed on March 31, 2021

A [Pharmacy Closing Statement](#) outlining the disposition of controlled substances, prescription drugs, non-prescription drugs and patient records remains outstanding.

In accordance with College By-Laws, section 17.4.1, the pharmacy has 30 days from the date of closing to provide the Pharmacy Closing Statement.

17.4 Filing of Information for Closing Pharmacies.

17.4.1 Subject to subparagraph 17.4.2, every person who permanently closes a pharmacy, shall, within seven (7) days of closing the pharmacy, notify the Registrar of the closing and within thirty (30) days of the closing shall file with the Registrar a signed statement setting out:

- (a) the date of closing;
- (b) the disposition of the drugs in stock in the pharmacy at the time of closing;
- (c) the disposition of the prescription files, drug registers and other records required to be kept under the *Drug and Pharmacies Regulation Act* or the *Drug and Pharmacies Regulation Act Regulations*; and
- (d) the date on which all signs and symbols relating to the practice of pharmacy either within or outside the premises were removed.

Spergel may want to contact Timothy Brady at Brady's Drug Store Tilbury located at 15 Mill St. E. Tilbury ON N0P 2L0, phone number 519-682-0010, as he moved into the pharmacy location and may have insight as to where the files were moved to.

This is Exhibit "DD" referred to in the Affidavit of Edward Hopkinson sworn by Edward Hopkinson of the City of Bryn Mawr, in the State of Pennsylvania, before me at the Town of Milton, in the Province of Ontario, on August 3, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:

Asim Iqbal

6F056F5F3BC8405...

Commissioner for Taking Affidavits (or as may be)

ASIM IQBAL

Brighton Global Health 306410
12 Elizabeth St.
Brighton, ON K0K 1H0

According to OCP records, the pharmacy was closed on Nov 25, 2020

A [Pharmacy Closing Statement](#) outlining the disposition of controlled substances, prescription drugs, non-prescription drugs and patient records remains outstanding.

In accordance with College By-Laws, section 17.4.1, the pharmacy has 30 days from the date of closing to provide the Pharmacy Closing Statement.

17.4 Filing of Information for Closing Pharmacies.

17.4.1 Subject to subparagraph 17.4.2, every person who permanently closes a pharmacy, shall, within seven (7) days of closing the pharmacy, notify the Registrar of the closing and within thirty (30) days of the closing shall file with the Registrar a signed statement setting out:

(a) the date of closing;

(b) the disposition of the drugs in stock in the pharmacy at the time of closing;

(c) the disposition of the prescription files, drug registers and other records required to be kept under the *Drug and Pharmacies Regulation Act* or the *Drug and Pharmacies Regulation Act Regulations*; and

(d) the date on which all signs and symbols relating to the practice of pharmacy either within or outside the premises were removed.

The College did receive two emails from Anoop Kumar Gupta, owner of Brighton Pharmachoice located at 19 Elizabeth St. Brighton ON K0K 1H0, phone number 613-475-9595 who indicated patient files and inventory were transferred to his pharmacy.

Email 1

Subject: Files Transfer from Accreditation # 306410 to 308048.

Date: Tuesday, November 24, 2020 3:02:57 PM

Good afternoon Jas,

I hope you are keeping safe and well,

I would like to inform you that patients files from Brighton Global Health accreditation # 306410 12 Elizabeth street, Brighton are transferred to my new pharmacy Brighton Pharmachoice accreditation # 308048, 19 Elizabeth Street, Brighton ON, K0K1H0.

Please let me know if any other information is required by you.

Thanks.

Best Regards.

Anoop Kumar Gupta, R.Ph. B.Sc.Phm.

14 McKennon Street

Markham ON L6E 1H6

Phone:(647) 401-3643

Email 2

Subject: File and Inventory transfer from accreditation # 306410 to 308048.

Date: Thursday, November 26, 2020 3:04:42 PM

Good afternoon Jas,

I hope you are keeping well and safe,

This is further to my last email I would like to inform you that along with files inventory was also transferred on the very same day that is Nov 08th,2020.

I am sorry you were not notified by the concerned person from the Brighton Global health in time.

Thank you.

Best Regards.

Anoop Kumar Gupta,R.Ph. B.Sc.Phm.

Durga Consultancy Services Inc.

14 McKennon Street

Markham ON L6E 1H6

Phone:(647) 401-3643

This is Exhibit "EE" referred to in the Affidavit of Edward Hopkinson sworn by Edward Hopkinson of the City of Bryn Mawr, in the State of Pennsylvania, before me at the Town of Milton, in the Province of Ontario, on August 3, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:

Asim Iqbal

6F056F5F3BC8405...

Commissioner for Taking Affidavits (or as may be)

ASIM IQBAL

Cooksville Pharmacy 307098
3035 Hurontario St.
Mississauga, ON L5A 2G9

According to OCP records, the pharmacy was closed on November 30, 2020

A [Pharmacy Closing Statement](#) outlining the disposition of controlled substances, prescription drugs, non-prescription drugs and patient records remains outstanding.

In accordance with College By-Laws, section 17.4.1, the pharmacy has 30 days from the date of closing to provide the Pharmacy Closing Statement.

17.4 Filing of Information for Closing Pharmacies.

17.4.1 Subject to subparagraph 17.4.2, every person who permanently closes a pharmacy, shall, within seven (7) days of closing the pharmacy, notify the Registrar of the closing and within thirty (30) days of the closing shall file with the Registrar a signed statement setting out:

- (a) the date of closing;
- (b) the disposition of the drugs in stock in the pharmacy at the time of closing;
- (c) the disposition of the prescription files, drug registers and other records required to be kept under the *Drug and Pharmacies Regulation Act* or the *Drug and Pharmacies Regulation Act Regulations*; and
- (d) the date on which all signs and symbols relating to the practice of pharmacy either within or outside the premises were removed.

This is Exhibit "FF" referred to in the Affidavit of Edward Hopkinson sworn by Edward Hopkinson of the City of Bryn Mawr, in the State of Pennsylvania, before me at the Town of Milton, in the Province of Ontario, on August 3, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:

Asim Iqbal

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Commissioner for Taking Affidavits (or as may be)

ASIM IQBAL



Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Electronically issued : 25-Mar-2021
Délivré par voie électronique : 25-Mar-2021
Milton

CWB MAXIUM FINANCIAL INC.

Plaintiff

- and -

JOHN GERGES

Defendant

STATEMENT OF CLAIM

TO THE DEFENDANTS:

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the plaintiff. The claim made against you is set out in the following pages.

IF YOU WISH TO DEFEND THIS PROCEEDING, you or an Ontario lawyer acting for you must prepare a statement of defence in Form 18A prescribed by the Rules of Civil Procedure, serve it on the plaintiff's lawyer or, where the plaintiff does not have a lawyer, serve it on the plaintiff, and file it, with proof of service, in this court office, WITHIN TWENTY DAYS after this statement of claim is served on you, if you are served in Ontario.

If you are served in another province or territory of Canada or in the United States of America, the period for serving and filing your statement of defence is forty days. If you are served outside Canada and the United States of America, the period is sixty days.

Instead of serving and filing a statement of defence, you may serve and file a notice of intent to defend in Form 18B prescribed by the Rules of Civil Procedure. This will entitle you to ten more days within which to serve and file your statement of defence.

IF YOU FAIL TO DEFEND THIS PROCEEDING, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO DEFEND THIS PROCEEDING BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

IF YOU PAY THE PLAINTIFF'S CLAIM, and \$1,000.00 for costs, within the time for serving and filing your statement of defence, you may move to have this proceeding

dismissed by the court. If you believe the amount claimed for costs is excessive, you may pay the plaintiff's claim and \$800.00 for costs and have the costs assessed by the court.

TAKE NOTICE: THIS ACTION WILL AUTOMATICALLY BE DISMISSED if it has not been set down for trial or terminated by any means within five years after the action was commenced unless otherwise ordered by the court.

Date March , 2021

Issued by _____

Local registrar

Address of
court office

TO: JOHN GERGES
Suite 703-676 Sheppard Ave.
Toronto, ON
M2K 3E7

CLAIM

1. The Plaintiff, CWB Maxium Financial Inc. (“**CWB**”), claims as against the Defendant, John Gerges (the “**Guarantor**”):
 - (a) Judgment against the Guarantor for the aggregate principal amount of \$6,659,217.78 due and owing plus interests, fees and costs until the date of repayment, pursuant to the terms of the Guarantees (as defined below);
 - (b) Pre-judgment and post-judgment interest at 18.0% per annum in accordance with the terms of the Promissory Notes (as defined below);
 - (c) In the alternative, pre-judgment and post-judgment interest in accordance with the *Courts of Justice Act* R.S.O. 1990, Chapter C. 43 (the “**CJA**”);
 - (d) Costs of this action on a full indemnity basis in accordance with the terms of the Promissory Notes; and
 - (e) Such further and other relief as this Honourable Court deems just.

THE PARTIES

2. The Plaintiff, CWB, is a Canadian domestic Bank with operations in various provinces across Canada, including Ontario. The Plaintiff carries on business by, among other things, providing loans to healthcare professionals, including pharmacists.
3. The Defendant, the Guarantor, is a businessperson and pharmacist residing in Toronto, Ontario.

THE GUARANTEES

4. CWB provided term loans to JM Westview Pharma Inc., Maple Medi Pharma Inc., River Hill Pharmacy Ltd. (Bless River Pharma Inc.), St. Mary Theotokos Pharma Inc., Stoney Creek Pharma Inc., Toronto Apothecary Pharma Inc. and Westway Holdings Inc., as follows (the “**Promissory Notes**”):

- (a) to JM Westview Pharma Inc., in the principal amount of \$762,022.01 CAD pursuant to a promissory note dated August 2, 2018;
 - (b) to Maple Medi Pharma Inc. in the principal amount of \$1,590,450.00 CAD pursuant to a promissory note dated May 25, 2018;
 - (c) to Bless River Pharma Inc., a predecessor of River Hill Pharmacy Ltd., in the principal amount of \$953,597.50 CAD pursuant to a promissory note dated August 28, 2015;
 - (d) to St. Mary Theotokos Pharma Inc. in the principal amount of \$1,300,450.00 CAD pursuant to a promissory note dated August 18, 2016;
 - (e) to Stoney Creek Pharma Inc. in the principal amount of \$1,725,450.00 CAD pursuant to a promissory note dated August 18, 2016;
 - (f) to Toronto Apothecary Pharma Inc. in the principal amount of \$720,450.00 CAD pursuant to a promissory note dated January 22, 2018; and
 - (g) to Westway Holdings Inc. in the principal amount of \$900,450.00 CAD pursuant to a promissory note dated January 22, 2018.
5. The principal amount outstanding under the Promissory Notes, plus accrued interest, costs and fees until the date of repayment is referred to herein as the “**Guaranteed Indebtedness**”.
6. The Guarantor, among others, unconditionally guaranteed in favour of CWB all of the obligations owing by each of JM Westview Pharma Inc., Maple Medi Pharma Inc., River Hill Pharmacy Ltd. (Bless River Pharma Inc.), St. Mary Theotokos Pharma Inc., Stoney Creek Pharma Inc., Toronto Apothecary Pharma Inc. and Westway Holdings Inc. (collectively, the “**Borrowers**”) to CWB, including the Guaranteed Indebtedness, pursuant to the following agreements (collectively, the “**Guarantees**”):

- (a) Unlimited and unconditional guarantee agreement dated August 2, 2018 (the “**JM Guarantee**”);
- (b) Unlimited and unconditional guarantee agreement dated May 25, 2018 (the “**Maple Guarantee**”);
- (c) Unlimited and unconditional guarantee agreement dated August 26, 2015 (the “**River Guarantee**”);
- (d) Unlimited and unconditional guarantee agreement dated August 18, 2016 (the “**St. Mary Guarantee**”);
- (e) A second unlimited and unconditional guarantee agreement dated August 18, 2016 (the “**Stoney Guarantee**”);
- (f) Unlimited and unconditional guarantee agreement dated March 11, 2016 (the “**Toronto Guarantee**”); and
- (g) Unlimited and unconditional guarantee agreement dated January 22, 2018 (the “**Westway Guarantee**”).

7. Each of the Guarantees includes the same following material terms:

- (a) **Obligations Guaranteed.** The Guarantor guarantees payment to CWB, on demand, of all present and future lease payments and obligations, conditional sale instalments and obligations and any other debts and liabilities, both direct and indirect (whether incurred or alone or jointly with others, whether absolute or contingent, whether matured or not matured, and whether for principal, interest or fees) payable to CWB by the applicable Borrower under any and all credit facilities, together with all costs, expenses, including legal fees and expenses, incurred by CWB in connection with its dealings with the applicable Borrower (Section 2);
- (b) **Nature of Liability.** The Guarantor’s liability is joint and several, continuing, absolute and unconditional (Section 3);

- (c) **Exhausting Recourse.** CWB does not need to exhaust its recourse against the Borrower or any other person or under any security interest CWB may hold from time to time before being entitled to full payment from the Guarantor under the applicable Guarantee (Section 9);
- (d) **Indemnity.** The Guarantor shall indemnify CWB against any cost, loss, expense or liability stemming from the failure of the Borrowers to make due and punctual payment of their respective obligations to CWB, and shall pay upon demand the amount of such cost, loss, expense or liability (Section 10); and
- (e) **Costs and Expenses.** The Guarantor agreed to pay all costs and expenses, including legal fees, of enforcing the Promissory Notes, as applicable.

DEFAULTS AND RECEIVERSHIP

- 8. Each of the Borrowers defaulted under the terms of the Promissory Notes.
- 9. On November 25, 2020, the Ontario Superior Court of Justice (Commercial List) granted an order appointing msi Spergel inc. as receiver and manager of all the assets, property and undertakings of, among others, Maple Medi Pharma Inc., River Hill Pharmacy Ltd., St. Mary Theotokos Pharma Inc., Stoney Creek Pharma Inc., Toronto Apothecary Pharma Inc., and Westway Holdings Inc.
- 10. On January 26, 2021, the Ontario Superior Court of Justice (Commercial List) granted an order appointing msi Spergel inc. as receiver and manager of all the assets, property and undertakings of JM Westview Pharma Inc., among others.
- 11. On or about February 26, 2021, CWB demanded (the “**Demands**”) payment from the Guarantor of the Guaranteed Indebtedness on or before March 8, 2021 (the “**Payment Deadline**”) failing which CWB would pursue its legal remedies against the Guarantor.
- 12. The Guarantor failed to satisfy the Demands on or before the Payment Deadline.

CLAIM

13. The Guarantor is legally responsible under the Guarantees for the Guaranteed Indebtedness.
14. Despite the Demands, the Guarantor has failed to satisfy his obligations under the Guarantees.
15. As set out in the Demands, the amount outstanding as at the date of the Demands plus accruing interest, fees and costs until the date of repayment, was:
 - (a) the principal amount of \$646,233.86 pursuant to the JM Guarantee;
 - (b) the principal amount of \$1,620,444.20 pursuant to the Maple Guarantee;
 - (c) the principal amount of \$659,772.91 pursuant to the River Guarantee;
 - (d) the principal amount of \$1,030,624.85 pursuant to the St. Mary Guarantee;
 - (e) the principal amount of \$1,331,376.90 pursuant to the Stoney Guarantee;
 - (f) the principal amount of \$506,289.20 pursuant to the Toronto Guarantee; and
 - (g) the principal amount of \$864,475.86 pursuant to the Westway Guarantee.
16. Pursuant to the above and as at the date of the Demands, the total indebtedness under the Guarantees was \$6,659,217.78.
17. CWB proposes that this action be tried at Milton.

March 25, 2021

MILLER THOMSON LLP
Scotia Plaza
40 King Street West, Suite 5800
P.O. Box 1011
Toronto, ON Canada M5H 3S1

Asim Iqbal LSO#: 61884B

Tel: 416.597.6008

Fax: 416.595.8695

Tamie Dolny LSO#: 77958U

Tel: 416.595.8596

Fax: 416.595.8695

Lawyers for the Plaintiff

Plaintiff

and

Defendants

Court File No:

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at MILTON

STATEMENT OF CLAIM

MILLER THOMSON LLP
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Tamie Dolny LSO#: 77958U
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Fax: 416.595.8695

Lawyers for the Plaintiff



Court File No. CV-21-00000990-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

CWB MAXIMUM FINANCIAL INC.

Plaintiff

- and -

JOHN GERGES

Defendant

AND BETWEEN:

JOHN GERGES

Plaintiff by Counterclaim

and

**CWB MAXIMUM FINANCIAL INC., JM WESTVIEW PHARMA INC., MAPLE
MEDI PHARMA INC., RIVER HILL PHARMACY LTD. (FORMERLY BLESS
RIVER PHARMA INC.), ST. MARY THEOTOKOS PHARMA INC., STONEY
CREEK PHARMA INC., TORONTO APOTHECARY PHARMA INC and
WESTWAY HOLDINGS INC.**

Defendants by Counterclaim

**STATEMENT OF DEFENCE AND COUNTERCLAIM
OF JOHN GERGES**

1. Except as hereinafter expressly admitted, the Defendant, John Gerges, denies all allegations in the Statement of Claim. The Defendant specifically denies that the Plaintiff

is entitled to the relief claimed in paragraph 1 of the Statement of Claim or that he is indebted to the Plaintiff as alleged in paragraphs 1, 14 and 16 of the Statement of Claim. The Defendant also objects to the commencement of this action in Milton. Milton has no connection whatsoever to any of the matters that are the subject matter in this action.

2. The Defendant admits the allegations contained in paragraph 2, 3 and 4 of the Statement of Claim.
3. The documentation signed by the Defendant will hereinafter be referred to as the "Guarantee Documentation".
4. The Defendant states that the Guarantee Documentation must be construed strictly and pleads that the Guarantee Documentation is inconsistent and void for uncertainty including that the Guarantee Documentation cannot be both a guarantee obligation and an indemnity obligation. The Defendant also pleads that the Guarantee Documentation is contrary to public policy and by its own terms is unenforceable as it purports to exonerate the Plaintiff for and excuse unsavoury conduct and wrongful acts including commission of an illegal act or other fraudulent or immoral business conduct relating to or affects any of the loans that are alleged to be the subject of the Guarantee Documentation signed by the Defendant. In particular, the Defendant states that the Guarantee Documentation and the Plaintiff's conduct ignore the obligation to act lawfully and in good faith, opening the floodgates for improper behaviour and wrongful acts and omissions in that the Guarantee Documentation states that liability under the Guarantee Documentation will not be limited, reduced or affected inter alia by:

- (i) any breach of any duty or negligence;
- (ii) any fraud; and,
- (iii) any event that may be a defence available to the Defendant and purport to excuse and absolve the Plaintiff for such conduct.

5. Prior to his signing the Guarantee Documentation, the Plaintiff intended to use the Defendant as an agent of the Plaintiff, and appointed the Defendant as its agent and authorized the Defendant to communicate information that the Plaintiff intended to be provided to others. The Plaintiff advised the Defendant prior to the Defendant signing the Guarantee Documentation that:

- (i) There was no risk in signing the Guarantee Documentation in that there was more than sufficient value in each of the pharmacy businesses to cover the amounts being borrowed from the Plaintiff;
- (ii) The Plaintiff was supportive of the business and that the Plaintiff was knowledgeable about the pharmacy businesses and knew that if there was a sale of any of the pharmacy businesses related to the Guarantee Documentation, that the Plaintiff would provide financing to any person who was successful, experienced in the industry and a legitimate purchaser;
- (iii) The Plaintiff knew but did not tell the Defendant or disclose fundamentally material information that:

- (a) the Plaintiff was intending to change its business model and no longer would be financing pharmacy businesses; and,
 - (b) the Plaintiff regarded the loans being made to pharmacy businesses as high-risk loans for which the Defendant was asked to sign Guarantee Documentation.
- 6. If the Defendant had been told about the material facts pleaded herein and the risks associated with signing the Guarantee Documentation, he would never have signed the Guarantee Documentation and the Plaintiff knew or ought to have known that to be the case.
- 7. The aforesaid misrepresentations were material and designed to mislead the Defendant. The Plaintiff is accountable for such misrepresentations as set out above and has no entitlement to demand any money from the Defendant.
- 8. Cumulatively and in the alternative, the Defendant pleads that the account managers of the Plaintiff, Chris Graham, Steve Wasylyszyn and Dan Gilchrist (“Account Managers”) encouraged the Defendant to sell the pharmacy businesses in order to pay down the loans made by the Plaintiff.
- 9. The Defendant obtained written offers for in excess of \$3.35 million plus inventory with regard to the two of the pharmacy businesses, (i) SJ East Pharma Inc. for \$2.1 million plus inventory in April 2020; and (ii) Stoney Creek Pharma Inc. for \$1.25 million plus inventory in April 2020. These offers were obtained from corporations of Kyrollos Rofeal (“Kyrollos”) who was an experienced businessman and pharmacist who was in the

pharmacy business and owned a number of pharmacies. These sales, along with the sale of River Hill Pharmacy Ltd. (formerly Bless River Pharma Inc.) and St. Mary Theotokos Pharma Inc. business would have generated more than sufficient funds to pay the loans with regard to these four pharmacy businesses. The Plaintiff knew this. All the particulars of this are known to the Plaintiff.

10. The Defendant pleads that the Plaintiff knew the offers came from an experienced pharmacist in the business and a person who owned a number of pharmacy businesses. The Account Managers had represented to the Defendant that the Plaintiff would finance the purchaser, Kyrollos, of those businesses as the Account Managers were aware that he was a bona fide purchaser and the Account Managers were unaware of the Plaintiff's intention to get out of the business of financing pharmacy businesses.
11. Furthermore, at all material times, a principal of the Plaintiff, Daryl MacLellan ("Daryl"), wanted to obtain the benefit of the true value of these pharmacy businesses and other pharmacy businesses, directly or indirectly, all the particulars of which are known to the Plaintiff and unknown to the Defendant.
12. To accomplish this the Plaintiff decided to manufacture or connive a default of the loans involving the pharmacy businesses in which the Defendant was involved, that are the subject matter of this proceeding, and other pharmacy businesses all the particulars of which are known to the Plaintiff and unknown to the Defendant, so that the pharmacy businesses could be controlled and sold by a court appointed Receiver, at a price less than their true value.

13. The purpose of this court appointed receivership was to have the pharmacy businesses put up for sale in circumstances where the price would be adversely effected and the pharmacy businesses could be purchased at a deflated price through court proceedings. To accomplish this, the Plaintiff, in part, relied on an alleged cross-default provision. This was based on an incorrect interpretation of the Guarantee Documentation prepared and relied on by the Plaintiff as security for the loans made by the Plaintiff for all of the pharmacy businesses involving the Defendant. There was no cross-default provision that the Plaintiff was able to rely upon to manipulate or allege default as against the borrowers of the loans involving the Seven Corporations that are the subject matter of this action. The Plaintiff made an improper demand of the loans to thereby trigger enforcement rights including the appointment of a court appointed Receiver and the enforcement of the Guarantee Documentation.
14. The Plaintiff then took steps to enforce these loans. One of the steps it took was to have a court appointed Receiver appointed for these pharmacy businesses that are the subject matter of this action and other pharmacy businesses.
15. The purchaser's principal, Kyrollos intended to purchase a number of the pharmacy businesses with the cooperation and support of the Plaintiff. All the particulars of this are known to the Plaintiff and unknown to the Defendant.
16. This purchaser was encouraged by the Account Managers, to await the Plaintiff's review. However, the Account Managers advised the Defendant that these offers by Kyrollos' corporations were commercially reasonable sales at reasonable prices.

