

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

CWB MAXIUM FINANCIAL INC.

Plaintiff

and

1970636 ONTARIO LTD. O/A MT. CROSS PHARMACY,
UMAIR N. NASIM, SHRIKANT MALHOTRA, 1975193 ONTARIO LTD. dba
MTN RX & HEALTH and ANGELO KIRKOPOULOS

Defendants

**MOTION RECORD
OF THE RECEIVER**

December 4, 2018

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INDEX

**ONTARIO
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CWB MAXIUM FINANCIAL INC.

Plaintiff

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MTN RX & HEALTH and ANGELO KIRKOPOULOS

Defendants

I N D E X

Tab	Description
1.	Notice of Motion returnable December 11, 2018
2.	Second Report of the Receiver dated December 4, 2018
A	Appointment Order of the Honourable Justice Hainey dated June 14, 2018
B	Interim Appointment Order of the Honourable Justice Dunphy dated May 16, 2018
C	Redacted Purchase Agreement
D	First Report of the Interim Receiver (Without Appendices)
E	Fee Affidavit of Mukul Manchanda (Interim Receivership) sworn December 3, 2018
F	Notice of Application for Taxation of Accounts and Discharge of Interim Receiver
G	Fee Affidavit of John Russo (Interim Receivership) sworn December 4, 2018
H	Fee Affidavit of Mukul Manchanda (Receivership) sworn December 3, 2018
I	Fee Affidavit of John Russo (Receivership) sworn December 4, 2018
J	Receiver's Interim Statement of Receipts and Disbursements
A	Confidential Appendix 1 – Bid Summary
B	Confidential Appendix 2 – Unredacted Purchase Agreement
3.	Draft Approval and Vesting Order
4.	Draft Approval and Vesting Order vs. Model Approval and Vesting Order

TAB 1

**ONTARIO
SUPERIOR COURT OF JUSTICE
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CWB MAXIUM FINANCIAL INC.

Plaintiff

and

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UMAIR N. NASIM, SHRIKANT MALHOTRA, 1975193 ONTARIO LTD. dba
MTN RX & HEALTH and ANGELO KIRKOPOULOS

Defendants

NOTICE OF MOTION

msi Spergel inc., in its capacity as the court-appointed receiver (the “**Receiver**”) of all of the undertaking, property and assets (the “**Property**”) of 1970636 Ontario Ltd. dba Mt. Cross Pharmacy (the “**Company**”), will make a motion to a judge presiding over the Commercial List on December 11, 2018 at 10:00 a.m., or as soon after that time as the motion can be heard, at the courthouse located at 330 University Avenue, Toronto, Ontario, M5G 1R7.

PROPOSED METHOD OF HEARING: The Motion is to be heard orally.

THE MOTION IS FOR AN ORDER, AMONG OTHER THINGS:

- (a) approving the sale transaction (the “**Transaction**”) contemplated by a draft agreement of purchase and sale (the “**Sale Agreement**”) between the Receiver and 2654356 Ontario Inc., doing business as Joice Pharmacy and Medical Clinic (the “**Purchaser**”) and appended to the Second Report of the Receiver dated December

4, 2018 (the “**Second Report**”) as Confidential Appendix 2, and vesting in the Purchaser the Debtor’s right, title and interest in and to the assets described in the Sale Agreement (the “**Purchased Assets**”) free and clear of all liens, charges, security interests and other encumbrances;

- (b) sealing the Confidential Appendices (as defined herein) to the Second Report pending the closing of the Transaction or further Order of the Court;
- (c) approving the fees and disbursements of the Interim Receiver and its independent legal counsel, Pallett Valo LLP (the “**Interim Receiver’s Counsel**”);
- (d) approving the fees and disbursements of the Receiver and its independent legal counsel, Pallett Valo LLP (the “**Receiver’s Counsel**”) for the period to and including November 30, 2018 in the case of the Receiver and October 31, 2018 in the case of Receiver’s Counsel
- (e) approving the Second Report and the actions of the Receiver described therein, including, without limitation, the Receiver’s interim statement of receipts and disbursements as at December 3, 2018;
- (f) approving the First Report of the Receiver dated July 24, 2018, the Supplement to First Report of the Receiver dated July 25, 2018 and the actions of the Receiver described therein;
- (g) declaring that the Vendor Trust Funds (as defined herein) are included in Property;
and

- (h) such further and other Relief as to this Honourable Court may seem just.

THE GROUNDS FOR THE MOTION ARE:

The Sales Process and the Transaction

- (a) msi Spergel Inc. (“**Spergel**”) was appointed as the Receiver of the Company pursuant to the Order of the Honourable Justice McEwen dated June 14, 2018 (the “**Appointment Order**”);
- (b) prior to its appointment as the Receiver, Spergel was appointed as interim receiver of the Company (the “**Interim Receiver**”) pursuant to the Order of the Honourable Justice Dunphy dated May 26, 2018;
- (c) since its appointment as Interim Receiver, the Receiver has been operating Mt. Cross Pharmacy using locum pharmacists licensed by the Ontario College of Pharmacists;
- (d) the Receiver undertook efforts to market the Mt. Cross Pharmacy for sale through advertisement and through referrals from CWB Maxium Financial Inc., an asset-based lender which is very active in the healthcare sector and the Plaintiff in this matter;
- (e) the Receiver’s efforts included:
 - (i) placing an ad in the National Post and the Insolvency Insider;
 - (ii) publishing the assets for sale on its own website; and

- (iii) reaching out to the parties that had previously expressed interest in purchasing the assets of the Company;
- (f) the Receiver determined that selling the assets of the Company through a bid process was the most cost-effective and efficient method of dealing with the assets, as there was no interest in the Company as a going concern due to the inability of the Company to process insurance claims with Telus Health and Express Scripts Canada and the issues surrounding the principal of the Company being charged with various crimes including fraud and possessing a substance for the purpose of trafficking;
- (g) the Receiver determined that the purchase offer from 2654356 Ontario Inc. doing business as Joice Pharmacy and Medical Clinic would net the highest realization and be the most appropriate transaction for the benefit of the stakeholders;
- (h) the Receiver made a sufficient effort to obtain the best price for the assets;
- (i) the process by which the offers were obtained was fair and reasonable;

Sealing Order

- (j) the Receiver seeks an Order sealing the Bid Summary attached as Confidential Appendix 1 and the unredacted Sale Agreement attached as Confidential Appendix 2 to the Second Report (collectively, the “**Confidential Appendices**”) pending the closing of the Transaction or further Order of the Court;

- (k) the Confidential Appendices contain commercially sensitive information, the release of which prior to the completion of the Transaction would be prejudicial to the stakeholders of the Company;

Approval of Reports, Activities and Fees

- (l) the work carried out by the Interim Receiver / Receiver and its counsel was necessary and assisted with the administration of these receivership proceedings;
- (m) the hourly rates of the professionals who worked on this matter were reasonable in light of the services required, and the services were carried out by professionals with the appropriate level of experience;

Vendor Trust Funds

- (n) on June 2, 2017, the Company entered into an agreement of purchase and sale (the “**Mt. Cross Purchase Agreement**”) with 1919932 Ontario Ltd. (the “**Vendor**”) to purchase all of the assets of the Vendor;
- (o) the Mt. Cross Purchase Agreement required a deposit of \$1,250,000 (the “**Deposit**”) to be paid by the shareholders of Mt. Cross from non-borrowed sources;
- (p) Faber & Oostdyk o/u Sean Oostdyk Professional Corporation (“**Sean Oostdyk**”) acted as counsel for both the Vendor and Mt. Cross in relation to the Mt. Cross Purchase Agreement;
- (q) a review of Sean Oostdyk’s files related to the closing of the Mt. Cross Purchase Agreement indicated that, among other things, Sean Oostdyk was holding \$76,514.84 for Mt. Cross (the “**Mt. Cross Trust Funds**”) and \$110,136.59 for the

vendor (the “**Vendor Trust Funds**”) in its trust account since June 2017. These funds formed part of the \$1,250,000 deposit (the “**Deposit**”) purportedly paid in connection with the Mt. Cross Purchase Agreement;

- (r) Bank of Montreal (“**BMO**”) has confirmed that the BMO bank draft pursuant to which Kirkopoulos claims to have paid the Deposit was doctored and that it has no record of the issuance of the bank draft;
- (s) the Vendor Trust Funds have not been claimed since June 2017;
- (t) pursuant to the Appointment Order, the Court ordered that the Mt. Cross Trust Funds were included in the Property;
- (u) the Receiver is of the view that the Mt. Cross Purchase Agreement was not a *bona fide* transaction and as such the Receiver is requesting that the Court order that the Vendor Trust Funds are also included in the Property;

General

- (i) Rules 1.04, 2.03, 3.02, 16 and 37 of the Ontario *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended; and
- (j) such further and other grounds as the lawyers may advise.

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

- (a) the Motion Record of the Receiver, including the Second Report; and
- (b) such further and other evidence as the lawyers may advise and this Honourable Court may permit.

December 4, 2018

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RCP-E 37A (July 1, 2007)

CWB MAXIUM FINANCIAL INC.
Plaintiff

-and- 1970636 ONTARIO LTD. O/A MT. CROSS PHARMACY et al.
Defendants

Court File No. CV-18-597922-00CL

**ONTARIO
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PROCEEDING COMMENCED AT
TORONTO

NOTICE OF MOTION

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TAB 2

Court File No. CV-18-597922-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

CWB MAXIUM FINANCIAL INC.

Plaintiff

- and -

**1970636 ONTARIO LTD. o/a MT. CROSS PHARMACY, UMAIR N. NASIM,
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ANGELO KIRKOPOULOS**

Defendants

**SECOND REPORT OF MSI SPERGEL INC.
IN ITS CAPACITY AS THE COURT-APPOINTED RECEIVER OF
1970636 ONTARIO LTD. o/a MT. CROSS PHARMACY**

December 4, 2018

TABLE OF CONTENTS

1.0	APPOINTMENT AND BACKGROUND	Page 1
2.0	PURPOSE OF THIS REPORT AND DISCLAIMER	Page 2
3.0	TRANSACTION	Page 3
4.0	VENDOR TRUST FUNDS	Page 5
5.0	FEES AND DISBURSEMENTS OF THE INTERIM RECEIVER	Page 7
6.0	FEES AND DISBURSEMENTS OF THE INTERIM RECEIVER'S COUNSEL	Page 7
7.0	FEES AND DISBURSEMENTS OF THE RECEIVER	Page 8
8.0	FEES AND DISBURSEMENTS OF THE RECEIVER'S COUNSEL	Page 8
9.0	INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS	Page 9
10.0	RECOMMENDATIONS	Page 9

APPENDICES

1. Appointment Order of the Honourable Justice Hainey dated June 14, 2018
2. Interim Appointment Order of the Honourable Justice Dunphy dated May 16, 2018
3. Redacted Form of Purchase Agreement
4. First Report of the Interim Receiver without appendices
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CONFIDENTIAL APPENDICES

1. Bid Summary
2. Unredacted Form of Purchase Agreement

1.0 APPOINTMENT AND BACKGROUND

- 1.0.1 This report (this "**Report**") is filed by msi Spergel inc. ("**Spergel**") in its capacity as the Court-appointed receiver (in such capacity, the "**Receiver**") of 1970636 Ontario Ltd. o/a Mt. Cross Pharmacy ("**Mt. Cross**" or the "**Company**").
- 1.0.2 Mt. Cross is a Canadian owned, private corporation carrying on business as a full service retail pharmacy (the "**Mt. Cross Pharmacy**"). Mt. Cross operates from the premises located at 503 Concession Street, Hamilton, Ontario (the "**Premises**").
- 1.0.3 Spergel was appointed as the Receiver without security, of all of the assets, undertakings and properties of the Company (collectively, the "**Property**") by Order of the Honourable Mr. Justice McEwen of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") made June 14, 2018 (the "**Appointment Order**"). The Appointment Order was made upon the application of the Company's general secured creditor, CWB Maxium Financial Inc. ("**Maxium**" or the "**Secured Creditor**"). Attached as **Appendix "1"** to this Report is a copy of the Appointment Order.
- 1.0.4 Prior to Spergel's appointment as the Receiver, Spergel was appointed as interim receiver (in such capacity, the "**Interim Receiver**"), without security, of all the assets, undertakings and properties of Mt. Cross by Order of the Honourable Mr. Justice Dunphy of the Ontario Superior Court of Justice (Commercial List) made May 16, 2018 (the "**Interim Appointment Order**"). Attached as **Appendix "2"** to this Report is a copy of the Interim Appointment Order.

2.0 PURPOSE OF THIS REPORT AND DISCLAIMER

2.0.1 The purpose of this Report is to advise the Court as to the steps taken by the Receiver in these proceedings and to seek Orders from this Court:

- a) approving this Report and the actions of the Receiver described herein, including, without limitation, the Receiver's interim statement of receipts and disbursements as at December 3, 2018 (the "**Interim R&D**");
- b) approving the First Report of the Receiver dated July 24, 2018, the Supplement to First Report of the Receiver dated July 25, 2018 and the actions of the Receiver described therein;
- c) declaring that the Vendor Trust Funds (as defined herein) are included in Property;
- d) approving a transaction (the "**Transaction**") contemplated by a draft agreement of purchase and sale (the "**Form of Purchase Agreement**") between 2654356 Ontario Inc. doing business as Joice Pharmacy and Medical Clinic (the "**Purchaser**") and the Receiver, as seller, whereby the Purchase will acquire the Company's right, title and interest in and to the Purchased Assets (as defined in the Form of Purchase Agreement);
- e) vesting in the Purchaser the Company's right, title and interest in and to the Purchased Assets free and clear of all liens, charges, security interests and other encumbrances;
- f) sealing the Confidential Appendices (as defined herein) to this Report pending the closing of the transaction or further Order of the

Court;

g) approving the fees and disbursements of the Interim Receiver and its independent legal counsel, Pallett Valo LLP (the “**Interim Receiver’s Counsel**”); and

h) approving the fees and disbursements of the Receiver and its independent legal counsel, Pallett Valo LLP (the “**Receiver’s Counsel**”) for the period to and including November 30, 2018 in the case of the Receiver and October 31, 2018 in the case of Receiver’s Counsel;

2.0.2 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 Report for any other purpose.

2.0.3 In preparing this Report, the Receiver has relied upon certain information obtained from the Company’s prescription dispensing software. 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.

2.0.4 All references to dollars in this Report are in Canadian currency unless otherwise noted.

3.0 TRANSACTION

3.0.1 Pursuant to the terms of the Receivership Order, the Receiver was empowered and authorized to, among other things, market any or all of the Company’s assets, including advertising and soliciting offers in respect

of the assets and negotiating such terms and conditions of sale as the Receiver, in its discretion, deemed appropriate.

- 3.0.2 The Receiver has been operating the Mt. Cross Pharmacy since the issuance of the Interim Appointment Order using locum pharmacists licensed by the Ontario College of Pharmacists.
- 3.0.3 In addition, the Receiver actively undertook efforts to market the Mt. Cross Pharmacy for sale, through advertisement and through referrals from Maxium, an asset-based lender which is very active in the healthcare sector and is also the secured creditor of Mt. Cross.
- 3.0.4 As part of its marketing efforts, the Receiver placed an ad in the National Post and the Insolvency Insider. In addition, the Receiver published the assets for sale on its own website. The Receiver also reached out to the parties that had expressed interest previously in purchasing the assets of the Company. The Receiver determined that selling the assets of the Company through a bid process was the most cost effective and efficient method of dealing with the assets, as there was no interest in the Company as a going concern due to the inability of the Company to process insurance claims with Telus Health and Express Scripts Canada and the issues surrounding one of the principals of the Company being charged with contravening regulations under the *Controlled Drugs and Substances Act*. The Receiver required all interested parties to sign confidentiality agreements prior to disclosing the asset listing. Four (4) interested parties signed the confidentiality agreement and obtained the information related to the assets.
- 3.0.5 After reviewing the offer(s), the Receiver determined that the outright purchase offer (the “**265 Offer**”) from 2654356 Ontario Inc. doing business as Joice Pharmacy and Medical Clinic would net the highest realization and be the most appropriate transaction for the benefit of the

stakeholders, as the Receiver would not be required to expend resources managing the business any longer and it further allows the patients of the pharmacy to receive continued service without interruption.

3.0.6 The Transaction, if approved by the Court, is contingent upon the Purchaser successfully negotiating a lease with the landlord of the Premises.

3.0.7 A copy of the Receiver's bid summary is attached as **Confidential Appendix "1"** to this Report (the "**Bid Summary**"). Upon receipt of the written offer(s), the Receiver shared the Bid Summary along with the written offer(s) with the Secured Creditor. The Secured Creditor has indicated to the Receiver that they support the acceptance of the 265 Offer.

3.0.8 The Receiver has drafted the Form of Purchase Agreement to be entered with the Purchaser. A redacted copy of the Form of Purchase Agreement, excluding the financial terms, is attached as **Appendix "3"** to this Report. An unredacted copy of the Form of Purchase Agreement is attached as **Confidential Appendix "2"** to this Report (collectively with Confidential Appendix 1, the "**Confidential Appendices**").

3.0.9 The Receiver is seeking a sealing order in respect of the Confidential Appendices as they each contain commercially sensitive information, the release of which prior to the completion of the Transaction would be prejudicial to the stakeholders of the Company.

4.0 VENDOR TRUST FUNDS

4.0.1 In its first report to court dated June 6, 2018, the Interim Receiver, among other things, advised the Court of the following:

- a) On June 2, 2017 Mt. Cross entered into an agreement of purchase and sale (the "**Mt. Cross Purchase Agreement**") with 1919932

Ontario Ltd. (the "**Vendor**") to purchase all of the assets of the Vendor for a purchase price of \$5,450,000.00, plus an agreed upon value of inventory (the "**Purchase Price**");

- b) The Mt. Cross Purchase agreement required a deposit of \$1,250,000 (the "**Deposit**") to be paid by the shareholders of Mt. Cross from non-borrowed sources;
- c) Faber & Oostdyk o/u Sean Oostdyk Professional Corporation ("**Sean Oostdyk**") acted as counsel for both the Vendor and Mt. Cross in relation to the Mt. Cross Purchase Agreement;
- d) A review of Sean Oostdyk's files related to the closing of the Mt. Cross Purchase Agreement indicated:
 - a. The Deposit did not flow through the trust accounts of Sean Oostdyk;
 - b. An acknowledgement was signed by Angelo Kirkopoulos ("**Kirkopoulos**") on behalf of Mt. Cross certifying and representing to Maxium that the Deposit was from non-borrowed sources and attaching a copy of the Bank of Montreal ("**BMO**") draft payable to the Vendor in the amount of Deposit (the "**BMO Draft**");
 - c. An acknowledgement was signed by Kirkopoulos on behalf of the Vendor acknowledging receipt of the Deposit; and
 - d. Sean Oostdyk was holding \$76,514.84 for Mt. Cross (the "**Mt. Cross Trust Funds**") and \$110,136.59 for the vendor

(the “**Vendor Trust Funds**”) in its trust account since June 2017.

- 4.0.2 Attached hereto as **Appendix “4”** is a copy of the first report of the Interim Receiver without appendices. Relevant paragraphs in the first report of the Interim Receiver are from 4.0.18 to 4.0.23.
- 4.0.3 In light of the above, the Receiver inquired with BMO regarding the circumstances surrounding the issuance of the draft in relation to the Deposit. BMO has advised the Receiver that it does not have any record of issuance of the BMO Draft and indicated that it appears that the BMO Draft was doctored.
- 4.0.4 As part of the Appointment Order, the Court ordered that the Mt. Cross Trust Funds were included in the Property. Given the issues surrounding the BMO Draft and other irregularities surrounding the Mt. Cross Purchase Agreement, the Receiver is of the view that the Mt. Cross Purchase Agreement was not a *bona fide* transaction and as such the Receiver is requesting that the Court orders that the Vendor Trust Funds are also included in the Property. The Vendor Trust Funds have not been claimed since June 2017.

5.0 FEES AND DISBURSEMENT OF THE INTERIM RECEIVER

- 5.0.1 Attached hereto as **Appendix “5”** is the Affidavit of Mukul Manchanda, sworn December 3, 2018, which incorporates by reference a copy of the Interim Receiver’s time dockets pertaining to the interim receivership, for the period to and including June 13, 2018 in the amount of \$85,405.40 inclusive of disbursements and HST. This represents a total of 227 hours at an average rate of \$332.95 per hour.
- 5.0.2 Pursuant to rule 79 of the *Bankruptcy and Insolvency Act*, on August 1, 2018 the Interim Receiver provided the Notice of Application for Taxation

of Accounts and Discharge of Interim Receiver to the service list. No objection was filed within 30 days of the sending of the notice. Attached as **Appendix “6”** to this Report is a copy of the Notice of Application for taxation of Accounts and Discharge of Interim Receiver.

6.0 FEES AND DISBURSEMENTS OF THE INTERIM RECEIVER'S COUNSEL

- 6.0.1 Attached hereto as **Appendix “7”** is the Affidavit of John Russo, sworn December 4, 2018, which incorporates by reference a copy of the accounts rendered by the Interim Receiver's Counsel to the Receiver for the period to and including June 13, 2018 in the amount of \$33,659.09 inclusive of disbursements and HST.
- 6.0.2 The Interim Receiver has reviewed the accounts of the Interim Receiver's Counsel and, given the Interim Receiver's involvement in this matter, the Interim Receiver is of the view that all the work set out in the accounts of the Interim Receiver's Counsel was carried out and was necessary. The hourly rates of the lawyers who worked on this matter were reasonable in light of the services required, and the services were carried out by lawyers with the appropriate level of experience.

7.0 FEES AND DISBURSEMENTS OF THE RECEIVER

- 7.0.1 Attached hereto as **Appendix “8”** is the Affidavit of Mukul Manchanda, sworn December 3, 2018, which incorporates by reference a copy of the Receiver's time dockets pertaining to the receivership, for the period to and including November 30, 2018 in the amount of \$110,698.33 inclusive of disbursements and HST. This represents a total of 335.70 hours at an average rate of \$290.01 per hour.

8.0 FEES AND DISBURSEMENTS OF THE RECEIVER'S COUNSEL

8.0.1 Attached hereto as **Appendix "9"** is the Affidavit of John Russo, sworn December 4, 2018, which incorporates by reference a copy of the accounts rendered by the Receiver's Counsel to the Receiver for the period to and including October 31, 2018 in the amount of \$34,241.51 inclusive of disbursements and HST.

8.0.2 The Receiver has reviewed the accounts of the Receiver's Counsel and, given the Receiver's involvement in this matter, the Receiver is of the view that all the work set out in the accounts of the Receiver's Counsel was carried out and was necessary. The hourly rates of the lawyers who worked on this matter were reasonable in light of the services required, and the services were carried out by lawyers with the appropriate level of experience.

9.0 RECEIVER'S INTERIM STATEMENTS OF RECEIPTS AND DISBURSEMENTS

9.0.1 Attached hereto as **Appendix "10"** is a copy of the Receiver's Interim Statement of Receipts and Disbursements.

10.0 RECOMMENDATIONS

10.0.1 The Receiver respectfully requests that this Honourable Court grant the relief sought in this Report.

Dated at Toronto this 4th day of December, 2018.

msi Spergel inc.,
solely in its capacity as court-appointed
Receiver of 1970636 Ontario Ltd o/a Mt.
Cross Pharmacy and not in its personal
or corporate capacity

Per:

A handwritten signature in black ink, appearing to read "Philip H. Gennis", written over a horizontal line.

Philip H. Gennis, J.D., CIRP, LIT
Senior Principal

TAB A

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.

)

THURSDAY, THE 14TH

JUSTICE MCEWEN

)

DAY OF JUNE, 2018

)

BETWEEN



CWB MAXIUM FINANCIAL INC.

Plaintiff

- and -

**1970636 ONTARIO LTD. o/a MT. CROSS PHARMACY,
UMAIR N. NASIM, SHRIKANT MALHOTRA, 1975193 Ontario dba MTN RX &
HEALTH AND ANGELO KIRKOPOULOS**

Defendants

ORDER
(appointing Receiver)

THIS MOTION made by the Plaintiff 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 1970636 Ontario Ltd. o/a Mt. Cross Pharmacy ("**Mt. Cross**") and 1975193 Ontario d.b.a. MTN RX & Health ("**1975**") (together, the "**Debtors**") acquired for, or used in relation to a business carried on by the Debtors, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavits of Daniel Gilchrist sworn May 15, 2018, Maureen McLaren sworn May 16, 2018 and Maureen McLaren, sworn June 6, 2018 and the Exhibits thereto, the First Report of Spergel dated June 6, 2018 and the Supplemental Report dated June 11, 2018,

and on hearing the submissions of counsel for the Plaintiff, no one appearing for the Debtors although duly served as appears from the affidavits of service of Maureen McLaren sworn June 7, 2018 and June 13, 2018, Hunter Norwick sworn June 7, 2018 and Craig Mills sworn June 12, 2018 and June 13, 2018, and on reading the consent of Spergel to act as the Receiver,

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 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 the Debtors acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (the "Property").

