

**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
(Returnable July 6, 2018)**

JUNE 28, 2018

MILLER THOMSON LLP
Barristers and Solicitors
40 King Street West, suite 5800
Toronto ON M5H 3S1

Bobby Sachdeva LSUC #34454C
Tel: 905.532.6670
Fax: 905.660.0139
bsachdeva@millerthomson.com

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

Fax. 416.595.8695

Lawyers for the Plaintiff

TO: **msi Spergel inc.**
505 Consumers Road, Suite 200
Toronto, Ontario, M2J 4V8

Philip H. Gennis
Senior Principal
Tel: 416-498-4325
Email: pgennis@spergel.ca

Mukul Manchanda
Trustee, Principal
Tel: 416.498.4314
Email: mmanchanda@spergel.ca

Fax: 416-498-4325

**Court-appointed Receiver of 1970636 Ontario
Limited o/a Mt. Cross Pharmacy**

AND TO: **Pallett Valo**
77 City Centre Drive
West Tower, Suite 300
Mississauga, ON
L5B 1M5

John Russo / Dina Milivojevic
Tel: 905.273.3300 ext. 282/283
Fax: 905.276.6920
Email: jrusso@pallettvalo.com / dmilivojevic@pallettvalo.com

Lawyers for Receiver

AND TO: **GOWLING WLG**
One Main Street West
Hamilton L8P 4Z5
Canada

Calvin Ho
Tel: 905.540.3270
Fax: 905.540.1155
Email: calvin.ho@gowlingwlg.com

**Lawyers for 1975193 Ontario Ltd. dba
MTN RX & Health and Ahmed Kassim**

AND TO: **Umair Nasim**
27 Spitfire Drive
Mount Hope, ON L0R 1W0

Email: umair_nasim@hotmail.com

AND TO: **MANIACI SOBEL ALTBAUM LAW**
55 Eglinton Avenue East Suite 706
Toronto, ON M4P 1G8

Jordan D. Sobel
Tel: 416.915.0622
Fax: 1.866.404.0622
Email: sobel@msalaw.ca

Lawyers for Shrikant Malhotra

AND TO: **The Department Of Justice**
The Exchange Tower
130 King Street West
Suite 3400, P.O. Box 36
Toronto, Ontario
M5X 1K6

Attention: Diane Winters/Peter Zevenhuizen
Tel: 416.973.3172/416.952.8563
Fax: 416.973.8710
Email: diane.winters@justice.gc.ca/peter.zevenhuizen@justice.gc.ca

AND TO: **Her Majesty The Queen In The Right Of The Province Of Ontario As
Represented By The Minister Of Finance
Legal Services Branch**
33 King Street West, 6th floor
Oshawa, Ontario
L1H 8H5

Attention: Kevin O'Hara
Tel: 905.433.6934
Fax: 905.436.4510
Email: Kevin.ohara@ontario.ca

AND TO: **Her Majesty The Queen In Right Of The Province Of Ontario As
Represented By The Minister Of Health And Long-Term Care
Legal Services Branch**
56 Wellesley St. West
Toronto, Ontario
M5R 2S3

Marcus Mazzucco
Tel: 416.327.8573
Fax: 416.327.8605
Email: Marcus.Mazzucco@ontario.ca

AND TO: **Faber & Oostdyk o/u Sean Oostdyk Professional Corporation**
1025 Waterdown Road
Burlington, ON L7T 1N4

Sean Oostdyk
Tel: 905-681-7800
Fax: 905-681-7814
Email: sean@folaw.ca

AND TO: **Daoust Vukovich LLP**
20 Queen Street West, Suite 3000
Toronto, ON, M5H 3R3

Daniel Waldman
Tel: (416) 597-9306
Fax: (416) 597-8897
dwaldman@dv-law.com

Lawyers for Wittington Properties Limited

AND TO: **Public Prosecution Services of Canada**
Attention: Sandra Antoniani
sandra@smork.com

AND TO: **Royal Canadian Mounted Police**
Serious and Organized Crime Section
Hamilton-Niagara Regional Detachment

Attention: Cst. Daniel Carter
Tel: 905.643.5791
fax: 905.643.5932
Email: daniel.carter@rcmp-grc.gc.ca