17. The Plaintiff thereby knew that these sales would pay a significant portion of the amounts borrowed by the pharmacy businesses from the Plaintiff, all the particulars of which are known to the Plaintiff and unknown to the Defendant.
18. However, even though the Account Managers were supportive of the approach taken by the Defendant, the Plaintiff delayed responding to the offers. The purchaser Kyrollos did not continue after approximately 3 to 4 months and thereafter invested his funds elsewhere.
19. The Account Managers were subsequently terminated by the Plaintiff when it completed its change in policy as they no longer required those employees who had experience in financing pharmacy businesses to work for the Plaintiff and to conceal the Plaintiff's wrongful conduct as set out herein.
20. This change in policy by the Plaintiff has made these assets less marketable and has rendered them less valuable, all the particulars of which are known to the Plaintiff and unknown to the Defendant. This was known and intended by the Plaintiff and is in breach of the Plaintiff's obligation to act lawfully and in good faith. The Plaintiff is accountable for its breach and wrongful conduct.
21. Cumulatively and in the further alternative, the Defendant states that the Plaintiff materially altered the transactions that are subject of the Guarantee Documentation and the basis upon which the Guarantee Documentation was provided.
22. If any money would be owing to the Plaintiff which is not admitted and expressly denied, as a result, the amount of any debt owed to the Plaintiff would have been reduced if the

Plaintiff had not acted wrongfully and improvidently on the sale of the assets that secured the amounts owed to the Plaintiff.

23. Cumulatively and in the further alternative, the Guarantee Documentation does not prohibit nor prevent the defence of innocent misrepresentation nor negligent misrepresentation, on which representations and omissions the Defendant relies.
24. The Defendant pleads and relies upon the right of set-off at law and equity including the defence of equitable set-off as a result of the negligence or, in the alternative, intentional conduct of the Plaintiff.
25. The Defendant is entitled to an accounting from the Plaintiff of the amount owed, if any, taking into account the amount that the Defendant is entitled to equitably set off from the amount claimed by the Plaintiff.
26. The Defendant asks that this action be dismissed without costs on a scale to be determined by this Honourable Court.

COUNTERCLAIM

27. The Plaintiff by Counterclaim, John Gerges ("Gerges") claims as against the Defendants to the Counterclaim:
 - (a) a judgment declaring that JM Westview Pharma Inc. is not indebted to the Plaintiff;

- (b) in the alternative, an accounting of the amount owed by JM Westview Pharma Inc. to the Plaintiff;
- (c) a judgment declaring that Maple Medi Pharma Inc. is not indebted to the Plaintiff;
- (d) in the alternative, an accounting of the amount owed by Maple Medi Pharma Inc. to the Plaintiff;
- (e) a judgment declaring that River Hill Pharmacy Ltd. (formerly Bless River Pharma Inc.) is not indebted to the Plaintiff;
- (f) in the alternative, an accounting of the amount owed by River Hill Pharma Ltd. (formerly Bless River Pharma Inc.) to the Plaintiff;
- (g) a judgment declaring that St. Mary Theotokos Pharma Inc. is not indebted to the Plaintiff;
- (h) in the alternative, an accounting of the amount owed by St. Mary Theotokos Pharma Inc. to the Plaintiff;
- (i) a judgment declaring that Stoney Creek Pharma Inc. is not indebted to the Plaintiff;
- (j) in the alternative, an accounting of the amount owed by Stoney Creek Pharma Inc. to the Plaintiff;
- (k) a judgment declaring that Toronto Apothecary Pharma Inc. is not indebted to the Plaintiff;

- (l) **in the alternative, an accounting of the amount owed by Toronto Apothecary Pharma Inc. to the Plaintiff;**
- (m) **a judgment declaring that Westway Holdings Inc. is not indebted to the Plaintiff;**
- (n) **in the alternative, an accounting of the amount owed by Westway Holdings Inc. to the Plaintiff;**
- (o) **a judgment declaring that there is no general cross-default provision in the Guarantee Documentation of the Plaintiff that is the subject matter of this action;**
- (p) **a judgment declaring that the Plaintiff breached the loan agreement with JM Westview Pharma Inc.;**
- (q) **a judgement declaring that the Plaintiff breached the loan agreement with Maple Medi Pharma Inc.;**
- (r) **a judgment declaring that the Plaintiff breached the loan agreement with River Hill Pharmacy Ltd. (formerly Bless River Pharma Inc.);**
- (s) **a judgment declaring that the Plaintiff breached the loan agreement with St. Mary Theotokos Pharma Inc.;**
- (t) **a judgment declaring that the Plaintiff breached the loan agreement with Stoney Creek Pharma Inc.;**
- (u) **a judgment declaring that the Plaintiff breached the loan agreement with Toronto Apothecary Pharma Inc.;**

- (v) a judgment declaring that the Plaintiff breached the loan agreement with Westway Holdings Inc.;
 - (w) a judgment declaring that the above referred to Seven Corporations are bound by any judgment obtained in this proceeding;
 - (x) a judgment declaring that Gerges is not indebted to the Plaintiff;
 - (y) a judgment for an accounting with respect to any monies claimed by the Plaintiff and/or received by the Plaintiff;
 - (z) the costs of the counterclaim on partial indemnity basis or, in the alternative, on a substantial indemnity basis as against CWB Maxium Financial Inc. plus all applicable taxes; and,
 - (aa) prejudgment interest in accordance with section 128 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended;
 - (bb) post judgment interest in accordance with section 129 of the *Courts of Justice Act*;
 - (cc) Such further and other relief as to this Honourable Court may seem just.
28. Gerges repeats and relies upon the allegations in his Statement of Defence herein in support of the Counterclaim.
29. The Seven Corporations were put into receivership as a result of the steps taken by the Plaintiff;

30. Gerges states that there were other purchasers who were interested in buying pharmacy businesses including Essam Siha for the Apothecary Shop, Suzanne Morcos for the Riverhill Pharmacy, Khan Qaisar for the Old Walkerville Pharmacy and Samir Shenoda for the JM Westview Pharma Inc., as well as the seven pharmacy businesses that Kyrollos had offered to purchase.
31. The Guarantee Documentation states that the pharmacy industry is a small, well-known industry to those involved in it and the conduct of the Plaintiff adversely affected the reputation of these pharmacy businesses and the market for these Seven Corporations and other pharmacy businesses in which Gerges was involved.
32. The Plaintiff knew that its conduct would adversely and significantly affect the value of the pharmacy businesses financed by the Plaintiff, all the particulars of which are known to the Plaintiff and unknown to Gerges.
33. Gerges states that the conduct of the Plaintiff was dishonest performance of the agreements made with Gerges and each of the Seven Corporations for the sale and financing of these pharmacy businesses.
34. Gerges claims that the Seven Corporations are entitled to set off the amounts of money that would have been received by the Plaintiff on the sales of the pharmacy businesses had the Plaintiff acted providently and had it followed the representations made by the Account Managers with regard to the sale of the pharmacy businesses. Gerges seeks a declaratory judgment that the Seven Corporations were not indebted to the Plaintiff or if

owing a debt which is not admitted but is denied, that the debt be reduced accordingly.

Gerges pleads and relies upon equitable set-off.

35. Gerges asks for leave *nun pro tunc*, if leave is required, to commence the action as against the Seven Corporations in receivership. However, the Seven Corporations are joined as parties to this action only for the purpose of obtaining declaratory relief that they are not indebted to the Plaintiff or that they are indebted to the Plaintiff for an amount far less than the amounts claimed in this proceeding. As a result, the declaratory relief sought is only for the benefit of the Seven Corporations that are the parties to this Counterclaim. No costs, damages, property or other such relief is claimed from these Seven Corporations that are made parties for the purpose of the declaratory relief sought.
36. The Seven Corporations are necessary parties to this proceeding.
37. Gerges states that the proper venue of this Claim and Counterclaim is Toronto.

May 31, 2021

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CWB MAXIMUM FINANCIAL INC.
Plaintiff

v.

JOHN GERGES
Defendant

Court File No. CV-21-00000990-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Milton

**STATEMENT OF DEFENCE AND COUNTERCLAIM
JOHN GERGES**

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**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N :

CWB MAXIUM FINANCIAL INC.

Plaintiff

- and -

JOHN GERGES

Defendant

A N D B E T W E E N :

JOHN GERGES

Plaintiff by counterclaim

- and -

**CWB MAXIUM FINANCIAL INC. JM WESTVIEW PHARMA INC., MAPLE MEDI
PHARMA INC., RIVER HILL PHARMACY LTD. (FORMERLY BLESS RIVER PHARMA
INC.), ST. MARY THEOTOKOS PHARMA INC., STONEY CREEK PHARMA INC.,
TORONTO APOTHECARY PHARMA INC AND WESTWAY HOLDINGS INC.**

Defendants by Counterclaim

REPLY AND DEFENCE TO COUNTERCLAIM

1. The Plaintiff, CWB Maxium Financial Inc. (“**CWB**”), denies the allegations contained in paragraphs 1, and 4-36 of the Statement of Defence and Counterclaim. The Plaintiff pleads that overall the Statement of Defence and Counterclaim is replete with bald and unparticularized allegations and conclusions unsupported by material facts.

2. The Plaintiff adopts the same definitions as those in its Statement of Claim, including that:

- (a) CWB provided term loans (the “**Promissory Notes**”) to several pharmacies (collectively, the “**Borrowers**”);
- (b) the principal amount outstanding under the Promissory Notes, plus accrued interest, costs and fees until the date of repayment is referred to as the “**Guaranteed Indebtedness**”; and
- (c) the Defendant, John Gerges, is a **Guarantor** who unconditionally guaranteed in favour of CWB all of the obligations owing, including the Guaranteed Indebtedness, under each of the Promissory Notes by the Borrowers, pursuant to seven guarantees (the “**Guarantees**”).

THE PARTIES

3. The Plaintiff, CWB, is a Canadian domestic bank with operations in various provinces across Canada, including Ontario. The Plaintiff carries on business by, among other things, providing loans to healthcare professionals, including pharmacists.

4. The Defendant, John Gerges, the Guarantor, is a businessperson and pharmacist residing in Toronto, Ontario.

THE GUARANTEE

5. As a result of his own illegal and unprofessional conduct, the details of which are known to John Gerges and a matter of public record, John Gerges caused the Borrowers to default on the Promissory Notes. John Gerges, has been and remains solely responsible for his own misfortune.

6. Contrary to paragraph 4 of the Statement of Defence and Counterclaim, the Guarantees are not inconsistent or void for uncertainty, nor are they contrary to public policy or invalidated due to the indemnity obligation included therein. The Plaintiff pleads that guarantees often include both a guarantee and a supporting indemnity, which provisions have consistently been upheld by the Court.

7. Without expressly pleading it, the Defendant claims that the Plaintiff fraudulently, illegally and in bad faith forced the Borrowers to default on the Promissory Notes, and thus

improperly triggered the Defendant's liability as a Guarantor. CWB expressly denies this baseless and self-serving accusation. The fact is, CWB was a victim of the Defendant's illegal and unprofessional conduct, and not a participant in it.

8. Contrary to paragraph 5 of the Statement of Defence and Counterclaim, John Gerges was never an agent for CWB. At no time did CWB make any of the purported representations claimed at paragraph 5(i) through 5(iii) and the Defendants have provided no, or insufficient particulars, of any such representations. The Plaintiff denies that John Gerges acted as an agent of CWB at any time and denies that it is bound by his conduct, and puts the Defendant to the strict proof thereof.

9. Contrary to paragraphs 6-7 of the Statement of Defence and Counterclaim, John Gerges understood his obligations under the Guarantees. He was provided with the opportunity to and did obtain independent legal advice with respect to the execution of same and the obligations assumed thereunder. In fact, the Defendant's execution of the Guarantees was witnessed by independent legal counsel.

10. In entering into the Guarantees and in providing security over his assets, John Gerges did so voluntarily and was in no way misled, especially as he is both a sophisticated and experienced businessman, and because he had the benefit of independent legal advice. At no time was the Defendant vulnerable or dependent on CWB. No undue influence, inducement, pressure, predatory or aggressive tactics were exerted by CWB on the Defendant to secure the Guarantees.

11. Any deficiencies in the advice provided by John Gerges' independent legal counsel, which is not admitted, but denied, is not the Plaintiff's responsibility. CWB provided all required and requested documentation and information in connection with the execution of the Guarantees. CWB denies that John Gerges or his independent legal counsel lacked full particulars pertaining to the Guarantees. If either John Gerges or his independent legal counsel lacked information, they had an obligation to, and only had to ask for it. If either John Gerges or his independent legal counsel lacked information, it was their own fault.

12. Contrary to the bald and commercially unreasonable assertions at paragraphs 8-18 of the Statement of Defence and Counterclaim, CWB denies that it failed to mitigate its damages or that it in any way affected the sale of the pharmacies. In fact, notwithstanding that CWB had no obligation to extend credit to another party at the behest of the Defendant, CWB spent considerable resources on preparing a deal to finance Kyrollos Rofael's purchase offers. However, Mr. Rofael walked away from the deal after he discovered that the Telus Pharma accounts for each of the pharmacies had been canceled or suspended. At all times, CWB has acted in a commercially reasonable and prudent manner in order to obtain fair market value for the assets and minimize the damages suffered as a result of the Borrowers' defaults.

13. The Plaintiff states that the nature of the allegations made at paragraphs 8-18 of the Statement of Defence and Counterclaim is that of fraud. As such, the Defendant is required to provide full particulars of the allegations made against CWB. Having failed to do so, these paragraphs should be struck and the Defendant should be liable for costs on a substantial indemnity scale.

14. CWB categorically denies the allegations made at paragraphs 19-20 of the Statement of Defence and Counterclaim. There is simply no connection between any change in internal policy that corresponds to the fair market value of the Borrowers' assets. These allegations are illogical and make no commercial sense.

15. Contrary to paragraphs 24-25 of the Statement of Defence and Counterclaim, the Defendant cannot rely on the defence of equitable set-off. Section 4 of the Guarantees provide that:

We do not owe you any duty (as a fiduciary or otherwise) and you hereby waive any right to make any claim or counterclaim and to raise any right of set off, equitable or otherwise, arising from any alleged breach of a duty owed to you, or the Customer or any other person.

16. Moreover, section 6 of the Guarantees expressly prohibits the defence of set-off:

You will make all payments required to be made under this Guarantee without regard to any right of setoff or counterclaim that you have or may have against us or the Customer, which rights you waive.

17. John Gerges is an educated and commercially sophisticated business owner. At all times, he understood the nature of the contracts and obligations he entered into. He obtained independent legal advice. He received valuable consideration for entering the Guarantees. Through his dealings, as an owner of the Borrowers, he made substantial profits through their business dealings. Due to his own criminal conduct and unprofessional actions, he has caused the Borrowers to default on their loans. He is not a victim. On the contrary, John Gerges is entirely responsible for his own misfortune and that of the Borrowers.

DEFENCE TO COUNTERCLAIM

18. The Plaintiff denies the allegations contained in the Counterclaim.

19. The Plaintiff repeats and relies on and adopts the contents of its Statement of Claim and Reply herein.

20. The Plaintiff denies that it is obligated to the Defendants for any amounts.

21. The Plaintiff denies having engaging in any conduct meant to or having the effect of lowering the value of the Borrowers' assets. Such actions would be commercially unreasonable and contrary to CWB's interests to recover its investments.

22. The whole of the Counterclaim is a collateral attack on the receivership process which all the Borrowers and Defendants by Counterclaim previously consented to. Moreover, the Defendant has insufficiently particularized his claim of fraud against CWB. As such, the Counterclaim should be struck in its entirety.

23. In light of the Defendant's harmful and unsubstantiated allegations of fraud against CWB, the Plaintiff requests that the Counterclaim be dismissed with costs to it on a substantial indemnity basis.

June 30, 2021

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CWB Maxium Financial Inc. John Gerges
Plaintiff and Defendant

Court File No.: CV-21-00000990-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced at MILTON

REPLY AND DEFENCE TO COUNTERCLAIM

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Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Electronically issued : 26-Mar-2021
Délivré par voie électronique
Milton

CWB MAXIUM FINANCIAL INC.

Plaintiff

- and -

DIEP NGUYEN

Defendant

STATEMENT OF CLAIM

TO THE DEFENDANTS:

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the plaintiff. The claim made against you is set out in the following pages.

IF YOU WISH TO DEFEND THIS PROCEEDING, you or an Ontario lawyer acting for you must prepare a statement of defence in Form 18A prescribed by the Rules of Civil Procedure, serve it on the plaintiff's lawyer or, where the plaintiff does not have a lawyer, serve it on the plaintiff, and file it, with proof of service, in this court office, WITHIN TWENTY DAYS after this statement of claim is served on you, if you are served in Ontario.

If you are served in another province or territory of Canada or in the United States of America, the period for serving and filing your statement of defence is forty days. If you are served outside Canada and the United States of America, the period is sixty days.

Instead of serving and filing a statement of defence, you may serve and file a notice of intent to defend in Form 18B prescribed by the Rules of Civil Procedure. This will entitle you to ten more days within which to serve and file your statement of defence.

IF YOU FAIL TO DEFEND THIS PROCEEDING, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO DEFEND THIS PROCEEDING BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

IF YOU PAY THE PLAINTIFF'S CLAIM, and \$1,000.00 for costs, within the time for serving and filing your statement of defence, you may move to have this proceeding

dismissed by the court. If you believe the amount claimed for costs is excessive, you may pay the plaintiff's claim and \$800.00 for costs and have the costs assessed by the court.

TAKE NOTICE: THIS ACTION WILL AUTOMATICALLY BE DISMISSED if it has not been set down for trial or terminated by any means within five years after the action was commenced unless otherwise ordered by the court.

Date March , 2021

Issued by _____

Local registrar

Address of
court office

TO: DIEP NGUYEN
 309-2088 Lawrence Ave. W.
 North York, ON
 M9N 3Z9

CLAIM

1. The Plaintiff, CWB Maxium Financial Inc. (“**CWB**”), claims as against the Defendant, Diep Nguyen (the “**Guarantor**”):
 - (a) Judgment against the Guarantor for the aggregate principal amount of \$5,527,169.38 due and owing plus interests, fees and costs until the date of repayment, pursuant to the terms of the Guarantees (as defined below);
 - (b) Pre-judgment and post-judgment interest at 18.0% per annum in accordance with the terms of the Promissory Notes (as defined below);
 - (c) In the alternative, pre-judgment and post-judgment interest in accordance with the *Courts of Justice Act* R.S.O. 1990, Chapter C. 43 (the “**CJA**”);
 - (d) Costs of this action on a full indemnity basis in accordance with the terms of the Promissory Notes; and
 - (e) Such further and other relief as this Honourable Court deems just.

THE PARTIES

2. The Plaintiff, CWB, is a Canadian domestic Bank with operations in various provinces across Canada, including Ontario. The Plaintiff carries on business by, among other things, providing loans to healthcare professionals, including pharmacists.
3. The Defendant, the Guarantor, is a businessperson and pharmacist residing in North York, Ontario.

THE GUARANTEES

4. CWB provided term loans to Bless Hui Pharma Inc., SJ East Pharma Inc., St. Mary Theotokos Pharma Inc., and Stoney Creek Pharma Inc. as follows (the “**Promissory Notes**”):

- (a) to Bless Hui Pharma Inc. in the principal amount of \$1,050,450.00 pursuant to a promissory note dated March 28, 2017;
 - (b) to SJ East Pharma Inc. in the principal amount of \$2,465,450.00 pursuant to a promissory note dated July 25, 2017;
 - (c) to St. Mary Theotokos Pharma Inc. in the principal amount of \$1,300,450.00 pursuant to a promissory note dated August 18, 2016; and
 - (d) to Stoney Creek Pharma Inc. in the principal amount of \$1,725,450.00 pursuant to a promissory note dated August 18, 2016.
5. The principal amount outstanding under the Promissory Notes, plus accrued interest, costs and fees until the date of repayment is referred to herein as the “**Guaranteed Indebtedness**”.
6. The Guarantor, among others, unconditionally guaranteed in favour of CWB all of the obligations owing by each of Bless Hui Pharma Inc., SJ East Pharma Inc., St. Mary Theotokos Pharma Inc., and Stoney Creek Pharma Inc. (collectively, the “**Borrowers**”) to CWB, including the Guaranteed Indebtedness, pursuant to the following agreements (collectively, the “**Guarantees**”):
 - (a) Unlimited and unconditional guarantee agreement dated March 28, 2017 (the “**Bless Guarantee**”);
 - (b) Unlimited and unconditional guarantee agreement dated July 21, 2017 (the “**SJ Guarantee**”);
 - (c) Unlimited and unconditional guarantee agreement dated August 18, 2016 (the “**St. Mary Guarantee**”); and
 - (d) A second unlimited and unconditional guarantee agreement dated August 18, 2016 (the “**Stoney Guarantee**”).
7. Each of the Guarantees includes the following material terms:

- (a) **Obligations Guaranteed.** The Guarantor guarantees payment to CWB, on demand, of all present and future lease payments and obligations, conditional sale instalments and obligations and any other debts and liabilities, both direct and indirect (whether incurred or alone or jointly with others, whether absolute or contingent, whether matured or not matured, and whether for principal, interest or fees) payable to CWB by the applicable Borrower under any and all credit facilities, together with all costs, expenses, including legal fees and expenses, incurred by CWB in connection with its dealings with the applicable Borrower (Section 2);
- (b) **Nature of Liability.** The Guarantor's liability is joint and several, continuing, absolute and unconditional (Section 3);
- (c) **Exhausting Recourse.** CWB does not need to exhaust its recourse against the Borrower or any other person or under any security interest CWB may hold from time to time before being entitled to full payment from the Guarantor under the applicable Guarantee (Section 9);
- (d) **Indemnity.** The Guarantor shall indemnify CWB against any cost, loss, expense or liability stemming from the failure of the Borrowers to make due and punctual payment of their respective obligations to CWB, and shall pay upon demand the amount of such cost, loss, expense or liability (Section 10); and
- (e) **Costs and Expenses.** The Guarantor agreed to pay all costs and expenses, including legal fees, of enforcing the Promissory Notes, as applicable.

DEFAULTS AND RECEIVERSHIP

- 8. Each of the Borrowers defaulted under the terms of the Promissory Notes.
- 9. On November 25, 2020, the Ontario Superior Court of Justice (Commercial List) granted an order appointing msi Spergel inc. as receiver and manager of all the

assets, property and undertakings of, among others, Bless Hui Pharma Inc., St. Mary Theotokos Pharma Inc., and Stoney Creek Pharma Inc.