RECEIVER'S POWERS

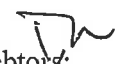
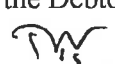
3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver 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, 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;
- (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 part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors, and to deposit such monies in a separate bank account controlled by the Receiver and pay such disbursements that are necessary for the continued operation of the business of the Debtors;
- (g) to settle, extend or compromise any indebtedness owing to the Debtors;
- (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, 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, 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 file an assignment in bankruptcy on behalf of the Debtors;
- (o) to assign and transfer to the Plaintiff all of the Debtors' right, title and interest in a chose in action, including any documents in support thereof, upon the Receiver being satisfied that such chose in action is subject to the Plaintiff's security;
- (p) 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;

- (q) to examine, without an order, under oath on ^{4 days} ~~48 hours~~ notice, the Debtors and any person reasonably thought by the Receiver to have knowledge of the affairs of the Debtors or any person who is or has been an agent or a mandatary, or clerk, a servant, an officer, a director or an employee of the Debtors, including, but not limited to, Umair N. Nasim, Shrikant Malhotra, Angelo Kirkopoulos, Ahmed Kassim, Angela Abrantes, Orlando Den Cassavia, George Vlachodimos, Vadim Kovalev and Faber & Oostdyk o/u Sean Oostdyk Professional Corporation, respecting the Debtors or the Debtors' dealings or property, and may require such a person to produce any books, documents, correspondence or papers in that person's possession or power relating in all or in part to the Debtors or the Debtors' dealings or property. *Should any person object to being examined or making productions, that person may make submissions to the court.*
- (r) to make inquiries of the Bank of Montreal in respect to a bank draft dated May 5, 2017 payable to 1919932 Ontario Ltd. (the "Bank Draft"), including, but not limited to, the circumstances in which it was prepared or issued, whether the Bank Draft is authentic, where the funds behind the Bank Draft originated and whether the Bank Draft was negotiated, cashed and/or deposited;
- (s) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (t) 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;
- (u) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors;
- (v) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have;

- (w) to inquire into and report to the Plaintiff and the Court on the financial condition of the Debtors^W and the Property and any material adverse developments relating to the financial condition of the Debtors^W and/or the Property; and
- (x) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations;
- (y) 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^W, 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^W, (ii) all of ^{its} ~~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 Umair N. Nasim, Shrikant Malhotra, Angelo Kirkopoulos, Ahmed Kassim, Angela Abrantes, Orlando Den Cassavia, George Vlachodimos, Dr. Vadim Kovalev, Faber & Oostdyk o/u Sean Oostdyk Professional Corporation, Public Prosecution Services of Canada and/or the Crown Attorney's office, 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. In particular, this Court orders that Faber & Oostdyk o/u Sean Oostdyk Professional Corporation shall:

- (i) deliver to the Receiver all of the funds in its possession being held for the benefit of Mt. Cross or 191932 Ontario Ltd. ("**1919**"); and
- (ii) deliver and/or grant access to 1919's file to the Receiver in respect to an agreement of purchase and sale dated June 2, 2017, between

1919, as vendor, and Mt. Cross, as purchaser, for the purchase all
of the assets of the Vendor.

*Should the law firm disagree,
it can make submissions to the Court.*

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, 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, 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 in respect to the Client Records, the Receiver shall: (i) take all steps reasonably necessary to maintain the integrity of the confidential aspect 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; (iv) allow the Debtors 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, 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 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 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, 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 to carry on any business which the Debtors is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtors 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, 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 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 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 Debtors' 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 Debtors 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 shall remain the employees of the Debtors until such time as the Receiver, on the 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 Debtors, 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 (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 \$250,000 (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.spergel.ca/mtcross'.

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 Debtors' creditors or other interested parties at their respective addresses as last shown on the records of the Debtors 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

28. 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.

29. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtors. 

30. 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.

31. 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.

32. THIS COURT ORDERS that the Plaintiff shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff'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.

33. 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.

34. THIS COURT ORDERS that the Receiver, its counsel and counsel for the Plaintiff 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 Debtors' 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).

A handwritten signature in dark ink, appearing to be 'McEust', is written above a horizontal line.

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

JUN 14 2018

PER / PAR:

A handwritten signature in dark ink, appearing to be 'Jh', is written next to the 'PER / PAR:' label.

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 10970636 Ontario Ltd. o/a Mt. Cross Pharmacy and 1975193 Ontario d.b.a. MTN RX & Health acquired for, or used in relation to a business carried on by the Debtor~~s~~, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated 14th day of June, 2018 (the "**Order**") made in an action having Court file number CV-18-597922-00CL, 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 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 _____, 2018.

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

Per: _____

Name:

Title:

CWB MAXIUM FINANCIAL INC.

and

1970636 ONTARIO LTD.
o/a MT. CROSS PHARMACY, et al.
Defendants

Court File No: CV-18-597922-00CL

Plaintiff

**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

Bobby Sachdeva LSUC #34454C

Tel: 905.532.6670

Email: bsachdeva@millerthomson.com

Craig A. Mills LSUC#: 40947B

Tel: 416.595.8596

Email: cmills@millerthomson.com

Fax: 416.595.8695

Solicitors for the Plaintiff

TAB B

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.
JUSTICE DUNPHY

)
)
)

WEDNESDAY, THE 16TH
DAY OF MAY, 2018



CWB MAXIUM FINANCIAL INC.

Plaintiff

- and -

1970636 ONTARIO LTD. o/a MT. CROSS PHARMACY,
UMAIR N. NASIM, SHRIKANT MALHOTRA, 1975193 ONTARIO LTD. dba MTN RX
& HEALTH AND ANGELO KIRKOPOULOS

Defendants

ORDER
(appointing Interim Receiver)

THIS MOTION made by the Plaintiff 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 1970636 Ontario Ltd. o/a Mt. Cross Pharmacy (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 330 University Avenue, Toronto, Ontario.

AND ON READING the affidavit of Daniel Gilchrist sworn May 15, 2018 and the Exhibits thereto and the affidavit of Maureen McLaren sworn May 16, 2018, and on hearing the submissions of counsel for the Plaintiff, no one appearing for the Debtor although duly served as appears from the affidavit of service of Maureen McLaren sworn May 16, 2018 and on reading the consent of Spergel to act as the Interim Receiver,

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 motion 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 of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "**Property**").

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 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 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 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 receive and collect all monies and accounts now owed or hereafter owing to the Debtor, to deposit such monies in a separate bank account controlled by the Interim Receiver and pay such disbursements that are necessary for the continued operation of the business of the Debtor;
- (e) to summarily dispose of Property that is perishable or likely to depreciate rapidly in value;
- (f) to report to, meet with and discuss with such affected Persons (as defined below) 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;
- (g) to inquire into and report to the Plaintiff 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; and
- (h) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations;

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 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 Umair N. Nasim, Shrikant Malhotra, Angelo Kirkopoulos, 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, and shall deliver all such Property to the Interim Receiver upon the Interim Receiver's request.

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, 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 in respect to the Client Records, the Interim Receiver shall: (i) take all steps reasonably necessary to maintain the integrity of the confidential aspect 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; (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.

NO PROCEEDINGS AGAINST THE INTERIM RECEIVER

7. 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

8. 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

9. 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

10. 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

11. 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, 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' 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.

INTERIM RECEIVER TO HOLD FUNDS

12. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Interim 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 Interim Receiver (the "Post Interim Receivership Accounts") and

the monies standing to the credit of such Post Interim Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Interim Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

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, and that the Interim Receiver and counsel to the Interim Receiver shall be entitled to and are hereby granted a charge (the "**Interim 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 Interim 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.

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 Interim 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.

FUNDING OF THE INTERIM RECEIVERSHIP

19. THIS COURT ORDERS that the Interim 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 \$100,000 (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 Interim 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 "**Interim 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 Interim Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

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

22. THIS COURT ORDERS that the monies from time to time borrowed by the Interim Receiver pursuant to this Order or any further order of this Court and any and all Interim 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 Interim Receiver's Certificates.

SERVICE AND NOTICE

23. 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.spergel.ca/mtcross'.

24. 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

25. 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.

26. THIS COURT ORDERS that nothing in this Order shall prevent the Interim Receiver from acting as a trustee in bankruptcy of the Debtor.

27. 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.


28. 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.

29. THIS COURT ORDERS that the Plaintiff shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff'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.

30. THIS COURT ORDERS that ^{three (3)} 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.

31. THIS COURT ORDERS that the Interim Receiver, its counsel and counsel for the Plaintiff 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).


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

MAY 16 2018

PER / PAR: 

SCHEDULE "A"

INTERIM RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that msi Spergel inc., the interim receiver (the "**Interim Receiver**") of the assets, undertakings and properties 1970636 Ontario Ltd. o/a Mt. Cross Pharmacy acquired for, or used in relation to a business 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 May, 2018 (the "**Order**") made in an action having Court file number CV-00CL, has received as such Interim 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 _____, 2018.

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

Per: _____

Name:

Title:

CWB MAXIUM FINANCIAL INC. and
Plaintiff

1970636 ONTARIO LTD.
o/a MT. CROSS PHARMACY, et al.
Defendants

Court File No: CV-18-597922-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE (Commercial
List)

Proceeding commenced at Toronto

ORDER
(APPOINTING INTERIM RECEIVER)

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

Craig A. Mills LSUC#: 40947B
Tel: 416.595.8596
Email: cmills@millerthomson.com

Fax: 416.595.8695

Solicitors for the Plaintiff.

TAB C

PHARMACY PURCHASE AGREEMENT

(1970636 ONTARIO LTD. O/A MT. CROSS PHARMACY)

THIS AGREEMENT is made as of the ____ day of November, 2018

BETWEEN:

MSI SPERGEL INC., solely in its capacity as court-appointed Receiver of all of the property and assets of 1970636 Ontario Ltd. o/a Mt. Cross Pharmacy (the "**Company**") and not in any other capacity and with no personal or corporate liability

(hereinafter called the "**Vendor**")

OF THE FIRST PART

- and -

2654356 Ontario Inc., doing business as Joice Pharmacy and Medical Clinic (hereinafter called the "**Purchaser**")

OF THE SECOND PART

RECITALS:

Whereas:

- A. Pursuant to the Appointment Order (defined herein), the Vendor was appointed as Receiver of all the assets, property and undertaking (the "**Assets**") of the Company.
- B. Pursuant to paragraphs 3(j), (k), (l) and (m) of the Appointment Order, the Vendor is authorized to market for sale, negotiate the sale of and sell the Assets and to apply for an order of the Court approving the sale of the Assets and vesting title to the Assets in the Purchaser.
- C. Subject to an order being issued by the Court approving the sale of the Purchased Assets (defined herein) and pursuant to the terms of this Agreement, the Purchaser has offered to purchase the Purchased Assets and the Vendor has accepted such offer on the terms and conditions contained herein. The Purchaser acknowledges that the Vendor's acceptance of such offer and execution of this Agreement are subject to the terms and conditions contained herein and approval of the Court of such actions.

NOW THEREFORE IN CONSIDERATION of the promises and the mutual agreements in this Agreement, and for other consideration (the receipt and sufficiency of which are acknowledged by each Party), the Parties agree as follows.

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement:

“Agreement” means this asset purchase agreement and the terms “hereof” and “hereto” refer to this Agreement as a whole and references to “Section” and “subsection” mean the relevant section or subsection of this Agreement unless the context specifically indicates otherwise;

“Applicable Law” means any domestic or foreign statute, law (including the common law), ordinance, rule, regulation, restriction, regulatory policy or guideline, by-law (zoning or otherwise), or Order, or any consent, exemption, approval or License of any Governmental Authority, that applies in whole or in part to the Transaction, the Vendor, the Purchaser, the Company, the Business, the manner in which the Business is carried on or to any of the Purchased Assets;

“Appointment Order” means the order of the Honourable Justice McEwen of the Ontario Superior Court of Justice (Commercial List) dated June 14, 2018 made in the receivership proceedings bearing Court File No. CV-18-597922-00CL appointing the Vendor as Receiver of all of the assets, property and undertaking of the Company, including the Purchased Assets, pursuant to section 243 of the BIA;

“Approval and Vesting Order” means an order or orders of the Court in a form substantially in accordance with Schedule A: (i) authorizing and approving the Transaction contemplated under this Agreement; and (ii) ordering that the right, title and interest of the Vendor in the Purchased Assets be vested in the Purchaser free and clear of any right, title or interest of the Company or of any other Claims and Encumbrances, except for Permitted Encumbrances (we need a list of Permitted Encumbrances in schedule “D”), whether or not they have attached or been perfected, registered or filed, whether secured or unsecured or otherwise, by or of all Persons;

“Assets” shall have the meaning ascribed thereto in the recitals;

“BIA” means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended;

“Business” means the retail pharmacy business of the Company;

“Business Day” means a day other than a Saturday or Sunday, on which chartered banks are open for the transaction of domestic business in Toronto, Ontario;

“Claims” shall have the meaning ascribed thereto in the Approval and Vesting Order;

“Closing” means the completion of the sale to, and purchase by, the Purchaser of the Purchased Assets in accordance with the terms of this Agreement;

“Closing Date” means ten (10) Business Days after the Court grants the Approval and Vesting Order or such other date as the parties hereto agree in writing;

“Closing Document” means any document delivered at or subsequent to the Closing Time as provided in or pursuant to this Agreement;

“Closing Time” means 10:00 am Toronto time on the Closing Date or such other time on the Closing Date as the Parties agree in writing that the Closing shall take place;

“Company” means 1970636 Ontario Ltd. o/a Mt. Cross Pharmacy;

“Contracts” means the full benefit and advantage of all contracts, agreements and entitlements of the Company relating to the Business other than the interest of any of the Company in any of the accounts receivable, the Inventory, the Fixed Assets, the equipment leases, the Goodwill, the Records, Intellectual Property, and/or the leasehold interest of any of the Company in the Premises;

“Court” means the Ontario Superior Court of Justice (Commercial List);

“Encumbrances” shall have the meaning ascribed thereto in the Approval and Vesting Order;

“Excluded Assets” means all Assets except for the Purchased Assets, and for greater certainty, does not include the real property, bank accounts of the Company, cash on hand or cash equivalents at Closing;

“Fixed Assets” means all of the assets and any and all other fixed assets, machinery, equipment, computers, furniture, furnishings and vehicles owned by the Company and currently located at the Premises together with all operating manuals, maintenance logs, and equipment drawings and specifications in the possession of the Vendor;

“Goodwill” means the goodwill of the Company included in the Purchased Assets, including the right to carry on its Business as successor thereto and the use of all telephone numbers and facsimile numbers used in its Business, patient lists and related prescription lists, trade name and customer and supplier lists;

“Governmental Authority” means any domestic or foreign government whether federal, provincial, state or municipal and any governmental agency, governmental authority, governmental tribunal or governmental commission of any kind whatever;

“including” means **“including without limitation”** and the term **“including”** shall not be construed to limit any general statement which it follows to the specific or similar items or matters immediately following it;

“Intellectual Property” means all of the patents, trade names, trademarks and other intellectual property and the goodwill appurtenant thereto to the extent same comprises property of the Company included in the Purchased Assets as of the Closing

Date, any and all other patents, trade names, trademarks and other intellectual property and the goodwill appurtenant thereto together with all documents, drawings, and technical data in the possession of the Vendor;

“Inventory” means, subject to the reconciliation provisions hereof (including Section 5.3), all inventories of every kind and nature and wheresoever situated, of raw materials, work-in-progress, finished goods, operating supplies and packaging materials of or relating to the Business;

“Inventory Adjustment Valuation” has the meaning set out in Section 5.3;

“License” means any license, permit, approval, right, privilege, concession or franchise in respect of the Business;

“Order” means any order (draft or otherwise), judgment, injunction, decree, award or writ of any court, tribunal, arbitrator, Governmental Authority, or other Person;

“Parties” means the Purchaser and the Vendor collectively, and **“Party”** means any one of them;

“Permitted Encumbrances” shall mean those encumbrances listed in Schedule D;

“Person” or **“person”** shall be broadly interpreted and includes an individual, body corporate, partnership, joint venture, trust, association, unincorporated organization, the Crown, any Governmental Authority or any other entity recognized by law;

“Premises” means the premises located at 501, 502 and 503 Concession Street, Hamilton, Ontario from which the Company carries on the Business, as specifically listed in Schedule B;

“Purchase Price” means the purchase price payable for the Purchased Assets pursuant to Section 2.2 ;

“Purchased Assets” means, subject to the terms hereof (including the terms with respect to reconciliation of Inventory), all of the interest of the Company in the retail pharmacy business, including but not limited to Fixed Assets, Inventory, Records, Licenses, and Goodwill;

“Related Person” has the meaning set out in the BIA;

“Records” means all of the records relating exclusively to the Business consisting of operating data, files, books and records, correspondence, materials and contract documents; and

“Transaction” means the transaction of purchase and sale contemplated pursuant to this Agreement.

1.2 Statutes

Unless specified otherwise, reference in this Agreement to a statute refers to that statute as it may be amended or to any restated or successor legislation of comparable effect.

1.3 Headings

The division of this Agreement into sections, subsections and schedules and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.4 Number and Gender

In this Agreement, words in the singular include the plural and vice-versa and words in one gender include all genders.

1.5 Entire Agreement

This Agreement constitutes the entire agreement between the Parties pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions, whether oral or written, of or between the Parties.

1.6 Amendment

This Agreement may only be amended, modified or supplemented by a written agreement signed by each Party.

1.7 Waiver of Rights

Any waiver of, or consent to depart from, the requirements of any provision of this Agreement shall be effective only if it is in writing and signed by the Party giving it, and only in the specific instance and for the specific purpose for which it has been given. No failure on the part of any Party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right. No single or partial exercise of any such right shall preclude any other or further exercise of such right or the exercise of any other right.

1.8 Schedules

The following Schedules form part of this Agreement:

- | | | |
|------------|---|------------------------------------|
| Schedule A | - | Form of Approval and Vesting Order |
| Schedule B | - | Addresses of Premises |
| Schedule C | - | Purchase Price Allocation |
| Schedule D | | Permitted Encumbrances |

1.9 Applicable Law

This Agreement shall be governed by, and interpreted and enforced in accordance with, the laws in force in Ontario and the laws of Canada applicable therein. Each Party irrevocably submits to the exclusive jurisdiction of the Court with respect to any matter arising hereunder or related hereto. The parties exclude the application of the UN Convention on Contracts for the International Sale of Goods, and the International Sale of Goods Act (Ontario) as amended, replaced or re-enacted from time to time.

1.10 Currency

Unless specified otherwise, all statements of or references to dollar amounts in this Agreement are to Canadian dollars.

1.11 Third Party Beneficiaries

Nothing in this Agreement or in any Closing Document is intended expressly or by implication to, or shall, confer upon any Person other than the Parties, any rights or remedies of any kind.

ARTICLE 2 PURCHASE AND SALE

2.1 Purchase and Sale of Purchased Assets

- (a) The Vendor shall sell, assign and transfer to the Purchaser and the Purchaser shall purchase the Purchased Assets on the Closing Date pursuant to the Approval and Vesting Order and the Purchaser shall pay the Purchase Price on the Closing Date, subject to the terms and conditions contained in this Agreement.
- (b) The Purchaser hereby acknowledges to and in favour of the Vendor that the Purchaser has conducted its own investigations and inspections of the Purchased Assets and that the Purchaser is responsible to conduct its own investigations and inspections of all matters and things connected with or in any way related to the Purchased Assets, that the Purchaser has satisfied itself with respect to the Purchased Assets and all matters and things connected with or in any way related to the Purchased Assets, that the Purchaser has relied entirely upon its own investigations and inspections in entering into this Agreement, that the Purchaser is purchasing the Purchased Assets on an “as is, where is” basis as at the Closing Date, that the Purchaser will accept the Purchased Assets in their state, condition and location on Closing and that the Purchaser hereby acknowledges that the Vendor has made no representations, warranties, statements or promises, including as to the compliance with any Applicable Laws affecting the Transaction, save and except as are expressly contained in this Agreement. Without limiting the generality of the foregoing, any and all conditions, warranties and representations expressed or implied pursuant to the

Sale of Goods Act (Ontario) do not apply to the sale of the Purchased Assets and have been waived by the Purchaser. Except as expressly set out in this Agreement, no adjustment shall be allowed to the Purchaser for any changes in condition, quality or quantity of the Purchased Assets to and including the Closing Date. Except as specifically contemplated and provided for in this Agreement, the Purchaser acknowledges that the Vendor is not required to inspect or count, or provide any inspection or counting, of the Purchased Assets or any parts thereof and the Purchaser shall be deemed, at its own expense, to have relied entirely upon its own inspection and investigation of the Purchased Assets. Nothing contained herein shall require the Vendor, following Closing, to take possession of, protect, preserve, or otherwise safeguard any Purchased Assets.

- (c) The Purchaser acknowledges and agrees that any and all information relating to the Purchased Assets (including any information memorandum given by the Vendor, the Company, or any other person to the Purchaser) was delivered to the Purchaser solely for the Purchaser's convenience and there is no representation or warranty of any kind whatsoever made by the Vendor nor the Company or any other person with respect to the accuracy or completeness of any such information.

The descriptions of any of the Purchased Assets contained on the Schedules appended hereto are for the purposes of identification only and the Vendor is not liable for any error or omission in such Schedules.

- (d) The Purchaser acknowledges that it shall be the Purchaser's sole responsibility to obtain, at its own expense, and the Purchaser shall use its best efforts to obtain, any consents, approvals or any further documentation or assurances which may be required to be obtained by Purchaser (but not the Company or Vendor) to carry out the terms of this Agreement. Notwithstanding the foregoing, the Vendor agrees to do such acts and shall execute such further documents, conveyances, deeds, assignments, transfers and the like, and will cause the doing of such acts and will cause the execution of such further documents as are within its power and as the Purchaser may reasonably request be done and or executed, in order to carry out the terms of this Agreement, but in so doing, shall not be required to incur any expense or liability (except as the Vendor in its absolute discretion sees fit).
- (e) The Purchaser shall assume, at its own cost, complete responsibility for compliance with all Applicable Laws in connection with the Purchased Assets, or the use thereof by the Purchaser, after the Closing Date.

2.2 Purchase Price & Purchased Assets

The Purchase Price for the Purchased Assets (not including all applicable taxes, for which the Purchaser shall also be liable in accordance with Section 2.5) shall be CDN [REDACTED]

2.3 Payment of Purchase Price

The Purchaser shall pay the Purchase Price to the Vendor as follows:

- (a) the Purchase Price shall be delivered to the Vendor at Closing payable in cash, by delivery of a certified cheque or bank draft or by wire transfer.

2.4 Payment of Security Deposit

The Purchaser shall pay to the Vendor at Closing payable in cash, by delivery of a certified cheque or bank draft or by wire transfer, [REDACTED] on account of the security deposit that was paid by the Company to the landlord of the Premises, which shall be credited by the landlord in the new lease as a security deposit

2.5 Taxes

The Purchaser shall be liable for and shall pay, in addition to the Purchase Price, all federal and provincial sales taxes and any other taxes or duties payable in connection with the conveyance and transfer of the right, title and interest, if any, of the Vendor in and to the Purchased Assets (collectively, the “**Taxes**”) to the Purchaser and the Purchaser undertakes and agrees to pay all such Taxes on Closing, provided that the Vendor and the Purchaser agree that the appropriate elections with respect to the payment of Taxes shall be made. The Purchaser shall indemnify and agrees to hold and save the Vendor harmless from and against any and all costs, expenses, liabilities and damages incurred or suffered by the Vendor as a result of the failure of the Purchaser to pay any of the Taxes exigible in connection with the Transaction.

2.6 No Assumption of Liabilities

The Purchaser shall not assume and shall not be responsible for any of the Vendor’s, the Company’s or the Business’s liabilities or obligations other than as contemplated herein (and in such latter case only, the Purchaser shall assume, and pay for, and discharge and perform all such liabilities and obligations).

2.7 Time and Place of Closing

The Closing shall take place at the Closing Time at the offices of Pallett Valo, LLP, 77 City Centre Drive, Mississauga, Ontario or at such other place as may be agreed upon by the Vendor and the Purchaser.

2.8 The Closing

2.8.1 Vendor’s Deliveries

At Closing, the Vendor shall:

- (a) execute and deliver to the Purchaser the Receiver’s Certificate in the form appended as Schedule “A” to the Approval and Vesting Order;

- (b) deliver to the Purchaser the Approval and Vesting Order;
- (c) deliver to the Purchaser a certificate dated as of the Closing Date, confirming that all of the representations and warranties of the Vendor contained in this Agreement are true as of the Closing Date, with the same effect as though made on and as of the Closing Date;
- (d) execute and deliver to the Purchaser a bill of sale to convey, assign and transfer the Purchased Assets to the Purchaser; and
- (e) execute and deliver or cause to be executed and delivered such other documents, instruments or certificates as the Purchaser may reasonably request.

2.8.2 Purchaser's Deliveries

At Closing, the Purchaser shall:

- (a) pay the balance of the Purchase Price in accordance with Article 2;
- (b) pay the security deposit in the amount of [REDACTED] in accordance with Article 2;
- (c) execute and deliver or cause to be executed and delivered such other documents, instruments or certificates as the Vendor may reasonably request.
- (d) deliver to the Vendor an acknowledgement dated as of the Closing Date, that each of the conditions precedent in this Agreement in favour of the Purchaser have been fulfilled, performed or waived by the Purchaser as of the Closing Date;
- (e) if applicable, provide a direction to Vendor with respect to the transfer of title to any of the Purchased Assets; and
- (f) execute and deliver or cause to be executed and delivered such other documents, instruments or certificates as the Vendor may reasonably request.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of the Vendor

The Vendor represents and warrants to the Purchaser as follows and acknowledges that the Purchaser is relying upon such representations and warranties in entering into this Agreement:

- (a) The Vendor has been appointed Receiver of the Company pursuant to the Appointment Order.

- (b) The Vendor has done no act to dispose of or encumber any of the Purchased Assets.
- (c) The Vendor is not a non-resident person of Canada within the meaning of the *Income Tax Act* (Canada).
- (d) Subject to the issuance of the Approval and Vesting Order, the Vendor has all necessary power and authority to enter into this Agreement and to carry out its obligations under this Agreement. This Agreement constitutes a valid and binding obligation of the Vendor enforceable against it in accordance with its terms subject to any limitations imposed by Applicable Law.