AND TO: Angelo Kirkopoulos
Email: kirkopoulousa@gmail.com

AND TO: 1919932 Ontario Limited
503 Concession Street
Hamilton, On L9C 1A1

AND TO: George Vlachodimos
56 Clapham Rd
Hamilton ON, L8G2H8

AND TO: Orlando Den Cassavia
4 Playfair Court
Ancaster, ON L9K 1R6

AND TO: Angela Abrantes
15 Citino Dr.
Hamilton ON L9C 0A3
Tel: 905-928-4702

AND TO: Vadim Kovalev
566 Concession Street
Hamilton ON L8V 1B1

AND TO: **McKesson Canada Corporation**
6355 Viscount Road
Mississauga, ON L4V 1W2

AND TO: **TELUS Health Solutions Inc.**
630 René-Levesque oust
Montréal QC H3B 1S6

Attention: Amalia Pinos
Tel: (514) 665-4137
Email: Amalia.Pinos@telus.com

AND TO: **Stikeman Elliott LLP**
5300 Commerce Court West
199 Bay Street
Toronto, ON M5L 1B9

Maria Konyukhova
Direct: 416-869-5230
Email: mkonyukhova@stikeman.com

Lawyers for Great West Life

AND TO: **Great West Life/London Life/Canada Life**
255 Dufferin Ave.
London, Ontario N6A 4K1

Scott D. McTaggart
Trial Counsel
Law Department
Tel: 519-435-7226
Fax: 519-435-7399
Email: scott.mctaggart@londonlife.com

Rebecca L. Grima
Phone: 519-435-7514
Fax: 519-435-7399
Email: rebecca.grima@londonlife.com

Diane Terentieff – Law Clerk
Email: Diane.Terentieff@londonlife.com

AND TO: **MERCHANT ADVANCE CAPITAL**
20TH Floor, 1500 West Georgia St.
Vancouver, BC V6G 2Z6

AND TO: **SCOTIA DEALER ADVANTAGE**
300-4190 Lougheed Highway
Burnaby, BC V5C 6A8

COURTESY COPY:

AND TO: **Noel D. Gerry**
Barrister & Solicitor
1120 Finch Ave. W.
North York, ON M3J 3H7

Tel: 416.972-1161
Email: gerrylaw@rogers.com

Lawyers for Umair N. Nasim

Index

INDEX

TAB	DESCRIPTION	PAGE NO.
1.	Notice of Motion, returnable July 6, 2018	1-15
2.	Affidavit of D. Gilchrist sworn June 22, 2018	16-18
	Exhibits to the Affidavit of D. Gilchrist	
Exhibit A	Affidavit of D. Gilchrist sworn May 15, 2018 (without Exhibits)	19-30
Exhibit B	Guarantees of Nasim and Molhotra	31-33
Exhibit C	General Security Agreements	34-40
Exhibit D	Demand Letters dated May 8, 2018 and May 28, 2018	41-54
Exhibit E	Notices of Intention to Enforce Security dated May 28, 2018	55-57
Exhibit F	PPSA Search (Malhotra)	58-62
Exhibit G	PPSA Search (Nasim)	63-72
Exhibit H	Appointment Order dated June 14, 2018	73-92
Exhibit I	First Report dated June 6, 2018 and Supplemental Report dated June 11, 2018 of msi Spergel Inc.	93-121
3.	Interim Receiver Order dated May 16, 2018	122-135
4.	Draft Order (with blackline to Model Order)	136-137

Tab 1

1

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

**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

**NOTICE OF MOTION
(Returnable July 6, 2018)**

The Plaintiff, CWB Maxium Financial Inc. (“**CWB Maxium**”), will make a motion to a judge, on a date to be fixed during a chambers appointment scheduled for July 6, 2018, at 9:30 a.m. or as soon after that time as the motion can be heard, by then Commercial List or as soon after that time as the motion can be heard, at 330 University Ave, Toronto, Ontario.

PROPOSED METHOD OF HEARING: The motion is to be heard:

- ☐ in writing under subrule 37.12.1(1) because it is on consent or unopposed or made without notice;
- ☐ in writing as an opposed motion under subrule 37.12.1(4);
- ☒ orally.