10. On January 26, 2021, the Ontario Superior Court of Justice (Commercial List) granted an order appointing msi Spergel inc. as receiver and manager of all of the assets, property and undertakings of, among others, SJ East Pharma Inc.
11. On or about February 26, 2021, CWB demanded (the “**Demands**”) payment from the Guarantor of the Guaranteed Indebtedness on or before March 8, 2021 (the “**Payment Deadline**”) failing which CWB would pursue its legal remedies against the Guarantor.
12. The Guarantor failed to satisfy the Demands on or before the Payment Deadline.

CLAIM

13. The Guarantor is legally responsible under the Guarantees for the Guaranteed Indebtedness.
14. Despite the Demands, the Guarantor has failed to satisfy his obligations under the Guarantees.
15. As set out in the Demands, the amount outstanding as at the date of the Demands plus accruing interest, fees and costs until the date of repayment, was:
 - (a) the principal amount of \$892,892.46 pursuant to the Bless Guarantee;
 - (b) the principal amount of \$2,272,275.17 pursuant to the SJ Guarantee;
 - (c) the principal amount of \$1,030,624.85 pursuant to the St. Mary Guarantee; and
 - (d) the principal amount of \$1,331,376.90 pursuant to the Stoney Guarantee.
16. Pursuant to the above and as at the date of the Demands, the total indebtedness under the Guarantees was \$5,527,169.38.
17. CWB proposes that this action be tried at Milton.

March 25, 2021

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Lawyers for the Plaintiff

CWB MAXIUM FINANCIAL INC.

DIEP NGUYEN

Plaintiff

and

Defendants

Court File No:

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced at MILTON

STATEMENT OF CLAIM

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Lawyers for the Plaintiff



Court File No. CV-21-00000998-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

CWB MAXIUM FINANCIAL INC.

Plaintiff

and

DIEP NGUYEN

Defendant

AND B E T W E E N:

DIEP NGUYEN

Plaintiff by Counterclaim

and

CWB MAXIUM FINANCIAL INC., JOHN GERGES, BLESS HUI PHARMA
INC., SJ EAST PHARMA INC., ST. MARY THEOTOKOS and STONEY
CREEK PHARMA INC.

Defendants by Counterclaim

STATEMENT OF DEFENCE AND COUNTERCLAIM

TO THE DEFENDANT(S) TO THE COUNTERCLAIM

A LEGAL PROCEEDING has been commenced against you by way of a Counterclaim in an action in this Court. The Claim made against you is set out in the following pages.

IF YOU WISH TO DEFEND THIS COUNTERCLAIM, you or an Ontario lawyer acting for you must prepare a Defence to Counterclaim in Form 27C prescribed by the *Rules of Civil Procedure*, serve it on the Plaintiff by counterclaim's lawyer or, where the Plaintiff by Counterclaim does not have a lawyer, serve it on the Plaintiff by Counterclaim, and file it, with proof of service, in this Court, WITHIN TWENTY DAYS after this Statement of Defence and Counterclaim is served on you.

If you are not already a party to the main action and you are served in another province or territory of Canada or in the United States of America, the period for serving and filing your defence is forty days. If you are served outside Canada and the United States of America, the period is sixty days.

If you are not already a party to the main action, instead of serving and filing a Defence to Counterclaim, you may serve and file a Notice of Intent to Defend in Form 18B prescribed by the *Rules of Civil Procedure*. This will entitle you to ten more days within which to serve and file your defence to Counterclaim.

IF YOU FAIL TO DEFEND THIS COUNTERCLAIM, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO DEFEND THIS PROCEEDING BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date May 28, 2021

Issued by

**Asad
Medjidov**
Local Registrar

Digitally signed by Asad
Medjidov
DN: cn=Asad Medjidov, o=SCJ
Milton, ou=Civil,
email=asad.medjidov@ontario.c
a, c=CA
Date: 2021.06.10.08:57:19 -04'00'

Address of 491 Steeles Avenue East
court office: Milton, Ontario
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TO: **MILLER THOMSON LLP**
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Lawyers for the plaintiff / defendant by counterclaim

TO: **JOHN GERGES**
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Tilbury, Ontario
N0P 2L0

Defendant

TO: **GOLDMAN SLOAN NASH & HABER LLP**
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AND TO: **BLESS HUI PHARMA INC.**
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Defendant by Counterclaim

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K0K 1H0

Defendant by Counterclaim

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AND TO: **STONEY CREEK PHARMA INC.**
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L8G 2N4

Defendant by Counterclaim

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Lawyer for the receiver, msi Spergel inc.

STATEMENT OF DEFENCE

1. The defendant, Diep Nguyen (“Defendant”) is 70 years of age. The Defendant is disabled and requires a wheelchair for his everyday needs. He has recently suffered through a divorce. He will not be able to work as a pharmacist in the near future.
2. The Defendant has no knowledge of paragraphs 2, 4, 5, 8, 9 and 10 of the Statement of Claim.
3. The Defendant denies the allegations contained in paragraph 1, 3, 6, 11, 12, 13, 14, 15, 16 and 17 of the Statement of Claim.
4. The documentation signed by the Defendant will hereinafter be referred to as the “Guarantee Documentation”.
5. The Defendant states that the provisions of the Guarantee Documentation referred to in paragraph 7 are part of the Guarantee Documentation.
6. The Defendant admits paragraph 11 but states that the plaintiff had no right to demand payment from the Defendant.
7. The Defendant objects to the commencement of this action in Milton. Milton has no connection whatsoever to any of the matters that are the subject matter of this action.
8. The Defendant states that the Guarantee Documentation must be construed strictly.

9. The Defendant states that the Guarantee Documentation is inconsistent and void for uncertainty including that the Guarantee Documentation cannot be both a guarantee obligation and an indemnity obligation.

10. The Defendant states that the Guarantee Documentation is contrary to public policy. The plaintiff has drafted a document entitled “guarantee” that continues the obligations of the “guarantor” even if the plaintiff has committed an illegal act or other fraudulent or immoral business conduct, which relates to or affects any of the loans that are alleged to be the subject of the Guarantee Documentation signed by the Defendant. As a result, the guarantee documentation by its own terms is unenforceable. Furthermore, the guarantee documentation and the plaintiff’s conduct ignore the obligation to act lawfully and in good faith allowing the plaintiff to engage in improper behaviour and wrongful acts and omissions, in that the Guarantee Documentation states that liability under the Guarantee Documentation will not be limited, reduced or affected *inter alia* by (i) any breach of any duty or negligence, (ii) any fraud and (iii) any event or conduct that may be a defence to the defendant and reports to excuse or absolve the plaintiff for such conduct.

11. The Guarantee Documentation does not prohibit nor prevent the defence of equitable set off.

12. For all material information required to be told to the Defendant prior to his signing the Guarantee Documentation, the plaintiff intended to use John as an agent of the plaintiff, and appointed John Gerges (“John”) as its agent and authorized John to communicate information that the plaintiff intended to be provided or not provided to the Defendant, before the Defendant decided whether to sign the Guarantee Documentation.

13. The Defendant never met with nor spoke to any representatives of the plaintiff. The plaintiff knew and intended this.

14. The Guarantee Documentation does not prohibit nor prevent the defence of innocent misrepresentation nor negligent misrepresentation, on which representations the Defendant relied which representations were made by the plaintiff through its agent, John.

15. The plaintiff knew that John advised the Defendant prior to the Defendant signing the Guarantee Documentation that:

(i) there was no risk in signing the Guarantee Documentation in that there was more than sufficient value in each of the pharmacy businesses to cover the amounts being borrowed from the plaintiff;

(i) the Defendant was doing a favour for John and the plaintiff when he provided the signed paperwork to allow the plaintiff to proceed with each of the loans for the businesses for the Four Corporations (as defined herein) that are the subject matter of this action;

(ii) the plaintiff believed the Defendant had few assets of value and that the plaintiff did not rely on the Defendant when it decided to provide the loans for these businesses. Furthermore, the plaintiff knew and intended that it was not necessary for the Defendant to provide a net worth statement nor any information about the assets owned by the Defendant, as the plaintiff never intended to rely on the covenant of the Defendant;

- (iii) the plaintiff was supportive of the businesses and the plaintiff was knowledgeable about the pharmacy business and industry and knew that if there was a sale of any of the pharmacy businesses related to the Guarantee Documentation, that the plaintiff would provide financing to any person who was successful, experienced in the industry and a legitimate purchaser.

16. The plaintiff knew that John, as agent of the plaintiff, when he delivered the initial Guarantee Documentation to the Defendant, or thereafter, when new Guarantee Documentation was subsequently signed, did not tell the Defendant that:

- (i) the plaintiff was intending to change its business model and no longer would be financing pharmacy businesses;
- (ii) there were in excess of \$20 million of loans being made to pharmacy businesses involving John and that this was a high-risk loan for which the Defendant was asked to sign Guarantee Documentation;
- (iii) the risk associated with the loan transactions that are the subject matter of this action, was significant if John was no longer able to be a pharmacist;
- (iv) the plaintiff had permitted John to choose the lawyer for the Defendant to provide advice related to the Guarantee Documentation and, in particular, to use John's lawyer who was also the lawyer for the corporations that borrowed money from the plaintiff related to these Four Corporations that operated pharmacy businesses, to provide legal advice to the Defendant before signing the Guarantee Documentation, to save legal costs and for

other reasons known to the plaintiff and John but unknown to the Defendant; and,

- (v) that lawyer was not an independent lawyer and as a result the Defendant would not receive independent legal advice. This was known to the plaintiff.

17. The Defendant did not receive independent legal advice. The Defendant did not understand the risks involved nor was he told the risks prior to signing of the Guarantee Documentation. This was known to the plaintiff.

18. If the Defendant had been told about the material facts pleaded herein and the risks associated with signing the Guarantee Documentation, he would never have signed the Guarantee Documentation. The Defendant was at a retirement age or nearing retirement at the time. . This was known to the plaintiff.

19. The Defendant states that other material information about the loans being made to the pharmacy businesses involving John including the pharmacy businesses of the Four Corporations involved in this action, was not told to the Defendant, all the particulars are which are known to John and the plaintiff and unknown to the Defendant.

20. The plaintiff knew that the Defendant was not being told of the magnitude and scope of the amount of the loans that were being advanced to all of the pharmacy businesses involving John and how that risk was directly related to all of the loans, that grew to in excess of \$20,000,000 made by the plaintiff to the pharmacy businesses which depended on the relationship between John and the plaintiff. The plaintiff knew the Defendant was not being told all of this material

information before he signed any of the Guarantee Documentation that is the subject matter of this action.

21. The advice provided by the lawyer, chosen by John was brief and insufficient to ensure that the Defendant understood the effect of the Guarantee Documentation he was signing and the risks involved in the cumulative loan transactions involving the plaintiff and John. The plaintiff knew that this was taking place in light of the information that it was told by John, or was known to its agent John, as a result of this relationship of the plaintiff with John.

The Sales of the Pharmacy Business

22. The Defendant pleads that the account managers of the plaintiff, Chris Graham (“Chris”), Steve Wasylyszyn (“Steve”) and Dan Gilchrist (“Dan”) encouraged John to sell the pharmacy businesses in order to pay down the loans made by the plaintiff to John and the pharmacy businesses.

23. John obtained written offers for in excess of \$3.35 million plus the cost of the inventory with regard to the two of the pharmacy businesses, (i) SJ East Pharma Inc. for \$2.1 million in April 2020; and (ii) Stoney Creek Pharma Inc., \$1.25 million in April 2020.

24. These offers were obtain from corporations of Kyrollos Rofeal (“Kryollos”) who was a bona fide purchaser, an experienced businessman and pharmacist, who was in the pharmacy business and owned a number of pharmacies.

25. These sales, along with the sale of Bless Hui Pharma Inc. and St. Mary Theotokos Pharma Inc. business would have generated more than sufficient funds to pay the loans with regard to these

four pharmacy businesses. The plaintiff knew this. All the particulars of this are known to the plaintiff and unknown to the Defendant.

26. The Defendant pleads that the plaintiff knew the offers came from an experienced pharmacist in the business and a person who owned a number of pharmacy businesses. Kyrollos offered to purchase eight pharmacy businesses involving John for in excess of \$8,000,000.

27. The account managers had represented to John that the plaintiff would finance the purchaser, Kyrollos, of those businesses as the account managers were aware that he was a bona fide purchaser and the account managers were unaware of the plaintiff's intention to get out of the business of financing pharmacy businesses.

28. Furthermore, unknown to the account managers at all material times, a principal of the plaintiff, Daryl Maclellan ("Daryl"), wanted to obtain the benefit of the true value of these pharmacy businesses and other pharmacy businesses, directly or indirectly, all the particulars of which are known to the plaintiff and unknown to the Defendant.

29. To accomplish this the plaintiff decided to manufacture or connive a default of the loans involving the pharmacy businesses in which John was involved, that are the subject matter of this proceeding and other legal proceedings, and other pharmacy businesses all the particulars of which are known to the plaintiff and unknown to the Defendant. The objective of the plaintiff was to control the sale of the pharmacy businesses, so that the pharmacy businesses could be sold by a court appointed receiver, at prices less than their true value.

30. The purpose of this court appointed receivership was to have the pharmacy businesses put up for sale in circumstances where the price would be adversely effected and the pharmacy businesses could be purchased at a deflated price through court proceedings.

31. To accomplish this, the plaintiff, in part, relied on an alleged cross-default provision. This was based on an incorrect interpretation of the Guarantee Documentation prepared and relied on by the plaintiff as security for the loans made by the plaintiff for all of the pharmacy businesses involving John, all the particulars of which are known to the plaintiff and unknown to the Defendant.

32. There was no cross-default provision that the plaintiff was able to rely upon to manipulate or allege default as against the borrowers of the loans involving the Four Corporations that are the subject matter of this action. The plaintiff made an improper demand of the loans to thereby trigger enforcement rights including the appointment of a court appointed receiver and the enforcement of the Guarantee Documentation.

33. The plaintiff then took steps to enforce these loans. One of the steps it took was to have a court appointed receiver appointed for these pharmacy businesses that are the subject matter of this action and other actions.

34. The purchaser's principal, Kryollos, intended to purchase a number of the pharmacy businesses with the cooperation and support of the plaintiff. All the particulars of this are known to the plaintiff and John and unknown to the Defendant.

35. This purchaser was encouraged by Chris, Steve and Dan, the account managers, to await the plaintiff's review. However, the account managers advised John that these offers by Kryollos' corporations were commercially reasonable sales at reasonable prices.

36. The plaintiff thereby knew that he proceeds of these sales would pay a significant portion of the amounts borrowed by the pharmacy businesses from the plaintiff, all the particulars of which are known to the plaintiff and unknown to the Defendant.

37. However, even though Chris, Steve and Dan were supportive of this approach taken by John, the plaintiff delayed responding to the offers. The purchaser Kryollos did not continue after approximately 3 to 4 months and thereafter invested his funds elsewhere.

38. The account managers were subsequently terminated by the plaintiff when it completed its change in policy as they no longer required those employees who had experience in financing pharmacy businesses, to work for the plaintiff.

39. This change in policy by the plaintiff has made these assets less marketable and has rendered them less valuable, all the particulars of which are known to the plaintiff and unknown to the Defendant. This was known and intended by the plaintiff and is in breach of the plaintiff's obligation to act lawfully and in good faith. The plaintiff is responsible and accountable for its breach of duty, breach of contract and wrongful conduct.

40. The Defendant states that the plaintiff materially altered the transactions that are the subject of the Guarantee Documentation.

41. As a result, the amount of any debt owed to the plaintiff would have been reduced if the plaintiff had not acted improvidently on the sale of the assets that secured the amounts owed to the plaintiff.

42. The Defendant pleads the defence of equitable set off as a result of the negligence or, in the alternative, intentional conduct of the plaintiff.

43. The Defendants are entitled to an accounting from the plaintiff of the amount owed, if any, taking into account the amount that the Defendant is entitled to equitably set off from the amount claimed by the plaintiff.

44. The defendant, Diep Nguyen, asks that this action be dismissed with costs.

COUNTERCLAIM

45. The plaintiff by counterclaim, Diep Nguyen (Diep”) claims as against the Defendants to the counterclaim:

- (a) Judgment declaring that Bless Hui Pharma Inc. is not indebted to the plaintiff;
- (b) in the alternative, Diep claims an accounting of the amount owed by Bless Hui Pharma Inc. to the plaintiff;
- (c) Judgment declaring that SJ East Pharma Inc. is not indebted to the plaintiff;
- (d) in the alternative, Diep claims an accounting of the amount owed by SJ East Pharma Inc. to the plaintiff;

- (e) Judgment declaring that St. Mary Theotokos Pharma Inc. is not indebted to the plaintiff;
- (f) in the alternative, Diep claims an accounting of the amount owed by St. Mary Theotokos Pharma Inc. to the plaintiff;
- (g) Judgment declaring that Stoney Creek Pharma Inc. is not indebted to the plaintiff;
- (h) in the alternative, Diep claims an accounting of the amount owed by Stoney Creek Pharma Inc. to the plaintiff;
- (i) Judgment declaring that Diep is not indebted to the plaintiff;
- (j) judgment declaring that John Gerges was the agent of the plaintiff in all the dealings involving the plaintiff and Diep and that the plaintiff is bound by the acts and words of the Defendant, John Gerges, that were done or said to Diep;
- (k) judgment declaring that there is no general cross-default provision in the Guarantee Documentation of the plaintiff that is the subject matter of this action;
- (l) an order declaring that the plaintiff breached the loan agreement with Bless Hui Pharma Inc.;
- (m) an order declaring that the plaintiff breached the loan agreement with SJ East Pharma Inc.;
- (n) an order declaring that the plaintiff breached the loan agreement with St. Mary Theotokos Pharma Inc.;

- (o) an order declaring that the plaintiff breached the loan agreement with Stoney Creek Pharma Inc.;
- (p) an order declaring that the Four Corporations are bound by any judgment obtained in this proceeding;
- (q) the costs of the counterclaim on partial indemnity basis or, in the alternative, on a substantial indemnity basis as against CWB Maximum Financial Inc. and John plus all applicable taxes; and,
- (r) prejudgment interest in accordance with section 128 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended;
- (s) post judgment interest in accordance with section 129 of the *Courts of Justice Act*;
- (t) Such further and other Relief as to this Honourable Court may seem just.

46. Diep repeats and relies upon the allegations in the Statement of Defence in support of the Counterclaim.

47. Bless Hui Pharma Inc., SJ East Pharma Inc., St. Mary Theotokos Pharma Inc. and Stoney Creek Pharma Inc. (“Four Corporations”) are corporations that were put into receivership as a result of the steps taken by the plaintiff;

48. Diep states that there were other purchasers who were interested in buying pharmacy businesses including Essam Siha for the Apothecary Shop, Suzanne Morcos for the Riverhill

Pharmacy, Khan Qaisar for the Old Walkerville Pharmacy as well as the eight pharmacy businesses that Kryollos had offered to purchase.

49. Diep states that the pharmacy industry is a small, well known industry to those involved in it and the conduct of the plaintiff adversely affected the reputation of these pharmacy businesses in which John was involved in the pharmacy industry and the market for these Four Corporations and other pharmacy businesses in which John was involved.

50. The plaintiff knew that its conduct would adversely and significantly affect the value of the pharmacy businesses financed by the plaintiff, all the particulars of which are known to the plaintiff and unknown to Diep.

51. Diep states that the conduct of the plaintiff was dishonest performance of the agreements made with John and each of the Four Corporations for the sale and financing of these pharmacy businesses.

52. Diep claims that the Four Corporations are entitled to set off the amounts of money that would have been received by the plaintiff on the sale of the pharmacy businesses had the plaintiff acted providently and had it followed the representations made by Chris, Steve and Dan with regard to the sale of the pharmacy businesses. Diep seeks a declaratory judgment that the Four Corporations are not indebted to the plaintiff or that the amount claimed by the plaintiff should be reduced accordingly. Diep claims entitlement to equitably setoff the amount of damages suffered as a result of the loss of the sales of the businesses of the Four Corporations, which proceeds would have reduced or eliminated the amount claimed by the plaintiff. Diep claims an accounting and that any judgment be based on that accounting.

53. Diep asks for leave *nun pro tunc*, if leave is required, to commence the action as against the Four Corporations in receivership. However, they are joined as parties to this action only for the purpose of obtaining declaratory orders that they are not indebted to the plaintiff or that they are indebted to the plaintiff for an amount far less than the amounts claimed in this proceeding. As a result, the declaratory orders sought are only for the benefit of the Four Corporations that are the parties to this counterclaim. No costs, damages, property or other such relief is claimed from these Four Corporations that are made parties for the purpose of the declaratory orders sought.

54. The Four Corporations are necessary parties to this proceeding.

55. Diep states that the proper venue of this action is Toronto.

May 28, 2021

**SOLMON ROTHBART TOURGIS
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Lawyers for the defendant / plaintiff by
counterclaim

CWB MAXIUM FINANCIAL INC.
Plaintiff
CWB MAXIUM FINANCIAL INC. et al.
Defendants by Counterclaim

-and- DIEP NGUYEN
Defendant
DIEP NGUYEN
Plaintiff by Counterclaim

Court File No. CV-21-00000998-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT
MILTON

STATEMENT OF DEFENCE AND COUNTERCLAIM

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Lawyers for the defendant / plaintiff by counterclaim

File Number: 18653

RCP-E 4C (September 1, 2020)

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N :

CWB MAXIUM FINANCIAL INC.

Plaintiff

- and -

DIEP NGUYEN

Defendant

A N D B E T W E E N :

DIEP NGUYEN

Plaintiff by counterclaim

- and -

CWB MAXIUM FINANCIAL INC., JOHN GERGES, BLESS HUI PHARMA
INC., SJ EAST PHARMA INC., ST. MARY THEOTOKOS and STONEY
CREEK PHARMA INC.

Defendants by Counterclaim

REPLY AND DEFENCE TO COUNTERCLAIM

1. The Plaintiff, CWB Maxium Financial Inc. (“**CWB**”), has no knowledge in respect of the allegations contained in paragraph 1 of the Statement of Defence and Counterclaim.
2. The Plaintiff denies the allegations contained in paragraphs 2-3 and 6-55 of the Statement of Defence and Counterclaim. The Plaintiff pleads that overall the Statement of Defence and Counterclaim is replete with bald and unparticularized allegations and conclusions unsupported by material facts.
3. The Plaintiff adopts the same definitions as those in its Statement of Claim, including that:

- (a) CWB provided term loans (collectively, the “**Promissory Notes**”) to Bless Hui Pharma Inc., SJ East Pharma Inc., St. Mary Theotokos Pharma Inc., and Stoney Creek Pharma Inc. (the “**Borrowers**”);
- (b) the total principal amounts outstanding under the Promissory Notes, plus accrued interest, costs and fees until the date of repayment is referred to as the “**Guaranteed Indebtedness**”; and
- (c) the Defendant, Diep Nguyen, is a **Guarantor** who unconditionally guaranteed in favour of CWB all of the obligations owing, including the Guaranteed Indebtedness, under the Promissory Notes by the Borrowers, pursuant to the unlimited and unconditional guarantee agreements (the “**Guarantees**”).