3.2 Representations and Warranties of the Purchaser

The Purchaser represents and warrants to the Vendor as follows and acknowledges that the Vendor is relying upon such representations and warranties in entering into this Agreement:

- (a) The Purchaser is a corporation duly incorporated, organized, and validly existing under the laws of its jurisdiction of incorporation. No proceedings have been taken or authorized by the Purchaser or, to the best of the Purchaser's knowledge, by any other Person, with respect to the bankruptcy, insolvency, liquidation, dissolution or winding up of the Purchaser.
- (b) The Purchaser has all necessary power and authority to enter into this Agreement and to carry out its obligations under this Agreement. This Agreement constitutes a valid and binding obligation of the Purchaser enforceable against it in accordance with its terms subject to any limitations imposed by Applicable Law.
- (c) The Purchaser is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada).

3.3 Interpretation

Each representation and warranty made by a Party in this Agreement shall be treated as a separate representation and warranty in respect of each statement made and the interpretation of any statement made shall not be restricted by reference to, or inference from, any other statement made in a representation and warranty of such Party.

3.4 Commission

Each Party represents and warrants to each other Party that no other Party will be liable for any brokerage commission, finder's fee or other similar payment in connection with the transactions contemplated hereby because of any action taken by, or agreement or understanding reached by, that Party.

3.5 Survival of Representations and Warranties

All representations, warranties, statements, covenants and agreements made by the Purchaser in this Agreement or any Closing Document shall survive the Closing.

ARTICLE 4 CONDITIONS PRECEDENT

4.1 Conditions of Closing

Either the Purchaser or the Vendor shall be obliged to complete the Closing only if each of the conditions precedent set out below in Sections 4.1.1 through 4.1.8 inclusive has been satisfied in full at or before the Closing Time.

4.1.1 Accuracy of Representations and Performance of Covenants

At the Closing Time, all of the representations and warranties of each of the Purchaser and the Vendor made in or pursuant to this Agreement shall be true and correct as if made at and as of the Closing Time (regardless of the date as of which the information in this Agreement or in any schedule or other document made pursuant hereto is given) except as such representations or warranties may be affected by the appeal of any court order referred to herein. At the Closing Time, each of the Purchaser and the Vendor shall have observed or performed in all respects all of the obligations, covenants and agreements which it must perform at or before the Closing Time. Each of the Purchaser and the Vendor shall have received immediately prior to the Closing Time a certificate from the other certifying, to the best of its knowledge, information and belief (after due enquiry) that the conditions in this Section 4.1.1 to be satisfied by it have been satisfied.

4.1.2 Consents, Authorizations and Registrations

All consents, approvals, Orders and authorizations of any Person or Governmental Authority (or registrations, declarations, filings or recordings with any of them), required for the Closing (other than routine post-closing notifications or filings), shall have been obtained or made on or before the Closing Time, including, without limitation the approval of the Ontario College of Pharmacist and Ontario Drug Benefit approval prior to Closing.

4.1.3 Litigation

No Order shall have been entered that prohibits or restricts the Closing. Neither of the Parties, nor any of their respective directors, officers, employees, or agents, shall be a defendant or third party to or threatened with any litigation or proceedings, before any court or Governmental Authority which, in the opinion of either the Purchaser or the Vendor, acting reasonably, could prevent or restrict that Party from performing any of its obligations in this Agreement or any Closing Document, including the appeal or any threatened appeal of the Approval and Vesting Order.

4.1.4 Receipt of Closing Documentation

All documentation relating to the sale and purchase of the Purchased Assets and such other Closing Documents relating to the due authorization and completion of the sale and purchase and all actions and proceedings taken on or prior to the Closing in connection with the performance by the Purchaser and the Vendor of their obligations under this Agreement shall be satisfactory to each of the Purchaser, the Vendor and their respective counsel, as applicable. Each of the Purchaser and the Vendor shall have received copies of the Closing Documents and all such documentation or other evidence as it may reasonably request in order to establish the consummation of the transactions contemplated hereby and the taking of all corporate proceedings in connection therewith in form (as to certification and otherwise) and substance satisfactory to each of the Purchaser, the Vendor and their respective counsel.

4.1.5 Orders

The Vendor shall have obtained the Approval and Vesting Order. The Vendor shall not have received notice of appeal in respect of the Approval and Vesting Order and the Approval and Vesting Order shall not have been stayed, varied or vacated and shall be in full force and effect and no Order restraining or prohibiting Closing shall have been made by the Court. This condition shall also be for the benefit of the Purchaser;

4.1.6 No Removal of Purchased Assets

The Fixed Assets or any material portion thereof shall not have been removed from the control of the Vendor since the date of the Appointment Order, by any means or process and no party shall have taken any action to redeem any of the Fixed Assets.

4.1.7 Cancellation of Insurance

Except as expressly contemplated herein, all insurance maintained by the Vendor on behalf of the Company shall be cancelled by the Vendor on the Closing Date and the Purchaser shall be responsible for placing its own insurance with respect to the Business from and after the Closing Date.

4.1.8 Premise Lease

The Purchaser shall have negotiated a premise lease for the Premises on or before Closing, satisfactory to the Purchaser in its sole discretion.

4.2 Waiver

Any Party may waive, by notice to the other Parties, any condition set forth in this Article 4 which is for its benefit. No waiver by a Party or any condition, in whole or in part, shall operate as a waiver of any other condition.

4.3 Failure to Satisfy Conditions

If any condition set forth in Section 4 is not satisfied at the Closing Time, or if it becomes apparent that any such condition cannot be satisfied at the Closing Time, the Party entitled to the benefit of such condition (the “**First Party**”) may terminate this Agreement by notice in writing to the other Party and in such event, unless the other Party can show that the condition or conditions which have not been satisfied and for which the First Party has terminated this Agreement are reasonably capable of being performed or caused to be performed by the First Party or have not been satisfied by reason of a default by the First Party hereunder, the Parties shall be released from all obligations hereunder.

ARTICLE 5

5.1 Access

The Vendor agrees to allow the Purchaser and the Purchaser’s authorized representatives unrestricted access to the Purchased Assets for the purpose of conducting the Purchaser’s due diligence on at least twenty-four (24) hours advance notice to the Vendor. The Purchaser covenants and agrees to (i) repair or pay the cost of repair of any damage occasioned during and resulting from the inspection of the Purchased Assets conducted by the Purchaser or its authorized representatives, as outlined above and to return the Purchased Assets to the condition same was in prior to such inspections; and (ii) indemnify and save the Vendor harmless from and against all losses, costs, claims, third party claims, damages, expenses (including legal costs as between a solicitor and its own client) which the Vendor may suffer as a result of the inspection of the Purchased Assets conducted by the Purchaser or its authorized representatives, as outlined above or as a result of any unauthorized tests or inspections by a Government Authority save and except for any losses, costs, claims, damages and expenses arising out of the negligence of the Vendor or those for whom in law the Vendor is responsible. The provisions of this Section 5.1 shall survive Closing or other termination of this Agreement, notwithstanding any other provisions hereof.

5.2 Non-Disclosure of Transaction

The Purchaser agrees that it will not, and will cause its officers, directors, employees, representatives and advisors not to, disclose or permit to be disclosed to any Person, any information relating to the Purchase Price or any of the other terms of this Agreement, other than to the equity holders of the Purchaser and Persons solicited by the Purchaser to provide financing in connection with the Transaction (and the Purchaser shall ensure, for the benefit of the Vendor, that such parties shall treat all such information in the strictest confidence and the Purchaser shall indemnify the Vendor in that regard).

5.3 Inventory

The Purchaser agrees that the portion of the Purchase Price allocated to Inventory shall be adjusted pursuant to an inventory count as existing at the Closing Date. Pursuant to an Inventory adjustment valuation (“**Inventory Adjustment Valuation**”) provided by the Vendor to

the Purchaser within two (2) Business Days after the Closing Date, the Purchase Price shall be adjusted either upwards or downwards, based on the Inventory count as existing at the Closing Date using the Inventory Adjustment Valuation. In arriving at the Inventory Adjustment Valuation, the Vendor agrees to use the services of a qualified independent inventory counting firm, acceptable to the Purchaser acting reasonably. It is expressly acknowledged and agreed that:

(a) both the Vendor and the Purchaser are entitled to participate in the Inventory Adjustment Valuation conducted by such independent inventory counting firm, provided that any such participation shall be shared jointly by the Vendor and the Purchaser;

(b) the narcotics and prescription drug inventory shall be valued at cost, net of any discounts, allowances or rebates, and over the counter inventory shall be valued at retail; and

(c) if the Inventory variance in the Inventory Adjustment Valuation is less than 10% (meaning the actual inventory count varies less than 10% from the portion of the Purchase Price allocated to Inventory), there will be no adjustment to the Purchase Price.

5.4 Computers

The Purchaser shall allow the Vendor to maintain possession of such portion of the computer systems and related equipment, both hardware and software (the “**Computers**”) as the Vendor may reasonably require for such period of time following Closing as may be reasonably required by the Vendor to complete its administration of the receivership of the Company at which time, the Vendor shall forthwith deliver up possession of the Computers to the Purchaser.

5.5 Risk of Loss

Up to the time of the Closing, the Purchased Assets shall be and remain at the risk of the Vendor. If, prior to the time of the Closing, all or any material part of the Purchased Assets are substantially destroyed or damaged by fire or any other casualty or shall be expropriated, the Purchaser shall have the option, exercisable by notice in writing given within two (2) Business Days of the Purchaser receiving notice in writing from the Vendor of such destruction, damage or expropriation:

- (a) to complete the purchase without reduction of the Purchase Price and all proceeds of insurance or compensation for expropriation shall be payable to the Purchaser and all right and claim of the Vendor to any such amounts not paid by the time of the Closing shall be assigned by the Vendor to the Purchaser; or
- (b) of terminating this Agreement and not completing the purchase, in which case all obligations of the Purchaser and the Vendor hereunder, other than those pursuant to Section 5.1, shall terminate.

For greater certainty, where any damage is not substantial, the Purchaser shall be obliged to complete this Agreement, without deduction, and shall be entitled to the proceeds of insurance, if any, in connection with such damage.

5.6 Records

The Purchaser agrees to maintain the Records for a period of at least seven (7) years following the Closing and shall provide access to the Vendor to such records, as the Vendor may reasonably require to complete its administration of the receivership of the Company.

ARTICLE 6 GENERAL

6.1 Expenses

Each Party shall pay all expenses it incurs in authorizing, preparing, executing and performing any aspect of the Transaction contemplated by this Agreement, whether or not the Closing occurs, including all fees and expenses of its legal counsel, bankers, investment bankers, brokers, accountants or other representatives or consultants.

6.2 Time

Time is of the essence of each provision of this Agreement.

6.3 Notices

Any notice, demand or other communication (in this Section, a “notice”) required or permitted to be given or made hereunder shall be given in writing and addressed as follows:

(a) In the case of a notice to the Vendor, addressed to it at:

MSI SPERGEL INC., in its capacity as the Court appointed Receiver of all of
the property and assets 1970636 Ontario Ltd. o/a Mt. Cross Pharmacy
505 Consumers Street
Suite 200
Toronto, ON M2J 4V8

Attention: Mukul Manchanda
Tel.: 416-498-4314
Fax: 416-498-4314
Email: mmanchanda@spergel.ca

and with a further copy to its counsel at:

Pallett Valo LLP (Dina Milivojevic)

(b) In the case of a notice to the Purchaser, addressed to it at:

Joice Pharmacy and Medical Clinic 501 Concession Street
Hamilton, ON, L9A 1C1

Attention: Fakhry Abdelsayed_____
Tel.: 905-389-0249_____
Fax: 905-389-6568_____
Email: f_abdelsayed@hotmail.com__

and with a further copy to its counsel at:

Goldstein & Grubner
Barristers & Solicitors
100 Cowdray Court, Suite 100
Toronto, ON, M1S 5C8

Attention: Isaac Grubner_____
Tel.: 416-292-0401_____
Fax: 416-292-4508_____
Email: igrubner@gglawyers.ca_____

Any such notice, if personally delivered, shall be deemed to have been validly and effectively given and received on the Business Day of such delivery and if sent by telecopier or other electronic communication with confirmation of transmission, shall be deemed to have been validly and effectively given and received on the Business Day next following the day it was received.

6.4 Public Announcements / Confidentiality of Agreement

Before the Closing Date, no Party shall make any public statement or issue any press release concerning the transactions contemplated by this Agreement except as may be necessary, in the opinion of counsel to the Party making such disclosure, to comply with the requirements of all Applicable Law or in connection with the obtaining of Orders necessary for the performance of this Agreement. If any such public statement or release is so required, the Party making such disclosure shall consult with the other Parties prior to making such statement or release, and the Parties shall use all reasonable efforts, acting in good faith, to agree upon a text for such statement or release which is satisfactory to all Parties. This Section 6.4 shall not apply to the report to be made by the Vendor to the Court in connection with seeking the Approval Order and the Vesting Order. The Parties expressly acknowledge and agree that the Vendor shall seek a Sealing Order from the Court with respect to this Agreement and the Purchase Price such that certain of the terms of this Agreement shall not become public until after Closing has been fully contemplated.

6.5 Assignment

- (a) The Purchaser may not assign any or all rights or benefits under this Agreement to any Person without the Vendor's written consent; and
- (b) This Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors (including any successor by reason of amalgamation or statutory arrangement of any Party) and permitted assigns.

6.6 Further Assurances

Each Party shall do such acts and shall execute such further documents, conveyances, deeds, assignments, transfers and the like, and will cause the doing of such acts and will cause the execution of such further documents as are within its power as any other Party may in writing at any time and from time to time reasonably request be done and or executed, in order to give full effect to the provisions of this Agreement and each Closing Document.

6.7 Remedies Cumulative

The rights and remedies of the Parties under this Agreement are cumulative and in addition to and not in substitution for any rights or remedies provided by law. Any single or partial exercise by any Party hereto of any right or remedy for default or breach of any term, covenant or condition of this Agreement does not waive, alter, affect or prejudice any other right or remedy to which such Party may be lawfully entitled for the same default or breach.

6.8 Counterparts

This Agreement may be executed in any number of counterparts. Each executed counterpart shall be deemed to be an original. All executed counterparts taken together shall constitute one agreement.

6.9 Irrevocable Offer

This Agreement shall constitute an irrevocable offer to purchase by the Purchaser which will be open for acceptance by the Vendor until 5:00 p.m. (Eastern Time) on the 11th day of December, 2018. If this Agreement has not been fully accepted in accordance with its terms by 5:00 p.m. (Eastern Time) on the 31st day of January, 2019, such offer shall be null and void and the Purchaser shall have no obligation to the Vendor and vice versa.

IN WITNESS WHEREOF this Agreement has been executed by the Purchaser on the 11th day of December, 2018

Per:

Name: Fakhry Abdelsayed

Title: Director

I/We have the authority to bind
the corporation

IN WITNESS WHEREOF this Agreement has been executed by msi Spergel Inc., solely in its capacity as the Court appointed Receiver of 1970636 Ontario Ltd. o/a Mt. Cross Pharmacy and not in any other capacity on the 11th day of December, 2018

MSI SPERGEL INC., solely in its capacity as
the Court appointed Receiver of the
Company and not in any other capacity
and with no personal or corporate liability

Per: _____

Name:

Title:

I/We have the authority to bind
the corporation

SCHEDULE A

Approval and Vesting Order

SCHEDULE B

Address of Premises

501, 502, 503, Concession Street, Hamilton, ON, L9A 1C1

SCHEDULE C

PURCHASE PRICE ALLOCATION

Fixed Assets [REDACTED]
Inventory [REDACTED]

SCHEDULE D

PERMITTED ENCUMBRANCES

None

TAB D

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

CWB MAXIUM FINANCIAL INC.

Plaintiff

- and -

**1970636 ONTARIO LTD. o/a MT. CROSS PHARMACY, UMAIR N. NASIM,
SHRIKANT MALHOTRA, 1975193 ONTARIO LTD. dba MTN RX & HEALTH AND
ANGELO KIRKOPOULOS**

Defendants

**FIRST REPORT OF MSI SPERGEL INC.
IN ITS CAPACITY AS THE COURT-APPOINTED INTERIM RECEIVER OF
1970636 ONTARIO LTD. o/a MT. CROSS PHARMACY**

June 6, 2018

TABLE OF CONTENTS

1.0	APPOINTMENT AND BACKGROUND	Page 1
2.0	PURPOSE OF THIS REPORT AND DISCLAIMER	Page 2
3.0	ACTIONS OF THE INTERIM RECEIVER UPON APPOINTMENT	Page 2
4.0	INTERIM RECEIVER'S INVESTIGATIONS	Page 5
5.0	BOOKS AND RECORDS	Page 16
6.0	CONCLUSIONS AND RECOMMENDATION	Page 17

APPENDICES

1. Interim Receivership Order of the Honourable Justice Dunphy dated May 16, 2018
2. Interim Receiver's email correspondence with the Landlord
3. Copy of Cancellation Notice from Intact Insurance
4. RCMP Search Warrant
5. Information related to criminal charges against Angelo Kirkopoulos and Umair Nasim
6. Interim Receiver's email correspondence with RCMP
7. Mt. Cross' website listing at hnhbhealthline.ca
8. Screenshot of Mt. Cross website as at July 24, 2017
9. Screenshots of current website
10. Domain registration information
11. The Purchase Agreement
12. Interim Receiver's Counsel's letter to Sean Oostdyk, acknowledgement of the Vendor regarding receipt of the Deposit, acknowledgement of Mt. Cross regarding source of the Deposit and copy of the BMO draft payable to the Vendor.
13. Corporate profile search of 1975193 Ontario Ltd.
14. 2016 Sales Report and 2017 Interim Sales report both submitted by Mt. Cross to Maxium and extracted from Fillware on May 25, 2018.

15. Gross sales report of APO-CINACALCET for the period from June 2017 to May 2018.
16. Letter to Telus Health.

CONFIDENTIAL APPENDICES

1. Report indicating transfer of client files to MTN RX and Active patient list along with revenues for the period from June 2017 to May 2018
2. Report outlining the name of patients and the quantity of APO-CINACALCET dispensed to each patient
3. Prescription written by Vadim

1.0 APPOINTMENT AND BACKGROUND

- 1.0.1 This report (this “**Report**”) is filed by msi Spergel inc. (“**Spergel**”) in its capacity as the Court-appointed interim receiver (in such capacity, the “**Interim Receiver**”) of 1970636 Ontario Ltd. o/a Mt. Cross Pharmacy (“**Mt. Cross**” or the “**Company**”).
- 1.0.2 Mt. Cross is a Canadian owned, private corporation carrying on business as a full service retail pharmacy (the “**Mt. Cross Pharmacy**”). Mt. Cross operates from the premises located at 503 Concession Street, Hamilton, Ontario (the “**Premises**”). It is the Interim Receiver’s understanding that the Premises was also referred to as the Concession Wentworth Medical Clinic. A corporate search of Concession Wentworth Medical Clinic Inc. (“**Concession Wentworth**”) indicates that Kirkopoulos (as defined herein) is the director of Concession Wentworth.
- 1.0.3 Spergel was appointed as the Interim Receiver without security, of all of the assets, undertakings and properties of the Company (collectively, the “**Property**”) by Order of the Honourable Mr. Justice Dunphy of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) made May 16, 2018 (the “**Appointment Order**”). The Appointment Order was made upon the application of the Company’s general secured creditor, CWB Maxium Financial Inc. (“**Maxium**”). Attached as **Appendix “1”** to this Report is a copy of the Appointment Order.

2.0 PURPOSE OF THIS REPORT AND DISCLAIMER

- 2.0.1 The purpose of this Report is to advise the Court as to the steps taken by the Interim Receiver in these proceedings and to seek Orders from this Court:
- (a) approving this Report and the actions of the Interim Receiver described herein;

(b) sealing the Confidential Appendices (as defined herein) to this Report; and

(c) Such further and other relief as this Honourable Court deems just.

2.0.2 The Interim 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 Report for any other purpose.

2.0.3 In preparing this Report, the Interim Receiver has relied upon certain information provided to it by the Company's former management. The Interim 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 Interim Receiver expresses no opinion or other form of assurance with respect to such information.

2.0.4 All references to dollars in this Report are in Canadian currency unless otherwise noted.

3.0 ACTIONS OF THE INTERIM RECEIVER UPON APPOINTMENT

3.0.1 A copy of the Appointment Order was provided to the Company by Maxium's counsel.

3.0.2 Immediately upon the granting of the Appointment Order, the Interim Receiver attended at the Premises the same afternoon and secured the assets and undertakings of the Company. The Interim Receiver has secured a chain of supply for the Mt. Cross Pharmacy and directed all insurance providers to make payments to the Interim Receiver for prescription sales facilitated through insurance providers. The Interim Receiver is able to report to the Court that the Mt. Cross Pharmacy is fully operational under the supervision of the Interim Receiver and is in full compliance with the rules and regulations of the Ontario College of

Pharmacists (“**OCP**”). The Pharmacy is operating with a new designated pharmacist as the previous designated pharmacist Umair N. Nasim (“**Nasim**”), who is the President and sole director of Mt. Cross, has been prohibited by the OCP from entering the Premises in consequence of the criminal charges laid against him by the Royal Canadian Mounted Police (“**RCMP**”), the details of which will be discussed later in this report.

3.0.3 In addition, the Interim Receiver has notified Wittington Properties Limited (the “**Landlord**”), the landlord of the Premises regarding the Interim Receiver’s appointment. The Interim Receiver understands that Mt. Cross was in arrears of its rent obligations to the Landlord for the months of April and May of 2018. The Interim Receiver has requested documentation from the Landlord related to, amongst other things, the rent arrears of Mt. Cross. As at the date of this Report, the Interim Receiver has not received the requested documentation from the Landlord and, as such the rent on the Premises remains unpaid. However, the Interim Receiver has advised the Landlord that it will be operating the Mt. Cross Pharmacy and will be responsible for paying the rent related to the Interim Receiver’s occupation of the Premises. A copy of the Interim Receiver’s email exchange with the Landlord is attached to this Report as **Appendix “2”**.

3.0.4 Further upon its appointment, the Interim Receiver discovered that the insurance policy of Mt. Cross was cancelled on September 8, 2017 due to non-payment of premiums and that Mt. Cross was operating without insurance. The Interim Receiver is currently in the process of obtaining insurance required to operate the Mt. Cross Pharmacy. A copy of the cancellation notice is attached to this Report as **Appendix “3”**.

Warrant to Search Executed by the RCMP

3.0.5 While taking possession of the Premises on May 16, 2018, the Interim Receiver noted that a search warrant had been executed by the RCMP

earlier in the day and certain books and records of Mt. Cross were seized by the RCMP pursuant to section 487(1) of the *Criminal Code*. A copy of the search warrant is attached to this Report as **Appendix “4”**.

3.0.6 On the same day, the Interim Receiver met with two RCMP officers Constable Marcel McLennan and Constable Daniel Carter (collectively the “**Officers**”) who confirmed that the RCMP had seized certain books and records of Mt. Cross. The Officers also advised that Angelo Kirkopoulos (“**Kirkopoulos**”), who is the Secretary and Treasurer of Mt. Cross, and Nasim had been arrested and charged by the RCMP. Kirkopoulos was charged with fraud under \$5,000, uttering forged documents and two counts of possession for the purpose of trafficking. Nasim was charged with contravening regulations under the *Controlled Drugs and Substances Act*. Copies of the informations obtained from the court related to the charges against Kirkopoulos and Nasim are attached to this Report as **Appendix “5”**.

3.0.7 On May 17, 2018, the Interim Receiver sent an email to the RCMP requesting, among other things, access to both physical and electronic copies of the books and records of Mt. Cross which were seized by the RCMP pursuant to the warrant. On June 4, 2018, the Interim Receiver was advised by Public Prosecution Services of Canada (“**PPSC**”) that the Crown will not share any of its files related to Mt. Cross without an order of this Honourable Court. A copy of the Interim Receiver’s email correspondence with RCMP and PPSC is attached to this Report as **Appendix “6”**.

Interim Receiver’s Investigation

3.0.8 The Interim Receiver has reviewed the affidavit of Daniel Gilchrist, sworn May 15, 2018 (“**Gilchrist Affidavit**”), which was filed by the Plaintiff in support of its application to appoint the Interim Receiver. In light of the

evidence contained in paragraph 37 of the Gilchrist Affidavit, the Interim Receiver has investigated a) the transfer of the website of Mt. Cross to 1975193 Ontario Ltd. dba MTN RX & Health ("**MTN RX**") (It should be noted that the Corporate Profile Report for MTN RX does not reveal any registered business names); b) the transfer of prescriptions from the Mt. Cross Pharmacy to MTN RX; c) the terms and conditions underlying the agreement of purchase and sale dated June 2, 2017 between 1919932 Ontario Ltd. (the previous owner of the Mt. Cross Pharmacy), as vendor, and Mt. Cross, as purchaser; and d) discrepancies in the sales report provided to Maxium. These investigations are discussed in greater detail below.