THE MOTION IS FOR:

1. An Order substantially in the form attached as Tab 4 to the Motion Record including, *inter alia*, the following relief:
 - (a) If necessary, an Order abridging the time for service of this motion and validating service of notice hereof;
 - (b) 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, undertaking and properties of Umair N. Nasim and Shrikant Malhotra (collectively, the “**Debtors**”);
2. Such further and other relief as may be required in the circumstances and this Honourable Court deems just.

THE GROUNDS FOR THE MOTION ARE:

1. CWB Maxium is a corporation duly incorporated pursuant to the laws of the Province of Ontario, carrying on business as a finance company, with offices in Richmond Hill and elsewhere.
2. 1970636 Ontario Ltd o/a Mt. Cross (“**Mt. Cross**”) is a corporation incorporated pursuant to the laws of the Province of Ontario. Mt. Cross operates a retail pharmacy (“**Mt. Cross Pharmacy**”) at a leased premises located at 503 Concession Street in Hamilton, Ontario (the (“**Premises**”). The Premises are also referred to as the Concession Wentworth Medical Clinic (“**CWMC**”).

3. Pursuant to the Order of the Honourable Mr. Justice Dunphy dated May 16, 2018, Spergel was appointed Interim Receiver, without security, of all of the assets, undertakings and properties of Mt. Cross on a motion by CWB Maxium.

4. Pursuant to the Order of the Honourable Mr. Justice McEwen dated June 14, 2018, Spergel was appointed the Receiver, without security, of all of the assets, undertakings of Mt. Cross on a motion by CWB Maxium.

5. The Debtors are the principals of Mt. Cross. They are also guarantors of all obligations owed by Mt. Cross to CWB Maxium.

6. The Defendant, Angelo Kirkopoulos ("**Kirkopoulos**"), is the Secretary and Treasurer of Mt. Cross. Kirkopoulos is also the President of Concession Wentworth Medical Centre Inc. (the "**CWMC**").

7. The Defendant MTN RX is a corporation incorporated pursuant to the laws of the Province of Ontario, with a registered office in Binbrook, Ontario. It operates a pharmacy at 566 Concession St. in Hamilton, Ontario (the "**MTN Pharmacy**"). Ahmed Kassim ("**Kassim**") is the principal of the MTN Pharmacy.

8. In 2017, CWB Maxium agreed to provide financing to Mt. Cross in respect to its purchase of the assets of the Mt. Cross pharmacy business from 1919932 Ontario Ltd. (the "**Vendor**") pursuant to a purchase agreement dated June 2, 2017 (the "**Purchase Agreement**"). The directors and officers of the Vendor are Orlando Den Cassavia, George Vlachodimos and Angelo Kirkopoulos.

9. As such, on June 6, 2017, CWB Maxium and Mt. Cross entered into a promissory note (the "**Note**") whereby Mt. Cross promised to pay to CWB Maxium the sum of \$4,300,450.00 with interest at the rate of 5.75% per annum and interest on overdue interest at the rate of 18% per annum to CWB Maxium. The balance of the purchase price under the Purchase Agreement (the "**Deposit**") was to have been funded by the Guarantors.

10. As security for the Note, on June 5, 2017, CWB Maxium and Mt. Cross entered into a General Security Agreement (the “GSA”) whereby Mt. Cross granted to CWB Maxium a continuing security interest in all of Mt. Cross’s assets and undertakings and an assignment of Mt. Cross’ accounts in consideration for CWB Maxium continuing to deal with Mt. Cross.

11. The GSA provides, among other things, that if Mt. Cross fails to make a payment required pursuant to Note, the Plaintiff may require Mt. Cross to repay all obligations in full and may appoint a receiver over the assets and undertaking of Mt. Cross.

12. On May 25, 2017, CWB Maxium registered its security interest in the assets and undertaking of Mt. Cross pursuant to the *Personal Property Security Act* (the “PPSA”).

13. On June 5, 2017, the Debtors executed personal guarantees (the “Guarantees”) whereby they guaranteed all of Mt. Cross’ obligations to CWB Maxium. In support of the Guarantees, they also executed General Security Agreements dated June 5, 2017 (the “Guarantor GSAs”) as security in respect to the Guarantees.