THE PARTIES

4. The Plaintiff, CWB, is a Canadian domestic bank with operations in various provinces across Canada, including Ontario. The Plaintiff carries on business by, among other things, providing loans to healthcare professionals, including pharmacists.

5. The Defendant, Diep Nguyen, the Guarantor, is a businessperson and pharmacist residing in Toronto, Ontario. He is the owner of three of the Borrowers, SJ East Pharma Inc., St. Mary Theotokos Pharma Inc., and Stoney Creek Pharma Inc.

THE GUARANTEE

6. Contrary to paragraphs 9 and 10 of the Statement of Defence and Counterclaim, the Guarantees are not inconsistent or void for uncertainty, nor are they contrary to public policy or invalidated due to the indemnity obligation included therein. The Plaintiff pleads that guarantees often include both a guarantee and a supporting indemnity, which provisions have consistently been upheld by the Court. Furthermore, the Plaintiff has not acted negligently, unlawfully or in bad faith.

7. Contrary to paragraphs 12-16 of the Statement of Defence and Counterclaim, John Gerges was never an agent for CWB. At no time did CWB know of or consent to any of the purported representations claimed at paragraph 15(i) through (iii), and the Defendant has

provided no, or insufficient particulars, of any such representations. The Plaintiff denies that John Gerges acted as an agent of CWB at any time and denies that it is bound by his conduct, and puts the Defendant to the strict proof thereof.

8. Contrary to paragraphs 17-21 of the Statement of Defence and Counterclaim, the Defendant understood the risks and his obligations under the Guarantees. He was provided with the opportunity to and did obtain independent legal advice with respect to the execution of same and the obligations assumed thereunder. In fact, the Defendant's execution of the Guarantees was witnessed by independent legal counsel.

9. In entering into the Guarantees and in providing security over his assets, the Defendant did so voluntarily and was in no way misled, especially as he is both a sophisticated and experienced businessman, and because he had the benefit of independent legal advice. At no time was the Defendant vulnerable or dependent on CWB. No undue influence, inducement, pressure, predatory or aggressive tactics were exerted by CWB on the Defendant to secure the Guarantees.

10. Any deficiencies in the advice provided by independent legal counsel, which is not admitted, but denied, is not the Plaintiff's responsibility. CWB provided all required and requested documentation and information in connection with the execution of the Guarantee. CWB denies that Diep Nguyen or his independent legal counsel lacked full particulars pertaining to the Guarantee. If either Diep Nguyen or his independent legal counsel lacked information, they had an obligation to, and only had to ask for it. If either Diep Nguyen or his independent legal counsel lacked information, it was their own fault.

11. Contrary to the bald and commercially unreasonable assertions at paragraphs 22-41 of the Statement of Defence and Counterclaim, CWB denies that it failed to mitigate its damages or that it in any way affected the sale of the pharmacies. In fact, notwithstanding that CWB had no obligation to extend credit to another party at the behest of the Defendant, CWB spent considerable resources on preparing a deal to finance Kyrollos Rofael's purchase offers. However, Mr. Rofael walked away from the deal after he discovered that the Telus Pharma accounts for each of the pharmacies had been canceled or suspended. At all times, CWB has

acted in a commercially reasonable and prudent manner in order to obtain fair market value for the assets and minimize the damages suffered as a result of the Borrowers' defaults.

12. The Plaintiff states that the nature of the allegations made at paragraphs 22-41 of the Statement of Defence and Counterclaim is that of fraud. As such, the Defendant is required to provide full particulars of the allegations made against CWB. Having failed to do so, these paragraphs should be struck and the Defendant should be liable for costs on a substantial indemnity scale.

13. CWB categorically denies the allegations made at paragraphs 38-39 of the Statement of Defence and Counterclaim. There is simply no connection between any change in internal policy that corresponds to the fair market value of the Borrowers' assets. These allegations are illogical and make no commercial sense.

14. Contrary to paragraphs 11, 42 and 43 of the Statement of Defence and Counterclaim, the Defendant cannot rely on the defence of equitable set-off. Section 4 of the Guarantees provide that:

We do not owe you any duty (as a fiduciary or otherwise) and you hereby waive any right to make any claim or counterclaim and to raise any right of set off, equitable or otherwise, arising from any alleged breach of a duty owed to you, or the Customer or any other person.

15. Moreover, section 6 of the Guarantees expressly prohibits the defence of set-off:

You will make all payments required to be made under this Guarantee without regard to any right of setoff or counterclaim that you have or may have against us or the Customer, which rights you waive.

16. Diep Nguyen is an educated and commercially sophisticated business owner and pharmacist. At all times, he understood the nature of the contracts and obligations he entered into. He obtained independent legal advice. He received valuable consideration for entering the Guarantees. Through his dealings, as an owner of three of the pharmacy Borrowers, he made

substantial profits through its business dealings. He is entirely responsible for the obligations arising under the Guarantees.

DEFENCE TO COUNTERCLAIM

17. The Plaintiff denies the allegations contained in the Counterclaim.
18. The Plaintiff repeats and relies on and adopts the contents of its Statement of Claim and Reply herein.
19. The Plaintiff denies that it is obligated to the Defendant for any amounts.
20. The Plaintiff denies having engaging in any conduct meant to or having the effect of lowering the value of the Borrowers' assets. Such actions would be commercially unreasonable and contrary to CWB's interests to recover its investments.
21. The whole of the Counterclaim is a collateral attack on the receivership process which the Borrowers and Defendants by Counterclaim previously consented to. Moreover, the Defendant has insufficiently particularized his claim of fraud against CWB. As such, the Counterclaim should be struck in its entirety.
22. In light of the Defendant's harmful and unsubstantiated allegations of fraud against CWB, the Plaintiff requests that the Counterclaim be dismissed with costs to it on a substantial indemnity basis.

June 30, 2021

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AND TO: **JOHN GERGES**

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Defendant by Counterclaim

CWB MAXIUM FINANCIAL INC. DIEP NGUYEN
Plaintiff and Defendant

Court File No.: CV-21-00000998-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced at MILTON

REPLY AND DEFENCE TO COUNTERCLAIM

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Lawyers for the Plaintiff/Defendants by
Counterclaim, CWB Maxium Financial Inc.



Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Electronically issued : 30-Mar-2021
Délivré par voie électronique
Milton

CWB MAXIUM FINANCIAL INC.

Plaintiff

- and -

SANDRA YOUSSEF

Defendant

STATEMENT OF CLAIM

TO THE DEFENDANTS:

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the plaintiff. The claim made against you is set out in the following pages.

IF YOU WISH TO DEFEND THIS PROCEEDING, you or an Ontario lawyer acting for you must prepare a statement of defence in Form 18A prescribed by the Rules of Civil Procedure, serve it on the plaintiff's lawyer or, where the plaintiff does not have a lawyer, serve it on the plaintiff, and file it, with proof of service, in this court office, WITHIN TWENTY DAYS after this statement of claim is served on you, if you are served in Ontario.

If you are served in another province or territory of Canada or in the United States of America, the period for serving and filing your statement of defence is forty days. If you are served outside Canada and the United States of America, the period is sixty days.

Instead of serving and filing a statement of defence, you may serve and file a notice of intent to defend in Form 18B prescribed by the Rules of Civil Procedure. This will entitle you to ten more days within which to serve and file your statement of defence.

IF YOU FAIL TO DEFEND THIS PROCEEDING, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO DEFEND THIS PROCEEDING BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

IF YOU PAY THE PLAINTIFF'S CLAIM, and \$1,000.00 for costs, within the time for serving and filing your statement of defence, you may move to have this proceeding

dismissed by the court. If you believe the amount claimed for costs is excessive, you may pay the plaintiff's claim and \$800.00 for costs and have the costs assessed by the court.

TAKE NOTICE: THIS ACTION WILL AUTOMATICALLY BE DISMISSED if it has not been set down for trial or terminated by any means within five years after the action was commenced unless otherwise ordered by the court.

Date March , 2021

Issued by _____

Local registrar

Address of
court office

TO: SANDRA YOUSSEF
Suite 703-676 Sheppard Ave.
Toronto, ON
M2K 3E7

CLAIM

1. The Plaintiff, CWB Maxium Financial Inc. (“**CWB**”), claims as against the Defendant, Sandra Youssef (the “**Guarantor**”):
 - (a) Judgment against the Defendant for the aggregate principal amount of \$3,507,870.04 due and owing plus interests, fees and costs until the date of repayment, pursuant to the terms of the St. Mary Guarantee (as defined below);
 - (b) Pre-judgment and post-judgment interest at 18.0% per annum in accordance with the terms of the Promissory Note (as defined below);
 - (c) In the alternative, pre-judgment and post-judgment interest in accordance with the *Courts of Justice Act* R.S.O. 1990, Chapter C. 43 (the “**CJA**”);
 - (d) Costs of this action on a full indemnity basis in accordance with the terms of the Promissory Note; and
 - (e) Such further and other relief as this Honourable Court deems just.

THE PARTIES

2. The Plaintiff, CWB, is a Canadian domestic Bank with operations in various provinces across Canada, including Ontario. The Plaintiff carries on business by, among other things, providing loans to healthcare professionals, including pharmacists.
3. The Defendant, the Guarantor, is a businessperson and pharmacist residing in Toronto, Ontario.

THE GUARANTEES

4. CWB provided a term loan to St. Mary Cooksville Pharma Inc. in the principal amount of \$3,250,450.00 pursuant to a promissory note dated October 31, 2018, and a second term loan to St. Mary Cooksville Pharma Inc. in the principal amount of

\$200,450.00 pursuant to a promissory note dated August 8, 2019 (the “**Promissory Note**”).

5. The principal amount outstanding under the Promissory Notes, plus accrued interest, costs and fees until the date of repayment is referred to herein as the “**Guaranteed Indebtedness**”.
6. The Guarantor, among others, unconditionally guaranteed in favour of CWB all of the obligations owing by St. Mary Cooksville Pharma Inc. (the “**Borrower**”, or “**St. Mary**”) to CWB, including the Guaranteed Indebtedness, pursuant to the unlimited and unconditional guarantee agreement dated October 31, 2018 (the “**St. Mary Guarantee**”).
7. The St. Mary Guarantee includes the following material terms:
 - (a) **Obligations Guaranteed.** The Guarantor guarantees payment to CWB, on demand, of all present and future lease payments and obligations, conditional sale instalments and obligations and any other debts and liabilities, both direct and indirect (whether incurred or alone or jointly with others, whether absolute or contingent, whether matured or not matured, and whether for principal, interest or fees) payable to CWB by the Borrower under any and all credit facilities, together with all costs, expenses, including legal fees and expenses, incurred by CWB in connection with its dealings with the applicable Borrower (Section 2);
 - (b) **Nature of Liability.** The Guarantor’s liability is joint and several, continuing, absolute and unconditional (Section 3);
 - (c) **Exhausting Recourse.** CWB does not need to exhaust its recourse against the Borrower or any other person or under any security interest CWB may hold from time to time before being entitled to full payment from the Guarantor under the applicable Guarantee (Section 9);

- (d) **Indemnity.** The Guarantor shall indemnify CWB against any cost, loss, expense or liability stemming from the failure of the Borrowers to make due and punctual payment of their respective obligations to CWB, and shall pay upon demand the amount of such cost, loss, expense or liability (Section 10); and
- (e) **Costs and Expenses.** The Guarantor agreed to pay all costs and expenses, including legal fees, of enforcing the Promissory Note, as applicable.

DEFAULTS AND RECEIVERSHIP

- 8. St. Mary defaulted under the terms of the Promissory Note.
- 9. On February 3, 2021, the Ontario Superior Court of Justice (Commercial List) granted an order appointing msi Spergel inc. as receiver and manager of all the assets, property and undertakings of, among others, St. Mary.
- 10. On or about February 26, 2021, CWB demanded (the “**Demand**”) payment from the Guarantor of the Guaranteed Indebtedness on or before March 8, 2021 (the “**Payment Deadline**”) failing which CWB would pursue its legal remedies against the Guarantor.
- 11. The Guarantor failed to satisfy the Demands on or before the Payment Deadline.

CLAIM

- 12. The Guarantor is legally responsible under the St. Mary Guarantee for the Guaranteed Indebtedness.
- 13. Despite the Demand, the Guarantor has failed to satisfy her obligations under the Guarantees.
- 14. As at February 12, 2021 the Guarantor is indebted to CWB, and CWB claims from the Guarantor for the principal amount of \$3,507,870.04 plus interest, fees and costs until the date of payment under the St. Mary Guarantee.

15. CWB proposes that this action be tried at Milton.

March 25, 2021

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Lawyers for the Plaintiff

CWB MAXIUM FINANCIAL INC.

SANDRA YOUSSEF

Plaintiff

and

Defendants

Court File No:

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at MILTON

STATEMENT OF CLAIM

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Lawyers for the Plaintiff



Court File No. CV-21-00001025-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

(Court Seal)

CWB MAXIUM FINANCIAL INC.

Plaintiff

and

SANDRA YOUSSEF

Defendant

AND BETWEEN:

SANDRA YOUSSEF

Plaintiff by Counterclaim

and

CWB MAXIUM FINANCIAL INC., JOHN GERGES and ST. MARY
COOKSVILLE PHARMA INC..

Defendants by Counterclaim

STATEMENT OF DEFENCE AND COUNTERCLAIM

TO THE DEFENDANT(S) TO THE COUNTERCLAIM

A LEGAL PROCEEDING has been commenced against you by way of a Counterclaim in an action in this Court. The Claim made against you is set out in the following pages.

IF YOU WISH TO DEFEND THIS COUNTERCLAIM, you or an Ontario lawyer acting for you must prepare a Defence to Counterclaim in Form 27C prescribed by the *Rules of Civil Procedure*, serve it on the Plaintiff by counterclaim's lawyer or, where the Plaintiff by Counterclaim does not have a lawyer, serve it on the Plaintiff by Counterclaim, and file it, with proof of service, in this Court, WITHIN TWENTY DAYS after this Statement of Defence and Counterclaim is served on you.

If you are not already a party to the main action and you are served in another province or territory of Canada or in the United States of America, the period for serving and filing your defence is forty days. If you are served outside Canada and the United States of America, the period is sixty days.

If you are not already a party to the main action, instead of serving and filing a Defence to Counterclaim, you may serve and file a Notice of Intent to Defend in Form 18B prescribed by the *Rules of Civil Procedure*. This will entitle you to ten more days within which to serve and file your defence to Counterclaim.

IF YOU FAIL TO DEFEND THIS COUNTERCLAIM, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO DEFEND THIS PROCEEDING BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date May 28, 2021

Issued by

Asad

Medjidov

Local Registrar

Digitally signed by Asad Medjidov
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Date: 2021.06.10 09:18:55 -04'00'

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Lawyer for the receiver, msi Spergel inc.

AND TO: **ST. MARY COOKSVILLE PHARMA INC.**

Defendant by Counterclaim

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STATEMENT OF DEFENCE

1. The defendant, Sandra Youssef (“Defendant”) is the wife of John Gerges and a pharmacist. She worked out of the pharmacy owned by St. Mary Cooksville Pharma Inc. (“St. Mary”) She resides in Toronto Ontario.
2. The Defendant has no knowledge of paragraphs 2, 4, 5, 8 and 9 of the Statement of Claim.
3. The Defendant denies the allegations contained in paragraph 1, 3, 6, 10, 11, 12, 13, 14 and 15 of the Statement of Claim.
4. The documentation signed by the Defendant will hereinafter be referred to as the “Guarantee Documentation”.
5. The Defendant states that the provisions of the Guarantee Documentation referred to in paragraph 7 are part of the Guarantee Documentation.
6. The Defendant admits paragraph 11 but states that the plaintiff had no right to demand payment from the Defendant.
7. The Defendant objects to the commencement of this action in Milton. Milton has no connection whatsoever to any of the matters that are the subject matter of this action.
8. The Defendant states that the Guarantee Documentation must be construed strictly.
9. The Defendant states that the Guarantee Documentation is inconsistent and void for uncertainty including that the Guarantee Documentation cannot be both a guarantee obligation and an indemnity obligation.

10. The Defendant states that the Guarantee Documentation is contrary to public policy. The plaintiff has drafted a document entitled “guarantee” that continues the obligations of the “guarantor” even if the plaintiff has committed an illegal act or other fraudulent or immoral business conduct, which relates to or affects any of the loans that are alleged to be the subject of the Guarantee Documentation signed by the Defendant. As a result, the guarantee documentation by its own terms is unenforceable. Furthermore, the guarantee documentation and the plaintiff’s conduct ignore the obligation to act lawfully and in good faith allowing the plaintiff to engage in improper behaviour and wrongful acts and omissions, in that the Guarantee Documentation states that liability under the Guarantee Documentation will not be limited, reduced or affected *inter alia* by (i) any breach of any duty or negligence, (ii) any fraud and (iii) any event or conduct that may be a defence to the defendant and reports to excuse or absolve the plaintiff for such conduct.

11. The Guarantee Documentation does not prohibit nor prevent the defence of equitable set off.

12. For all material information required to be told to the Defendant prior to her signing the Guarantee Documentation, the plaintiff intended to use John as an agent of the plaintiff, and appointed John Gerges (“John”) as its agent and authorized John to communicate information that the plaintiff intended to be provided or not provided to the Defendant, before the Defendant decided whether to sign the Guarantee Documentation.

13. The Defendant never met with nor spoke to any representatives of the plaintiff. The plaintiff knew and intended this.

14. The Guarantee Documentation does not prohibit nor prevent the defence of innocent misrepresentation nor negligent misrepresentation, on which representations the Defendant relied which representations were made by the plaintiff through its agent, John.

15. The plaintiff knew that John advised the Defendant prior to the Defendant signing the Guarantee Documentation that:

- (i) there was no risk in signing the Guarantee Documentation in that there was more than sufficient value in each of the pharmacy businesses to cover the amounts being borrowed from the plaintiff;
- (i) the Defendant was doing a favour for John and the plaintiff when she provided the signed paperwork to allow the plaintiff to proceed with the loan for the business for St. Mary which is the subject matter of this action;
- (ii) the plaintiff believed that the Defendant had few assets and that the plaintiff did not rely on the Defendant when it decided to provide the loans for these businesses. Furthermore, the plaintiff knew and intended that it was not necessary for the Defendant to provide a net worth statement nor any information about the assets owned by the Defendant, as the plaintiff never intended to rely on the covenant of the Defendant;
- (iii) the plaintiff was supportive of the businesses and the plaintiff was knowledgeable about the pharmacy business and industry and knew that if there was a sale of any of the pharmacy businesses related to the Guarantee

Documentation, that the plaintiff would provide financing to any person who was successful, experienced in the industry and a legitimate purchaser.

16. The plaintiff knew that John, as agent of the plaintiff, when he delivered the initial Guarantee Documentation to the Defendant, did not tell the Defendant that:

- (i) the plaintiff was intending to change its business model and no longer would be financing pharmacy businesses;
- (ii) there were in excess of \$20 million of loans being made to pharmacy businesses involving John and that this was a high-risk loan for which the Defendant was asked to sign Guarantee Documentation;
- (iii) the risk associated with the loan transaction that is the subject matter of this action, was significant if John was no longer able to be a pharmacist;
- (iv) the plaintiff had permitted John to choose the lawyer for the Defendant to provide advice related to the Guarantee Documentation and, in particular, to use John's lawyer who was also the lawyer for the corporations that operated pharmacy businesses and that borrowed money from the plaintiff, to provide legal advice to the Defendant before signing the Guarantee Documentation, to save legal costs and for other reasons known to the plaintiff and John but unknown to the Defendant; and,

- (v) that lawyer was not an independent lawyer and as a result the Defendant would not receive independent legal advice. This was known to the plaintiff.

17. The Defendant did not receive independent legal advice. The Defendant did not understand the risks involved nor was she told the risks prior to signing of the Guarantee Documentation. This was known to the plaintiff.

18. If the Defendant had been told about the material facts pleaded herein and the risks associated with signing the Guarantee Documentation, she would never have signed the Guarantee Documentation. This was known to the plaintiff.

19. The Defendant states that other material information about the loans being made to the pharmacy businesses involving John was not told to the Defendant, all the particulars are which are known to John and the plaintiff and unknown to the Defendant.

20. The plaintiff knew that the Defendant was not being told of the magnitude and scope of the amount of the loans that were being advanced to all of the pharmacy businesses involving John and how that risk was directly related to all of the loans, that grew to in excess of \$20,000,000 made by the plaintiff to the pharmacy businesses which depended on the relationship between John and the plaintiff. The plaintiff knew the Defendant was not being told all of this material information before she signed any of the Guarantee Documentation that is the subject matter of this action.

21. The advice provided by the lawyer, chosen by John was brief and insufficient to ensure that the Defendant understood the effect of the Guarantee Documentation she was signing and the

risks involved in the cumulative loan transactions involving the plaintiff and John. The plaintiff knew that this was taking place in light of the information that it was told by John, or was known to its agent John, as a result of this relationship of the plaintiff with John.

The Sales of the Pharmacy Business

22. The Defendant pleads that the account managers of the plaintiff, Chris Graham (“Chris”), Steve Wasylyszyn (“Steve”) and Dan Gilchrist (“Dan”) encouraged John to sell the pharmacy businesses in order to pay down the loans made by the plaintiff to John and the pharmacy businesses.

23. John obtained a written offer in April 2020 for \$3.2 million plus the cost of the inventory, with regard to the two of the pharmacy business owned and operated by St. Mary.

24. These offers were obtain from corporations of Kyrollos Rofeal (“Kryollos”) who was a bona fide purchaser, an experienced businessman and pharmacist, who was in the pharmacy business and owned a number of pharmacies.

25. This sale, would likely have generated sufficient funds to pay the loan with regard to St. Mary, or reduce it significantly. The plaintiff knew this. All the particulars of this are known to the plaintiff and unknown to the Defendant.

26. The Defendant pleads that the plaintiff knew the offer came from an experienced pharmacist in the business and a person who owned a number of pharmacy businesses. Kyrollos offered to purchase eight pharmacy businesses involving John for in excess of \$8,000,000.

27. The account managers had represented to John that the plaintiff would finance the purchaser, Kyrollos, of those businesses as the account managers were aware that he was a bona fide purchaser and the account managers were unaware of the plaintiff's intention to get out of the business of financing pharmacy businesses.

28. Furthermore, unknown to the account managers at all material times, a principal of the plaintiff, Daryl MacLellan ("Daryl"), wanted to obtain the benefit of the true value of these pharmacy businesses and other pharmacy businesses, directly or indirectly, all the particulars of which are known to the plaintiff and unknown to the Defendant.

29. To accomplish this the plaintiff decided to manufacture or connive a default of the loans involving the pharmacy businesses in which John was involved, that are the subject matter of this proceeding and other legal proceedings, and other pharmacy businesses all the particulars of which are known to the plaintiff and unknown to the Defendant. The objective of the plaintiff was to control the sale of the pharmacy businesses, so that the pharmacy businesses could be sold by a court appointed receiver, at prices less than their true value.