4.0 INTERIM RECEIVER'S INVESTIGATIONS

MTN RX

- 4.0.1 MTN RX operates a retail pharmacy ("**MTN RX Pharmacy**") located at 566 Concession Street, Hamilton Ontario (the "**MTN RX Premises**"). The designated pharmacist at MTN RX is Ahmed Kassim ("**Kassim**") who is also the sole director of MTN RX. It is the Interim Receiver's understanding that Kassim was employed as a locum pharmacist with Mt. Cross up until January 2018. The OCP's website indicates that an accreditation number was issued to MTN RX on February 27, 2018. MTN RX was incorporated on September 12, 2017.
- 4.0.2 During the Interim Receiver's meeting with Kirkopoulos on June 4, 2018, Kirkopoulos advised the Interim Receiver that MTN RX engaged him to set up its corporate structure and set up all of the required accounts to operate a pharmacy. In addition, Kirkopoulos advised that he was also an officer of MTN RX, but resigned prior to the opening of the MTN RX Pharmacy. Kirkopoulos advised that the sole purpose of his appointment

as an officer of MTN RX was to allow him to sign documents related to setting up the MTN RX Pharmacy.

- 4.0.3 Prior to the appointment of the Interim Receiver, Maxium was advised by Nasim that: a) the website of Mt. Cross had been modified to default to MTN RX's website without Mt. Cross' consent or knowledge; and b) since April 1, 2018, approximately 675 client files were transferred to MTN RX without authorization from Mt. Cross.

Transfer of Mt. Cross's website to MTN RX

- 4.0.4 The Interim Receiver understands that Mt. Cross was using the domain name <http://www.mountainclinic.ca> (the "**Domain**") to host its website. A listing on <http://www.hnhbhealthline.ca>, which is a website that publishes information about health services and health care providers across the Hamilton, Niagara, Haldimand and Brant regions of Ontario, shows a listing for the Mt. Cross Pharmacy that included the Domain as the website address for Mt. Cross. A copy of the Mt. Cross listing is attached to this Report as **Appendix "7"**.
- 4.0.5 In order to further investigate the transfer of the website, the Interim Receiver obtained a screen shot of the website hosted on the Domain as at July 24, 2017 from the Internet Archive (the "**2017 Screenshot**"). The 2017 Screenshot indicates that the website hosted on the Domain as at July 24, 2017 was that of Mt. Cross. The Internet Archive is a website (<https://www.archive.org>) where, among other things, a search of the history of webpages can be conducted. A copy of the 2017 Screenshot is attached to this Report as **Appendix "8"**.
- 4.0.6 In addition to the above the Interim Receiver compared the 2017 Screenshot with the current website hosted on the Domain and noted that, although the appearance of the current website was substantially similar to what appeared on the 2017 Screenshot, the name of the pharmacy has

been changed from Mt. Cross to MTN RX. Further, certain pages of the current website still make a reference to Concession Wentworth Medical Clinic, which is the same name that was used by Mt. Cross to describe the medical centre and the Mt. Cross Pharmacy operating at the Premises. In the Interim Receiver's meeting with Kirkopoulos, he advised that he did not consent to the use of Concession Wentworth Medical Clinic by MTN RX. Copies of screenshots of the current website, along with the pages making reference to Concession Wentworth Medical Clinic, are attached to this Report as **Appendix "9"**.

4.0.7 In order to determine the ownership of the Domain, the Interim Receiver conducted a search on the internet and noted that the Domain was registered with Godaddy.com on June 19, 2017, which is the approximate date on which Maxium advanced funds to Mt. Cross for purchase of the Mt. Cross Pharmacy. Although the Interim Receiver was able to find the registration date, it was not able to confirm the registrants of the Domain as it appears that the information is not made available to the public by the registrant. A copy of the search regarding the registration of the Domain is attached to this report as **Appendix "10"**.

4.0.8 As at the date of this Report, the Interim Receiver has not received any evidence to show that the Domain and the website of the Mt. Cross Pharmacy was transferred to MTN RX through a *bona fide* transaction.

Transfer of client files to MTN RX

4.0.9 Prior to the appointment of the Interim Receiver, Maxium was advised by Nasim that since April 1, 2018, approximately 675 client files had been transferred from the Mt. Cross Pharmacy to MTN. In addition, Nasim advised Maxium that on May 11, 2018 Fillware Technologies ("**Fillware**"), which licenses prescription dispensing software used by a majority of pharmacies, advised Nasim that Fillware had received a call from Angela

Abrantes ("**Angela**"), who was formerly employed as an assistant at Mt. Cross and is currently working as an assistant at MTN RX, to merge the Mt. Cross' "RX" software system (the point of sale system for prescriptions within a pharmacy) with the system for MTN RX.

4.0.10 In order to investigate the transfer of client files from Mt. Cross to MTN RX, the Interim Receiver extracted a list of active Mt. Cross Pharmacy patients for the period from June 2017 to May 16, 2018, along with the revenue generated from these patients during that period from Fillware. In addition, the Interim Receiver extracted reports indicating the transfer of clients to MTN RX recorded in Fillware. The Interim Receiver compared the two reports and determined that at least 102 patients were transferred to MTN RX between April 2018 and May 2018 resulting in a loss of approximately \$31,154.76 in revenue on a monthly basis to Mt. Cross which translates into \$373,857.12 on an annual basis. Copies of the transfer report and the active patient report are attached to this Report as **Confidential Appendix "1"**.

4.0.11 It should be noted that the current pharmacist has discovered that certain patients, although not officially transferred in Fillware, are being serviced by MTN RX. As such, the Interim Receiver anticipates that the number of patients transferred to MTN RX is potentially much higher than the 102 shown to have been transferred on Fillware. Furthermore, the Interim Receiver is advised by the current designated pharmacist that a number of patients have visited the Mt. Cross Pharmacy and indicated that they never authorized the transfer of their files to MTN RX. A number of patients also advised the current designated pharmacist that they were advised by Angela and/or they were under the impression that Mt. Cross was moving locations to the MTN RX Premises.

4.0.12 Given the above, the Interim Receiver met with Nasim and Shrikant Malhotra ("**Malhotra**") to discuss these issues. Malhotra is a shareholder of Mt. Cross.

4.0.13 During the meeting with Nasim, he advised the Interim Receiver of the following:

- All or substantially all of the blister pack patients were transferred to MTN RX;
- Due to the transfers to MTN RX, Mt. Cross had lost revenue of approximately \$80,000 on a monthly basis;
- Angela is responsible for the majority of the transfers made and has been advising patients that Mt. Cross has moved its location to the MTN RX Premises; and
- The books and records of Mt. Cross are in the possession of Kirkopoulos.

4.0.14 Following the Interim Receiver's meeting with Angela (which is discussed in greater detail later in this Report) the Interim Receiver approached Nasim for another meeting. Nasim's counsel advised the Interim Receiver to provide the questions that it has for Nasim in writing and advised that a meeting at this point would be meaningless.

4.0.15 During the Interim Receiver's meeting with Malhotra, he advised that his involvement in Mt. Cross was limited to paying certain payables and bringing in business. He further advised that he has not been involved in Mt. Cross for a few months due to his health issues. However, Malhotra did confirm to the Interim Receiver that all of the accounting for Mt. Cross was done by Kirkopoulos and that Kirkopoulos has possession of the books and records of Mt. Cross.

4.0.16 Given the information from Nasim, the Interim Receiver's counsel wrote to both Angela and Kirkopoulos to set up a meeting to discuss the affairs of Mt. Cross. On June 1, 2018 the Interim Receiver met with Angela and Greg Kesminas ("**Greg**"), who claims to be a shareholder of MTN RX. During the Interim Receiver's meeting with Angela, she advised the Interim Receiver that:

- she had been advising clients since January of 2018 that she was planning on moving from Mt. Cross to MTN RX;
- she did in fact transfer the majority of the blister pack patients from Mt. Cross to MTN RX;
- she transferred approximately 150 clients from Mt. Cross to MTN RX; and
- she did make the call to Fillware to merge Mt. Cross' "RX" software system with the system for MTN RX, but on instructions from Nasim.

4.0.17 On June 4, 2018 counsel for the Interim Receiver wrote to MTN RX and Kassim asking for a meeting to discuss the transfer of clients from Mt. Cross to MTN RX. The Interim Receiver expects to meet with Kassim this week. The Interim Receiver's investigation into the transfer of client files to MTN RX is ongoing.

Agreement of purchase and sale between 1919932 Ontario Ltd. and Mt. Cross

4.0.18 As noted above, on June 2, 2017, Mt. Cross entered into an agreement of purchase and sale (the "**Purchase Agreement**") with 1919932 Ontario Ltd. (the "**Vendor**") to purchase all of the assets of the Vendor for a purchase price of \$5,450,000.00, plus an agreed upon value of inventory (the "**Purchase Price**"). The required deposit under the Purchase

Agreement was \$1,250,000 (the “**Deposit**”), which was to be paid by Nasim and Malhotra. The balance of the Purchase Price (\$4,300,000) was financed by Maxium. In addition, as part of Nasim’s and Malhotra’s application to Maxium to finance the transaction, Maxium was advised that there were at least seven physicians and a specialist practicing out of the Premises. A copy of the Purchase Agreement is attached to this Report as **Appendix “11”**.

4.0.19 During the Interim Receiver’s meeting with both Nasim and Malhotra, they indicated that the Deposit was never paid and that the six physicians left the Premises prior to the closing of the Purchase Agreement.

4.0.20 In order to determine whether the Deposit was paid to the Vendor, the Interim Receiver wrote to Faber & Oostdyk o/u Sean Oostdyk Professional Corporation (“**Sean Oostdyk**”), who acted as counsel for both the Vendor and Mt. Cross, to review the documents related to the closing of the Purchase Agreement. The Interim Receiver attended at the offices of Sean Oostdyk on May 31, 2018 to review the records. Sean Oostdyk provided access to the Mt. Cross files related to the closing of the Purchase Agreement (“**Mt. Cross’ Closing Files**”); however, he did not provide the Vendor’s file related to same (the “**Vendor’s Closing Files**”). Sean Oostdyk indicated that he will produce the Vendor’s Closing Files on the granting of an order from this Honourable Court compelling him to do so.

4.0.21 During the review of Mt. Cross’ Closing Files, the Interim Receiver discovered the following:

- The Deposit did not flow through the trust account of Sean Oostdyk;
- An acknowledgment was signed by Kirkopoulos on behalf of Mt. Cross certifying and representing to Maxium that the Deposit was

from non-borrowed sources and attaching a copy of a Bank of Montreal ("**BMO**") draft payable to the Vendor. In addition an acknowledgement was signed by Kirkopoulos on behalf of the Vendor acknowledging receipt of the Deposit. Kirkopoulos has advised the Interim Receiver that he does not know whether the Deposit was paid despite signing the acknowledgement;

- Sean Oostdyk has been holding \$76,514.84 for Mt. Cross (the "**Mt. Cross Trust Funds**") and \$110,136.59 for the Vendor (the "**Vendor Trust Funds**" collectively the "**Trust Funds**") in the trust account since June 2017.

4.0.22 On May 31, 2018 the Interim Receiver's counsel wrote to Sean Oostdyk requesting that he maintain and not distribute the Trust Funds without further notice from the Interim Receiver. Copies of the letter, the acknowledgement signed by Kirkopoulos for both the Vendor and Mt. Cross and the BMO draft are attached to this Report as **Appendix "12"**. The Interim Receiver is of the view that the Mt. Cross Trust Funds constitute Property. As such, the Trust Funds should be forwarded to the Interim Receiver forthwith.

4.0.23 Given the irregularities surrounding the Purchase Agreement, the Interim Receiver recommends that the Vendor Trust Funds also be forwarded to the Interim Receiver. If required, the Interim Receiver will hold the Vendor Trust Funds in a separate trust account until further order of this Honourable Court.

4.0.24 In addition, the Interim Receiver is of the view that it should be allowed to review and take away copies of the Vendor's Closing Files as the files contain information relevant to Mt. Cross' purchase of the Vendor's assets. Also, as Sean Oostdyk was acting for both the Vendor and the

Purchaser, one would expect that nothing in the file would be privileged as between the parties.

4.0.25 Further to determine the timing of departure of the physicians, the Interim Receiver had a telephone discussion with Dr. Jutta who was the lead physician at the Premises. Dr. Jutta advised the Interim Receiver that he and his team moved their practice from the Premises in May of 2017, which is prior to the execution of the Purchase Agreement.

4.0.26 The Corporate Profile Report of the Vendor indicates that Kirkopoulos is also an officer of the Vendor. A copy of the Corporate Profile Report of the Vendor is attached to this Report as **Appendix “13”**.

Discrepancies in sales reports submitted to Maxium by the Vendor for the period from November 2016 to May 2017

4.0.27 In support of its credit application which was submitted to Maxium, Mt. Cross, among other things, included sales reports for the period from November 1, 2015 to October 31, 2016 (the “**2016 Sales Report**”) and for the period from November 1, 2016 to March 31, 2017 (the “**Interim 2017 Sales Report**”). As a point of comparison, the Interim Receiver extracted from Fillware both the 2016 Sales Report and the Interim 2017 Sales Report on May 25, 2018. Copies of the 2016 Sales Report and Interim 2017 Sales Report provided by Kirkopoulos to Maxium and copies of the versions extracted by the Interim Receiver from Fillware on May 25, 2018 are attached to this Report as **Appendix “14”**.

4.0.28 A comparison of the 2016 Sales Report and Interim 2017 Sales Report submitted by Mt. Cross with the reports extracted by the Interim Receiver from Fillware indicates the following:

Description	Report Submitted by Mt. Cross	Report extracted from Fillware	Variance

	Total Price Paid	Total Price Paid	
2016 Sales Report	\$3,347,651.48	\$2,413,854.75	(\$933,796.93)
Interim 2017 Sales Report	\$1,465,085.92	\$910,033.50	(\$554,752.42)

4.0.29 The Interim Receiver is in the process of determining the cause of the variance noted above with the help of Fillware.

Other Investigation

4.0.30 As part of its review of the financial affairs of Mt. Cross, the Interim Receiver extracted a report for the period from June 2017 to May 2018 listing revenues generated by each doctor that referred patients to the Mt. Cross Pharmacy. The Interim Receiver noted that the highest revenue was generated by Dr. Vadim Kovalev ("**Vadim**") in the amount of \$1,263,613.55. It is the Interim Receiver's understanding that Vadim operated out of the Premises for a brief period in 2017. The second highest revenue generator was Dr. Israel Koma for a revenue of \$90,170.37. There was a significant difference between the revenue generated by Vadim and any other doctor referring patients to Mt. Cross Pharmacy. As such, the Interim Receiver reviewed the patient profiles attached to Vadim. The Interim Receiver discovered a pattern wherein a drug by the name of APO-CINACALCET (the "**Drug**") was prescribed to substantially all of Vadim's patients. The Fillware software indicated that the Drug was being dispensed to these patients up until April of 2018. The total revenue generated from the sale of the Drug for the period from June 2017 to May 2018 was \$867,461.27. A copy of the report outlining the name of patients and the quantity of the Drug dispensed to each patient is

attached to this Report as **Confidential Appendix “2”**. In addition, a copy of the report indicating the gross sales from the Drug is attached to this Report as **Appendix “15”**.

4.0.31 In light of these results, the Interim Receiver instructed the current pharmacist to call a few of these patients and ask if they require a refill of their medication. The current pharmacist was advised by these patients that they have not been to Mt. Cross Pharmacy in more than a year and were never prescribed the Drug.

4.0.32 Given the information from the patients, the Interim Receiver checked Vadim’s registration with the College of Physicians and Surgeons of Ontario (“**CPSO**”). The CPSO search for Vadim’s CPSO# 517870 did not return any results. A copy of the prescription written by Vadim and indicating Vadim’s CPSO number is attached to this Report as **Confidential Appendix “3”** (collectively with Confidential Appendices 1 and 2, the “**Confidential Appendices**”).

4.0.33 On June 1, 2018, during the Interim Receiver’s meeting with Greg, he advised that Vadim is a nurse practitioner and the CPSO number indicated on the prescription is Vadim’s nurse practitioner number. He further advised that currently Vadim is practicing from the MTN RX Premises. Furthermore, he advised that the signature on the prescription did not appear to be Vadim’s signature. He also advised that Vadim did not prescribe the Drug. The Interim Receiver has confirmed Vadim’s registration as a nurse practitioner on the website of the College of Nurses of Ontario.

4.0.34 Greg also advised that Sun Life insurance was investigating this matter and had cancelled Mt. Cross’ ability to process claims with multiple insurance companies. On June 4, 2018, the Interim Receiver participated in a telephone conversation with Jason Kennedy (“**Jason**”) of Telus Health

Solutions Inc. ("**Telus Health**") regarding continuing the electronic claims processing services to Mt. Cross. Telus Health is a Pharmacy Benefit Manager ("**PBM**") providing electronic claims processing for a number of insurance companies. Jason advised that Telus Health, along with the insurance companies, investigated the claims submitted by Mt. Cross. Jason further advised that, in or around April 2018, Telus terminated its agreement with Mt. Cross. Furthermore, Jason advised that the investigation revealed that Mt. Cross was billing insurance companies for drugs that were never supplied to clients. Telus Health estimates a total loss of approximately \$800,000 due to the actions of Mt. Cross. The Interim Receiver's investigation into this matter is ongoing.

4.0.35 On June 4, 2018, the Interim Receiver's counsel sent a letter to Telus Health requesting, among other things, that Telus Health continue to provide electronic claims process services. A copy of the letter is attached to this Report as **Appendix "16"**. The Interim Receiver has been advised by Telus Health that the insurance companies associated with Telus Health may not be willing to provide such access to Mt. Cross. As Telus Health represents a significant number of insurance companies, in the event Telus Health does not provide the electronic claims processing service to Mt. Cross, it will cause significant damage to the business of Mt. Cross as patients insured with the insurance companies associated with Telus Health will move to other pharmacies.

4.0.36 The Interim Receiver advised Telus Health that it will bring this matter to the attention of this Honourable Court and, if required, will seek an order from this Honourable Court directing Telus Health to continue providing the electronic claim processing service to Mt. Cross.

5.0 BOOKS AND RECORDS

5.0.1 As at the date of this Report, the Interim Receiver has not been able to secure the books and records of the Company. In an effort to secure the books and records of the Company, the Interim Receiver's counsel sent a letter to Kirkopoulos asking for access to the books and records of Mt. Cross that are in his possession. On June 4, 2018, the Interim Receiver met with Kirkopoulos. During the meeting, Kirkopoulos confirmed that he had possession of books and records of Mt. Cross. He advised that currently he does not have access to the books and records of Mt. Cross due to some personal issues. He further advised that he will be willing to provide a copy of Mt. Cross' books and records to the Interim Receiver once he obtains access to same.

6.0 Conclusions and Recommendation

6.0.1 Given the Interim Receiver's findings above, it is the Interim Receiver's view that certain assets and business of Mt. Cross, over which Maxium has security, were transferred to MTN RX. In addition, as Kirkopoulos appears to have been an officer of the Vendor, Mt. Cross and MTN RX, it appears that these parties were dealing with each other at non-arm's length. As such, further investigation and inquiries into the affairs of Mt. Cross, the Vendor and MTN RX is warranted, including further investigation of the following:

- (i) the Deposit and any funds being held by Sean Oostdyk relating to the Purchase Agreement;
- (ii) the Purchase Agreement, including a review of the Vendor's legal file and examinations of the principals of the Vendor, if necessary;
- (iii) the prescriptions that appear in Mt. Cross' records to be associated with Vadim;

(iv) the review of the investigation carried out by Telus Health and associated insurance companies.

(v) the transfer of client records to MTN RX; and

(vi) the re-directing of the Mt. Cross website to the MTN RX website;

6.0.2 It is the Interim Receiver's understanding that Maxium intends to bring a motion, among other things, to appoint Spergel as a full receiver over Mt. Cross and MTN RX. Should this Honourable Court grant a full receivership order over Mt. Cross and MTN RX, Spergel consents to its appointment as receiver and has provided a signed consent to Maxium to be included in Maxium's motion materials.

6.0.3 The Interim Receiver respectfully requests that this Honourable Court grant an Order:

- a. approving this Report and the actions of the Interim Receiver described herein; and
- b. sealing the Confidential Appendices (as defined herein) to this Report.

Dated at Toronto this 6th day of June, 2018.

msi Spergel inc.,
solely in its capacity as court-appointed
Interim Receiver of 1970636 Ontario Ltd
and not in its personal or corporate capacity

Per:



Philip H. Gennis, J.D., CIRP, LIT
Senior Principal

TABLE

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

CWB MAXIUM FINANCIAL INC.

Plaintiff

- and -

**1970636 ONTARIO LTD. o/a MT. CROSS PHARMACY, UMAIR N. NASIM, SHRIKANT
MALHOTRA, 1975193 ONTARIO LTD. dba MTN RX & HEALTH AND ANGELO
KIRKOPOULOS**

Defendants

AFFIDAVIT OF MUKUL MANCHANDA
(Sworn December 3, 2018)

I, **MUKUL MANCHANDA**, of the City of Brampton, in the Province of Ontario, **MAKE
OATH AND SAY AS FOLLOWS:**

1. I am a Licensed Insolvency Trustee with msi Spergel inc. ("**Spergel**"), the Court-Appointed Interim Receiver (the "**Interim Receiver**") of 1970636 Ontario Ltd. o/a Mt. Cross Pharmacy (the "**Debtor**"), and as such have knowledge of the matters to be deposed herein, except where such knowledge is stated to be based on information and belief, in which case I state the source of the information and verily believe such information to be true.

2. The Interim Receiver was appointed, without security, of all of the assets, undertakings and properties of the Debtor by Order of the Honourable Justice Dunphy dated May 16, 2018.

3. In connection with the interim receivership for the period from May 16, 2018 to June 13, 2018 fees of \$85,405.40 inclusive of HST and disbursements charged by Spergel as detailed in the

billing summary and time dockets attached hereto as **Exhibit "1"** to this, my Affidavit. This represents 227 hours at an effective rate of \$332.95 per hour.

4. The hourly billing rates detailed in this Affidavit are comparable to the hourly rates charged by Spergel for services rendered in relation to similar proceedings.

5. I make this Affidavit for no improper purpose.

SWORN before me at the City of
Toronto, in the Province of Ontario
this 3rd day of December, 2018.



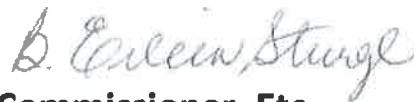
Commissioner for Taking Affidavits

Barbara Eileen Sturge, a Commissioner, etc.,
Province of Ontario, for msi Spergel Inc. and
Spergel & Associates Inc.
Expires September 21, 2019.



Mukul Manchanda

**This is Exhibit "1" of the Affidavit of
Mukul Manchanda
Sworn before me on this 3rd day of December, 2018**

A handwritten signature in cursive script, reading "B. Eileen Sturge".

A Commissioner, Etc.

Barbara Eileen Sturge, a Commissioner, etc.,
Province of Ontario, for msl Spergel Inc. and
Spergel & Associates Inc.
Expires September 21, 2019



SPERGEL

June 14, 2018

Invoice #: 11527

1970636 Ontario Ltd. o/a Mt. Cross Pharmacy

Invoice

RE: 1970636 Ontario Ltd. o/a Mt. Cross Pharmacy

FOR PROFESSIONAL SERVICES RENDERED In the period May 14, 2018 to May 31, 2018 including analysis of financial information, taking possession, operation of pharmacy and correspondence with principals and other parties.

	Hours	Hourly Rate	Total
Phillip H. Gennls, LL.B., CIRP, Trustee	53.35	\$445.00	\$23,740.75
Deborah Hornbostel, CPA, CA, CFE, CIRP, Trustee	0.20	445.00	89.00
Frieda Kanaris	16.20	195.00	3,159.00
Mukul Manchanda, CIRP, Trustee	66.90	290.00	19,401.00
Others	2.30	52.17	120.00
Total Professional fees	138.95	\$334.72	\$46,509.75
HST			6,046.27
Total			\$52,556.02

HST Registration # R103478103

(AAMTCR-R)

msi Spergel inc. Licensed Insolvency Trustees 505 Consumers Road, Suite 200, Toronto, ON M2J 4V8 • Tel 416 497 1660 • Fax 416 494 7199

• Barrie 705 722 5090 • Hamilton 905 527 2227 • Mississauga 905 602 4143 • Oshawa 905 721 8251 • Toronto-Central 416 778 8813
• Brampton 905 874 4905 • London 519 902 2772 • Peterborough 705 748 3333 • Scarborough 416 642 1363 • Saskatchewan 306 341 1660

Member **CAIRP** Canadian Association of Insolvency
and Restructuring Practitioners

www.spergel.ca

Member **ICIN** The Independent Canadian Insolvency Network

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 - Time Entry Bill Status: Un-Billed to Un-Billed
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Printed on: 6/14/18

Page 1 of 7

File Name (ID): 1970636 Ontario Ltd. o/a Mt. Cross Pharmacy (AAMTCR-R:)

Day	Date	Memo	B-Hrs	B-Rate	Amount
Deborah Hornbostel (DHO)					
Wed	05/23/2018	Review and approve accounts payable	0.10	\$445.00	\$44.50
Tues	05/29/2018	Review and approve accounts payable	0.10	\$445.00	\$44.50
		Deborah Hornbostel (DHO)	0.20		\$89.00
Frieda Kanaris (FKA)					
Wed	05/16/2018	Discussion with Mukul Manchanda and Phillip Gennis re pharmacists, employees and service providers; t/c's and emails with Rocco Tuzzi re attending at premises to change locks; draft letters to service providers re change of banking information.	1.40	\$195.00	\$273.00
Thur	05/17/2018	T/c to Ontario College of Pharmacists, send email with Court Order and designated pharmacist confirmation; numerous t/c's with RBC regarding freezing of bank account, prepare and fax letter and court order to RBC, send same via courier; request opening of trust account; open estate account in Ascend, dealings with Eileen re licence and transferring file; review email and photos from Rocco Tuzzi; t/c's with insurance broker; exchange of emails with Phillip Gennis re insurance and advance from MSGG.	2.10	\$195.00	\$409.50
Fri	05/18/2018	T/c's with Chris Rolfe (insurance broker, t/c and review email from Adriana (FCA); exchange of emails with Phillip Gennis re insurance and advance of funds; t/c with Mukul Manchanda re setting up debit machine, discussion with Haran and t/c's with BMO re same; t/c's to RBC re freezing of bank account; discussion with Haran re opening trust account and wire transfer details; forward wire transfer details to Benjamin Wyatt (Maxlum); prepare and fax/email letters to service providers to direct payments to new trust account; t/c to Tyco re alarm monitoring, t/c with Mukul re same.	4.00	\$195.00	\$780.00
Tues	05/22/2018	T/c from Rick Santucci, (RBC Branch Manager), email to Phillip Gennis and Mukul Manchanda re same; t/c to Monitoring Centre re alarm monitoring, email Court Order, t/c with Mukul and Rocco Tuzzi regarding contacts for alarm response; t/c to Mobile Support Services; t/c to BMO re debit machine; t/c and email to Elavon re change bank account info; t/c's to insurance brokers; requisition payment for payables; prepare deposit form for wire transfer from secured creditor.	1.50	\$195.00	\$292.50
Wed	05/23/2018	Discussion with Mukul regarding contacts for alarm response, emails and t/c's with Rocco re attending premises to change back door lock and adding him on as alarm response contact; review emails from Phillip Gennis re McKesson; t/c to Elavon.	1.10	\$195.00	\$214.50
Thur	05/24/2018	Exchange of emails with Chris Rolfe re insurance, update to Phillip Gennis; several t/c's to Elavon and Moneris, complete change form and return to Elavon re new bank account info for debit/credit machine.	1.40	\$195.00	\$273.00
Fri	05/25/2018	Requisition payment for payables; t/c's and emails with Vector Signs re printing banners, email to Mukul re same; review emails re ad to appear in Hamilton Spectator, t/c's with Hamilton Spectator re additional quote for display ad; t/c and email to Chris Rolfe re insurance; send letter and fax to insurance provider; t/c with Telus Assure re reinstating account.	1.30	\$195.00	\$253.50
Mon	05/28/2018	Exchange of emails with Jed (Vector Signs) re banner installation; exchange of emails with Hamilton Spectator re cut-off dates and prices, emails with Phillip Gennis re ad quotes and cut-off dates; redraft ad, send to PG for review; t/c with Telus re new provider agreement.	0.60	\$195.00	\$117.00

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Time Entry Date: 1/01/70 to 5/31/18
 File ID: AAMTCR-R: to AAMTCR-R:
 Time Entry Bill Status: Un-Billed to Un-Billed
 Time Entry Bill Status: Un-Billed to Un-Billed

MSGG - Detailed Time Dockets

Printed on: 6/14/18

Page 2 of 7

File Name (ID): 1970636 Ontario Ltd. o/a Mt. Cross Pharmacy (AAMTCR-R:)

Day	Date	Memo	B-Hrs	B-Rate	Amount
Frieda Kanaris (FKA)					
Tues	05/29/2018	Review email from Jed (Vector signs), forward to PG and MM; email and t/c's to Chris Rolfe re Insurance, review Encon Application form, t/c's with Ibrahem re questions on application, review with MM; t/c's to RBC; t/c and email to Intact re cancellation notices.	0.90	\$195.00	\$175.50
Wed	05/30/2018	Complete Encon Insurance application, review with MM, scan and email to Chris Rolfe; complete Telus application for new account, review with MM, scan and email;	0.70	\$195.00	\$136.50
Thur	05/31/2018	T/c's with RBC, confirmed account frozen and funds in the account; t/c's and emails with Hamilton Spectator, PG and MM re ad to appear in Saturday's paper; t/c's and emails re banner at premises, send email to Jed (Vector); t/c with Elavon, confirmed that banking information changed.	1.20	\$195.00	\$234.00
Frieda Kanaris (FKA)			16.20		\$3,159.00
Haran Sivanathan (HSI)					
Tues	05/22/2018	General	0.20	\$75.00	\$15.00
Haran Sivanathan (HSI)			0.20		\$15.00
Inga Friptuleac (IFR)					
Tues	05/22/2018	Issue cheques	0.80	\$50.00	\$40.00
Mon	05/28/2018	Issue cheques; Deposit	0.60	\$50.00	\$30.00
Inga Friptuleac (IFR)			1.40		\$70.00
Mukul Manchanda (MMA)					
Mon	05/14/2018	Receipt and review of various emails from P. Gennis containing the background of the file. Participated in a conference call with Maximum and Miller Thomson. Attended meeting with P. Gennis and F. Kanaris to prepare strategy. Conducted PPSA and Corporate profile searches on debtor and related entities. Reviewed domain and website history, conducted various searches to show that the website and domain of Mt. Cross Pharmacy is being used by MTN Medical now. Sent an email to B. Sachdeva and C. Mills outlining our findings. Review of emails from C. Mills regarding the registration of Her Majesty regarding HST liability.	3.50	\$290.00	\$1,015.00
Tues	05/15/2018	Receipt and review of the draft motion materials. Receipt and review of the affidavit of D. Gilchrist.	0.50	\$290.00	\$145.00
Wed	05/16/2018	Receipt and review of email exchanges related to the draft Interim receivership order. Receipt and review of an email from C. Mills regarding the emergency motion hearing. Discussions with F. Kanaris regarding issues related to taking possession of the pharmacy. Communicated with the locksmith and inventory management company. Arranged for an inventory count to be conducted tomorrow in the evening. Travel to the pharmacy and met with the designated pharmacist and the locksmith. Receipt and review of the interim receivership order. Gained access to the pharmacy and arranged to have the premises secured. Receipt and review of numerous emails related to the operations of the pharmacy and the parties involved in the proceedings. Meeting with RCMP. Review of the documents present at the pharmacy. Review of the computer systems and data available on those systems. Disconnected the camera system as advised by RCMP.	7.50	\$290.00	\$2,175.00

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 File ID: AAMTCR-R: to AAMTCR-R:
 Time Entry Bill Status: Un-Billed to Un-Billed
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Printed on: 6/14/18

Page 3 of 7

File Name (ID): 1970636 Ontario Ltd. o/a Mt. Cross Pharmacy (AAMTCR-R:)

Day	Date	Memo	B-Hrs	B-Rate	Amount
Mukul Manchanda (MMA)					
Thur	05/17/2018	Participated in conference call with Maxium. Participated in conference call with Miller Thomson and Pallet Vallo. Travel to the Pharmacy. Meeting with Ibraam. Pulled and analysed various reports from Filware. Noted that certain patients were not aware that their script was transferred to MTN RX. Developed a monitoring program as it relates to the receipts and disbursements of the pharmacy. Went to the bank to get cash for the pharmacy. Advanced \$900 to the pharmacy. Receipt and review of the lease from D. Gilchrist. Review of email exchanges related to finding a replacement of Ibraam for Friday and Saturday. Receipt and review of an email from J. Russo containing the title abstract. Receipt and review of an email from OCP. Telephone discussion with Dr. Jutta regarding him and his team occupying the pharmacy and running a medical clinic. Dr. Jutta advised that him and his team moved out of Mt. Cross pharmacy in May 2017. I obtained his email address and advised that I will be sending him the court order and asking to confirm that in writing. Email exchanges with F. Kanaris regarding insurance. Telephone discussion with F. Kanaris regarding freezing the RBC account. Receipt and review of the letter to RBC. Receipt and review of the credit approval package from B. Wyatt. Receipt and review of an email to D. Carter of RCMP. Met with Rory regarding the inventory count. Supervised the inventory count. Travel back.	11.00	\$290.00	\$3,190.00
Fri	05/18/2018	Travel to the pharmacy and met with M. Gayed. Providing access to M. Gayed and answered his questions related to the operation of the pharmacy. Provided him with passwords for the computers and showed him how to close the pharmacy. Provided him with the program to be followed as it relates to handling the receipts and expenses. Telephone discussion with U. Nassir - he agreed to meet with at 3:30 at the pharmacy. Telephone discussion with P. Gennis regarding same. Receipt and review of an email from Rory regarding the inventory count. Receipt and review email exchanges related to account setup with McKesson. Review of various email exchanges with Maxium regarding obtaining contact information for certain parties. Telephone discussion and email exchanges with F. Kanaris regarding getting a debt machine. Email exchanges related to arranging insurance. Receipt and review of email exchanges related to the lease of the premises. Received and reviewed correspondence to LPG. Meeting with U. Nassir. Sent an email to P. Gennis outlining minutes of my meeting with U. Nassir. Travel back.	8.00	\$290.00	\$2,320.00
Sat	05/19/2018	Telephone discussion with M. Gayed regarding matters related to the pharmacy. Receipt and review of an email from P. Gennis advising that M. Gayed will not be available to be the new DM after Ibraam leaves in 3 weeks. Discussions with M. Gayed to meet and collect the monies and keys from M. Gayed. Travel to meet with M. Gayed collected the cash and Independent contractor agreement. Travel back. Completed time summary.	2.00	\$290.00	\$580.00
Sun	05/20/2018	Telephone discussion with S. Malhotra regarding the location of the books and records of the pharmacy. Agreed to meet with him on Tuesday at 11:00am at the pharmacy.	0.20	\$290.00	\$58.00

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 - File ID: AAMTCR-R: to AAMTCR-R:
 - Time Entry Bill Status: Un-Billed to Un-Billed
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MSGG - Detailed Time Dockets

Printed on: 6/14/18

Page 4 of 7

File Name (ID): 1970636 Ontario Ltd. o/a Mt. Cross Pharmacy (AAMTCR-R:)

Day	Date	Memo	B-Hrs	B-Rate	Amount
Mukul Manchanda (MMA)					
Tues	05/22/2018	Travel to the pharmacy to meet with Ibraam. Provided him with the cash required for daily operational use. Discussion of operational issues with Ibraam. Extracted and reviewed reports from Fillware related to script transfers to MTN RX. Email exchanges with counsel. Conference call with counsel regarding power to examine individuals. Meeting and interview with S. Malhotra. Meeting with the alarm company representative to change all codes and reactivate the alarm system. Arrange to have the debit machine terminal forwarded to the trust account. Email exchanges with Rocco regarding monitoring of the alarm system. Travel back.	8.00	\$290.00	\$2,320.00
Wed	05/23/2018	Email exchanges related to setting up the account with McKesson. Advised that we cannot provide a PAP as such require other mode of making payments. Agreed that the receiver will make payments via electronic funds transfer. Telephone discussion with Ibraam he asked me for a copy of the court order. Provided him with same. Review of email exchanges with S. Oostdyk. Email exchanges with Rocco regarding changing the lock. Receipt and review of sales total reports.	2.50	\$290.00	\$725.00
Thur	05/24/2018	Travel to the pharmacy. Met with Rocco to change the lock in the back. Extracted reports related to the revenues generated by each doctor. Telephone discussion and email exchanges with P. Gennis regarding the news article and the negative impact of same on the business. Conference call with Maxium and counsel for strategy related to managing the negative impact of the news article. Obtained quotations from signage company and the Hamilton Spectator for a notice advising the public that the pharmacy is open and is under new management. Review of draft letter to Angela.	3.50	\$290.00	\$1,015.00
Fri	05/25/2018	Receipt and review of emails from D. Milivojevic regarding letter to Angela. Review of email from J. Russo regarding letter to A. Kirkopoulos. Received and reviewed an email from S. Oostdyk regarding access to the requested documents. Receipt and review of an email from D. Milivojevic asking for contact information for A. Kirkopoulos. Telephone call to S. Malhotra asked him for the contact information of A. Kirkopoulos. Sent an email to D. Milivojevic containing the requested information. Receipt and review of an email from D. Milivojevic containing a draft letter to A. Kirkopoulos. Sent an email to D. Milivojevic containing my comments regarding same. Receipt and review of an email from P. Gennis containing his comments. Receipt and review of the revised letter to A. Kirkopoulos. Review quotation for external signage and ad in the newspaper. Instructed F. Kanaris to obtain a quotation for a half page ad in the newspaper. Email exchanges related to LPG invoices. Receipt and review of an email containing comparison of the reports submitted to maximum with the reports printed from the system.	2.20	\$290.00	\$638.00
Tues	05/29/2018	Draft report to court.	5.50	\$290.00	\$1,595.00
Wed	05/30/2018	Review of insurance application and application to Telus Health. Signed the required documents for insurance. Drafted report to court and emailed same to P. Gennis for comments. Review of email exchanges with Ibraam regarding extracting certain reports from Fillware.	4.50	\$290.00	\$1,305.00

Filters Used:

- Time Entry Date: 1/01/70 to 5/31/18
- File ID: AAMTCR-R: to AAMTCR-R:
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MSGG - Detailed Time Dockets

Printed on: 6/14/18

Page 5 of 7

File Name (ID): 1970636 Ontario Ltd. o/a Mt. Cross Pharmacy (AAMTCR-R:)

Day	Date	Memo	B-Hrs	B-Rate	Amount
Mukul Manchanda (MMA)					
Thur	05/31/2018	Attended at the offices of 197's lawyer to review the file related to the purchase of the pharmacy by 197 from 191. Telephone discussions and email exchanges with counsel and Maxium. Visited the pharmacy and extracted various reports to be included in the report. Review and finalize newspaper ad and banner outside the building. Email exchanges related to communication with Nasim's lawyer to request a meeting. Receipt and review of an email from Dina containing the letter to A. Kirkopoulos. Email exchanges regarding setting up a meeting with Angelo. Receipt and review of draft letter to Nasim. Receipt and review of email correspondence with Nasim's lawyer. Receipt and review of email response to Nasim's lawyer. Review of email exchanges regarding cancellation of insurance. Email exchanges regarding the new designated manager. Edited the draft report to include comments from Phil regarding outstanding rent and insurance status.	8.00	\$290.00	\$2,320.00
			66.90		\$19,401.00
Phillip H. Gennis (PGE)					
Mon	05/14/2018	All matters preliminary to engagement; communications with Dan Gilchrist; telephone discussion with Counsel; meeting with MM and FK regarding appointment; review of memorandum prepared by MM regarding website; email exchanges with Counsel and Maxium; review of initial draft order.	3.50	\$445.00	\$1,557.50
Tues	05/15/2018	Telephone discussion with Dan Gilchrist; email from Dan Gilchrist; email exchange with Counsel for Maxium; email exchange with proposed Counsel for Receiver; further review of draft IR Order;	2.00	\$445.00	\$890.00
Wed	05/16/2018	numerous emails with Maxium and Counsel; telephone discussions with DG and EK of Maxium; telephone discussions with Counsel for Maxium; email exchange with Counsel for Maxium; meetings with Spergel staff in preparation for appointment; telephone discussion with proposed Designated Manager; email exchange with proposed Designated Manager; preparation of Designated Manager letter for OCP; preparation of IC Agreement for Designated Manager and Pharmacist; site attendance; meeting with RCMP; telephone discussions with Maxium; email exchange with Counsel; internal emails dealing with possessory issues.	6.00	\$445.00	\$2,670.00
Thur	05/17/2018	Telephone discussion with Dan Gilchrist at Maxium; conference call with Maxium; conference call with Counsel for Maxium and Receiver; email exchange with Maxium; lengthy telephone discussion with RCMP and Counsel; email exchanges with Ben Wyatt at Maxium regarding setting up account with McKesson and funding of Interim receivership; telephone discussions with Designated Manager/Pharmacist; lengthy email communication with RCMP; on-going email exchange with Ben Wyatt regarding account with McKesson; numerous telephone discussions regarding staffing for May 18 and 19; negotiations with locum regarding May 18 and 19; email exchange with Counsel regarding premise lease and issues related thereto.	8.00	\$445.00	\$3,560.00
Fri	05/18/2018	Correspondence and telephone discussions regarding insurance for premises and liability; telephone discussion and correspondence to LPG regarding historical data regarding shipments to Mt. Cross.	1.00	\$445.00	\$445.00
Fri	05/18/2018	Numerous emails with Maxium; telephone discussion with Landlord and correspondence related thereto; preparation and execution of IR borrowing certificate; follow-up discussion with RCMP; site visit.	4.00	\$445.00	\$1,780.00

Filters Used:

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MSGG - Detailed Time Dockets

Printed on: 6/14/18

Page 6 of 7

File Name (ID): 1970636 Ontario Ltd. o/a Mt. Cross Pharmacy (AAMTCR-R:)

Day	Date	Memo	B-Hrs	B-Rate	Amount
Phillip H. Gennis (PGE)					
Tues	05/22/2018	Email exchange with Counsel; conference calls with Counsel regarding examinations under IR Order; telephone discussion with Maxlum; telephone discussions with Receiver's Counsel regarding obtaining copies of criminal arrest reports; site visit and interview with Shrikant Malhotra.	5.00	\$445.00	\$2,225.00
Wed	05/23/2018	Email exchanges with McKesson regarding operation of account; multiple telephone discussions with Designated Manager regarding pharmacy operational issues; email exchange with RCMP; telephone discussions with BW@Maxlum; telephone discussion with receptionist for on-site physician; telephone discussion with foot doctor; email to Lawyer who acted for 197 on purchase; finalizing account opening with McKesson; receipt and review of script summary for period from May 16 through May 23;	3.50	\$445.00	\$1,557.50
Thur	05/24/2018	Telephone discussion with Maxlum regarding pharmacy operations and challenges posed by press coverage; telephone discussions with Designated Manager; email exchanges regarding exterior signage and advertisement in Hamilton Spectator; receipt and review of documents from criminal court; email communications regarding insurance; email communications regarding McKesson account and payment protocol; telephone discussions with Maxlum regarding replacement of Designated Manager; email exchange with Counsel; review of draft letter to former pharmacy technician; email exchange regarding mail merge correspondence to doctors who have sent patients to the pharmacy;	3.00	\$445.00	\$1,335.00
Fri	05/25/2018	Several email exchanges with IR's Counsel; review of draft correspondence to Angela Kirkopoulos; reviewing quote for exterior signage; reviewing quote for newspaper display advertisement; telephone discussions and emails with McKesson regarding set up and operation of account; strategy discussion with Counsel for CWB; preliminary review of invoices from LPG; analysis of Fillware reports provided to CWB against the same reports accessed from the pharmacy computer today and email communication to stakeholders reporting on same; subsequent telephone discussion with Craig Mills.	5.00	\$445.00	\$2,225.00
Sat	05/26/2018	General	0.75	\$445.00	\$333.75
Mon	05/28/2018	Email exchanges with Counsel; continued review of Fillware reporting; on-going discussions with potential insurers; telephone discussion with Landlord; review proposed advertising in Hamilton Spectator; Internal discussions; email exchanges with Designated Manager and telephone discussions with same regarding Fillware reporting; telephone discussions with Maxlum regarding fillware reporting and need for new Designated Manager.	2.50	\$445.00	\$1,112.50
Tues	05/29/2018	Review and approve payables.	0.10	\$445.00	\$44.50
Wed	05/30/2018	Email exchanges with Maxlum and Counsel; telephone discussion with Ben Wyett; review of Draft First Report of IR to Court; telephone discussion with RCMP regarding outstanding request for production of records seized pursuant to search warrant; email communication with Designated Manager.	3.00	\$445.00	\$1,335.00

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MSGG - Detailed Time Dockets

Printed on: 6/14/18

Page 7 of 7

File Name (ID): 1970636 Ontario Ltd. o/a Mt. Cross Pharmacy (AAMTCR-R:)

Day	Date	Memo	B-Hrs	B-Rate	Amount
Phillip H. Gennis (PGE)					
Thur	05/31/2018	Meeting with 197's lawyer regarding purchase of pharmacy by 197 from 191; review of purchase file documents; lengthy email exchanges with Counsel and Maxium; site visit at pharmacy to continue review of books and records; finalizing newspaper advertisement; dealing with insurance; distribution of Draft report to Court; to stakeholders; recpt and review of comments on report; telephone discussions with Mike Abdelsayed regarding acting as replacement DM; preparation of documents related to engagement of Mike Abdelsayed.	6.00	\$445.00	\$2,670.00
Phillip H. Gennis (PGE)			53.35		\$23,740.75
Shenaz Totat (STO)					
Mon	05/14/2018	4 searches - 2 PPSAs and 2 Corporate Profiles 1975193 Ontario Limited and 1970636 Ontario Ltd.	0.30	\$50.00	\$15.00
Tues	05/22/2018	Corporate Profile search for 1919932 Ontario Ltd as requested by Phillip Gennis	0.20	\$50.00	\$10.00
Wed	05/23/2018	Corporate Profile and Federal Search for Concession Wentworth Medical Centre Inc. (Requested by Phillip Gennis)	0.20	\$50.00	\$10.00
Shenaz Totat (STO)			0.70		\$35.00
Total for File ID AAMTCR-R:			138.95		\$46,509.75
Grand Total:			138.95		\$46,509.75

**SPERGEL**

July 03, 2018

Invoice #: 11526

1970636 Ontario Ltd. o/a Mt. Cross Pharmacy

Invoice

RE: 1970636 Ontario Ltd. o/a Mt. Cross Pharmacy**FOR PROFESSIONAL SERVICES RENDERED** In the period June 1, 2018 to June 13, 2018 including ongoing operation of pharmacy, attending court, and correspondence with principals and other parties.

	Hours	Hourly Rate	Total
Phillip H. Gennis, LL.B., CIRP, Trustee	27.25	\$445.00	\$12,126.25
Deborah Hornbostel, CPA, CA, CFE, CIRP, Trustee	0.30	445.00	133.50
Eileen Sturge	0.20	195.00	39.00
Frieda Kanaris	4.50	195.00	877.50
Mukul Manchanda, CIRP, Trustee	54.60	290.00	15,834.00
Others	1.20	50.00	60.00
Total Professional fees	88.05	\$330.16	\$29,070.25
HST			3,779.13
Total			\$32,849.38

HST Registration #R103478103

(AAMTCR-R)

msi Spergel inc. Licensed Insolvency Trustees 505 Consumers Road, Suite 200, Toronto, ON M2J 4V8 • Tel 416 497 1660 • Fax 416 494 7199• Barrie 705 722 5090 • Hamilton 905 527 2227 • Mississauga 905 602 4143 • Oshawa 905 721 8251 • Toronto-Central 416 778 8813
• Brampton 905 874 4905 • London 519 902 2772 • Peterborough 705 748 3333 • Scarborough 416 642 1363 • Saskatchewan 306 341 1660Member **CAIRP** Canadian Association of Insolvency
and Restructuring Practitionerswww.spergel.caMember **ICIN** The Independent Canadian Insolvency Network

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MSGG - Detailed Time Dockets

Printed on: 7/03/18

Page 1 of 5

File Name (ID): 1970636 Ontario Ltd. o/a Mt. Cross Pharmacy (AAMTCR-R:)

Day	Date	Memo	B-Hrs	B-Rate	Amount
Deborah Hornbostel (DHO)					
Tues	06/05/2018	Review and approve accounts payable	0.10	\$445.00	\$44.50
Thur	06/07/2018	Review and approve accounts payable	0.20	\$445.00	\$89.00
		Deborah Hornbostel (DHO)	0.30		\$133.50
Eileen Sturge (EST)					
Thur	06/07/2018	Print documents; arrange for courier to Miller Thomson	0.20	\$195.00	\$39.00
		Eileen Sturge (EST)	0.20		\$39.00
Frieda Kanaris (FKA)					
Fri	06/01/2018	T/c's to Chris Rolfe and Bob Richardson; t/c to OCP re application renewal, requisition payment; review draft ad from Hamilton Spectator, forward to PG and MM for review, emails with Hamilton Spectator re corrections, approve ad; t/c from Bankruptcy Highway re RBC account, will forward draft; review and open mail; t/c's with PG and MM; prepare schedule of utility accounts and amounts owing; complete FCA Insurance survey form; attend to mail redirection.	2.20	\$195.00	\$429.00
Mon	06/04/2018	Follow-up t/c with Telus re new provider application, t/c from Jason Kennedy, t/c and email with MM re same; t/c with Express Scripts re suspended provider account; requisition payment for pharmacist; draft utility guarantee letters.	1.10	\$195.00	\$214.50
Tues	06/05/2018	T/c's with Ibraam; emails to and from Jed (Vector Signs) re installing banner;	0.30	\$195.00	\$58.50
Wed	06/06/2018	T/c to ESI Express Scripts; t/c's with Ibraam; emails to and from Jed (Vector Signs), review and requisition payment for invoice for banner.	0.40	\$195.00	\$78.00
Tues	06/12/2018	T/c and email to McKesson; t/c with Union Gas.	0.30	\$195.00	\$58.50
Wed	06/13/2018	Exchange of emails with Chris Boothroyd re access to online statements from McKesson, print and review statement.	0.20	\$195.00	\$39.00
		Frieda Kanaris (FKA)	4.50		\$877.50
Inga Friptuleac (IFR)					
Mon	06/04/2018	Issue cheques	1.20	\$50.00	\$60.00
		Inga Friptuleac (IFR)	1.20		\$60.00
Mukul Manchanda (MMA)					
Fri	06/01/2018	Travel to the Hamilton Office to attend a meeting with the former employee of the pharmacy. Travel to the pharmacy to meet with Ibraam, drop off printing paper and extract reports from Fillware. Received and reviewed a copy of the letter from J. Russo to S. Oostdyk. Review of email from Dina forwarding an email from Angelo advising that he is not able to meet with us today. Receipt and review of OCP's notice of revocation. Receipt and review of an email from F. Kanaris regarding funds in RBC's account and mail redirection. Review of the ad to be placed in the newspaper. Email exchanges with F. Kanaris regarding payment of utilities. Receipt and review of the FCA Insurance survey form. Receipt and review of an email from B. Sachdeva advising that Maxium is scheduled to attend at court on June 14th. Discussions with P. Gennis regarding finalizing the report of the Interim Receiver. Receipt and review of comments from C. Mills regarding the report of the Interim Receiver.	7.00	\$290.00	\$2,030.00
Sat	06/02/2018	Draft report to court. Discussions with P. Gennis regarding the draft report. Edited the report as per Phil's comments.	8.00	\$290.00	\$2,320.00