30. The purpose of this court appointed receivership was to have the pharmacy businesses put up for sale in circumstances where the price would be adversely effected and the pharmacy businesses could be purchased at a deflated price through court proceedings.

31. To accomplish this, the plaintiff, in part, relied on an alleged cross-default provision. This was based on an incorrect interpretation of the Guarantee Documentation prepared and relied on by the plaintiff as security for the loans made by the plaintiff for all of the pharmacy businesses

involving John, all the particulars of which are known to the plaintiff and unknown to the Defendant.

32. There was no cross-default provision that the plaintiff was able to rely upon to manipulate or allege default as against the borrowers of the loans involving the pharmacy businesses including St. Mary. The plaintiff made an improper demand of the loans to thereby trigger enforcement rights including the appointment of a court appointed receiver and the enforcement of the Guarantee Documentation.

33. The plaintiff then took steps to enforce these loans. One of the steps it took was to have a court appointed receiver appointed for these pharmacy businesses that are the subject matter of this action and other actions.

34. The purchaser's principal, Kryollos, intended to purchase a number of the pharmacy businesses with the cooperation and support of the plaintiff. All the particulars of this are known to the plaintiff and John and unknown to the Defendant.

35. This purchaser was encouraged by Chris, Steve and Dan, the account managers, to await the plaintiff's review. However, the account managers advised John that these offers by Kryollos' corporations were commercially reasonable sales at reasonable prices.

36. The plaintiff thereby knew that the proceeds of these sales would pay a significant portion of the amounts borrowed by the pharmacy businesses from the plaintiff, all the particulars of which are known to the plaintiff and unknown to the Defendant.

37. However, even though Chris, Steve and Dan were supportive of this approach taken by John, the plaintiff delayed responding to the offers. The purchaser Kryollos did not continue after approximately 3 to 4 months and thereafter invested his funds elsewhere.

38. The account managers were subsequently terminated by the plaintiff when it completed its change in policy as they no longer required those employees who had experience in financing pharmacy businesses, to work for the plaintiff.

39. This change in policy by the plaintiff has made these assets less marketable and has rendered them less valuable, all the particulars of which are known to the plaintiff and unknown to the Defendant. This was known and intended by the plaintiff and is in breach of the plaintiff's obligation to act lawfully and in good faith. The plaintiff is responsible and accountable for its breach of duty, breach of contract and wrongful conduct.

40. The Defendant states that the plaintiff materially altered the transaction that is the subject of the Guarantee Documentation.

41. As a result, the amount of any debt owed to the plaintiff would have been reduced if the plaintiff had not acted improvidently on the sale of the assets that secured the amounts owed to the plaintiff.

42. The Defendant pleads the defence of equitable set off as a result of the negligence or, in the alternative, intentional conduct of the plaintiff.

43. The Defendant is entitled to an accounting from the plaintiff of the amount owed, if any, taking into account the amount that the Defendant is entitled to equitably set off from the amount claimed by the plaintiff.

44. The defendant asks that this action be dismissed with costs.

COUNTERCLAIM

45. The plaintiff by counterclaim, Sandra Youssef (“Sandra”) claims as against the Defendants to the counterclaim:

- (a) Judgment declaring that St. Mary is not indebted to the plaintiff;
- (b) Judgment declaring that Sandra is not indebted to the plaintiff;
- (c) in the alternative, Sandra claims an accounting of the amount owed by St. Mary to the plaintiff;
- (d) judgment declaring that John Gerges was the agent of the plaintiff in all the dealings involving the plaintiff and Sandra and that the plaintiff is bound by the acts and words of the Defendant, John Gerges, that were done or said to Sandra;
- (e) judgment declaring that there is no general cross-default provision in the Guarantee Documentation of the plaintiff that is the subject matter of this action;
- (f) an order declaring that the plaintiff breached the loan agreement with St. Mary;

- (g) the costs of the counterclaim on partial indemnity basis or, in the alternative, on a substantial indemnity basis as against CWB Maximum Financial Inc. plus all applicable taxes; and,
- (h) prejudgment interest in accordance with section 128 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended;
- (i) post judgment interest in accordance with section 129 of the *Courts of Justice Act*; and,
- (j) Such further and other Relief as to this Honourable Court may seem just.

46. Sandra repeats and relies upon the allegations in the Statement of Defence in support of the Counterclaim.

47. St. Mary is a corporation that was put into receivership as a result of the steps taken by the plaintiff;

48. Sandra states that there were other purchasers who were interested in buying pharmacy businesses including Essam Siha for the Apothecary Shop, Suzanne Morcos for the Riverhill Pharmacy, Khan Qaisar for the Old Walkerville Pharmacy as well as the eight pharmacy businesses that Kryollos had offered to purchase, all the particulars of which are known to the plaintiff and unknown to Sandra.

49. Sandra states that the pharmacy industry is a small, well known industry to those involved in it and the conduct of the plaintiff adversely affected the reputation of these pharmacy businesses

in which John was involved in the pharmacy industry and the market for St. Mary and other pharmacy businesses in which John was involved.

50. The plaintiff knew that its conduct would adversely and significantly affect the value of the pharmacy businesses financed by the plaintiff, all the particulars of which are known to the plaintiff and unknown to Sandra.

51. Sandra states that the conduct of the plaintiff was dishonest performance of the agreements made with John and St. Mary for the sale and financing of this pharmacy business from the amounts claimed by the plaintiff.

52. Sandra claims that St. Mary is entitled to set off the amounts of money that would have been received by the plaintiff on the sale of St. Mary had the plaintiff acted providently and had it followed the representations made by Chris, Steve and Dan with regard to the sale of the pharmacy businesses. Sandra seeks a declaratory judgment that St. Mary is no indebted to the plaintiff or that the amount claimed by the plaintiff should be reduced accordingly. Sandra claims entitlement to equitably setoff the amount of damages suffered as a result of the loss of the sale of St. Mary, which proceeds would have reduced or eliminated the amount claimed by the plaintiff. Sandra claims an accounting and that any judgment be based on that accounting.

53. Sandra asks for leave *nun pro tunc*, if leave is required, to commence the action as against St. Mary. However, St. Mary is joined as a party to this action only for the purpose of obtaining declaratory orders that they are not indebted to the plaintiff or that it is indebted to the plaintiff for an amount far less than the amount claimed in this proceeding. As a result, the declaratory orders

sought are only for the benefit of St. Mary. No costs, damages, property or other such relief is claimed from St. Mary, as it is made a party only for the purpose of the declaratory orders sought.

54. St. Mary is a necessary party to this proceeding.

55. Sandra states that the proper venue of this action is Toronto.

RCP-E 18A (JULY 1, 2007)

May 28, 2021

**SOLMON ROTHBART TOURGIS
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Lawyers for the defendant / plaintiff from
counterclaim

RCP-E 27B (July 1, 2007)

CWB MAXIUM FINANCIAL INC.
Plaintiff
SANDRA YOUSSEF
Plaintiff by Counterclaim

-and- SANDRA YOUSSEF
Defendant
CWB MAXIUM FINANCIAL INC. et al.
Defendants by Counterclaim

Court File No. CV-21-00001025-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT
MILTON

STATEMENT OF DEFENCE AND COUNTERCLAIM

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Lawyers for the defendant / plaintiff by counterclaim

File Number: 18639

RCP-E 4C (September 1, 2020)

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N :

CWB MAXIUM FINANCIAL INC.

Plaintiff

- and -

SANDRA YOUSSEF

Defendant

A N D B E T W E E N :

SANDRA YOUSSEF

Plaintiff by counterclaim

- and -

CWB MAXIUM FINANCIAL INC., JOHN GERGES and ST. MARY
COOKSVILLE PHARMA INC.

Defendants by Counterclaim

REPLY AND DEFENCE TO COUNTERCLAIM

1. The Plaintiff, CWB Maxium Financial Inc. (“**CWB**”), denies the allegations contained in paragraphs 6-55 of the Statement of Defence and Counterclaim. The Plaintiff pleads that overall the Statement of Defence and Counterclaim is replete with bald and unparticularized allegations and conclusions unsupported by material facts.

2. The Plaintiff adopts the same definitions as those in its Statement of Claim, including that:

- (a) CWB provided a term loan (the “**Promissory Note**”) to St. Mary Cooksville Pharma Inc. (the “**Borrower**”) in the principal amount of \$3,507,870.04;
- (b) the principal amount outstanding under the Promissory Note, plus accrued interest, costs and fees until the date of repayment is referred to as the “**Guaranteed Indebtedness**”; and

- (c) the Defendant, Sandra Youssef, is a **Guarantor** who unconditionally guaranteed in favour of CWB all of the obligations owing, including the Guaranteed Indebtedness, under the Promissory Note by the Borrower, pursuant to the unlimited and unconditional guarantee agreement dated October 31, 2018 (the “**Guarantee**”).

THE PARTIES

3. The Plaintiff, CWB, is a Canadian domestic bank with operations in various provinces across Canada, including Ontario. The Plaintiff carries on business by, among other things, providing loans to healthcare professionals, including pharmacists.

4. The Defendant, Sandra Youssef, the Guarantor, is a businessperson and pharmacist residing in Toronto, Ontario.

THE GUARANTEE

5. Contrary to paragraphs 9 and 10 of the Statement of Defence and Counterclaim, the Guarantee is not inconsistent or void for uncertainty, nor is it contrary to public policy or invalidated due to the indemnity obligation included therein. The Plaintiff pleads that guarantees often include both a guarantee and a supporting indemnity, which provisions have consistently been upheld by the Court. Furthermore, the Plaintiff has not acted negligently, unlawfully or in bad faith.

6. Contrary to paragraphs 12-16 of the Statement of Defence and Counterclaim, John Gerges was never an agent for CWB. At no time did CWB know of or consent to any of the purported representations claimed at paragraph 15(i) through (iii), and the Defendant has provided no, or insufficient particulars, of any such representations. The Plaintiff denies that John Gerges acted as an agent of CWB at any time and denies that it is bound by his conduct, and puts the Defendant to the strict proof thereof.

7. Contrary to paragraphs 16-21 of the Statement of Defence and Counterclaim, the Defendant understood the risks and her obligations under the Guarantee. She was provided with the opportunity to and did obtain independent legal advice with respect to the execution of same

and the obligations assumed thereunder. In fact, the Defendant's execution of the Guarantee was witnessed by independent legal counsel.

8. In entering into the Guarantee and in providing security over her assets, the Defendant did so voluntarily and was in no way misled, especially as she is both a sophisticated and experienced businessperson, and because she had the benefit of independent legal advice. At no time was the Defendant vulnerable or dependent on CWB. No undue influence, inducement, pressure, predatory or aggressive tactics were exerted by CWB on the Defendant to secure the Guarantee.

9. Any deficiencies in the advice provided by independent legal counsel, which is not admitted, but denied, is not the Plaintiff's responsibility. CWB provided all required and requested documentation and information in connection with the execution of the Guarantee. CWB denies that Sandra Youssef or her independent legal counsel lacked full particulars pertaining to the Guarantee. If either Sandra Youssef or her independent legal counsel lacked information, they had an obligation to, and only had to ask for it. If either Sandra Youssef or her independent legal counsel lacked information, it was their own fault.

10. Contrary to the bald and commercially unreasonable assertions at paragraphs 22-41 of the Statement of Defence and Counterclaim, CWB denies that it failed to mitigate its damages or that it in any way affected the sale of the pharmacies. In fact, notwithstanding that CWB had no obligation to extend credit to another party at the behest of the Defendant, CWB spent considerable resources on preparing a deal to finance Kyrollos Rofael's purchase offers. However, Mr. Rofael walked away from the deal after he discovered that the Telus Pharma accounts for each of the pharmacies had been canceled or suspended. At all times, CWB has acted in a commercially reasonable and prudent manner in order to obtain fair market value for the assets and minimize the damages suffered as a result of the Borrowers' defaults.

11. The Plaintiff states that the nature of the allegations made at paragraphs 22-41 of the Statement of Defence and Counterclaim is that of fraud. As such, the Defendant is required to provide full particulars of the allegations made against CWB. Having failed to do so, these paragraphs should be struck and the Defendant should be liable for costs on a substantial indemnity scale.

12. CWB categorically denies the allegations made at paragraphs 38-39 of the Statement of Defence and Counterclaim. There is simply no connection between any change in internal policy that corresponds to the fair market value of the Borrower's assets. These allegations are illogical and make no commercial sense.

13. Contrary to paragraphs 11, 42 and 43 of the Statement of Defence and Counterclaim, the Defendant cannot rely on the defence of equitable set-off. Section 4 of the Guarantee provide that:

We do not owe you any duty (as a fiduciary or otherwise) and you hereby waive any right to make any claim or counterclaim and to raise any right of set off, equitable or otherwise, arising from any alleged breach of a duty owed to you, or the Customer or any other person.

14. Moreover, section 6 of the Guarantee expressly prohibits the defence of set-off:

You will make all payments required to be made under this Guarantee without regard to any right of setoff or counterclaim that you have or may have against us or the Customer, which rights you waive.

15. Sandra Youssef is an educated and commercially sophisticated business owner. At all times, she understood the nature of the contracts and obligations she was entering into. She obtained independent legal advice. She received valuable consideration for entering the Guarantee. She is entirely responsible for the obligations arising under the Guarantee.

DEFENCE TO COUNTERCLAIM

16. The Plaintiff denies the allegations contained in the Counterclaim.

17. The Plaintiff repeats and relies on and adopts the contents of its Statement of Claim and Reply herein.

18. The Plaintiff denies that it is obligated to the Defendants for any amounts.

19. The Plaintiff denies having engaging in any conduct meant to or having the effect of lowering the value of the Borrower's assets. Such actions would be commercially unreasonable and contrary to CWB's interests to recover its investments.

20. The whole of the Counterclaim is a collateral attack on the receivership process which the Borrower Defendant by Counterclaim previously consented to. Moreover, the Defendant has insufficiently particularized her claim of fraud against CWB. As such, the Counterclaim should be struck in its entirety.

21. In light of the Defendant's harmful and unsubstantiated allegations of fraud against CWB, the Plaintiff requests that the Counterclaim be dismissed with costs to it on a substantial indemnity basis.

June 30, 2021

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AND TO: **ST. MARY COOKSVILLE PHARMA INC.**
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Defendant by Counterclaim

AND TO: **JOHN GERGES**
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Defendant by Counterclaim

CWB MAXIUM FINANCIAL INC. SANDRA YOUSSEF
Plaintiff and Defendant

Court File No.: CV-21-00001025-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced at MILTON

REPLY AND DEFENCE TO COUNTERCLAIM

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Counterclaim, CWB Maxium Financial Inc.



Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Electronically issued : 26-Mar-2021
Délivré par voie électronique
Milton

CWB MAXIUM FINANCIAL INC.

Plaintiff

- and -

CHUN-HO CHAN

Defendant

STATEMENT OF CLAIM

TO THE DEFENDANTS:

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the plaintiff. The claim made against you is set out in the following pages.

IF YOU WISH TO DEFEND THIS PROCEEDING, you or an Ontario lawyer acting for you must prepare a statement of defence in Form 18A prescribed by the Rules of Civil Procedure, serve it on the plaintiff's lawyer or, where the plaintiff does not have a lawyer, serve it on the plaintiff, and file it, with proof of service, in this court office, WITHIN TWENTY DAYS after this statement of claim is served on you, if you are served in Ontario.

If you are served in another province or territory of Canada or in the United States of America, the period for serving and filing your statement of defence is forty days. If you are served outside Canada and the United States of America, the period is sixty days.

Instead of serving and filing a statement of defence, you may serve and file a notice of intent to defend in Form 18B prescribed by the Rules of Civil Procedure. This will entitle you to ten more days within which to serve and file your statement of defence.

IF YOU FAIL TO DEFEND THIS PROCEEDING, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO DEFEND THIS PROCEEDING BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

IF YOU PAY THE PLAINTIFF'S CLAIM, and \$1,000.00 for costs, within the time for serving and filing your statement of defence, you may move to have this proceeding

dismissed by the court. If you believe the amount claimed for costs is excessive, you may pay the plaintiff's claim and \$800.00 for costs and have the costs assessed by the court.

TAKE NOTICE: THIS ACTION WILL AUTOMATICALLY BE DISMISSED if it has not been set down for trial or terminated by any means within five years after the action was commenced unless otherwise ordered by the court.

Date March , 2021

Issued by _____

Local registrar

Address of
court office

TO: CHUN-HO CHAN
10-2535 Major MacKenzie Drive
Vaughan, ON
L6A 1C6

CLAIM

1. The Plaintiff, CWB Maxium Financial Inc. (“**CWB**”), claims as against the Defendant, Chun-Ho Chan (the “**Guarantor**”):
 - (a) Judgment against the Guarantor for the aggregate principal amount of \$1,620,444.20 due and owing plus interests, fees and costs until the date of repayment, pursuant to the terms of the Maple Guarantee (as defined below);
 - (b) Pre-judgment and post-judgment interest at 18.0% per annum in accordance with the terms of the Promissory Note (as defined below);
 - (c) In the alternative, pre-judgment and post-judgment interest in accordance with the *Courts of Justice Act* R.S.O. 1990, Chapter C. 43 (the “**CJA**”);
 - (d) Costs of this action on a full indemnity basis in accordance with the terms of the Promissory Notes; and
 - (e) Such further and other relief as this Honourable Court deems just.

THE PARTIES

2. The Plaintiff, CWB, is a Canadian domestic Bank with operations in various provinces across Canada, including Ontario. The Plaintiff carries on business by, among other things, providing loans to healthcare professionals, including pharmacists.
3. The Defendant, Chan, is a businessperson residing in Vaughan, Ontario.

THE GUARANTEES

4. CWB provided a term loan to Maple Medi Pharma Inc., in the principal amount of \$1,590,450.00 pursuant to a promissory note dated May 25, 2018 (the “**Promissory Note**”).

5. The principal amount outstanding under the Promissory Note, plus accrued interest, costs and fees until the date of repayment is referred to herein as the “**Guaranteed Indebtedness**”.
6. The Guarantor, among others, unconditionally guaranteed in favour of CWB all of the obligations owing by Maple Medi Pharma Inc. (the “**Borrower**”) to CWB, including the Guaranteed Indebtedness, pursuant to the unlimited and unconditional guarantee agreement dated May 25, 2018 (the “**Maple Guarantee**”).
7. The Maple Guarantee includes the following material terms:
 - (a) **Obligations Guaranteed.** The Guarantor guarantees payment to CWB, on demand, of all present and future lease payments and obligations, conditional sale instalments and obligations and any other debts and liabilities, both direct and indirect (whether incurred or alone or jointly with others, whether absolute or contingent, whether matured or not matured, and whether for principal, interest or fees) payable to CWB by the applicable Borrower under any and all credit facilities, together with all costs, expenses, including legal fees and expenses, incurred by CWB in connection with its dealings with the applicable Borrower (Section 2);
 - (b) **Nature of Liability.** The Guarantor’s liability is joint and several, continuing, absolute and unconditional (Section 3);
 - (c) **Exhausting Recourse.** CWB does not need to exhaust its recourse against the Borrower or any other person or under any security interest CWB may hold from time to time before being entitled to full payment from the Guarantor under the applicable Guarantee (Section 9);
 - (d) **Indemnity.** The Guarantor shall indemnify CWB against any cost, loss, expense or liability stemming from the failure of the Borrowers to make due and punctual payment of their respective obligations to CWB, and shall pay upon demand the amount of such cost, loss, expense or liability (Section 10);
and

- (e) **Costs and Expenses.** The Guarantor agreed to pay all costs and expenses, including legal fees, of enforcing the Promissory Note, as applicable.

DEFAULTS AND RECEIVERSHIP

8. The Borrower defaulted under the terms of the Promissory Note.
9. On November 25, 2020, the Ontario Superior Court of Justice (Commercial List) granted an order appointing msi Spergel inc. as receiver and manager of all the assets, property and undertakings of, among others, Maple Medi Pharma Inc.
10. On or about February 26, 2021, CWB demanded (the “**Demand**”) payment from the Guarantor of the Guaranteed Indebtedness on or before March 5, 2021 (the “**Payment Deadline**”) failing which CWB would pursue its legal remedies against the Guarantor.
11. The Guarantor failed to satisfy the Demands on or before the Payment Deadline.

CLAIM

12. The Guarantor is legally responsible under the Maple Guarantee for the Guaranteed Indebtedness.
13. Despite the Demands, the Guarantor has failed to satisfy his obligations under the Maple Guarantee.
14. As set out in the Demand, the amount outstanding as at the date of the Demand was \$1,620,444.20 plus accruing interest, fees and costs until the date of repayment.
15. CWB proposes that this action be tried at Milton.

March 25, 2021

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Lawyers for the Plaintiff

CWB MAXIUM FINANCIAL INC.

Plaintiff

and

CHUN-HO CHAN

Defendants

Court File No:

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at MILTON

STATEMENT OF CLAIM

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Lawyers for the Plaintiff



Court File No. CV - 21 - 00000997 - 0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

(Court Seal)

CWB MAXIUM FINANCIAL INC.

Plaintiff

and

CHUN-HO CHAN

Defendant

AND BETWEEN:

CHUN-HO CHAN

Plaintiff by Counterclaim

and

CWB MAXIUM FINANCIAL INC., JOHN GERGES and MAPLE MEDI
PHARMA INC.

Defendants by Counterclaim

STATEMENT OF DEFENCE AND COUNTERCLAIM

TO THE DEFENDANT(S) TO THE COUNTERCLAIM

A LEGAL PROCEEDING has been commenced against you by way of a Counterclaim in an action in this Court. The Claim made against you is set out in the following pages.

IF YOU WISH TO DEFEND THIS COUNTERCLAIM, you or an Ontario lawyer acting for you must prepare a Defence to Counterclaim in Form 27C prescribed by the *Rules of Civil Procedure*, serve it on the Plaintiff by counterclaim's lawyer or, where the Plaintiff by Counterclaim does not have a lawyer, serve it on the Plaintiff by Counterclaim, and file it, with proof of service, in this Court, WITHIN TWENTY DAYS after this Statement of Defence and Counterclaim is served on you.

If you are not already a party to the main action and you are served in another province or territory of Canada or in the United States of America, the period for serving and filing your defence is forty days. If you are served outside Canada and the United States of America, the period is sixty days.

If you are not already a party to the main action, instead of serving and filing a Defence to Counterclaim, you may serve and file a Notice of Intent to Defend in Form 18B prescribed by the *Rules of Civil Procedure*. This will entitle you to ten more days within which to serve and file your defence to Counterclaim.