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MSGG - Detailed Time Dockets

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Page 2 of 5

File Name (ID): 1970636 Ontario Ltd. o/a Mt. Cross Pharmacy (AAMTCR-R:)

Day	Date	Memo	B-Hrs	B-Rate	Amount
Mukul Manchanda (MMA)					
Sun	06/03/2018	Review of emails from Dina regarding setting up a meeting with Angelo. Email exchanges with counsels regarding edits to the report. Various email exchanges with B. Sachdeva regarding the agreement of purchase and sale. Revised the report and circulated a revised copy.	3.50	\$290.00	\$1,015.00
Mon	06/04/2018	Attended meeting with A. Kirkopoulos, J. Russo and P. Gennis. Review and respond to emails from Maxium. Discussion with F. Kanaris regarding the account with Telus Health. Lengthy Telephone discussion with J. Kennedy of Telus Health regarding Mt. Cross's account to process insurance claims. Telephone discussion with P. Gennis and J. Russo regarding same. Email exchanges with J. Kennedy regarding the list of insurance companies that are associated with Telus and the contact information of the Telus's in-house counsel. Telephone discussion with counsels regarding the Telus matter. Review of email from Crown Attorney. Receipt and review of comments from B. Sachdeva on the report to court. Incorporated B. Sachdeva's comments in the report. Continue drafting the report. Receipt and review of emails from J. Russo regarding title search of MTN RX premises and corporate profile search of same. Further email exchanges with J. Russo regarding point in time searches of Concession Wentworth. Receipt and review of letter to A. Pinos. Review of the Insurance fraud carried out at the Mt. Cross Pharmacy in 2014.	10.00	\$290.00	\$2,900.00
Tues	06/05/2018	Email exchanges with B. Wyett regarding examining Vadim. Email exchanges with B. Wyett regarding Pek and Associates. Email exchanges regarding the new designated manager. Email exchanges with Ibraam regarding the number of scripts filed by the pharmacy since the appointment of the Interim Receiver. Various email exchanges with Maxium on a number of issues. Review of the documents related to the appointment of the new designated manager. Email exchanges with Dina regarding setting up a meeting with A. Kassim on Friday. Review of the revised version of the proposed order. Telephone discussion with P. Gennis regarding same. Sent an email to C. Mills containing our comments. Telephone discussion with C. Mills regarding the draft order. Telephone discussion with B. Sachdeva regarding same. Email exchanges with F. Kanaris regarding patents that are attached to the Telus insurance companies. Email exchanges with counsels and Maxium on a number of issues. Telephone discussions and email exchanges with Ibraam on a number of operational issues. Receipt and review of an email from C. Mills containing the revised order. Email exchanges with C. Mills regarding addresses and contact information of certain parties. Review of an email from J. Russo regarding his conversation with counsel for Telus. Receipt and review of an email from C. Mills containing his comments on the report. Receipt and review of an email from Dina containing comments on the report. Prepared a final executed copy of the report along with the appendices.	6.20	\$290.00	\$1,798.00

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MSGG - Detailed Time Dockets

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Page 3 of 5

File Name (ID): 1970636 Ontario Ltd. o/a Mt. Cross Pharmacy (AAMTCR-R):

Day	Date	Memo	B-Hrs	B-Rate	Amount
Mukul Manchanda (MMA)					
Wed	06/06/2018	Received and review of comments from P. Gennis regarding the report. Finalized the report and email it to C. Mills along with appendices. Telephone discussion with C. Mills and asked him if he received the report. He advised me to send it in two parts. Telephone call to Dina, asked her to send the report to C. Mills. Review of email from P. Gennis containing the documents related to the lease at the Mt. Cross Premises. Arranged to have the original report courier to C. Mills. Receipt and review of an email from B. Wyatt containing comments to the report. Receipt and review of an email from P. Gennis to B. Wyatt regarding comments to the report. Receipt and review of the complaint filed by Maxium to the OCP and the OCP's response to same. Receipt and review of the statement of account of the landlord. Receipt and review of a share purchase agreement between Angelo and Shrikant. Email exchanges with C. Mills regarding the original report. Receipt and review of an email from Dina containing her analysis of the statement of account of the landlord.	2.80	\$290.00	\$812.00
Thur	06/07/2018	Receipt and review of the motion record. Uploaded same to the case website. Review of McKesson account. Telephone conversation with Ibraam to obtain information requested by Maxium. Telephone conversation with Ibraam regarding motion materials served at the premises. Receipt and review of same. Receipt and review of the security opinion of Maxium.	1.90	\$290.00	\$551.00
Fri	06/08/2018	Attended a meeting with J. Russo at the Hamilton office in anticipation of the meeting with A. Kassim. Attended a meeting with A. Kassim. Review of correspondence received from counsel for S. Malhotra.	4.00	\$290.00	\$1,160.00
Sun	06/10/2018	Draft the supplemental report to court and emailed to counsels for comments. Email exchanges with counsel regarding Telus.	4.00	\$290.00	\$1,160.00
Mon	06/11/2018	Email exchanges with C. Mills regarding receipt of motion materials by A. Kassim. Receipt and review of an email from A. Pinos containing the Telus agreement along with the notice of termination. Noted that the notice of termination was not signed. Email exchanges with counsel regarding same. Conference call with counsel to discuss same. Email exchanges with counsels regarding requesting an executed copy of the termination letter from Telus and from Nassim. Email exchanges with C. Mills regarding serving the supplementary report. Revised the supplementary report and circulated to counsels for comments. Telephone discussion with Dina and John regarding certain edits to the report. Prepared an executed copy of the report and emailed same to counsels. Receipt and review of a letter from Dina to N. Gerry counsel for Nassim regarding the Telus issue.	4.10	\$290.00	\$1,189.00
Tues	06/12/2018	Email exchanges with C. Mills regarding the requirement to file the original report. Arranged to rush courier the original report to C. Mills. Telephone discussion with Union Gas regarding outstanding bills and payment going forward. Receipt and review of the email exchanges between B. Sachdeva and S. McTaggart regarding a change in the order related to the obligations of the Insurance companies. Receipt and review of the factum of the plaintiff. Receipt and review of the book of authorities. uploaded both the factum and the book of authorities on the case website.	1.80	\$290.00	\$522.00

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MSGG - Detailed Time Dockets

Printed on: 7/03/18

Page 4 of 5

File Name (ID): 1970636 Ontario Ltd. o/a Mt. Cross Pharmacy (AAMTCR-R:)

Day	Date	Memo	B-Hrs	B-Rate	Amount
Mukul Manchanda (MMA)					
Wed	06/13/2018	Receipt and review of an email exchange between B. Sachdeva and S. McTaggart regarding the language change in the order. Telephone discussions with Ibraam regarding matters related to the operation of the pharmacy. Receipt and review of the revised draft receivership order. Receipt and review of an email from J. Russo regarding Telus. Conference call with counsels regarding the position taken by Telus. Email exchanges with Rocco regarding taking possession of MTn RX in the event we get appointed receiver over the entity tomorrow.	1.30	\$290.00	\$377.00
Mukul Manchanda (MMA)			54.60		\$15,834.00
Philip H. Gennis (PGE)					
Fri	06/01/2018	Meeting in Hamilton with former pharmacy technician; site visit to Pharmacy; email exchanges with Counsel; telephone discussions with Counsel for Receiver and Counsel for CWB Maxium	4.00	\$445.00	\$1,780.00
Sat	06/02/2018	Review Draft report to Court; telephone discussions with MM and Counsel for CWB Maxium.	1.25	\$445.00	\$556.25
Sun	06/03/2018	Further review of changes to Report; lengthy telephone discussion with Counsel for Maxium; email exchanges with Counsel for Maxium	1.50	\$445.00	\$667.50
Mon	06/04/2018	Meeting in Hamilton with Angelo Kirkopoulos; telephone discussions with Counsel for IR and for Maxium; email exchange with Landlord; conference call regarding Telus issue; email exchanges with RCMP and Crown Attorney; email to all regarding suggested additions to report on this Crown disclosure issue;	4.50	\$445.00	\$2,002.50
Tues	06/05/2018	Lengthy exchanges of emails regarding report and draft order; preparation of documents for signature by replacement Designated Manager; email exchange with replacement DM; email exchange and telephone discussions with current DM; email exchange with Maxium; telephone discussion with Dan Gilchrist of Maxium; review of amendments to draft order and report; lengthy telephone discussion with Counsel for Maxium regarding draft Receivership Order; review of final version of report and execution thereof for transmittal to Counsel for Maxium.	3.50	\$445.00	\$1,557.50
Wed	06/06/2018	Email exchange and telephone discussion with BW at Maxium; confirmation and placement of insurance; brief telephone discussion with Counsel for Maxium; review of assignment of lease to 197; review of opinion on Maxium security	2.50	\$445.00	\$1,112.50
Thur	06/07/2018	Email exchanges with Counsel; telephone discussion and email exchange with Maxium; on-going efforts to place insurance; preparation of borrowing certificate and liaison with Maxium regarding funding; review of documentary materials provided by Landlord.	2.00	\$445.00	\$890.00
Fri	06/08/2018	Attendance to interview of Ahmed Kassim in Hamilton; discussions with Counsel for IR and Counsel for Maxium; review of correspondence received from Counsel for Shrikant Malhotra.	3.00	\$445.00	\$1,335.00
Sun	06/10/2018	Review Supp. Report; email exchange with Counsel for Maxium and for IR regarding amendments to draft report and other matters.	1.00	\$445.00	\$445.00
Mon	06/11/2018	Email exchanges with Counsel regarding Telus issue; conference call with all Counsel regarding Telus; review Supplementary Report and execute same for delivery to Counsel for Maxium.	1.50	\$445.00	\$667.50
Tues	06/12/2018	On-going communication with Counsel in anticipation of upcoming motion; telephone discussions with MM and Counsel for IR and Maxium; receipt and review of additional court materials for upcoming motion.	1.50	\$445.00	\$667.50

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MSGG - Detailed Time Dockets

Printed on: 7/03/18

Page 5 of 5

File Name (ID): 1970636 Ontario Ltd. o/a Mt. Cross Pharmacy (AAMTCR-R:)

Day	Date	Memo	B-Hrs	B-Rate	Amount
Philip H. Gennis (PGE)					
Wed	06/13/2018	Email exchange with Counsel for GWL; conference call with Counsel regarding Telus Issue; review report in advance of return of motion June 14th.	1.00	\$445.00	\$445.00
Philip H. Gennis (PGE)			27.25		\$12,126.25
Total for File ID AAMTCR-R:			88.05		\$29,070.25
Grand Total:			88.05		\$29,070.25

TAB F

District of: Ontario
Division No. 09 - Toronto
Court No. CV-18-597922-00CL
Estate No.

FORM 18
Notice of Application for Taxation of Accounts and Discharge of Interim Receiver
(Rule 79)

In the matter of the receivership of
1970636 Ontario Ltd. o/a Mt. Cross Pharmacy
of the City of Hamilton, in the Province of Ontario

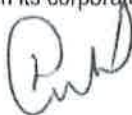
Take notice that:

1. Attached to this notice is a copy of the final statement of receipts and disbursements of msi Spergel inc., the interim receiver of the property of 1970636 Ontario Ltd. o/a Mt. Cross Pharmacy, the debtor.
2. Also attached is a statement of account prepared by the interim receiver and other information concerning the fees and expenses.
3. Objection to the statement of receipts and disbursements and to the discharge of the interim receiver must be filed with the court and the undersigned within the 30 days after the day on which this notice is sent. The notice of objection must state the reasons for the objection.
4. The debtor or, in the case of a bankruptcy, the trustee or any creditor may file a notice of objection.
5. Where no objection is filed within 30 days after the sending of this notice, the Interim receiver's accounts are deemed to have been taxed and the interim receiver is deemed to be discharged, unless the court requires that the accounts be taxed on their own merit.

Dated at the City of Toronto in the Province of Ontario, this 1st day of August 2018.

msi Spergel Inc.
solely in its capacity as Court-Appointed Interim Receiver of
1970636 Ontario Ltd. o/a Mt. Cross Pharmacy
and not in its corporate or personal capacity

Per:



Mukul Manchanda - Interim Receiver
201 - 505 Consumers Rd.
Toronto ON M2J 4V8
Phone: (416) 497-1660 Fax: (416) 494-7199

1970636 Ontario Ltd. o/a Mt. Cross Pharmacy
Interim-Receiver's Statement of Receipts and Disbursements
For the period May 16, 2018 to June 13, 2018

RECEIPTS

Accounts receivable	\$	2,559.24
Sales		17.87
Interest		27.38
Advance from secured creditor		<u>100,000.00</u>

TOTAL RECEIPTS

102,604.49

DISBURSEMENTS

Inventory taking 700.00

Federal and Provincial taxes

HST paid on disbursements exclusive of fees 5,370.44

Miscellaneous

Bank charges	\$	96.60
Travel		856.33
Other misc disbursements		1,580.00
Purchases		3,551.84
Occupation rent		33,114.76
Pharmacist wages		5,575.00
Redirection of mail		161.65
Ascend License Fee		275.00
HST on Ascend License Fee		<u>35.75</u>
		45,246.93

TOTAL DISBURSEMENTS

51,317.37

Net Receipts over disbursements

\$ 51,287.12



SPERGEL

June 14, 2018

Invoice #: 11527

1970636 Ontario Ltd. o/a Mt. Cross Pharmacy

Invoice

RE: 1970636 Ontario Ltd. o/a Mt. Cross Pharmacy

FOR PROFESSIONAL SERVICES RENDERED in the period May 14, 2018 to May 31, 2018 including analysis of financial information, taking possession, operation of pharmacy and correspondence with principals and other parties.

	Hours	Hourly Rate	Total
Phillip H. Gennls, LL.B., CIRP, Trustee	53.35	\$445.00	\$23,740.75
Deborah Hornbostel, CPA, CA, CFE, CIRP, Trustee	0.20	445.00	89.00
Frieda Kanaris	16.20	195.00	3,159.00
Mukul Manchanda, CIRP, Trustee	66.90	290.00	19,401.00
Others	2.30	52.17	120.00
Total Professional fees	138.95	\$334.72	\$46,509.75
HST			6,046.27
Total			\$52,556.02

HST Registration # R103478103

(AAMTCR-R)

msi Spergel inc. Licensed Insolvency Trustees 505 Consumers Road, Suite 200, Toronto, ON M2J 4V8 • Tel 416 497 1660 • Fax 416 494 7199

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MSGG - Detailed Time Dockets

Printed on: 6/14/18

Page 1 of 7

File Name (ID): 1970636 Ontario Ltd. o/a Mt. Cross Pharmacy (AAMTCR-R:)

Day	Date	Memo	B-Hrs	B-Rate	Amount
Deborah Hombostel (DHO)					
Wed	05/23/2018	Review and approve accounts payable	0.10	\$445.00	\$44.50
Tues	05/29/2018	Review and approve accounts payable	0.10	\$445.00	\$44.50
		Deborah Hombostel (DHO)	0.20		\$89.00
Frieda Kanaris (FKA)					
Wed	05/16/2018	Discussion with Mukul Manchanda and Philip Gennis re pharmacists, employees and service providers; t/c's and emails with Rocco Tuzzi re attending at premises to change locks; draft letters to service providers re change of banking information.	1.40	\$195.00	\$273.00
Thur	05/17/2018	T/c to Ontario College of Pharmacists, send email with Court Order and designated pharmacist confirmation; numerous t/c's with RBC regarding freezing of bank account, prepare and fax letter and court order to RBC, send same via courier; request opening of trust account; open estate account in Ascend, dealings with Eileen re licence and transferring file; review email and photos from Rocco Tuzzi; t/c's with insurance broker; exchange of emails with Philip Gennis re insurance and advance from MSGG.	2.10	\$195.00	\$409.50
Fri	05/18/2018	T/c's with Chris Rolfe (insurance broker, t/c and review email from Adriana (FCA); exchange of emails with Philip Gennis re insurance and advance of funds; t/c with Mukul Manchanda re setting up debit machine, discussion with Haran and t/c's with BMO re same; t/c's to RBC re freezing of bank account; discussion with Haran re opening trust account and wire transfer details; forward wire transfer details to Benjamin Wyatt (Maxium); prepare and fax/email letters to service providers to direct payments to new trust account; t/c to Tyco re alarm monitoring, t/c with Mukul re same.	4.00	\$195.00	\$780.00
Tues	05/22/2018	T/c from Rick Santucci, (RBC Branch Manager), email to Philip Gennis and Mukul Manchanda re same; t/c to Monitoring Centre re alarm monitoring, email Court Order, t/c with Mukul and Rocco Tuzzi regarding contacts for alarm response; t/c to Mobile Support Services; t/c to BMO re debit machine; t/c and email to Elavon re change bank account info; t/c's to insurance brokers; requisition payment for payables; prepare deposit form for wire transfer from secured creditor.	1.50	\$195.00	\$292.50
Wed	05/23/2018	Discussion with Mukul regarding contacts for alarm response, emails and t/c's with Rocco re attending premises to change back door lock and adding him on as alarm response contact; review emails from Philip Gennis re McKesson; t/c to Elavon.	1.10	\$195.00	\$214.50
Thur	05/24/2018	Exchange of emails with Chris Rolfe re insurance, update to Philip Gennis; several t/c's to Elavon and Moneris, complete change form and return to Elavon re new bank account info for debit/credit machine.	1.40	\$195.00	\$273.00
Fri	05/25/2018	Requisition payment for payables; t/c's and emails with Vector Signs re printing banners, email to Mukul re same; review emails re ad to appear in Hamilton Spectator, t/c's with Hamilton Spectator re additional quote for display ad; t/c and email to Chris Rolfe re insurance; send letter and fax to insurance provider; t/c with Telus Assure re reinstating account.	1.30	\$195.00	\$253.50
Mon	05/28/2018	Exchange of emails with Jed (Vector Signs) re banner installation; exchange of emails with Hamilton Spectator re cut-off dates and prices, emails with Philip Gennis re ad quotes and cut-off dates; redraft ad, send to PG for review; t/c with Telus re new provider agreement.	0.60	\$195.00	\$117.00

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 Time Entry Bill Status: Un-Billed to Un-Billed
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MSGG - Detailed Time Dockets

Printed on: 6/14/18

Page 2 of 7

File Name (ID): 1970636 Ontario Ltd. o/a Mt. Cross Pharmacy (AAMTCR-R:)

Day	Date	Memo	B-Hrs	B-Rate	Amount
Frieda Kanaris (FKA)					
Tues	05/29/2018	Review email from Jed (Vector signs), forward to PG and MM; email and t/c's to Chris Rolfe re insurance, review Encon Application form, t/c's with Ibrahem re questions on application, review with MM; t/c's to RBC; t/c and email to Intact re cancellation notices.	0.90	\$195.00	\$175.50
Wed	05/30/2018	Complete Encon insurance application, review with MM, scan and email to Chris Rolfe; complete Telus application for new account, review with MM, scan and email;	0.70	\$195.00	\$136.50
Thur	05/31/2018	T/c's with RBC, confirmed account frozen and funds in the account; t/c's and emails with Hamilton Spectator, PG and MM re ad to appear in Saturday's paper; t/c's and emails re banner at premises, send email to Jed (Vector); t/c with Elavon, confirmed that banking information changed.	1.20	\$195.00	\$234.00
Frieda Kanaris (FKA)			16.20		\$3,159.00
Haran Sivanathan (HSI)					
Tues	05/22/2018	General	0.20	\$75.00	\$15.00
Haran Sivanathan (HSI)			0.20		\$15.00
Inga Friptuleac (IFR)					
Tues	05/22/2018	Issue cheques	0.80	\$50.00	\$40.00
Mon	05/28/2018	Issue cheques; Deposit	0.60	\$50.00	\$30.00
Inga Friptuleac (IFR)			1.40		\$70.00
Mukul Manchanda (MMA)					
Mon	05/14/2018	Receipt and review of various emails from P. Gennis containing the background of the file. Participated in a conference call with Maximum and Miller Thomson. Attended meeting with P. Gennis and F. Kanaris to prepare strategy. Conducted PPSA and Corporate profile searches on debtor and related entities. Reviewed domain and website history, conducted various searches to show that the website and domain of Mt. Cross Pharmacy is being used by MTN Medical now. Sent an email to B. Sachdeva and C. Mills outlining our findings. Review of emails from C. Mills regarding the registration o Her Majesty regarding HST liability.	3.50	\$290.00	\$1,015.00
Tues	05/15/2018	Receipt and review of the draft motion materials. Receipt and review of the affidavit of D. Gilchrist.	0.50	\$290.00	\$145.00
Wed	05/16/2018	Receipt and review of email exchanges related to the draft interim receivership order. Receipt and review of an email from C. Mills regarding the emergency motion hearing. Discussions with F. kanaris regarding issues related to taking possession of the pharmacy. Communicated with the locksmith and inventory management company. Arranged for an inventory count to be conducted tomorrow in the evening. Travel to the pharmacy and met with the designated pharmacist and the locksmith. Receipt and review of the interim receivership order. Gained access to the pharmacy and arranged to have the premises secured. Receipt and review of numerous emails related to the operations of the pharmacy and the parties involved in the proceedings. Meeting with RCMP. Review of the documents present at the pharmacy. Review of the computer systems and data available on those systems. Disconnected the camera system as advised by RCMP.	7.50	\$290.00	\$2,175.00

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MSGG - Detailed Time Dockets

Printed on: 6/14/18

Page 3 of 7

File Name (ID): 1970636 Ontario Ltd. o/a Mt. Cross Pharmacy (AAMTCR-R:)

Day	Date	Memo	B-Hrs	B-Rate	Amount
Mukul Manchanda (MMA)					
Thur	05/17/2018	Participated in conference call with Maxium. Participated in conference call with Miller Thomson and Pallet Vallo. Travel to the Pharmacy. Meeting with Ibraam. Pulled and analysed various reports from Filware. Noted that certain patients were not aware that their script was transferred to MTN RX. Developed a monitoring program as it relates to the receipts and disbursements of the pharmacy. Went to the bank to get cash for the pharmacy. Advanced \$900 to the pharmacy. Receipt and review of the lease from D. Gilchrist. Review of email exchanges related to finding a replacement of Ibraam for Friday and Saturday. Receipt and review of an email from J. Russo containing the title abstract. Receipt and review of an email from OCP. Telephone discussion with Dr. Jutta regarding him and his team occupying the pharmacy and running a medical clinic. Dr. Jutta advised that him and his team moved out of Mt. Cross pharmacy in May 2017. I obtained his email address and advised that I will be sending him the court order and asking to confirm that in writing. Email exchanges with F. Kanaris regarding insurance. Telephone discussion with F. Kanaris regarding freezing the RBC account. Receipt and review of the letter to RBC. Receipt and review of the credit approval package from B. Wyatt. Receipt and review of an email to D. Carter of RCMP. Met with Rory regarding the inventory count. Supervised the inventory count. Travel back.	11.00	\$290.00	\$3,190.00
Fri	05/18/2018	Travel to the pharmacy and met with M. Gayed. Providing access to M. Gayed and answered his questions related to the operation of the pharmacy. Provided him with passwords for the computers and showed him how to close the pharmacy. Provided him with the program to be followed as it relates to handling the receipts and expenses. Telephone discussion with U. Nassir - he agreed to meet with at 3:30 at the pharmacy. Telephone discussion with P. Gennis regarding same. Receipt and review of an email from Rory regarding the inventory count. Receipt and review email exchanges related to account setup with Mckesson. Review of various email exchanges with Maxium regarding obtaining contact information for certain parties. Telephone discussion and email exchanges with F. Kanaris regarding getting a debit machine. Email exchanges related to arranging insurance. Receipt and review of email exchanges related to the lease of the premises. Received and reviewed correspondence to LPG. Meeting with U. Nassir. Sent an email to P. Gennis outlining minutes of my meeting with U. Nassir. Travel back.	8.00	\$290.00	\$2,320.00
Sat	05/19/2018	Telephone discussion with M. Gayed regarding matters related to the pharmacy. Receipt and review of an email from P. Gennis advising that M. Gayed will not be available to be the new DM after Ibraam leaves in 3 weeks. Discussions with M. Gayed to meet and collect the monies and keys from M. Gayed. Travel to meet with M. Gayed collected the cash and independent contractor agreement. Travel back. Completed time summary.	2.00	\$290.00	\$580.00
Sun	05/20/2018	Telephone discussion with S. Malhotra regarding the location of the books and records of the pharmacy. Agreed to meet with him on Tuesday at 11:00am at the pharmacy.	0.20	\$290.00	\$58.00

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Printed on: 6/14/18

Page 4 of 7

File Name (ID): 1970636 Ontario Ltd. o/a Mt. Cross Pharmacy (AAMTCR-R:)