IF YOU FAIL TO DEFEND THIS COUNTERCLAIM, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO DEFEND THIS PROCEEDING BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date May 28, 2021

Issued by

Asad

Medjidov

Local Registrar

Digitally signed by Asad Medjidov
DN: cn=Asad Medjidov, o=SCJ
Milton, ou=Civil,
email=asad.medjidov@ontario.ca,
c=CA
Date: 2021.06.10 09:12:41 -04'00'

Address of court office: 491 Steeles Avenue East
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Lawyers for the plaintiff / defendant by counterclaim

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AND TO: **MAPLE MEDI PHARMA INC.**

Defendant by Counterclaim

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STATEMENT OF DEFENCE

1. The defendant, Chun-Ho Chan (“Defendant”) is a pharmacist and resides in Toronto Ontario. He is a ten percent shareholder of Maple Medi Pharma Inc. (“Maple”). This was known to the plaintiff.
2. The Defendant has no knowledge of paragraphs 2, 4, 5, 8 and 9 of the Statement of Claim.
3. The Defendant denies the allegations contained in paragraph 1, 3, 6, 10, 11, 12, 13, 14 and 15 of the Statement of Claim.
4. The documentation signed by the Defendant will hereinafter be referred to as the “Guarantee Documentation”.
5. The Defendant states that the provisions of the Guarantee Documentation referred to in paragraph 7 are part of the Guarantee Documentation.
6. The Defendant admits paragraph 11 but states that the plaintiff had no right to demand payment from the Defendant.
7. The Defendant objects to the commencement of this action in Milton. Milton has no connection whatsoever to any of the matters that are the subject matter of this action.
8. The Defendant states that the Guarantee Documentation must be construed strictly.
9. The Defendant states that the Guarantee Documentation is inconsistent and void for uncertainty including that the Guarantee Documentation cannot be both a guarantee obligation and an indemnity obligation.

10. The Defendant states that the Guarantee Documentation is contrary to public policy. The plaintiff has drafted a document entitled “guarantee” that continues the obligations of the “guarantor” even if the plaintiff has committed an illegal act or other fraudulent or immoral business conduct, which relates to or affects any of the loans that are alleged to be the subject of the Guarantee Documentation signed by the Defendant. As a result, the guarantee documentation by its own terms is unenforceable. Furthermore, the guarantee documentation and the plaintiff’s conduct ignore the obligation to act lawfully and in good faith allowing the plaintiff to engage in improper behaviour and wrongful acts and omissions, in that the Guarantee Documentation states that liability under the Guarantee Documentation will not be limited, reduced or affected *inter alia* by (i) any breach of any duty or negligence, (ii) any fraud and (iii) any event or conduct that may be a defence to the defendant and reports to excuse or absolve the plaintiff for such conduct.

11. The Guarantee Documentation does not prohibit nor prevent the defence of equitable set off.

12. For all material information required to be told to the Defendant prior to his signing the Guarantee Documentation, the plaintiff intended to use John as an agent of the plaintiff, and appointed John Gerges (“John”) as its agent and authorized John to communicate information that the plaintiff intended to be provided or not provided to the Defendant, before the Defendant decided whether to sign the Guarantee Documentation.

13. The Defendant never met with nor spoke to any representatives of the plaintiff. The plaintiff knew and intended this.

14. The Guarantee Documentation does not prohibit nor prevent the defence of innocent misrepresentation nor negligent misrepresentation, on which representations the Defendant relied which representations were made by the plaintiff through its agent, John.

15. The plaintiff knew that John advised the Defendant prior to the Defendant signing the Guarantee Documentation that:

(i) there was no risk in signing the Guarantee Documentation in that there was more than sufficient value in each of the pharmacy businesses to cover the amounts being borrowed from the plaintiff;

(i) the Defendant was doing a favour for John and the plaintiff when he provided the signed paperwork to allow the plaintiff to proceed with the loan for the business owned and operated by St. Mary;

(ii) the plaintiff believed that the Defendant had few assets of value other than his interest in Maple and that the plaintiff did not rely on the Defendant when it decided to provide the loans for these businesses. Furthermore, the plaintiff knew and intended that it was not necessary for the Defendant to provide a net worth statement or any information about the assets owned by the Defendant, as the plaintiff never intended to rely on the covenant of the Defendant;

(iii) the plaintiff was supportive of the businesses and that the plaintiff was knowledgeable about the pharmacy business and industry and knew that if there was a sale of any of the pharmacy businesses related to the Guarantee

Documentation, that the plaintiff would provide financing to any person who was successful, experienced in the industry and a legitimate purchaser.

16. The plaintiff knew that John, as agent of the plaintiff, when he delivered the initial Guarantee Documentation to the Defendant, did not tell the Defendant that:

- (i) the plaintiff was intending to change its business model and no longer would be financing pharmacy businesses;
- (ii) there were in excess of \$20 million of loans being made to pharmacy businesses involving John and that this was a high-risk loan for which the Defendant was asked to sign Guarantee Documentation;
- (iii) the risk associated with the loan transaction that is the subject matter of this action, was significant if John was no longer able to be a pharmacist;
- (iv) the plaintiff had permitted John to choose the lawyer for the Defendant to provide advice related to the Guarantee Documentation and, in particular, use John's lawyer who was also the lawyer for the corporations that borrowed money from the plaintiff that operated pharmacy businesses, to provide legal advice to the Defendant before signing the Guarantee Documentation, to save legal costs and for other reasons known to the plaintiff and John but unknown to the Defendant; and,

- (v) that lawyer was not an independent lawyer and as a result the Defendant would not receive independent legal advice. This was known to the plaintiff.

17. The Defendant did not receive independent legal advice. The Defendant did not understand the risks involved nor was he told the risks prior to signing of the Guarantee Documentation. This was known to the plaintiff.

18. If the Defendant had been told about the material facts pleaded herein and the risks associated with signing the Guarantee Documentation, he would never have signed the Guarantee Documentation. This was known to the plaintiff.

19. The Defendant states that other material information about the loans being made to the pharmacy businesses involving John was not told to the Defendant, all the particulars are which are known to John and the plaintiff and unknown to the Defendant.

20. The plaintiff knew that the Defendant was not being told of the magnitude and scope of the amount of the loans that were being advanced to all of the pharmacy businesses involving John and how that risk was directly related to all of the loans, that grew to in excess of \$20,000,000 made by the plaintiff to the pharmacy businesses which depended on the relationship between John and the plaintiff. The plaintiff knew the Defendant was not being told all of this material information before he signed any of the Guarantee Documentation that is the subject matter of this action.

21. The advice provided by the lawyer, chosen by John was brief and insufficient to ensure that the Defendant understood the effect of the Guarantee Documentation he was signing and the

risks involved in the cumulative loan transactions involving the plaintiff and John. The plaintiff knew that this was taking place in light of the information that it was told by John, or was known to its agent John, as a result of this relationship of the plaintiff with John.

The Sales of the Pharmacy Business

22. The Defendant pleads that the account managers of the plaintiff, Chris Graham (“Chris”), Steve Wasylyszyn (“Steve”) and Dan Gilchrist (“Dan”) encouraged John to sell the pharmacy businesses in order to pay down the loans made by the plaintiff to John and the pharmacy businesses.

23. John obtained a written offer in April 2020, for \$1 million plus the cost of the inventory of the pharmacy business, with regard to the pharmacy business owned and operated by Maple .

24. These offers were obtain from corporations of Kyrollos Rofeal (“Kryollos”) who was a bona fide purchaser, an experienced businessman and pharmacist, who was in the pharmacy business and owned a number of pharmacies.

25. This sale would have generated more than sufficient funds to pay the loan or part of the loan with regard to this pharmacy business. The plaintiff knew this. All the particulars of this are known to the plaintiff and unknown to the Defendant.

26. The Defendant pleads that the plaintiff knew the offer came from an experienced pharmacist in the business and a person who owned a number of pharmacy businesses. Kyrollos offered to purchase eight pharmacy businesses involving John for in excess of \$8,000,000.

27. The account managers had represented to John that the plaintiff would finance the purchaser, Kyrollos, of those businesses as the account managers were aware that he was a bona fide purchaser and the account managers were unaware of the plaintiff's intention to get out of the business of financing pharmacy businesses.

28. Furthermore, unknown to the account managers at all material times, a principal of the plaintiff, Daryl Maclellan ("Daryl"), wanted to obtain the benefit of the true value of these pharmacy businesses and other pharmacy businesses, directly or indirectly, all the particulars of which are known to the plaintiff and unknown to the Defendant.

29. To accomplish this the plaintiff decided to manufacture or connive a default of the loans involving the pharmacy businesses in which John was involved, that are the subject matter of this proceeding and other legal proceedings, and other pharmacy businesses all the particulars of which are known to the plaintiff and unknown to the Defendant. The objective of the plaintiff was to control the sale of the pharmacy businesses, so that the pharmacy businesses could be sold by a court appointed receiver, at prices less than their true value.

30. The purpose of this court appointed receivership was to have the pharmacy businesses put up for sale in circumstances where the price would be adversely affected and the pharmacy businesses could be purchased at a deflated price through court proceedings.

31. To accomplish this, the plaintiff, in part, relied on an alleged cross-default provision. This was based on an incorrect interpretation of the Guarantee Documentation prepared and relied on by the plaintiff as security for the loans made by the plaintiff for all of the pharmacy businesses

involving John, all the particulars of which are known to the plaintiff and unknown to the Defendant.

32. There was no cross-default provision that the plaintiff was able to rely upon to manipulate or allege default as against the borrowers of the loans involving the pharmacy businesses including Maple. The plaintiff made an improper demand of the loans to thereby trigger enforcement rights including the appointment of a court appointed receiver and the enforcement of the Guarantee Documentation.

33. The plaintiff then took steps to enforce these loans. One of the steps it took was to have a court appointed receiver appointed for these pharmacy businesses that are the subject matter of this action and other actions.

34. The purchaser's principal, Kryollos, intended to purchase a number of the pharmacy businesses with the cooperation and support of the plaintiff. All the particulars of this are known to the plaintiff and John and unknown to the Defendant.

35. This purchaser was encouraged by Chris, Steve and Dan, the account managers, to await the plaintiff's review. However, the account managers advised John that these offers by Kryollos' corporations were commercially reasonable sales at reasonable prices.

36. The plaintiff thereby knew that the proceeds of these sales would pay a significant portion of the amounts borrowed by the pharmacy businesses from the plaintiff, all the particulars of which are known to the plaintiff and unknown to the Defendant.

37. However, even though Chris, Steve and Dan were supportive of this approach taken by John, the plaintiff delayed responding to the offers. The purchaser Kryollos did not continue after approximately 3 to 4 months and thereafter invested his funds elsewhere.

38. The account managers were subsequently terminated by the plaintiff when it completed its change in policy as they no longer required those employees who had experience in financing pharmacy businesses, to work for the plaintiff.

39. This change in policy by the plaintiff has made these assets less marketable and has rendered them less valuable, all the particulars of which are known to the plaintiff and unknown to the Defendant. This was known and intended by the plaintiff and is in breach of the plaintiff's obligation to act lawfully and in good faith. The plaintiff is responsible and accountable for its breach of duty, breach of contract and wrongful conduct.

40. The Defendant states that the plaintiff materially altered the transaction that is the subject of the Guarantee Documentation.

41. As a result, the amount of any debt owed to the plaintiff would have been reduced if the plaintiff had not acted improvidently on the sale of the assets that secured the amounts owed to the plaintiff.

42. The Defendant pleads the defence of equitable set off as a result of the negligence or, in the alternative, intentional conduct of the plaintiff.

43. The Defendants are entitled to an accounting from the plaintiff of the amount owed, if any, taking into account the amount that the Defendant is entitled to equitably set off from the amount claimed by the plaintiff.

44. The Defendant asks that this action be dismissed with costs.

COUNTERCLAIM

45. The plaintiff by counterclaim, Chun-Ho Chan (“Chun-Ho”) claims as against the Defendants to the counterclaim:

- (a) Judgment declaring that Maple is not indebted to the plaintiff;
- (b) Judgment declaring that Chun-Ho is not indebted to the plaintiff;
- (c) in the alternative, Chun-Ho claims an accounting of the amount owed by Maple to the plaintiff and judgment declaring that ten percent of that amount is the amount owed by Chun-Ho to the plaintiff;
- (d) in the further alternative Chun-Ho claims rectification of the Guarantee Documentation to reflect the true intention of the parties (the plaintiff, John and Chun-Ho) that Chun-Ho is only responsible for ten percent of any shortfall of the amount found to be due and owing to the plaintiff with regard to the loan made to Maple;

- (e) judgment declaring that John Gerges was the agent of the plaintiff in all the dealings involving the plaintiff and Chun-Ho and that the plaintiff is bound by the acts and words of the Defendant, John Gerges, that were done or said to Chun-Ho;
- (f) judgment declaring that there is no general cross-default provision in the Guarantee Documentation of the plaintiff that is the subject matter of this action;
- (g) an order declaring that the plaintiff breached the loan agreement with Maple;
- (h) contribution and indemnity from John Gerges for any amount found due and owing by Chun-Ho to the plaintiff and judgment accordingly;
- (i) the costs of the counterclaim on partial indemnity basis or, in the alternative, on a substantial indemnity basis as against the plaintiff and John plus all applicable taxes; and,
- (j) prejudgment interest in accordance with section 128 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended;
- (k) post judgment interest in accordance with section 129 of the *Courts of Justice Act*; and,
- (l) Such further and other Relief as to this Honourable Court may seem just.

46. Chun-Ho repeats and relies upon the allegations in the Statement of Defence in support of the Counterclaim.

47. Maple is a corporation that was put into receivership as a result of the steps taken by the plaintiff;

48. Chun-Ho states that there were other purchasers who were interested in buying pharmacy businesses including Essam Siha for the Apothecary Shop, Suzanne Morcos for the Riverhill Pharmacy, Khan Qaisar for the Old Walkerville Pharmacy as well as the eight pharmacy businesses that Kryollos had offered to purchase.

49. Chun-Ho states that the pharmacy industry is a small, well known industry to those involved in it and the conduct of the plaintiff adversely affected the reputation of these pharmacy businesses in which John was involved in the pharmacy industry and the market for Maple and other pharmacy businesses in which John was involved.

50. The plaintiff knew that its conduct would adversely and significantly affect the value of the pharmacy businesses financed by the plaintiff, all the particulars of which are known to the plaintiff and unknown to Chun-Ho.

51. Chun-Ho states that the conduct of the plaintiff was dishonest performance of the agreements made with John and Maple for the sale and financing of this pharmacy business.

52. Chun-Ho claims that Maple is entitled to set off the amounts of money that would have been received by the plaintiff on the sale of Maple had the plaintiff acted providently and had it followed the representations made by Chris, Steve and Dan with regard to the sale of the pharmacy businesses. Chun-Ho seeks a declaratory judgment that Maple is not indebted to the plaintiff or that the amount claimed by the plaintiff should be reduced accordingly. Chun-Ho claims entitlement to equitably setoff the amount of damages suffered as a result of the loss of the sale of

Maple, which proceeds would have reduced or eliminated the amount claimed by the plaintiff. Chun-Ho claims an accounting and that any judgment be based on that accounting.

53. Chun-Ho asks for leave *nun pro tunc*, if leave is required, to commence the action as against Maple in receivership. However, Maple is joined as a party to this action only for the purpose of obtaining declaratory orders that it is not indebted to the plaintiff or that it is indebted to the plaintiff for an amount far less than the amount claimed in this proceeding. As a result, the declaratory orders sought are only for the benefit of Maple. No costs, damages, property or other such relief is claimed from Maple as a party for the purpose of the declaratory orders sought.

54. Maple is a necessary party to this proceeding.

55. As a result of the misrepresentations made by John, as pleaded herein, should John be found responsible as the agent of the plaintiff, or in the alternative, if he made those representations negligently to Chun-Ho, which representations were material to Chun-Ho and on which he relied, and with whom Chun-Ho had a special relationship of trust, to induce Chun-Ho to sign the Guarantee Documentation, Chun-Ho claims full indemnity from John or in the alternative contribution by John for any amounts for which Chun-Ho is found responsible to the plaintiff.

Rectification

56. The plaintiff knew that Chun-Ho at all times had a ten percent interest as a shareholder of Maple.

57. The agent of the plaintiff, John, told the plaintiff that Chun-Ho only had a ten percent interest in Maple.

58. John represented to Chun-Ho that if any liability arose under the Guarantee Documentation that Chun-Ho would only be responsible for ten percent of any shortfall, which shortfall was unlikely, should the business owned and operated by Maple have to be sold.

59. The plaintiff knew that John made this representation to Chun-Ho, authorized John to make that representation and knew that Chun-Ho relied on that representation.

60. The common intention of the parties to the Guarantee Documentation was that Chun-Ho would only be responsible for ten percent of any shortfall of the loan made by the plaintiff to Maple.

61. The Guarantee Documentation was supposed to include that limitation of liability. The Guarantee Documentation was drafted in error in that it failed to reflect the true intention of the parties and failed to include a provision that Chun-Ho's liability was limited to ten percent of any shortfall.

62. Chun-Ho claims rectification of the Guarantee Documentation accordingly.

63. In the further alternative Chun-Ho states that the plaintiff, knowingly, through its agent, recklessly represented, not caring whether it was true or false, that Chun-Ho was only responsible for ten percent of any liability to the plaintiff as a result of any shortfall on the loan made by the plaintiff to Maple. They knew that Chun-Ho relied on that representation and was induced thereby to sign the Guarantee Documentation. As a result of this fraudulent misrepresentation Chun-Ho is not liable to the plaintiff, or in the alternative is only liable to the plaintiff for an amount no greater than ten percent of any shortfall owed by Maple to the plaintiff after the determination of the amount owed to the plaintiff on the accounting.

64. Chun-Ho states that the proper venue of this action is Toronto.

RCP-E 18A (JULY 1, 2007)

May 28. 2021

**SOLMON ROTHBART TOURGIS
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Lawyers for the defendant / plaintiff by
counterclaim

RCP-E 27B (July 1, 2007)

CWB MAXIUM FINANCIAL INC.
Plaintiff
CHUN-HO CHAN
Plaintiff by Counterclaim

-and- CHUN-HO CHAN
Defendant
CWB MAXIUM FINANCIAL INC. et al.
Defendants by Counterclaim

Court File No. CV - 21 - 00000997 - 0000

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT
MILTON

STATEMENT OF DEFENCE AND COUNTERCLAIM

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File Number: 18652

RCP-E 4C (September 1, 2020)

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N :

CWB MAXIUM FINANCIAL INC.

Plaintiff

- and -

CHUN-HO CHAN

Defendant

A N D B E T W E E N :

CHUN-HO CHAN

Plaintiff by Counterclaim

- and -

CWB MAXIUM FINANCIAL INC., JOHN GERGES and MAPLE MEDI
PHARMA INC.

Defendants by Counterclaim

REPLY AND DEFENCE TO COUNTERCLAIM

1. The Plaintiff, CWB Maxium Financial Inc. (“**CWB**”), denies the allegations contained in paragraphs 1-3 and 6-64 of the Statement of Defence and Counterclaim. The Plaintiff pleads that overall the Statement of Defence and Counterclaim is replete with bald and unparticularized allegations and conclusions unsupported by material facts.

2. The Plaintiff adopts the same definitions as those in its Statement of Claim, including that:

- (a) On May 25, 2018, CWB provided a term loan (the “**Promissory Note**”) to Maple Medi Pharma Inc (the “**Borrower**”) in the principal amount of \$1,590,450.00;
- (b) the principal amount outstanding under the Promissory Note, plus accrued interest, costs and fees until the date of repayment is referred to as the “**Guaranteed Indebtedness**”; and

- (c) the Defendant, Chun-Ho Chan, is a **Guarantor** who unconditionally guaranteed in favour of CWB all of the obligations owing, including the Guaranteed Indebtedness, under the Promissory Note by the Borrower, pursuant to the unlimited and unconditional guarantee agreement dated May 25, 2018 (the “**Guarantee**”).

THE PARTIES

3. The Plaintiff, CWB, is a Canadian domestic bank with operations in various provinces across Canada, including Ontario. The Plaintiff carries on business by, among other things, providing loans to healthcare professionals, including pharmacists.

4. The Defendant, Chun-Ho Chan, the Guarantor, is a businessperson and pharmacist residing in Toronto, Ontario.

THE GUARANTEE

5. Contrary to paragraphs 9 and 10 of the Statement of Defence and Counterclaim, the Guarantee is not inconsistent or void for uncertainty, nor is it contrary to public policy or invalidated due to the indemnity obligation included therein. The Plaintiff pleads that guarantees often include both a guarantee and a supporting indemnity, which provisions have consistently been upheld by the Court. Furthermore, the Plaintiff has not acted negligently, unlawfully or in bad faith.

6. Contrary to paragraphs 12-16 of the Statement of Defence and Counterclaim, John Gerges was never an agent for CWB. At no time did CWB know of or consent to any of the purported representations claimed at paragraph 15(i) through (iii), and the Defendant has provided no, or insufficient particulars, of any such representations. The Plaintiff denies that John Gerges acted as an agent of CWB at any time and denies that it is bound by his conduct, and puts the Defendant to the strict proof thereof.

7. Contrary to paragraphs 16-21 of the Statement of Defence and Counterclaim, the Defendant understood the risks and his obligations under the Guarantee. He was provided with the opportunity to and did obtain independent legal advice with respect to the execution of same

and the obligations assumed thereunder. In fact, the Defendant's execution of the Guarantee was witnessed by independent legal counsel.

8. In entering into the Guarantee and in providing security over his assets, the Defendant did so voluntarily and was in no way misled, especially as he is both a sophisticated and experienced businessman, and because he had the benefit of independent legal advice. At no time was the Defendant vulnerable or dependent on CWB. No undue influence, inducement, pressure, predatory or aggressive tactics were exerted by CWB on the Defendant to secure the Guarantee.

9. Any deficiencies in the advice provided by independent legal counsel, which is not admitted, but denied, is not the Plaintiff's responsibility. CWB provided all required and requested documentation and information in connection with the execution of the Guarantee. CWB denies that Chun-Ho Chan or his independent legal counsel lacked full particulars pertaining to the Guarantee. If either Chun-Ho Chan or his independent legal counsel lacked information, they had an obligation to, and only had to ask for it. If either Chun-Ho Chan or his independent legal counsel lacked information, it was their own fault.

10. Contrary to the bald and commercially unreasonable assertions at paragraphs 22-41 of the Statement of Defence and Counterclaim, CWB denies that it failed to mitigate its damages or that it in any way affected the sale of the pharmacies. In fact, notwithstanding that CWB had no obligation to extend credit to another party at the behest of the Defendant, CWB spent considerable resources on preparing a deal to finance Kyrollos Rofael's purchase offers. However, Mr. Rofael walked away from the deal after he discovered that the Telus Pharma accounts for each of the pharmacies had been canceled or suspended. At all times, CWB has acted in a commercially reasonable and prudent manner in order to obtain fair market value for the assets and minimize the damages suffered as a result of the Borrowers' defaults.

11. The Plaintiff states that the nature of the allegations made at paragraphs 22-41 of the Statement of Defence and Counterclaim is that of fraud. As such, the Defendant is required to provide full particulars of the allegations made against CWB. Having failed to do so, these paragraphs should be struck and the Defendant should be liable for costs on a substantial indemnity scale.

12. CWB categorically denies the allegations made at paragraphs 38-39 of the Statement of Defence and Counterclaim. There is simply no connection between any change in internal policy that corresponds to the fair market value of the Borrower's assets. These allegations are illogical and make no commercial sense.

13. Contrary to paragraphs 11, 42 and 43 of the Statement of Defence and Counterclaim, the Defendant cannot rely on the defence of equitable set-off. Section 4 of the Guarantee provide that:

We do not owe you any duty (as a fiduciary or otherwise) and you hereby waive any right to make any claim or counterclaim and to raise any right of set off, equitable or otherwise, arising from any alleged breach of a duty owed to you, or the Customer or any other person.

14. Moreover, section 6 of the Guarantee expressly prohibits the defence of set-off:

You will make all payments required to be made under this Guarantee without regard to any right of setoff or counterclaim that you have or may have against us or the Customer, which rights you waive.

15. Chun-Ho Chan is an educated and commercially sophisticated business owner. At all times, he understood the nature of the contracts and obligations he entered into. He obtained independent legal advice. He received valuable consideration for entering the Guarantee. Through his dealings, as an owner of the Borrower, he made substantial profits through its business dealings. He is entirely responsible for the obligations arising under the Guarantee.

DEFENCE TO COUNTERCLAIM

16. The Plaintiff denies the allegations contained in the Counterclaim.

17. The Plaintiff repeats and relies on and adopts the contents of its Statement of Claim and Reply herein.

18. Contrary to the allegations at paragraphs 56-63 of the Statement of Defence and Counterclaim, the Plaintiff denies that the Defendant is only liable for ten percent (10%) of the

guaranteed indebtedness. Such a limitation would render the Guarantee pointless. At no time did the Plaintiff agree to limit the liability of the Defendant Guarantor whatsoever, nor did the Plaintiff ever instruct John Gerges to make such representations. Pursuant to the written Guarantee and the clear intention of the parties, the Defendant is liable for the total Guaranteed Indebtedness.

19. The Plaintiff denies that it is obligated to the Defendants for any amounts.

20. The Plaintiff denies having engaging in any conduct meant to or having the effect of lowering the value of the Borrower's assets. Such actions would be commercially unreasonable and contrary to CWB's interests to recover its investments.

21. The whole of the Counterclaim is a collateral attack on the receivership process which the Borrower Defendant by Counterclaim previously consented to. Moreover, the Defendant has insufficiently particularized his claim of fraud against CWB. As such, the Counterclaim should be struck in its entirety.

22. In light of the Defendant's harmful and unsubstantiated allegations of fraud against CWB, the Plaintiff requests that the Counterclaim be dismissed with costs to it on a substantial indemnity basis.

June 30, 2021

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Defendant by Counterclaim

CWB MAXIUM FINANCIAL INC. CHUN-HO CHAN
Plaintiff and Defendant

Court File No.: CV-21-00000997-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced at MILTON

REPLY AND DEFENCE TO COUNTERCLAIM

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Counterclaim, CWB Maxium Financial Inc.

1951584 ONTARIO INC. et al.
Applicants

and **BLESS HUI PHARMA INC. et al.**
Respondents

Court File No: CV-20-006650853-
00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceeding commenced at **Toronto**

AFFIDAVIT

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Lawyers for the Applicants

TAB 3

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

BETWEEN

1951584 ONTARIO INC. (formerly DESANTE FINANCIAL SERVICES
INC.) and CWB MAXIUM FINANCIAL INC.

Applicants

- and -

4231 SHEPPARD AVENUE EAST INC., ABU SEIFEIN BRIMLEY
PHARMA INC., BLESS HUI PHARMA INC., JG WINDSOR INC., JM
WESTVIEW PHARMA INC., JUBILEE PROPERTY INVESTMENTS INC.,
MAPLE MEDI PHARMA INC., RIVER HILL PHARMACY LTD., SJ EAST
PHARMA INC., ST MARY COOKSVILLE PHARMA INC., ST. MARY
THEOTOKOS PHARMA INC., STONEY CREEK PHARMA INC.,
TORONTO APOTHECARY PHARMA INC., WESTWAY HOLDINGS INC.,
OLDE WALKERVILLE HOLDINGS INC.

Respondents

**SUPPLEMENTAL AFFIDAVIT OF EDWARD HOPKINSON
(Sworn August 6, 2021)**

August 6, 2021

MILLER THOMSON LLP

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Lawyers for the Applicants

I, Edward Hopkinson, of the City of Bryn Mawr, in the State of Pennsylvania, USA **MAKE**

OATH AND SAY:

1. I am the VP Risk Officer of the Applicant, CWB Maxium Financial Inc., ("**CWB**" or "**Lender**"). As such, I have knowledge of the matters to which I hereinafter depose. Where the source of my information is other than myself I have set out the source and do verily believe it to be true.

2. This affidavit (the "**Supplemental Affidavit**") is sworn to supplement my affidavit that I swore on August 3, 2021 (the "**Hopkinson Affidavit**") in support of the Lender's motion for orders, among other things:

- i. adding Sigma Healthcare Inc. ("**Sigma**"), Anoop Brighton Pharmacy Inc. and Capital Pharmacy Inc. (collectively, the "**Replacement Pharmacies**") as Respondents to these proceedings, and amending the title of proceedings accordingly; and
- ii. appointing msi Spergel inc. as interim receiver the assets, undertakings and properties of each of the Replacement Pharmacies pursuant to Section 47 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and Section 101 of the *Courts of Justice Act*, RSO 1990, c C.43, for the purpose of preserving and protecting such property pending resolution or determination of the Lender's motion to appoint a receiver against the Replacement Pharmacies.

3. This Supplemental Affidavit sets out additional facts in connection with Sigma that occurred after I swore the Hopkinson Affidavit.

4. On August 6, 2021, I was forwarded an email by my colleague at CWB from Peter Spence of Harrison Pensa LLP, who stated he is counsel to a purchaser of the assets of Sigma. Mr. Spence's email is set out below:

Chris:

You and I have dealt previously on pharmacy financings. I am following up on the voice message I left on your cell. I am currently acting for the purchaser of the assets of Sigma Drug Mart (owned by Sigma Healthcare Inc.), which is expected to close early next week. On an update of our PPSA search, we discovered that CWB had filed a financing statement against the vendor. The vendor's principal has indicated to our client that Sigma owes nothing to CWB and has not granted security. We are trying to get to the bottom of this. We are doing this as the vendor's lawyer is out of the country.

This pharmacy was tied up in the receivership process that CWB instituted in regard to pharmacies owned by John Gergis (JM Westview Pharma; River Hill Pharma; Toronto Apothecary Pharma; Olde Walkerville Holdings). Sigma purchased the pharmacy assets from JM Westview Pharma (which was excluded from the receivership order on condition that it entered into a binding deal to sell its assets before certain deadlines). The principal of Sigma is Samir Shenoda, who was party to some of the receivership proceedings by virtue of having been a guarantor of the obligations of JM Westview Pharma and SJ Colborne Pharma (SJ Colborne had been removed from the proceedings in December, 2020).

Are you able to advise if CWB is able to either (i) release the PPSA registration; or (ii) provide written confirmation that it has no interest in the operating assets of Sigma? Please give me a call to discuss.

5. Attached as **Exhibit "A"** is a copy of Mr. Spence's email.

6. I am advised by Asim Iqbal of Miller Thomson LLP, counsel to the Lender, that he spoke with Mr. Spence on the telephone on August 6, 2021 in response to Mr. Spence’s email. Mr. Iqbal then sent an email to Mr. Spence to confirm their discussion:

Peter,

Thank you for speaking with me today.

As discussed, we were forwarded your email to our client, CWB Maxium Financial Inc. requesting the following with respect to Sigma Drug Mart:

“Are you able to advise if CWB is able to either (i) release the PPSA registration; or (ii) provide written confirmation that it has no interest in the operating assets of Sigma?”

To confirm our discussion, CWB’s position is that it has an interest in the relevant assets and, as such, our client is not able to provide you any such confirmation as you request in (i) or (ii) above.

Lastly, as requested, attached is the Order of Justice Cavanagh dated February 3, 2021 appointing msi Spergel inc. as Receiver of, among others, JM Westview Pharma Inc.

We trust the foregoing is satisfactory. Thank you for your time.

Asim

7. A copy of Mr. Iqbal’s email to Mr. Spence is attached as **Exhibit “B”**.

SWORN BEFORE ME via video-conference with the deponent in the Town of Bryn Mawr, Pennsylvania, and the Commissioner in the City of Toronto, Ontario, this 6th day of August, 2021

A Commissioner for taking Affidavits (or as may be)

DocuSigned by:
Asim Iqbal

8F058F5F33C8405

Asim Iqbal

DocuSigned by:



1F437A73DB884D4...

EDWARD HOPKINSON

This is Exhibit "A" referred to in the Affidavit of Edward Hopkinson sworn by Edward Hopkinson of the City of Bryn Mawr, in the State of Pennsylvania, before me at the Town of Milton, in the Province of Ontario, on August 6, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:
Asim Iqbal
eF058F5F3BC8405...

Commissioner for Taking Affidavits (or as may be)

ASIM IQBAL

Garrafa, Shallon

From: Iqbal, Asim
Sent: Friday, August 6, 2021 4:30 PM
To: Garrafa, Shallon
Subject: FW: Sigma Drug Mart - Tilbury [IWOV-HPMain.FID567415]

ASIM IQBAL

Partner

Miller Thomson LLP

Scotia Plaza
40 King Street West, Suite 5800
P.O. Box 1011
Toronto, Ontario M5H 3S1

Direct Line: +1 416.597.6008

Fax: +1 416.595.8695

Email: aiqbal@millerthomson.com

millerthomson.com



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From: Peter Spence <pspence@harrisonpensa.com>
Sent: Friday, August 6, 2021 1:55 PM
To: Chris Lowry
Cc: Lauren Sigouin
Subject: Sigma Drug Mart - Tilbury [IWOV-HPMain.FID567415]

CAUTION: This email originated from outside of CWB Financial Group.

Chris:

You and I have dealt previously on pharmacy financings. I am following up on the voice message I left on your cell. I am currently acting for the purchaser of the assets of Sigma Drug Mart (owned by Sigma Healthcare Inc.), which is expected to close early next week. On an update of our PPSA search, we discovered that CWB had filed a financing statement against the vendor. The vendor's principal has indicated to our client that Sigma owes nothing to CWB and has not granted security. We are trying to get to the bottom of this. We are doing this as the vendor's lawyer is out of the country.

This pharmacy was tied up in the receivership process that CWB instituted in regard to pharmacies owned by John Gergis (JM Westview Pharma; River Hill Pharma; Toronto Apothecary Pharma; Olde Walkerville Holdings). Sigma purchased the pharmacy assets from JM Westview Pharma (which was excluded from the receivership order on condition that it entered into a binding deal to sell its assets before certain deadlines). The principal of Sigma is Samir

Shenoda, who was party to some of the receivership proceedings by virtue of having been a guarantor of the obligations of JM Westview Pharma and SJ Colborne Pharma (SJ Colborne had been removed from the proceedings in December, 2020).

Are you able to advise if CWB is able to either (i) release the PPSA registration; or (ii) provide written confirmation that it has no interest in the operating assets of Sigma? Please give me a call to discuss.

Best regards,

J. PETER SPENCE | Harrison Pensa LLP | 450 Talbot St., London, Ontario N6A 5J6 | tel 519-675-4101 | fax 519-667-3362 | pspence@harrisonpensa.com
Assistant | Deb Lankin | tel 519-850-5597 | dlankin@harrisonpensa.com

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Veillez rapporter la présence de pièces jointes, de liens ou de demandes d'information sensible qui vous semblent suspectes.

This is Exhibit "B" referred to in the Affidavit of Edward Hopkinson sworn by Edward Hopkinson of the City of Bryn Mawr, in the State of Pennsylvania, before me at the Town of Milton, in the Province of Ontario, on August 6, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:
Asim Iqbal
8F056F5F3BC8405...

Commissioner for Taking Affidavits (or as may be)

ASIM IQBAL

Garrafa, Shallon

From: Peter Spence <pspence@harrisonpensa.com>
Sent: Friday, August 6, 2021 4:09 PM
To: Iqbal, Asim
Cc: Finlayson, Gavin
Subject: RE: Sigma Drug Mart [MTDMS-Legal.FID8794215] [IWOV-HPMain.FID561549]

Thank you Asim. I appreciate your time.

Best regards,

J. PETER SPENCE | Harrison Pensa LLP | 450 Talbot St., London, Ontario N6A 5J6 | *tel* 519-675-4101 | *fax* 519-667-3362 | pspence@harrisonpensa.com

Assistant | Deb Lankin | *tel* 519-850-5597 | dlankin@harrisonpensa.com

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From: Iqbal, Asim <aiqbal@millerthomson.com>
Sent: Friday, August 6, 2021 4:02 PM
To: Peter Spence <pspence@harrisonpensa.com>
Cc: Finlayson, Gavin <gfinlayson@millerthomson.com>
Subject: RE: Sigma Drug Mart [MTDMS-Legal.FID8794215]

You don't often get email from aiqbal@millerthomson.com. [Learn why this is important](#)

[EXTERNAL EMAIL]

Peter,

Thank you for speaking with me today.

As discussed, we were forwarded your email to our client, CWB Maxium Financial Inc. requesting the following with respect to Sigma Drug Mart:

“Are you able to advise if CWB is able to either (i) release the PPSA registration; or (ii) provide written confirmation that it has no interest in the operating assets of Sigma?”

To confirm our discussion, CWB's position is that it has an interest in the relevant assets and, as such, our client is not able to provide you any such confirmation as you request in (i) or (ii) above.

Lastly, as requested, attached is the Order of Justice Cavanagh dated February 3, 2021 appointing msi Spergel inc. as Receiver of, among others, JM Westview Pharma Inc.

We trust the foregoing is satisfactory. Thank you for your time.

Asim

ASIM IQBAL
Partner

Miller Thomson LLP

Scotia Plaza
40 King Street West, Suite 5800
P.O. Box 1011

Toronto, Ontario M5H 3S1

Direct Line: +1 416.597.6008

Fax: +1 416.595.8695

Email: aiqbal@millert Thomson.com
millert Thomson.com



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From: Peter Spence <pspence@harrisonpensa.com>

Sent: Friday, August 6, 2021 3:22 PM

To: Iqbal, Asim <aiqbal@millert Thomson.com>

Subject: [**EXT**] RE: Sigma Drug Mart

I am free now if it is convenient.

J. PETER SPENCE | Harrison Pensa LLP | 450 Talbot St., London, Ontario N6A 5J6 | tel 519-675-4101 | fax 519-667-3362 | pspence@harrisonpensa.com

Assistant | Deb Lankin | tel 519-850-5597 | dlankin@harrisonpensa.com

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From: Iqbal, Asim <aiqbal@millert Thomson.com>

Sent: Friday, August 6, 2021 2:55 PM

To: Peter Spence <pspence@harrisonpensa.com>

Cc: Finlayson, Gavin <gfinlayson@millert Thomson.com>

Subject: Sigma Drug Mart

You don't often get email from aiqbal@millert Thomson.com. [Learn why this is important](#)

[EXTERNAL EMAIL]

Mr. Spence:

We are counsel for CWB Maxium Financial Inc.

Our client forwarded us your email to them. Do you have time for a brief call today?

Thanks,
Asim

Get [Outlook for iOS](#)

ASIM IQBAL

Partner

Miller Thomson LLP

Scotia Plaza

40 King Street West, Suite 5800

P.O. Box 1011

Toronto, Ontario M5H 3S1

Direct Line: +1 416.597.6008

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1951584 ONTARIO INC. et al.
Applicants

and **BLESS HUI PHARMA INC. et al.**
Respondents

Court File No: CV-20-006650853-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceeding commenced at **Toronto**

AFFIDAVIT

MILLER THOMSON LLP

Scotia Plaza

40 King Street West, Suite 5800

Toronto, ON Canada M5H 3S1

Asim Iqbal, LSO#: 61884B

aiqbal@millerthomson.com

Gavin H Finlayson, LSO#: 44126D

Email: gfinlayson@millerthomson.com

Lawyers for the Applicants

TAB 4

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.) FRIDAY , THE 13th
)
JUSTICE CAVANAGH) DAY OF AUGUST, 2021
)

BETWEEN

1951584 ONTARIO INC. (formerly DESANTE FINANCIAL SERVICES
INC.) and CWB MAXIUM FINANCIAL INC.

Applicants

- and -

4231 SHEPPARD AVENUE EAST INC., ABU SEIFEIN BRIMLEY
PHARMA INC., BLESS HUI PHARMA INC., JG WINDSOR INC., JM
WESTVIEW PHARMA INC., JUBILEE PROPERTY INVESTMENTS INC.,
MAPLE MEDI PHARMA INC., RIVER HILL PHARMACY LTD., SJ EAST
PHARMA INC., ST MARY COOKSVILLE PHARMA INC., ST. MARY
THEOTOKOS PHARMA INC., STONEY CREEK PHARMA INC.,
TORONTO APOTHECARY PHARMA INC., WESTWAY HOLDINGS INC.
and OLDE WALKERVILLE HOLDINGS INC.

Respondents

**ORDER
(Adding Respondents and Removing Applicant)**

THIS MOTION, made by the Applicants for an Order (a) adding Sigma Healthcare Inc., Anoop Brighton Pharmacy Inc. and Capital Pharmacy Inc. (collectively “**Additional Respondents**”) as Respondents to these proceedings; (b) removing 1951584 Ontario Inc. as an Applicant in these proceedings; (c) amending the title of proceedings accordingly; and (d) authorizing the issuance of the Interim Receivership Orders (as defined below), was heard, without notice, this day by judicial videoconference via Zoom at Toronto, Ontario due to the COVID-19 pandemic.

ON READING the Affidavit of Edward Hopkinson sworn August 3, 2021, the Supplemental Affidavit of Edward Hopkinson sworn August 6, 2021, and on hearing the submissions of counsel for the Applicants, with no one else appearing:

1. THIS COURT ORDERS that the Additional Respondents are added as Respondents to these proceedings.

2. THIS COURT ORDERS that 1951584 Ontario Inc. is removed as an Applicant in these proceedings.

3. THIS COURT ORDERS that the Title of Proceedings is amended and restated as follows:

BETWEEN

CWB MAXIUM FINANCIAL INC.

Applicant

- and -

4231 SHEPPARD AVENUE EAST INC., ABU SEIFEIN BRIMLEY PHARMA INC.,
ANOOP BRIGHTON PHARMACY INC., BLESS HUI PHARMA INC., CAPITAL
PHARMACY INC., JG WINDSOR INC., JM WESTVIEW PHARMA INC., JUBILEE
PROPERTY INVESTMENTS INC., MAPLE MEDI PHARMA INC., RIVER HILL
PHARMACY LTD., SIGMA HEALTHCARE INC., SJ EAST PHARMA INC., ST MARY
COOKSVILLE PHARMA INC., ST. MARY THEOTOKOS PHARMA INC., STONEY
CREEK PHARMA INC., TORONTO APOTHECARY PHARMA INC., WESTWAY
HOLDINGS INC. and OLDE WALKERVILLE HOLDINGS INC.

Respondents

1951584 ONTARIO INC. et al.
Applicants

and

BLESS HUI PHARMA INC., et al.
Respondents

Court File No: CV-20-00650853-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)**

Proceeding commenced at Toronto

**ORDER
(ADDING RESPONDENTS)**

MILLER THOMSON LLP

Scotia Plaza
40 King Street West, Suite 5800
P.O. Box 1011
Toronto, ON Canada M5H 3S1

Asim Iqbal, LSO#: 61884B

Email: aiqbal@millerthomson.com

Gavin H Finlayson, LSO#: 44126D

Email: gfinlayson@millerthomson.com

Lawyers for the Applicants

TAB 5

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.) FRIDAY, THE 13th
)
JUSTICE CAVANAGH) DAY OF AUGUST, 2021

BETWEEN

CWB MAXIUM FINANCIAL INC.

Applicant

- and -

4231 SHEPPARD AVENUE EAST INC., ABU SEIFEIN BRIMLEY PHARMA INC., ANOOP BRIGHTON PHARMACY INC., BLESS HUI PHARMA INC., CAPITAL PHARMACY INC., JG WINDSOR INC., JM WESTVIEW PHARMA INC., JUBILEE PROPERTY INVESTMENTS INC., MAPLE MEDI PHARMA INC., RIVER HILL PHARMACY LTD., SIGMA HEALTHCARE INC., SJ EAST PHARMA INC., ST MARY COOKSVILLE PHARMA INC., ST. MARY THEOTOKOS PHARMA INC., STONEY CREEK PHARMA INC., TORONTO APOTHECARY PHARMA INC., WESTWAY HOLDINGS INC. and OLDE WALKERVILLE HOLDINGS INC.

Respondents

ORDER
(Appointment of Interim Receiver re: Sigma Healthcare Inc.)

THIS MOTION made by the Applicant for an Order pursuant to section 47(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the “**CJA**”) appointing msi Spergel inc. (“**Spergel**”) as interim receiver (in such capacity, the “**Interim Receiver**”) without security, of all of the assets, undertakings and properties of Sigma Healthcare

Inc. (the “**Debtor**”) acquired for, or used in relation to businesses carried on by the Respondents, was heard, without notice, this day by video conference.

ON READING the Affidavit of Edward Hopkinson sworn August 3, 2021 and the Supplemental Affidavit of Edward Hopkinson sworn August 6, 2021, and on hearing the submissions of counsel for the Applicants;

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this application is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 47(1) of the BIA and section 101 of the CJA, Spergel is hereby appointed Interim Receiver, without security, of all of the assets, undertakings and properties the Debtor acquired for, or used in relation to a business carried on by of the Debtor, including all proceeds thereof (collectively, the “**Property**”) until the earlier of:

- (a) the taking of possession by a receiver within the meaning of subsection 243(2) of the BIA, of the Property;
- (b) the taking of possession by a trustee in bankruptcy of the Property; or
- (c) a further Order of this Court.

INTERIM RECEIVER’S POWERS

3. THIS COURT ORDERS that the Interim Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Interim Receiver is hereby expressly

empowered and authorized to do any of the following where the Interim Receiver considers it necessary or desirable:

- (a) to monitor the Debtor's receipts and disbursements, including, without limitation, the right to access all Records (as defined below), Client Records (as defined below) and other information, computers, data, electronic or cloud-stored data, databases, or documents relating to the Debtor's operations, including, without limiting the generality of the foregoing, having direct access to the Debtor's banking statements, records and online banking data;
- (b) to have access to the Debtor's premises at all times, without any requirement for prior notice;
- (c) to engage pharmacists, consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Interim Receiver's powers and duties, including without limitation those conferred by this Order;
- (d) to conduct examinations, under oath of any person with knowledge of the affairs of the Debtor, if deemed necessary by the Interim Receiver in its sole discretion;
- (e) to report to, meet with and discuss with such affected Persons (as defined below), including the Applicant, as the Interim Receiver deems appropriate on all matters relating to the Property and the interim receivership, and to share information, subject to such terms as to confidentiality as the Interim Receiver deems advisable;
- (f) to inquire into and report to the Applicant and the Court on the financial condition of the Debtor and the Property and any material adverse developments relating to the financial condition of the Debtor and/or the Property;

- (g) to report to the Court on any matter it deems appropriate;
- (h) to attend this Court to seek amendments to this Order as it deems necessary or desirable; and
- (i) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligation;

and in each case where the Interim Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE INTERIM RECEIVER

4. THIS COURT ORDERS that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order, including, but not limited to the Ontario College of Pharmacists, the Ministry of Health and Long-Term Care, the Ontario Drug Benefit Program and any insurance company (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Interim Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Interim Receiver.