Day	Date	Memo	B-Hrs	B-Rate	Amount
Mukul Manchanda (MMA)					
Tues	05/22/2018	Travel to the pharmacy to meet with Ibraam. Provided him with the cash required for daily operational use. Discussion of operational issues with Ibraam. Extracted and reviewed reports from Fillware related to script transfers to MTN RX. Email exchanges with counsel. Conference call with counsel regarding power to examine individuals. Meeting and interview with S. Malhotra. Meeting with the alarm company representative to change all codes and reactivate the alarm system. Arrange to have the debit machine terminal forwarded to the trust account. Email exchanges with Rocco regarding monitoring of the alarm system. Travel back.	8.00	\$290.00	\$2,320.00
Wed	05/23/2018	Email exchanges related to setting up the account with Mckesson. Advised that we cannot provide a PAP as such require other mode of making payments. Agreed that the receiver will make payments via electronic funds transfer. Telephone discussion with Ibraam he asked me for a copy of the court order. Provided him with same. Review of email exchanges with S. Oostdyk. Email exchanges with Rocco regarding changing the lock. Receipt and review of sales total reports.	2.50	\$290.00	\$725.00
Thur	05/24/2018	Travel to the pharmacy. Met with Rocco to change the lock in the back. Extracted reports related to the revenues generated by each doctor. Telephone discussion and email exchanges with P. Gennis regarding the news article and the negative impact of same on the business. Conference call with Maxium and counsel for strategy related to managing the negative impact of the news article. Obtained quotations from signage company and the Hamilton Spectator for a notice advising the public that the pharmacy is open and is under new management. Review of draft letter to Angela.	3.50	\$290.00	\$1,015.00
Fri	05/25/2018	Receipt and review of emails from D. Milivojevic regarding letter to Angela. Review of email from J. Russo regarding letter to A. Kirkopoulos. Received and reviewed an email from S. Oostdyk regarding access to the requested documents. Receipt and review of an email from D. Milivojevic asking for contact information for A. Kirkopoulos. Telephone call to S. Malhotra asked him for the contact information of A. Kirkopoulos. Sent an email to D. Milivojevic containing the requested information. Receipt and review of an email from D. Milivojevic containing a draft letter to A. Kirkopoulos. Sent an email to D. Milivojevic containing my comments regarding same. Receipt and review of an email from P. Gennis containing his comments. Receipt and review of the revised letter to A. Kirkopoulos. Review quotation for external signage and ad in the newspaper. Instructed F. Kanaris to obtain a quotation for a half page ad in the newspaper. Email exchanges related to LPG invoices. Receipt and review of an email containing comparison of the reports submitted to maximum with the reports printed from the system.	2.20	\$290.00	\$638.00
Tues	05/29/2018	Draft report to court.	5.50	\$290.00	\$1,595.00
Wed	05/30/2018	Review of insurance application and application to Telus Health. Signed the required documents for insurance. Drafted report to court and emailed same to P. Gennis for comments. Review of email exchanges with Ibraam regarding extracting certain reports from Fillware.	4.50	\$290.00	\$1,305.00

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Printed on: 6/14/18

Page 5 of 7

File Name (ID): 1970636 Ontario Ltd. o/a Mt. Cross Pharmacy (AAMTCR-R:)

Day	Date	Memo	B-Hrs	B-Rate	Amount
Mukul Manchanda (MMA)					
Thur	05/31/2018	Attended at the offices of 197's lawyer to review the file related to the purchase of the pharmacy by 197 from 191. Telephone discussions and email exchanges with counsel and Maxium. Visited the pharmacy and extracted various reports to be included in the report. Review and finalize newspaper ad and banner outside the building. Email exchanges related to communication with Nasim's lawyer to request a meeting. Receipt and review of an email from Dina containing the letter to A. Kirkopoulos. Email exchanges regarding setting up a meeting with Angelo. Receipt and review of draft letter to Nasim. Receipt and review of email correspondence with Nasim's lawyer. Receipt and review of email response to Nasim's lawyer. Review of email exchanges regarding cancellation of insurance. Email exchanges regarding the new designated manager. Edited the draft report to include comments from Phil regarding outstanding rent and insurance status.	8.00	\$290.00	\$2,320.00
Mukul Manchanda (MMA)			66.90		\$19,401.00
Phillp H. Gennls (PGE)					
Mon	05/14/2018	All matters preliminary to engagement; communications with Dan Gilchrist; telephone discussion with Counsel; meeting with MM and FK regarding appointment; review of memorandum prepared by MM regarding website; email exchanges with Counsel and Maxium; review of initial draft order.	3.50	\$445.00	\$1,557.50
Tues	05/15/2018	Telephone discussion with Dan Gilchrist; email from Dan Gilchrist; email exchange with Counsel for Maxium; email exchange with proposed Counsel for Receiver; further review of drzfl IR Order;	2.00	\$445.00	\$890.00
Wed	05/16/2018	Numerous emails with Maxium and Counsel; telephone discussions with DG and EK of Maxium; telephone discussions with Counsel for Maxium; email exchange with Counsel for Maxium; meetings with Spergel staff in preparation for appointment; telephone discussion with proposed Designated Manager; email exchange with proposed Designated Manager; preparation of Designated Manager letter for OCP; preparation of IC Agreement for Designated Manager and Pharmacist; site attendance; meeting with RCMP; telephone discussions with Maxium; email exchange with Counsel; internal emails dealing with possessory issues.	6.00	\$445.00	\$2,670.00
Thur	05/17/2018	Telephone discussion with Dan Gilchrist at Maxium; conference call with Maxium; conference call with Counsel for Maxium and Receiver; email exchange with Maxium; lengthy telephone discussion with RCMP and Counsel; email exchanges with Ben Wyett at Maxium regarding setting up account with McKesson and funding of interim receivership; telephone discussions with Designated Manager/Pharmacist; lengthy email communication with RCMP; on-going email exchange with Ben Wyett regarding account with McKesson; numerous telephone discussions regarding staffing for May 18 and 19; negotiations with locum regarding May 18 and 19; email exchange with Counsel regarding premise lease and issues related thereto.	8.00	\$445.00	\$3,560.00
Fri	05/18/2018	Correspondence and telephone discussions regarding insurance for premises and liability; telephone discussion and correspondence to LPG regarding historical data regarding shipments to Mt. Cross.	1.00	\$445.00	\$445.00
Fri	05/18/2018	Numerous emails with Maxium; telephone discussion with Landlord and correspondence related thereto; preparation and execution of IR borrowing certificate; follow-up discussion with RCMP; site visit.	4.00	\$445.00	\$1,780.00

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Printed on: 6/14/18

Page 6 of 7

File Name (ID): 1970636 Ontario Ltd. o/a Mt. Cross Pharmacy (AAMTCR-R:)

Day	Date	Memo	B-Hrs	B-Rate	Amount
Phillp H. Gennis (PGE)					
Tues	05/22/2018	Email exchange with Counsel; conference calls with Counsel regarding examinations under IR Order; telephone discussion with Maxium; telephone discussions with Receiver's Counsel regarding obtaining copies of criminal arrest reports; site visit and interview with Shrikant Malhotra.	5.00	\$445.00	\$2,225.00
Wed	05/23/2018	Email exchanges with McKesson regarding operation of account; multiple telephone discussions with Designated Manager regarding pharmacy operational issues; email exchange with RCMP; telephone discussions with BW@Maxium; telephone discussion with receptionist for on-site physician; telephone discussion with foot doctor; email to Lawyer who acted for 197 on purchase; finalizing account opening with McKesson; receipt and review of script summary for period from May 16 through May 23;	3.50	\$445.00	\$1,557.50
Thur	05/24/2018	Telephone discussion with Maxium regarding pharmacy operations and challenges posed by press coverage; telephone discussions with Designated Manager; email exchanges regarding exterior signage and advertisement in Hamilton Spectator; receipt and review of documents from criminal court; email communications regarding insurance; email communications regarding McKesson account and payment protocol; telephone discussions with Maxium regarding replacement of Designated Manager; email exchange with Counsel; review of draft letter to former pharmacy technician; email exchange regarding mail merge correspondence to doctors who have sent patients to the pharmacy;	3.00	\$445.00	\$1,335.00
Fri	05/25/2018	Several email exchanges with IR's Counsel; review of draft correspondence to Angelo Kirkopoulos; reviewing quote for exterior signage; reviewing quote for newspaper display advertisement; telephone discussions and emails with McKesson regarding set up and operation of account; strategy discussion with Counsel for CWB; preliminary review of invoices from LPG; analysis of Fillware reports provided to CWB against the same reports accessed from the pharmacy computer today and email communication to stakeholders reporting on same; subsequent telephone discussion with Craig Mills.	5.00	\$445.00	\$2,225.00
Sat	05/26/2018	General	0.75	\$445.00	\$333.75
Mon	05/28/2018	Email exchanges with Counsel; continued review of Fillware reporting; on-going discussions with potential Insurers; telephone discussion with Landlord; review proposed advertising in Hamilton Spectator; internal discussions; email exchanges with Designated Manager and telephone discussions with same regarding Fillware reporting; telephone discussions with Maxium regarding fillware reporting and need for new Designated Manager.	2.50	\$445.00	\$1,112.50
Tues	05/29/2018	Review and approve payables.	0.10	\$445.00	\$44.50
Wed	05/30/2018	Email exchanges with Maxium and Counsel; telephone discussion with Ben Wyett; review of Draft First Report of IR to Court; telephone discussion with RCMP regarding outstanding request for production of records seized pursuant to search warrant; email communication with Designated Manager.	3.00	\$445.00	\$1,335.00

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MSGG - Detailed Time Dockets

Printed on: 6/14/18

Page 7 of 7

File Name (ID): 1970636 Ontario Ltd. o/a Mt. Cross Pharmacy (AAMTCR-R:)

Day	Date	Memo	B-Hrs	B-Rate	Amount
Phillip H. Gennis (PGE)					
Thur	05/31/2018	Meeting with 197's lawyer regarding purchase of pharmacy by 197 from 191; review of purchase file documents; lengthy email exchanges with Counsel and Maxium; site visit at pharmacy to continue review of books and records; finalizing newspaper advertisement; dealing with insurance; distribution of Draft report to Court; to stakeholders; recpt and review of comments on report; telephone discussions with Mike Abdelsayed regarding acting as replacement DM; preparation of documents related to engagement of Mike Abdelsayed.	6.00	\$445.00	\$2,670.00
Phillip H. Gennis (PGE)			53.35		\$23,740.75
Shenaz Tolat (STO)					
Mon	05/14/2018	4 searches - 2 PPSAs and 2 Corporate Profiles 1975193 Ontario Limited and 1970636 Ontario Ltd.	0.30	\$50.00	\$15.00
Tues	05/22/2018	Corporate Profile search for 1919932 Ontario Ltd as requested by Philip Gennis	0.20	\$50.00	\$10.00
Wed	05/23/2018	Corporate Profile and Federal Search for Concession Wentworth Medical Centre Inc. (Requested by Philip Gennis)	0.20	\$50.00	\$10.00
Shenaz Tolat (STO)			0.70		\$35.00
Total for File ID AAMTCR-R:			138.95		\$46,509.75
Grand Total:			138.95		\$46,509.75



SPERGEL

July 03, 2018

Invoice #: 11526

1970636 Ontario Ltd. o/a Mt. Cross Pharmacy

Invoice

RE: 1970636 Ontario Ltd. o/a Mt. Cross Pharmacy

FOR PROFESSIONAL SERVICES RENDERED in the period June 1, 2018 to June 13, 2018 including ongoing operation of pharmacy, attending court, and correspondence with principals and other parties.

	Hours	Hourly Rate	Total
Phillip H. Gennls, LL.B., CIRP, Trustee	27.25	\$445.00	\$12,126.25
Deborah Hornbostel, CPA, CA, CFE, CIRP, Trustee	0.30	445.00	133.50
Eileen Sturge	0.20	195.00	39.00
Frieda Kanaris	4.50	195.00	877.50
Mukul Manchanda, CIRP, Trustee	54.60	290.00	15,834.00
Others	1.20	50.00	60.00
Total Professional fees	88.05	\$330.16	\$29,070.25
HST			3,779.13
Total			\$32,849.38

HST Registration #R103478103

(AAMTCR-R)

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- Time Entry Bill Status: Un-Billed to Un-Billed

MSGG - Detailed Time Dockets

Printed on: 7/03/18

Page 1 of 5

File Name (ID): 1970636 Ontario Ltd. o/a Mt. Cross Pharmacy (AAMTCR-R:)

Day	Date	Memo	B-Hrs	B-Rate	Amount
Deborah Hornbostel (DHO)					
Tues	06/05/2018	Review and approve accounts payable	0.10	\$445.00	\$44.50
Thur	06/07/2018	Review and approve accounts payable	0.20	\$445.00	\$89.00
		Deborah Hornbostel (DHO)	0.30		\$133.50
Eileen Sturge (EST)					
Thur	06/07/2018	Print documents; arrange for courier to Miller Thomson	0.20	\$195.00	\$39.00
		Eileen Sturge (EST)	0.20		\$39.00
Frieda Kanaris (FKA)					
Fri	06/01/2018	T/c's to Chris Rolfe and Bob Richardson; t/c to OCP re application renewal, requisition payment; review draft ad from Hamilton Spectator, forward to PG and MM for review, emails with Hamilton Spectator re corrections, approve ad; t/c from Bankruptcy Highway re RBC account, will forward draft; review and open mail; t/c's with PG and MM; prepare schedule of utility accounts and amounts owing; complete FCA insurance survey form; attend to mail redirection.	2.20	\$195.00	\$429.00
Mon	06/04/2018	Follow-up t/c with Telus re new provider application, t/c from Jason Kennedy, t/c and email with MM re same; t/c with Express Scripts re suspended provider account; requisition payment for pharmacist; draft utility guarantee letters.	1.10	\$195.00	\$214.50
Tues	06/05/2018	T/c's with Ibraam; emails to and from Jed (Vector Signs) re installing banner;	0.30	\$195.00	\$58.50
Wed	06/06/2018	T/c to ESI Express Scripts; t/c's with Ibraam; emails to and from Jed (Vector Signs), review and requisition payment for invoice for banner.	0.40	\$195.00	\$78.00
Tues	06/12/2018	T/c and email to McKesson; t/c with Union Gas.	0.30	\$195.00	\$58.50
Wed	06/13/2018	Exchange of emails with Chris Boothroyd re access to online statements from McKesson, print and review statement.	0.20	\$195.00	\$39.00
		Frieda Kanaris (FKA)	4.50		\$877.50
Inga Friptuleac (IFR)					
Mon	06/04/2018	Issue cheques	1.20	\$50.00	\$60.00
		Inga Friptuleac (IFR)	1.20		\$60.00
Mukul Manchanda (MMA)					
Fri	06/01/2018	Travel to the Hamilton Office to attend a meeting with the former employee of the pharmacy. Travel to the pharmacy to meet with Ibraam, drop off printing paper and extract reports from Fillware. Received and reviewed a copy of the letter from J. Russo to S. Oostdyk. Review of email from Dina forwarding an email from Angelo advising that he is not able to meet with us today. Receipt and review of OCP's notice of revocation. Receipt and review of an email from F. Kanaris regarding funds in RBC's account and mail redirection. Review of the ad to be placed in the newspaper. Email exchanges with F. Kanaris regarding payment of utilities. Receipt and review of the FCA insurance survey form. Receipt and review of an email from B. Sachdeva advising that Maxium is scheduled to attend at court on June 14th. Discussions with P. Gennis regarding finalizing the report of the Interim Receiver. Receipt and review of comments from C. Mills regarding the report of the Interim Receiver.	7.00	\$290.00	\$2,030.00
Sat	06/02/2018	Draft report to court. Discussions with P. Gennis regarding the draft report. Edited the report as per Phil's comments.	8.00	\$290.00	\$2,320.00

Filters Used:

- Time Entry Date: 1/01/70 to 6/13/18
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MSGG - Detailed Time Dockets

Printed on: 7/03/18

Page 2 of 5

File Name (ID): 1970636 Ontario Ltd. o/a Mt. Cross Pharmacy (AAMTCR-R:)

Day	Date	Memo	B-Hrs	B-Rate	Amount
Mukul Manchanda (MMA)					
Sun	06/03/2018	Review of emails from Dina regarding setting up a meeting with Angelo. Email exchanges with counsels regarding edits to the report. Various email exchanges with B. Sachdeva regarding the agreement of purchase and sale. Revised the report and circulated a revised copy.	3.50	\$290.00	\$1,015.00
Mon	06/04/2018	Attended meeting with A. Kirkopoulos, J. Russo and P. Gennis. Review and respond to emails from Maxium. Discussion with F. Kanaris regarding the account with Telus Health. Lengthy Telephone discussion with J. Kennedy of Telus Health regarding Mt. Cross's account to process insurance claims. Telephone discussion with P. Gennis and J. Russo regarding same. Email exchanges with J. Kennedy regarding the list of insurance companies that are associated with Telus and the contact information of the Telus's in-house counsel. Telephone discussion with counsels regarding the Telus matter. Review of email from Crown Attorney. Receipt and review of comments from B. Sachdeva on the report to court. Incorporated B. Sachdeva's comments in the report. Continue drafting the report. Receipt and review of emails from J. Russo regarding title search of MTN RX premises and corporate profile search of same. Further email exchanges with J. Russo regarding point in time searches of Concession Wentworth. Receipt and review of letter to A. Pinos. Review of the insurance fraud carried out at the Mt. Cross Pharmacy in 2014.	10.00	\$290.00	\$2,900.00
Tues	06/05/2018	Email exchanges with B. Wyatt regarding examining Vadim. Email exchanges with B. Wyatt regarding Pek and Associates. Email exchanges regarding the new designated manager. Email exchanges with Ibraam regarding the number of scripts filled by the pharmacy since the appointment of the Interim Receiver. Various email exchanges with Maxium on a number of issues. Review of the documents related to the appointment of the new designated manager. Email exchanges with Dina regarding setting up a meeting with A. Kassim on Friday. Review of the revised version of the proposed order. Telephone discussion with P. Gennis regarding same. Sent an email to C. Mills containing our comments. Telephone discussion with C. Mills regarding the draft order. Telephone discussion with B. Sachdeva regarding same. Email exchanges with F. Kanaris regarding patients that are attached to the Telus insurance companies. Email exchanges with counsels and Maxium on a number of issues. Telephone discussions and email exchanges with Ibraam on a number of operational issues. Receipt and review of an email from C. Mills containing the revised order. Email exchanges with C. Mills regarding addresses and contact information of certain parties. Review of an email from J. Russo regarding his conversation with counsel for Telus. Receipt and review of an email from C. Mills containing his comments on the report. Receipt and review of an email from Dina containing comments on the report. Prepared a final executed copy of the report along with the appendices.	6.20	\$290.00	\$1,798.00

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MSGG - Detailed Time Dockets

Printed on: 7/03/18

Page 3 of 5

File Name (ID): 1970636 Ontario Ltd. o/a Mt. Cross Pharmacy (AAMTCR-R:)

Day	Date	Memo	B-Hrs	B-Rate	Amount
Mukul Manchanda (MMA)					
Wed	06/06/2018	Received and review of comments from P. Gennis regarding the report. Finalized the report and email it to C. Mills along with appendices. Telephone discussion with C. Mills and asked him if he received the report. He advised me to send it in two parts. Telephone call to Dina, asked her to send the report to C. Mills. Review of email from P. Gennis containing the documents related to the lease at the Mt. Cross Premises. Arranged to have the original report courier to C. Mills. Receipt and review of an email from B. Wyett containing comments to the report. Receipt and review of an email from P. Gennis to B. Wyett regarding comments to the report. Receipt and review of the complaint filed by Maxium to the OCP and the OCP's response to same. Receipt and review of the statement of account of the landlord. Receipt and review of a share purchase agreement between Angelo and Shrikant. Email exchanges with C. mills regarding the original report. Receipt and review of an email from Dina containing her analysis of the statement of account of the landlord.	2.80	\$290.00	\$812.00
Thur	06/07/2018	Receipt and review of the motion record. Uploaded same to the case website. Review of Mckesson account. Telephone conversation with Ibraam to obtain information requested by Maxium. Telephone conversation with Ibraam regarding motion materials served at the premises. Receipt and review of same. Receipt and review of the security opinion of Maxium.	1.90	\$290.00	\$551.00
Fri	06/08/2018	Attended a meeting with J. Russo at the Hamilton office in anticipation of the meeting with A. Kassim. Attended a meeting with A. Kassim. Review of correspondence received from counsel for S. Malhotra.	4.00	\$290.00	\$1,160.00
Sun	06/10/2018	Draft the supplemental report to court and emailed to counsels for comments. Email exchanges with counsel regarding Telus.	4.00	\$290.00	\$1,160.00
Mon	06/11/2018	Email exchanges with C. Mills regarding receipt of motion materials by A. Kassim. Receipt and review of an email from A. Pinos containing the Telus agreement along with the notice of termination. Noted that the notice of termination was not signed. Email exchanges with counsel regarding same. Conference call with counsel to discuss same. Email exchanges with counsels regarding requesting an executed copy of the termination letter from Telus and from Nassim. Email exchanges with C. Mills regarding serving the supplementary report. Revised the supplementary report and circulated to counsels for comments. Telephone discussion with Dina and John regarding certain edits to the report. Prepared an executed copy of the report and emailed same to counsels. Receipt and review of a letter from Dina to N. Gerry counsel for Nassim regarding the Telus issue.	4.10	\$290.00	\$1,189.00
Tues	06/12/2018	Email exchanges with C. Mills regarding the requirement to file the original report. Arranged to rush courier the original report to C. Mills. Telephone discussion with Union Gas regarding outstanding bills and payment going forward. Receipt and review of the email exchanges between B. Sachdeva and S. McTaggart regarding a change in the order related to the obligations of the insurance companies. Receipt and review of the factum of the plaintiff. Receipt and review of the book of authorities. uploaded both the factum and the book of authorities on the case website.	1.80	\$290.00	\$522.00

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MSGG - Detailed Time Dockets

Printed on: 7/03/18

Page 4 of 5

File Name (ID): 1970636 Ontario Ltd. o/a Mt. Cross Pharmacy (AAMTCR-R:)

Day	Date	Memo	B-Hrs	B-Rate	Amount
Mukul Manchanda (MMA)					
Wed	06/13/2018	Receipt and review of an email exchange between B. Sachdeva and S. McTaggart regarding the language change in the order. Telephone discussions with Ibraam regarding matters related to the operation of the pharmacy. Receipt and review of the revised draft receivership order. Receipt and review of an email from J. Russo regarding Telus. Conference call with counsels regarding the position taken by Telus. Email exchanges with Rocco regarding taking possession of MTn RX in the event we get appointed receiver over the entity tomorrow.	1.30	\$290.00	\$377.00
			54.60		\$15,834.00
Phillp H. Gennls (PGE)					
Fri	06/01/2018	Meeting in Hamilton with former pharmacy technician; site visit to Pharmacy; email exchanges with Counsel; telephone discussions with Counsel for Receiver and Counsel for CWB Maxium	4.00	\$445.00	\$1,780.00
Sat	06/02/2018	Review Draft report to Court; telephone discussions with MM and Counsel for CWB Maxium.	1.25	\$445.00	\$556.25
Sun	06/03/2018	Further review of changes to Report; lengthy telephone discussion with Counsel for Maxium; email exchanges with Counsel for Maxium	1.50	\$445.00	\$667.50
Mon	06/04/2018	Meeting in Hamilton with Angelo Kirkopoulos; telephone discussions with Counsel for IR and for Maxium; email exchange with Landlord; conference call regarding Telus issue; email exchanges with RCMP and Crown Attorney; email to all regarding suggested additions to report on this Crown disclosure issue;	4.50	\$445.00	\$2,002.50
Tues	06/05/2018	Lengthy exchanges of emails regarding report and draft order; preparation of documents for signature by replacement Designated Manager; email exchange with replacement DM; email exchange and telephone discussions with current DM; email exchange with Maxium; telephone discussion with Dan Gilchrist of Maxium; review of amendments to draft order and report; lengthy telephone discussion with Counsel for Maxium regarding draft Receivership Order; review of final version of report and execution thereof for transmittal to Counsel for Maxium.	3.50	\$445.00	\$1,557.50
Wed	06/06/2018	Email exchange and telephone discussion with BW at Maxium; confirmation and placement of insurance; brief telephone discussion with Counsel for Maxium; review of assignment of lease to 197; review of opinion on Maxium security	2.50	\$445.00	\$1,112.50
Thur	06/07/2018	Email exchanges with Counsel; telephone discussion and email exchange with Maxium; on-going efforts to place insurance; preparation of borrowing certificate and liaison with Maxium regarding funding; review of documentary materials provided by Landlord.	2.00	\$445.00	\$890.00
Fri	06/08/2018	Attendance to interview of Ahmed Kassim in Hamilton; discussions with Counsel for IR and Counsel for Maxium; review of correspondence received from Counsel for Shrikant Malhotra.	3.00	\$445.00	\$1,335.00
Sun	06/10/2018	Review Supp. Report; email exchange with Counsel for Maxium and for IR regarding amendments to draft report and other matters.	1.00	\$445.00	\$445.00
Mon	06/11/2018	Email exchanges with Counsel regarding Telus issue; conference call with all Counsel regarding Telus; review Supplementary Report and execute same for delivery to Counsel for Maxium.	1.50	\$445.00	\$667.50
Tues	06/12/2018	On-going communication with Counsel in anticipation of upcoming motion; telephone discussions with MM and Counsel for IR and Maxium; receipt and review of additional court materials for upcoming motion.	1.50	\$445.00	\$667.50

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MSGG - Detailed Time Dockets

Printed on: 7/03/18

Page 5 of 5

File Name (ID): 1970636 Ontario Ltd. o/a Mt. Cross Pharmacy (AAMTCR-R:)

Day	Date	Memo	B-Hrs	B-Rate	Amount
Phillip H. Gennis (PGE)					
Wed	06/13/2018	Email exchange with Counsel for GWL; conference call with Counsel regarding Telus Issue; review report in advance of return of motion June 14th.	1.00	\$445.00	\$445.00
			Phillip H. Gennis (PGE)	27.25	\$12,126.25
			Total for File ID AAMTCR-R:	88.05	\$29,070.25
			Grand Total:	88.05	\$29,070.25