5. THIS COURT ORDERS that all Persons shall forthwith advise the Interim Receiver of the existence of any client records and prescription information ("**Client Records**"), books, documents, securities, contracts, orders, billing privileges, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall, subject to Paragraph 6A herein, provide to the Interim Receiver or permit the Interim Receiver to make, retain and take away copies thereof and grant to the Interim Receiver unfettered access to and use of accounting, computer, software and physical facilities

relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Interim Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Interim Receiver for the purpose of allowing the Interim Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Interim Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Interim Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Interim Receiver with all such assistance in gaining immediate access to the information in the Records as the Interim Receiver may in its discretion require including providing the Interim Receiver with instructions on the use of any computer or other system and providing the Interim Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

6A. THIS COURT ORDERS that with respect to the Client Records, the Interim Receiver shall: (i) take all steps reasonably necessary to maintain the integrity of the confidential aspects of the Client Records; (ii) if necessary, appoint a pharmacist licensed and qualified to practice in the Province of Ontario to act as custodian (the "**Custodian**") for the Client Records; (iii) not allow anyone other than the Interim Receiver or the Custodian to have access to the Client Records; and (iv) allow the Debtor supervised access to the Client Records for any purposes required pursuant to the *Regulated Health Professions Act, 1991*, the *Pharmacy Act, 1991* or any other governing Ontario or Canadian statute that requires the Debtor, from time to time, to perform certain obligations.

ADDITIONAL DUTIES OF AND RESTRICTIONS ON DEBTOR

7. THIS COURT ORDERS that, the Debtor shall:
- (a) not sell, transfer, gift, convey or otherwise dispose of any Property, other than in the ordinary course of business, without the prior written consent of the Interim Receiver (other than amounts to pay down obligations owing to the Applicant);
 - (b) not make, or enter into any contract, amendment to contract or other agreement that involves, an expenditure greater than \$2,500 without the prior written consent of the Interim Receiver; and
 - (c) provide to the Interim Receiver, upon the request of and on or before the deadline reasonably required by the Interim Receiver, such reporting as may be required by the Interim Receiver in its sole discretion, including, without limitation, Records, Client Records, "Rx reports", financial condition, daily, weekly or monthly receipts and disbursements, inventory counts or lists, sales reports, patient lists, accounts payable and receivable, profit and loss statements, locations and listings of assets.

NO PROCEEDINGS AGAINST THE INTERIM RECEIVER

8. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Interim Receiver except with the written consent of the Interim Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

9. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Interim Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

10. THIS COURT ORDERS that all rights and remedies against the Debtor, the Interim Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Interim Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any “eligible financial contract” as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Interim Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Interim Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE INTERIM RECEIVER

11. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Interim Receiver or leave of this Court.

CONTINUATION OF SERVICES

12. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, claims processing services, payment processing services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Interim Receiver, and that the Interim Receiver shall be entitled to the continued use of the applicable Debtor’s current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Interim Receiver in accordance with normal payment practices of the applicable

Debtor or such other practices as may be agreed upon by the supplier or service provider and the Interim Receiver, or as may be ordered by this Court.

13. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor. The Interim Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Interim Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

LIMITATION ON ENVIRONMENTAL LIABILITIES

14. THIS COURT ORDERS that nothing herein contained shall require the Interim Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the Ontario *Environmental Protection Act*, the *Ontario Water Resources Act*, or the Ontario *Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Interim Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Interim Receiver shall not, as a result of this Order or anything done in pursuance of the Interim Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE INTERIM RECEIVER'S LIABILITY

15. THIS COURT ORDERS that the Interim Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of

its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the Wage Earner Protection Program Act. Nothing in this Order shall derogate from the protections afforded the Interim Receiver by section 14.06 of the BIA or by any other applicable legislation.

INTERIM RECEIVER'S ACCOUNTS

16. THIS COURT ORDERS that the Interim Receiver and counsel to the Interim Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts.

17. THIS COURT ORDERS that the Interim Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Interim Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

18. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Interim Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

SERVICE AND NOTICE

19. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be

established in accordance with the Protocol with the following URL: www.spergelcorporate.ca/engagements.

20. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Interim Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the applicable Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the applicable Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

21. THIS COURT ORDERS that the Interim Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

22. THIS COURT ORDERS that nothing in this Order shall prevent the Interim Receiver from acting as a trustee in bankruptcy of the Debtor.

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

24. THIS COURT ORDERS that the Interim Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Interim Receiver is authorized and empowered

to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

25. THIS COURT ORDERS that the Applicant shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Interim Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

26. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Interim Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

27. THIS COURT ORDERS that the Interim Receiver, its counsel and counsel for the Applicant are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the applicable Debtor's creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

1951584 ONTARIO INC. et al.
Applicants

and **4231 SHEPPARD AVENUE EAST INC. et al.**
Respondents

Court File No: CV-20-006650853-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)**

Proceeding commenced at Toronto

ORDER

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Lawyers for the Applicants

TAB 6

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.)	FRIDAY, THE 13 th
)	
JUSTICE CAVANAGH)	DAY OF AUGUST, 2021

BETWEEN

CWB MAXIUM FINANCIAL INC.

Applicant

- and -

4231 SHEPPARD AVENUE EAST INC., ABU SEIFEIN BRIMLEY
PHARMA INC., ANOOP BRIGHTON PHARMACY INC., BLESS HUI
PHARMA INC., CAPITAL PHARMACY INC., JG WINDSOR INC., JM
WESTVIEW PHARMA INC., JUBILEE PROPERTY INVESTMENTS INC.,
MAPLE MEDI PHARMA INC., RIVER HILL PHARMACY LTD., SIGMA
HEALTHCARE INC., SJ EAST PHARMA INC., ST MARY COOKSVILLE
PHARMA INC., ST. MARY THEOTOKOS PHARMA INC., STONEY
CREEK PHARMA INC., TORONTO APOTHECARY PHARMA INC.,
WESTWAY HOLDINGS INC. and OLDE WALKERVILLE HOLDINGS INC.

Respondents

ORDER
(Appointment of Interim Receiver re: Capital Pharmacy Inc.)

THIS MOTION made by the Applicant for an Order pursuant to section 47(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the “**CJA**”) appointing msi Spergel inc. (“**Spergel**”) as interim receiver (in such capacity, the “**Interim Receiver**”) without security, of all of the assets, undertakings and properties of Capital Pharmacy Inc.

(the “**Debtor**”) acquired for, or used in relation to businesses carried on by the Respondents, was heard, without notice, this day by video conference.

ON READING the Affidavit of Edward Hopkinson sworn August 3, 2021 and the Supplemental Affidavit of Edward Hopkinson sworn August 6, 2021, and on hearing the submissions of counsel for the Applicant;

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this application is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 47(1) of the BIA and section 101 of the CJA, Spergel is hereby appointed Interim Receiver, without security, of all of the assets, undertakings and properties the Debtor acquired for, or used in relation to a business carried on by of the Debtor, including all proceeds thereof (collectively, the “**Property**”) until the earlier of:

- (a) the taking of possession by a receiver within the meaning of subsection 243(2) of the BIA, of the Property;
- (b) the taking of possession by a trustee in bankruptcy of the Property; or
- (c) a further Order of this Court.

INTERIM RECEIVER’S POWERS

3. THIS COURT ORDERS that the Interim Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Interim Receiver is hereby expressly

empowered and authorized to do any of the following where the Interim Receiver considers it necessary or desirable:

- (a) to monitor the Debtor's receipts and disbursements, including, without limitation, the right to access all Records (as defined below), Client Records (as defined below) and other information, computers, data, electronic or cloud-stored data, databases, or documents relating to the Debtor's operations, including, without limiting the generality of the foregoing, having direct access to the Debtor's banking statements, records and online banking data;
- (b) to have access to the Debtor's premises at all times, without any requirement for prior notice;
- (c) to engage pharmacists, consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Interim Receiver's powers and duties, including without limitation those conferred by this Order;
- (d) to conduct examinations, under oath of any person with knowledge of the affairs of the Debtor, if deemed necessary by the Interim Receiver in its sole discretion;
- (e) to report to, meet with and discuss with such affected Persons (as defined below), including the Applicant, as the Interim Receiver deems appropriate on all matters relating to the Property and the interim receivership, and to share information, subject to such terms as to confidentiality as the Interim Receiver deems advisable;
- (f) to inquire into and report to the Applicant and the Court on the financial condition of the Debtor and the Property and any material adverse developments relating to the financial condition of the Debtor and/or the Property;

- (g) to report to the Court on any matter it deems appropriate;
- (h) to attend this Court to seek amendments to this Order as it deems necessary or desirable; and
- (i) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligation;

and in each case where the Interim Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE INTERIM RECEIVER

4. THIS COURT ORDERS that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order, including, but not limited to the Ontario College of Pharmacists, the Ministry of Health and Long-Term Care, the Ontario Drug Benefit Program and any insurance company (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Interim Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Interim Receiver.

5. THIS COURT ORDERS that all Persons shall forthwith advise the Interim Receiver of the existence of any client records and prescription information ("**Client Records**"), books, documents, securities, contracts, orders, billing privileges, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall, subject to Paragraph 6A herein, provide to the Interim Receiver or permit the Interim Receiver to make, retain and take away copies thereof and grant to the Interim Receiver unfettered access to and use of accounting, computer, software and physical facilities

relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Interim Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Interim Receiver for the purpose of allowing the Interim Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Interim Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Interim Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Interim Receiver with all such assistance in gaining immediate access to the information in the Records as the Interim Receiver may in its discretion require including providing the Interim Receiver with instructions on the use of any computer or other system and providing the Interim Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

6A. THIS COURT ORDERS that with respect to the Client Records, the Interim Receiver shall: (i) take all steps reasonably necessary to maintain the integrity of the confidential aspects of the Client Records; (ii) if necessary, appoint a pharmacist licensed and qualified to practice in the Province of Ontario to act as custodian (the "**Custodian**") for the Client Records; (iii) not allow anyone other than the Interim Receiver or the Custodian to have access to the Client Records; and (iv) allow the Debtor supervised access to the Client Records for any purposes required pursuant to the *Regulated Health Professions Act, 1991*, the *Pharmacy Act, 1991* or any other governing Ontario or Canadian statute that requires the Debtor, from time to time, to perform certain obligations.

ADDITIONAL DUTIES OF AND RESTRICTIONS ON DEBTOR

7. THIS COURT ORDERS that, the Debtor shall:

- (a) not sell, transfer, gift, convey or otherwise dispose of any Property, other than in the ordinary course of business, without the prior written consent of the Interim Receiver (other than amounts to pay down obligations owing to the Applicant);
- (b) not make, or enter into any contract, amendment to contract or other agreement that involves, an expenditure greater than \$2,500 without the prior written consent of the Interim Receiver; and
- (c) provide to the Interim Receiver, upon the request of and on or before the deadline reasonably required by the Interim Receiver, such reporting as may be required by the Interim Receiver in its sole discretion, including, without limitation, Records, Client Records, "Rx reports", financial condition, daily, weekly or monthly receipts and disbursements, inventory counts or lists, sales reports, patient lists, accounts payable and receivable, profit and loss statements, locations and listings of assets.

NO PROCEEDINGS AGAINST THE INTERIM RECEIVER

8. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Interim Receiver except with the written consent of the Interim Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

9. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Interim Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this C

NO EXERCISE OF RIGHTS OR REMEDIES

10. THIS COURT ORDERS that all rights and remedies against the Debtor, the Interim Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Interim Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any “eligible financial contract” as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Interim Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Interim Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE INTERIM RECEIVER

11. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Interim Receiver or leave of this Court.

CONTINUATION OF SERVICES

12. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, claims processing services, payment processing services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Interim Receiver, and that the Interim Receiver shall be entitled to the continued use of the applicable Debtor’s current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Interim Receiver in accordance with normal payment practices of the applicable

Debtor or such other practices as may be agreed upon by the supplier or service provider and the Interim Receiver, or as may be ordered by this Court.

13. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor. The Interim Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Interim Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

LIMITATION ON ENVIRONMENTAL LIABILITIES

14. THIS COURT ORDERS that nothing herein contained shall require the Interim Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the Ontario *Environmental Protection Act*, the *Ontario Water Resources Act*, or the Ontario *Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Interim Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Interim Receiver shall not, as a result of this Order or anything done in pursuance of the Interim Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE INTERIM RECEIVER'S LIABILITY

15. THIS COURT ORDERS that the Interim Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of

its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the Wage Earner Protection Program Act. Nothing in this Order shall derogate from the protections afforded the Interim Receiver by section 14.06 of the BIA or by any other applicable legislation.

INTERIM RECEIVER'S ACCOUNTS

16. THIS COURT ORDERS that the Interim Receiver and counsel to the Interim Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts.

17. THIS COURT ORDERS that the Interim Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Interim Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

18. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Interim Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

SERVICE AND NOTICE

19. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be

established in accordance with the Protocol with the following URL: www.spergelcorporate.ca/engagements.

20. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Interim Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the applicable Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the applicable Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

21. THIS COURT ORDERS that the Interim Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

22. THIS COURT ORDERS that nothing in this Order shall prevent the Interim Receiver from acting as a trustee in bankruptcy of the Debtor.

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

24. THIS COURT ORDERS that the Interim Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Interim Receiver is authorized and empowered

to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

25. THIS COURT ORDERS that the Applicant shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Interim Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

26. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Interim Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

27. THIS COURT ORDERS that the Interim Receiver, its counsel and counsel for the Applicant are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the applicable Debtor's creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

1951584 ONTARIO INC. et al.
Applicants

and **4231 SHEPPARD AVENUE EAST INC. et al.**
Respondents

Court File No: CV-20-006650853-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)**

Proceeding commenced at Toronto

ORDER

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Lawyers for the Applicants

TAB 7

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.)	FRIDAY, THE 13 th
)	
JUSTICE CAVANAGH)	DAY OF AUGUST, 2021

BETWEEN

CWB MAXIUM FINANCIAL INC.

Applicant

- and -

4231 SHEPPARD AVENUE EAST INC., ABU SEIFEIN BRIMLEY PHARMA INC., ANOOP BRIGHTON PHARMACY INC., BLESS HUI PHARMA INC., CAPITAL PHARMACY INC., JG WINDSOR INC., JM WESTVIEW PHARMA INC., JUBILEE PROPERTY INVESTMENTS INC., MAPLE MEDI PHARMA INC., RIVER HILL PHARMACY LTD., SIGMA HEALTHCARE INC., SJ EAST PHARMA INC., ST MARY COOKSVILLE PHARMA INC., ST. MARY THEOTOKOS PHARMA INC., STONEY CREEK PHARMA INC., TORONTO APOTHECARY PHARMA INC., WESTWAY HOLDINGS INC. and OLDE WALKERVILLE HOLDINGS INC.

Respondents

ORDER

(Appointment of Interim Receiver re: Anoop Brighton Pharmacy Inc.)

THIS MOTION made by the Applicant for an Order pursuant to section 47(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the “**CJA**”) appointing msi Spergel inc. (“**Spergel**”) as interim receiver (in such capacity, the “**Interim Receiver**”) without security, of all of the assets, undertakings and properties of Anoop Brighton

Pharmacy Inc. (the “**Debtor**”) acquired for, or used in relation to businesses carried on by the Respondents, was heard, without notice, this day by video conference.

ON READING the Affidavit of Edward Hopkinson sworn July ●, 2021, and on hearing the submissions of counsel for the Applicants;

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this application is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 47(1) of the BIA and section 101 of the CJA, Spergel is hereby appointed Interim Receiver, without security, of all of the assets, undertakings and properties the Debtor acquired for, or used in relation to a business carried on by of the Debtor, including all proceeds thereof (collectively, the “**Property**”) until the earlier of:

- (a) the taking of possession by a receiver within the meaning of subsection 243(2) of the BIA, of the Property;
- (b) the taking of possession by a trustee in bankruptcy of the Property; or
- (c) a further Order of this Court.

INTERIM RECEIVER’S POWERS

3. THIS COURT ORDERS that the Interim Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Interim Receiver is hereby expressly empowered and authorized to do any of the following where the Interim Receiver considers it necessary or desirable:

- (a) to monitor the Debtor’s receipts and disbursements, including, without limitation, the right to access all Records (as defined below), Client Records

(as defined below) and other information, computers, data, electronic or cloud-stored data, databases, or documents relating to the Debtor's operations, including, without limiting the generality of the foregoing, having direct access to the Debtor's banking statements, records and online banking data;

- (b) to have access to the Debtor's premises at all times, without any requirement for prior notice;
- (c) to engage pharmacists, consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Interim Receiver's powers and duties, including without limitation those conferred by this Order;
- (d) to conduct examinations, under oath of any person with knowledge of the affairs of the Debtor, if deemed necessary by the Interim Receiver in its sole discretion;
- (e) to report to, meet with and discuss with such affected Persons (as defined below), including the Applicant, as the Interim Receiver deems appropriate on all matters relating to the Property and the interim receivership, and to share information, subject to such terms as to confidentiality as the Interim Receiver deems advisable;
- (f) to inquire into and report to the Applicant and the Court on the financial condition of the Debtor and the Property and any material adverse developments relating to the financial condition of the Debtor and/or the Property;
- (g) to report to the Court on any matter it deems appropriate;
- (h) to attend this Court to seek amendments to this Order as it deems necessary or desirable; and

- (i) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligation;

and in each case where the Interim Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE INTERIM RECEIVER

4. THIS COURT ORDERS that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order, including, but not limited to the Ontario College of Pharmacists, the Ministry of Health and Long-Term Care, the Ontario Drug Benefit Program and any insurance company (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Interim Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Interim Receiver.

5. THIS COURT ORDERS that all Persons shall forthwith advise the Interim Receiver of the existence of any client records and prescription information ("**Client Records**"), books, documents, securities, contracts, orders, billing privileges, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall, subject to Paragraph 6A herein, provide to the Interim Receiver or permit the Interim Receiver to make, retain and take away copies thereof and grant to the Interim Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Interim Receiver due to the privilege

attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Interim Receiver for the purpose of allowing the Interim Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Interim Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Interim Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Interim Receiver with all such assistance in gaining immediate access to the information in the Records as the Interim Receiver may in its discretion require including providing the Interim Receiver with instructions on the use of any computer or other system and providing the Interim Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

6A. THIS COURT ORDERS that with respect to the Client Records, the Interim Receiver shall: (i) take all steps reasonably necessary to maintain the integrity of the confidential aspects of the Client Records; (ii) if necessary, appoint a pharmacist licensed and qualified to practice in the Province of Ontario to act as custodian (the “**Custodian**”) for the Client Records; (iii) not allow anyone other than the Interim Receiver or the Custodian to have access to the Client Records; and (iv) allow the Debtor supervised access to the Client Records for any purposes required pursuant to the *Regulated Health Professions Act, 1991*, the *Pharmacy Act, 1991* or any other governing Ontario or Canadian statute that requires the Debtor, from time to time, to perform certain obligations.

ADDITIONAL DUTIES OF AND RESTRICTIONS ON DEBTOR

7. THIS COURT ORDERS that, the Debtor shall:

- (a) not sell, transfer, gift, convey or otherwise dispose of any Property, other than in the ordinary course of business, without the prior written consent of the Interim Receiver (other than amounts to pay down obligations owing to the Applicant);
- (b) not make, or enter into any contract, amendment to contract or other agreement that involves, an expenditure greater than \$2,500 without the prior written consent of the Interim Receiver; and
- (c) provide to the Interim Receiver, upon the request of and on or before the deadline reasonably required by the Interim Receiver, such reporting as may be required by the Interim Receiver in its sole discretion, including, without limitation, Records, Client Records, “Rx reports”, financial condition, daily, weekly or monthly receipts and disbursements, inventory counts or lists, sales reports, patient lists, accounts payable and receivable, profit and loss statements, locations and listings of assets.

NO PROCEEDINGS AGAINST THE INTERIM RECEIVER

8. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a “**Proceeding**”), shall be commenced or continued against the Interim Receiver except with the written consent of the Interim Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

9. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Interim Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

10. THIS COURT ORDERS that all rights and remedies against the Debtor, the Interim Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Interim Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Interim Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Interim Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE INTERIM RECEIVER

11. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Interim Receiver or leave of this Court.

CONTINUATION OF SERVICES

12. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, claims processing services, payment processing services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Interim Receiver, and that the Interim Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Interim Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Interim Receiver, or as may be ordered by this Court.

13. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor. The Interim Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Interim Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

LIMITATION ON ENVIRONMENTAL LIABILITIES

14. THIS COURT ORDERS that nothing herein contained shall require the Interim Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Interim Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Interim Receiver shall not, as a result of this Order or anything done in pursuance of the Interim Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE INTERIM RECEIVER'S LIABILITY

15. THIS COURT ORDERS that the Interim Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections

afforded the Interim Receiver by section 14.06 of the BIA or by any other applicable legislation.

INTERIM RECEIVER'S ACCOUNTS

16. THIS COURT ORDERS that the Interim Receiver and counsel to the Interim Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts.

17. THIS COURT ORDERS that the Interim Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Interim Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

18. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Interim Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

SERVICE AND NOTICE

19. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: www.spergelcorporate.ca/engagements.

20. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Interim Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

21. THIS COURT ORDERS that the Interim Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

22. THIS COURT ORDERS that nothing in this Order shall prevent the Interim Receiver from acting as a trustee in bankruptcy of the Debtor.

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

24. THIS COURT ORDERS that the Interim Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Interim Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

25. THIS COURT ORDERS that the Applicant shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Interim Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

26. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Interim Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

27. THIS COURT ORDERS that the Interim Receiver, its counsel and counsel for the Applicant are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Debtor's creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

SCHEDULE "A"

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that msi Spergel inc., the Interim Receiver (the "**Interim Receiver**") of the assets, undertakings and properties of [INSERT DEBTOR ENTITY] (the "**Debtor**") acquired for, or used in relation to businesses carried on by the Debtor including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the ___ day of _____, 2021 (the "**Order**") made in an action having Court file number CV-20-00650853-00CL, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$_____, being part of the total principal sum of \$_____ which the Interim Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Interim Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Interim Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Interim Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Interim Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Interim Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the _____ day of January, 2021.

msi Spergel inc., solely in its capacity
as Interim Receiver of the Property, and not
in its personal capacity

Per
:

Name:

Title:

1951584 ONTARIO INC. et al.
Applicants

and **4231 SHEPPARD AVENUE EAST INC. et al.**
Respondents

Court File No: CV-20-006650853-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)**

Proceeding commenced at Toronto

ORDER

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Applicants

and **4231 SHEPPARD AVENUE EAST INC. et al.**
Respondents

Court File No: CV-20-006650853-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)**

Proceeding commenced at Toronto

MOTION RECORD

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