FILE NO.: 50136-79801

STATEMENT NO.: 187239

June 19, 2018

msi Spergel Inc.
Philip Gennis
505 Consumers Road
Toronto, Ontario
M2J 4V8
Canada

RE: 1970636 Ontario Ltd. o/a MT. Cross Pharmacy

TO OUR PROFESSIONAL SERVICES RENDERED ON YOUR BEHALF in connection with the above-noted matter for the period ending May 31, 2018 including the following:

SUMMARY OF ACCOUNT

May 15, 2018	JRU	Review email from C. Mills enclosing draft Interim Receivership Order; Review draft Interim Receivership Order.	0.40	\$ 170.00
May 16, 2018	JRU	Telephone call with P. Gennis re: Interim Receivership Order; Review endorsement and order of Justice S. Dunphy.	0.20	\$ 85.00
May 16, 2018	DMI	Reviewing motion record of CWB Maxium seeking appointment of interim receiver; reviewing issued interim receivership order; reviewing email correspondence between C. Mills, P. Gennis and others re: securing possession of pharmacy; email to H. McCalla re: title search.	2.50	\$ 687.50
May 17, 2018	HRC	Instruction from J. Russo; obtain parcel abstract and registered instruments.	0.30	\$ 33.00

May 17, 2018	JRU	Conduct searches re: 503 Concession Road, Hamilton; Review searches; Email to P. Gennis enclosing searches; Telephone call with P. Gennis re: P. Gennis attendance, discussion of issues and next steps; Telephone call with P. Gennis and Constable M. McClelland RCMP re: access to documents seized in criminal investigation; Review Motion Record re: appointment of Interim Receiver.	2.50	\$ 1,062.50
May 17, 2018	HVO	Instructions from Dina Milivojevic to obtain corporate searches for the following LOBLAWS INC., WITTINGTON PROPERTIES LIMITED, and TRI-METRO; provided information on several inactive corporations; obtained search results and emailed same to Dina Milivojevic.	0.30	\$ 34.50
May 17, 2018	DMI	Various emails and telephone conversations with J. Russo, P. Gennis and others re: matters pertaining to interim receivership; email correspondence with H. Voinou re: corporate searches; reviewing same; reviewing lease documentation; reporting to P. Gennis re: same; discussions and email correspondence with P. Gennis re: payments to landlord.	6.20	\$ 1,705.00
May 18, 2018	DMI	Reviewing supplemental affidavit; telephone conversation with P. Gennis re: debtor's landlord.	0.20	\$ 55.00
May 21, 2018	DMI	Email correspondence with J. Russo, P. Gennis, B. Sachdeva and others re: examination of technician, communications with RCMP, etc.	0.30	\$ 82.50
May 22, 2018	JRU	Conference call with P. Gennis re: examination of Technician and status of document request with RCMP.	0.30	\$ 127.50
May 22, 2018	DMI	Email correspondence re: call to discuss examination of technician and other issues; attendance on call with J. Russo, P. Gennis, C. Mills and others to discuss examination of technician and other issues; reviewing interim receivership order; call with J. Russo and P. Gennis to discuss interim receivership order and examination of technician; call to C. Mills to discuss same; email to J. Russo summarizing discussion with C. Mills; email to students requesting help obtaining Information from Hamilton court.	3.20	\$ 880.00
May 23, 2018	DMI	Emails and telephone conversations re: examination of technician, obtaining Information from Hamilton court and other issues; instructing student to obtaining Information from Hamilton court; research re: powers of interim receiver; discussions with J. Russo re: same.	3.10	\$ 852.50
May 24, 2018	IRO	Travel to the Hamilton Courthouse to retrieve the Arrest Information for A. Kirkopoulos and U. Nasim; return back to the office.	2.90	\$ 420.50

May 24, 2018	DMI	Email correspondence and discussions with J. Russo, P. Gennis and others re: examination of technician; drafting letter to technician; email correspondence with P. Gennis and others re: same; instructing student re: obtaining Information from Hamilton court; email correspondence re: same.	2.30	\$ 632.50
May 25, 2018	JRU	Telephone call with B. Sachdeva re: confirmation that Maxium will not be proceeding with AntonPillar/Mareva; Email to P. Gennis re: request for instructions to write to Angelo re: access to computers; Email from P. Gennis re: Fillware Sales Totals Summaries included in Maxium Loan Package; Email from B. Wyett re: Fillware Sales Totals Summaries included in Maxium Loan Package.	0.90	\$ 382.50
May 25, 2018	DMI	Arranging for letter to A. Abrantes to be sent; call to A. Abrantes re: same; email correspondence with P. Gennis, M. Manchanda and J. Russo re: same; email correspondence and discussions with P. Gennis, M. Manchanda and J. Russo re: potential Anton Pillar order and letter to A. Kirkopoulos; drafting letter to A. Kirkopoulos; revising same based on comments from M. Manchanda and P. Gennis; instructing B. Petrou re: same; email to A. Kirkopoulos attaching letter and interim receivership order.	2.80	\$ 770.00
May 28, 2018	JRU	Review email from P. Gennis re: advertising of pharmacy under new management without reference to IR; Email to P. Gennis re: position on advertising of pharmacy under new management without reference to IR.	0.10	\$ 42.50
May 28, 2018	DMI	Various discussions and email correspondence with J. Russo, P. Gennis and M. Manchanda re: letters to A. Abrantes and A. Kirkopoulos and other matters pertaining to interim receivership; follow up email to A. Kirkopoulos; telephone conversations with A. Abrantes; email correspondence with J. Russo, P. Gennis and M. Manchanda re: same; telephone conversation with G. Kesminas; email correspondence with J. Russo, P. Gennis and M. Manchanda re: same.	3.30	\$ 907.50
May 29, 2018	JRU	Emails to and from Mukul Manchanda re: meeting with Greg and Angela.	0.10	\$ 42.50
May 31, 2018	JRU	Telephone call with P. Gennis re: meeting with S. Oostdyk; Review draft first report of the Interim Receiver; Amend/revise letter to S. Oostdyk.	1.40	\$ 595.00

May 31, 2018	DMI	Email correspondence with A. Kirkopoulos re: meeting with interim receiver; email correspondence with J. Russo, P. Gennis and M. Manchanda re: same; drafting letter to counsel to U. Nassim; email correspondence with J. Russo, P. Gennis and M. Manchanda re: same; drafting letter to S. Oostdyk; email correspondence with J. Russo, P. Gennis and M. Manchanda re: same.	2.50	\$ 687.50
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TOTAL				\$ 10,255.50
OUR FEES (subject to HST)				<u>\$ 10,255.50</u>

FEE SUMMARY

Initials	Name	Hours	Billing Rate	Amount
HRC	Hyacinth McCalla	0.30	\$ 110.00	\$ 33.00
DMI	Dina Milivojevic	26.40	\$ 275.00	\$ 7,260.00
IRO	Iryna Romanova	2.90	\$ 145.00	\$ 420.50
JRU	John Russo	5.90	\$ 425.00	\$ 2,507.50
HVO	Helen Voinou	0.30	\$ 115.00	\$ 34.50

DISBURSEMENTS (subject to HST)**

Mileage**.	\$ 51.74	
Parking **	\$ 4.42	
Photocopies/Printing **	\$ 10.25	
Total Disbursements		<u>\$ 66.41</u>

Total HST on Fees and Disbursements	\$ 1,341.85
Total Fees, Disbursements and HST	<u>\$ 11,663.76</u>

**THIS IS OUR ACCOUNT HEREIN
PALLET VALO LLP**


Per: John Russo

Payment due upon receipt

Visa and Mastercard are accepted

FILE NO.: 50136-79801

July 5, 2018

STATEMENT NO.: 187791

msi Spergel Inc.
Philip Gennis
505 Consumers Road
Toronto, Ontario
M2J 4V8
Canada

RE: 1970636 Ontario Ltd. o/a MT. Cross Pharmacy

TO OUR PROFESSIONAL SERVICES RENDERED ON YOUR BEHALF in connection with the above-noted matter for the period ending June 13, 2018 including the following:

SUMMARY OF ACCOUNT

June 1, 2018	JRU	Travel to and from msi Spergel offices in Hamilton re: meeting with Angela Abrantes and Greg Kesminas; Attendance at meeting with Angela Abrantes and Greg Kesminas; Meeting with P. Gennis and M. Manchanda following meeting with Angela Abrantes and Greg Kesminas.	3.70	\$ 1,572.50
June 1, 2018	DMI	Email correspondence with A. Kirkopoulos, P. Gennis and M. Manchanda re: meeting on Monday.	0.20	\$ 55.00
June 2, 2018	DMI	Drafting letter to A. Kassim; email correspondence with J. Russo, P. Gennis and M. Manchanda re: same.	0.50	\$ 137.50
June 2, 2018	JRU	Emails to and from P. Gennis re: letter to A. Kassim requesting meeting; Review Corporate Profile Report re: Concession Wentworth Medical Clinic Inc.	0.30	\$ 127.50
June 3, 2018	DMI	Email correspondence with A. Kirkopoulos re: meeting with interim receiver; reviewing email correspondence re: report and receivership; email to S. Mrkonjic re: letter to A. Kassim.	0.50	\$ 137.50

June 3, 2018	JRU	Review draft report of the Interim Receiver; Review email from B. Sachdeva re: documents received by Cass & Bishop.	0.70	\$ 297.50
June 4, 2018	JRU	Travel to and from Hamilton re: meeting with Angelo Kirkopolous; Attendance at meeting with A. Kirkopolous, P. Gennis and M. Machanda; Meeting with P. Gennis and M. Machanda following meeting with A. Kirkopolous; Telephone call with B. Sachdeva following meeting with A. Kirkopolous; Telephone call with P. Gennis and M. Machanda re: Telus processing of insurance payments and refusal to process same; Telephone call with A. Pinos, counsel at Telus, re: issue of electronic processing of insurance claims; Conduct search re: 566 Concession Dr, Hamilton and review same; Conduct corporate search of 1975193 Ontario Ltd and review same; Email to searches to P. Gennis and M. Machanda; Review Pint in Time Searches re: Concession Wentworth Medical Clinic Inc. and forward same to P. Gennis and M. Machanda ; Review emails from B. Wyett; Email from P. Gennis forwarding email from Crown/RCMP and access to computer ; Review email from M. Manchanda re: list of insurance companies in which Telus provides processing services.	5.60	\$ 2,380.00
June 4, 2018	HRC	Instruction from J. Russo; obtain parcel abstract.	0.10	\$ 11.00
June 4, 2018	DMI	Email correspondence with A. Kirkopoulos re: meeting with interim receiver; telephone conversations with A. Kassim re: meeting with interim receiver; email correspondence with P. Gennis, M. Manchanda and J. Russo re: same; email to A. Kassim re: same; reviewing email correspondence re: report; telephone conversations with P. Gennis, M. Manchanda, J. Russo, B. Sachdeva and C. Mills re: Telus issues; drafting letter to counsel to Telus re: same; email correspondence with P. Gennis, M. Manchanda and J. Russo re: same.	1.80	\$ 495.00
June 5, 2018	JRU	Review draft Report of Interim Receiver and provide suggestions with respect to same; Review draft Order; Email to B. Wyett re: Telus; Telephone call with C. Mills and B. Sachdeva re: draft Order; Telephone call with P. Gennis re: draft Order and security opinion.	1.50	\$ 637.50
June 5, 2018	DMI	Email correspondence with A. Kassim re: meeting with interim receiver; reviewing draft report and appointment order; reviewing edits to and email correspondence re: same; discussions with J. Russo, M. Mukul, B. Sachdeva and others re: same; providing comments on draft report.	1.50	\$ 412.50
June 6, 2018	JRU	Emails to and from P. Gennis re: Assignment of Lease.	1.10	\$ 467.50

June 6, 2018	HVO	Instructions from Dina Milivojevic and obtained certified and uncertified PPSA search results against 1970636 Ontario Ltd. and MT. Cross Pharmacy; obtained business name report search for MT. Cross Pharmacy.	0.20	\$ 23.00
June 6, 2018	DMI	Email correspondence with P. Gennis re: lease documentation; reviewing comments from B. Wyatt on report; discussions and email correspondence with J. Russo and A. Ilchenko re: security opinion and PPSA and corporate searches; emails to C. Mills attaching report and appendices; follow up call to A. Pinos re: Telus issues; email to P. Gennis, J. Russo and M. Manchanda re: same; reviewing statements of account provided by landlord; email correspondence with P. Gennis re: same.	2.90	\$ 797.50
June 6, 2018	AAI	Meeting with J. Russo and D. Milivojevic regarding security opinion; reviewing Maxium loan security documentation; reviewing corporate and PPSA searches; preparing opinion.	3.50	\$ 1,942.50
June 7, 2018	AAI	Reviewing certified PPSA searches; finalizing opinion on Maxium security and circulating.	1.50	\$ 832.50
June 7, 2018	DMI	Email to A. Kassim confirming meeting tomorrow.	0.10	\$ 27.50
June 8, 2018	JRU	Travel to and from Hamilton re: meeting with A. Kassim; Attendance at meeting with A. Kassim, P. Gennis and M. Machanda; Meeting with P. Gennis and M. Machanda.	2.50	\$ 1,062.50
June 8, 2018	DMI	Telephone conversation with A. Kassim re: meeting with interim receiver; email to P. Gennis and M. Manchanda re: same; review of emails from C. Mills re: court attendance and other matters; discussion with P. Gennis re: assignment of lease and consent; discussion with J. Russo re: same; email to P. Gennis re: same; follow up email to A. Pinos re: Telus matters.	1.30	\$ 357.50
June 9, 2018	DMI	Email correspondence with M. Manchanda, A. Pinos and others re: Telus issues; reviewing and commenting on supplementary report; email correspondence re: same.	0.50	\$ 137.50
June 9, 2018	JRU	Review emails to and from C. Mills, B. Sachdeva and M. Manchanda re: interview with A. Kassim and information to be included in a supplementary report of the Interim Receiver.	0.20	\$ 85.00
June 10, 2018	JRU	Review supplementary report of the Interim Receiver; Email to M. Machanda re: comments with respect to supplementary report of the Interim Receiver; Reviews emails to and from M. Macahana re: comments and questions about supplementary report of the Interim Receiver.	0.60	\$ 255.00

June 11, 2018	JRU	Review email from A. Pinos, Telus enclosing documents requested and maintaining position that Mt Cross will not be reinstated; Conference call with P. Gennis, M. Manchanda, B. Sachdeva, C. Mills and D. Milivojevic re: Telus, decision to not reinstate services and next steps; Meeting with D. Milivojevic re: discussion as to next steps on Telus issue and course of action.	1.70	\$ 722.50
June 11, 2018	DMI	Review of email from A. Pinos attaching various documents pertaining to Mt. Cross relationship with Telus; telephone conversation with P. Gennis re: same; email correspondence re: call to discuss same; conference call with P. Gennis, J. Russo, B. Sachdeva and others to discuss position taken by Telus and next steps; telephone conversation with M. Manchanda re: supplementary report; email to students re: research re: suppliers in insolvency proceedings; email to A. Pinos requesting executed copy of notice of termination and call to discuss position taken by Telus; email correspondence with J. Russo and M. Manchanda re: same; email to N. Gerry re: same; reviewing revised supplemental report; email correspondence re: same.	2.90	\$ 797.50
June 12, 2018	SKE	Discussion with D. Milivojevic; research for D. Milivojevic re: critical suppliers; email to D. Milivojevic re: documents needed for research; phone call with D. Milivojevic re: updating status of research; email to D. Milivojevic re: update on research; email to D. Milivojevic re: cases that might be of relevance.	3.50	\$ 490.00
June 12, 2018	DMI	Meeting with student to discuss research re: ability to force previous suppliers to reinstitute supply in insolvency proceedings; email correspondence with A. Pinos re: telephone call to discuss Telus's position; meeting with student to discuss preliminary results; instructing student re: further research; meeting with student to discuss results of further research; review of email from student summarizing same; reviewing email correspondence re: Great-West Life; reviewing Maxium's factum.	1.50	\$ 412.50
June 12, 2018	JRU	Review motion record; Preparation for Motion to appoint Spergel as receiver over Mt Cross and MTN RX.	2.30	\$ 977.50
June 12, 2018	AAI	Discussing with P. Gennis and B. Sachdeva opinion on Maxium security over individual debtors.	0.30	\$ 166.50
June 13, 2018	JRU	Telephone call with B. Sachdeva re: motion; Discussion with D. Milivojevic re: discussion with Telus' counsel and research with respect to Court's ability to order Telus to provide processing services; Review emails to and from counsel to GWL; Telephone call with B. Sachdeva re: proposed language for Order suggested by counsel to the Receiver and approval of same; Review motion record in Mossa ats Ameen; Meeting with D. Milivojevic re: telephone call with Tels' counsel.	0.90	\$ 382.50

June 13, 2018	HVO	Instructions received from Alex Ilchenko, obtained uncertified and certified PPSA searches on 3 individuals.	0.20	\$ 23.00
June 13, 2018	AAI	Reviewing updated PPSA searches for individual debtors; preparing opinion letter on Maxium security over individual debtors.	3.60	\$ 1,998.00
June 13, 2018	DMI	Telephone discussions and email correspondence with J. Russo, P. Gennis, M. Manchanda, C. Mills and B. Sachdeva re: motion tomorrow and other issues related to receivership; email correspondence with A. Pinos re: call to discuss Telus issues; telephone conversation with A. Pinos to discuss Telus issues; conference call with P. Gennis, M. Manchanda, C. Mills and B. Sachdeva re: same; update email to J. Russo re: same; preparing materials for motion tomorrow.	4.30	\$ 1,182.50

TOTAL

\$ 19,404.00

OUR FEES (subject to HST)

Fee Reduction

-\$ 610.00

\$ 18,794.00

FEE SUMMARY

Initials	Name	Hours	Billing Rate	Amount
AAI	Alex Ilchenko	8.90	\$ 555.00	\$ 4,939.50
SKE	Sahil Kesar	3.50	\$ 140.00	\$ 490.00
HRC	Hyacinth McCalla	0.10	\$ 110.00	\$ 11.00
DMI	Dina Milivojevic	18.00	\$ 275.00	\$ 4,950.00
JRU	John Russo	21.10	\$ 425.00	\$ 8,967.50
HVO	Helen Voinou	0.40	\$ 115.00	\$ 46.00

DISBURSEMENTS (**subject to HST)

Agents Fee **	\$ 114.50
Corporate Search **	\$ 46.00
Courier **	\$ 103.62
Korbitec Inc. **	\$ 20.00
Long Distance **	\$ 0.14
Photocopies/Printing **	\$ 231.00
PPSA Search**	\$ 56.00
Search/Sub-search of Title **	\$ 68.50
Westlaw Carswell **	\$ 31.13
Total Disbursements	\$ 670.89

Total HST on Fees and Disbursements
Total Fees, Disbursements and HST

\$ 2,530.44
\$ 21,995.33

THIS IS OUR ACCOUNT HEREIN
PALLET VALO LLP



for

Per: John Russo

Payment due upon receipt

Visa and Mastercard are accepted

FILE NO.: 50136-79801

STATEMENT NO.: 187791

July 5, 2018

msi Spergel Inc.
Philip Gennis
505 Consumers Road
Toronto, Ontario
M2J 4V8
Canada

RE: 1970636 Ontario Ltd. o/a MT. Cross Pharmacy

TO OUR PROFESSIONAL SERVICES RENDERED ON YOUR BEHALF in connection with the above-noted matter for the period ending June 13, 2018 including the following:

SUMMARY OF ACCOUNT

June 1, 2018	JRU	Travel to and from msi Spergel offices in Hamilton re: meeting with Angela Abrantes and Greg Kesminas; Attendance at meeting with Angela Abrantes and Greg Kesminas; Meeting with P. Gennis and M. Manchanda following meeting with Angela Abrantes and Greg Kesminas.	3.70	\$ 1,572.50
June 1, 2018	DMI	Email correspondence with A. Kirkopoulos, P. Gennis and M. Manchanda re: meeting on Monday.	0.20	\$ 55.00
June 2, 2018	DMI	Drafting letter to A. Kassim; email correspondence with J. Russo, P. Gennis and M. Manchanda re: same.	0.50	\$ 137.50
June 2, 2018	JRU	Emails to and from P. Gennis re: letter to A. Kassim requesting meeting; Review Corporate Profile Report re: Concession Wentworth Medical Clinic Inc.	0.30	\$ 127.50
June 3, 2018	DMI	Email correspondence with A. Kirkopoulos re: meeting with interim receiver; reviewing email correspondence re: report and receivership; email to S. Mrkonjic re: letter to A. Kassim.	0.50	\$ 137.50

June 3, 2018	JRU	Review draft report of the Interim Receiver; Review email from B. Sachdeva re: documents received by Cass & Bishop.	0.70	\$ 297.50
June 4, 2018	JRU	Travel to and from Hamilton re: meeting with Angelo Kirkopolous; Attendance at meeting with A. Kirkopolous, P. Gennis and M. Machanda; Meeting with P. Gennis and M. Machanda following meeting with A. Kirkopolous; Telephone call with B. Sachdeva following meeting with A. Kirkopolous; Telephone call with P. Gennis and M. Machanda re: Telus processing of insurance payments and refusal to process same; Telephone call with A. Pinos, counsel at Telus, re: issue of electronic processing of insurance claims; Conduct search re: 566 Concession Dr, Hamilton and review same; Conduct corporate search of 1975193 Ontario Ltd and review same; Email to searches to P. Gennis and M. Machanda; Review Pint in Time Searches re: Concession Wentworth Medical Clinic Inc. and forward same to P. Gennis and M. Machanda ; Review emails from B. Wyett; Email from P. Gennis forwarding email from Crown/RCMP and access to computer ; Review email from M. Machanda re: list of insurance companies in which Telus provides processing services.	5.60	\$ 2,380.00
June 4, 2018	HRC	Instruction from J. Russo; obtain parcel abstract.	0.10	\$ 11.00
June 4, 2018	DMI	Email correspondence with A. Kirkopoulos re: meeting with interim receiver; telephone conversations with A. Kassim re: meeting with interim receiver; email correspondence with P. Gennis, M. Machanda and J. Russo re: same; email to A. Kassim re: same; reviewing email correspondence re: report; telephone conversations with P. Gennis, M. Machanda, J. Russo, B. Sachdeva and C. Mills re: Telus issues; drafting letter to counsel to Telus re: same; email correspondence with P. Gennis, M. Machanda and J. Russo re: same.	1.80	\$ 495.00
June 5, 2018	JRU	Review draft Report of Interim Receiver and provide suggestions with respect to same; Review draft Order; Email to B. Wyett re: Telus; Telephone call with C. Mills and B. Sachdeva re: draft Order; Telephone call with P. Gennis re: draft Order and security opinion.	1.50	\$ 637.50
June 5, 2018	DMI	Email correspondence with A. Kassim re: meeting with interim receiver; reviewing draft report and appointment order; reviewing edits to and email correspondence re: same; discussions with J. Russo, M. Mukul, B. Sachdeva and others re: same; providing comments on draft report.	1.50	\$ 412.50
June 6, 2018	JRU	Emails to and from P. Gennis re: Assignment of Lease.	1.10	\$ 467.50

June 6, 2018	HVO	Instructions from Dina Milivojevic and obtained certified and uncertified PPSA search results against 1970636 Ontario Ltd. and MT. Cross Pharmacy; obtained business name report search for MT. Cross Pharmacy.	0.20	\$ 23.00
June 6, 2018	DMI	Email correspondence with P. Gennis re: lease documentation; reviewing comments from B. Wyatt on report; discussions and email correspondence with J. Russo and A. Ilchenko re: security opinion and PPSA and corporate searches; emails to C. Mills attaching report and appendices; follow up call to A. Pinos re: Telus issues; email to P. Gennis, J. Russo and M. Manchanda re: same; reviewing statements of account provided by landlord; email correspondence with P. Gennis re: same.	2.90	\$ 797.50
June 6, 2018	AAI	Meeting with J. Russo and D. Milivojevic regarding security opinion; reviewing Maxium loan security documentation; reviewing corporate and PPSA searches; preparing opinion.	3.50	\$ 1,942.50
June 7, 2018	AAI	Reviewing certified PPSA searches; finalizing opinion on Maxium security and circulating.	1.50	\$ 832.50
June 7, 2018	DMI	Email to A. Kassim confirming meeting tomorrow.	0.10	\$ 27.50
June 8, 2018	JRU	Travel to and from Hamilton re: meeting with A. Kassim; Attendance at meeting with A. Kassim, P. Gennis and M. Machanda; Meeting with P. Gennis and M. Machanda.	2.50	\$ 1,062.50
June 8, 2018	DMI	Telephone conversation with A. Kassim re: meeting with interim receiver; email to P. Gennis and M. Manchanda re: same; review of emails from C. Mills re: court attendance and other matters; discussion with P. Gennis re: assignment of lease and consent; discussion with J. Russo re: same; email to P. Gennis re: same; follow up email to A. Pinos re: Telus matters.	1.30	\$ 357.50
June 9, 2018	DMI	Email correspondence with M. Manchanda, A. Pinos and others re: Telus issues; reviewing and commenting on supplementary report; email correspondence re: same.	0.50	\$ 137.50
June 9, 2018	JRU	Review emails to and from C. Mills, B. Sachdevca and M. Manchanda re: interview with A. Kassim and information to be included in a supplementary report of the Interim Receiver.	0.20	\$ 85.00
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				Fee Reduction
				-\$ 610.00
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Total Fees, Disbursements and HST

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\$ 21,995.33

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PALLET VALO LLP**


For: John Russo

Payment due upon receipt

Visa and Mastercard are accepted