14. On May 25, 2017, CWB Maxium registered its security interest against the Debtors under the PPSA.

15. On or about April 15, 2018, Mt. Cross defaulted in its obligations to CWB Maxium in that it failed to make the payments required pursuant to the Note.

16. On May 8, 2018 CWB Maxium delivered demands on the Debtors in respect of the Guarantees seeking payment of the full amount of \$4,578,464.85 and on May 28, 2018 CWB Maxium delivered a Notice of Intention to Enforce Security demanding payment in full of the amount of \$4,578,464.85.

17. Despite these demand letters, neither Mt. Cross nor the Debtors have paid the amount owing to CWB Maxium under the Note and the Guarantees.

18. Pursuant to the terms of the Note and the Guarantees, the Debtors owe CWB Maxium the sum of \$4,578,464.85 as at May 28, 2018, plus interest, at the rate of 18% per annum.

19. In addition, pursuant to the terms of the Guarantees, the Debtors are liable to CWB immediately for such amount and CWB Maximum is not required to wait on collections from Mt. Cross before enforcing its rights and security against the Debtors.

20. As set out in the First Report of the Interim Receiver, Mt. Cross' business has been negatively impacted by the following developments:

- (a) Following Mt. Cross' purchase of the Pharmacy, most of the physicians located within the Premises moved their practices out of the Premises;
- (b) MTN RX opened a competing pharmacy in close proximity to the Mt. Cross Pharmacy in February 2018. A significant number of client files have been transferred from the Mt. Cross Pharmacy to the MTN Pharmacy without the consent or authorization of Mt. Cross. The pharmacist of the MTN Pharmacy is Kassim, who was formerly employed by Mt. Cross;
- (c) on May 16, 2018, the RCMP executed a search warrant and the books and records of Mt. Cross have been seized. Both Kirkopoulos and Nasim have been charged by the RCMP;
- (d) unauthorized changes have been made to the website for the Mt. Cross Pharmacy such that it defaults to the MTN Pharmacy; and
- (e) the Pharmacy's point of sale provider, Fillware Technologies ("Fillware") received an unauthorized request to merge the prescription software system for the Mt. Cross Pharmacy with the system for the MTN Pharmacy.

21. As detailed in the First Report of the Interim Receiver, it has discovered the following as a result of its investigations:

- (a) Nasim, the designated pharmacist and President of Mt. Cross, has been prohibited from entering the Premises due to criminal charges laid against

6

him by the RCMP. Similarly, charges have been laid by the RCMP against Kirkopoulos;

- (b) the RCMP has also seized certain books and records of the Mt. Cross Pharmacy. The Interim Receiver has requested access to the books and records, but has been advised that the Crown will not share any documents seized without court order;
- (c) the insurance policy for the Mt. Cross Pharmacy was cancelled in September 2017. The Interim Receiver is securing replacement insurance as a result;
- (d) it appears that Kirkopoulos was engaged by MTN RX to set up its corporate structure and was formerly an officer of the company;
- (e) the website for the MTN Pharmacy is substantially similar to the Mt. Cross Pharmacy and that the name of the pharmacy featured on the website has been changed from Mt. Cross to MTN RX. The current website also refers to CWMC, which is the name of the medical clinic which operates from the Premises;
- (f) it has been able to verify that at least 102 client files have been transferred to the MTN Pharmacy. In addition, some of the clients of Mt. Cross are being serviced by MTN RX although their files have not been transferred. In light of this, the Interim Receiver anticipates that, subject to further investigation, the number of client files that have been transferred is much higher;
- (g) since its appointment, a number of clients of the Mt. Cross Pharmacy have advised the Interim Receiver that they never authorized the transfer of their files to the MTN Pharmacy;
- (h) Angela Abrantes, a former employee of Mt. Cross who is now employed by MTN RX, has confirmed to the Interim Receiver that she: (1) has

transferred the majority of the blister pack patients from Mt. Cross to MTN RX; (2) transferred approximately 150 clients to the MTN Pharmacy; and (3) contacted Fillware to merge the Mt. Cross software system with the MTN RX software system;

- (i) the Debtors have confirmed that they never paid the Deposit under the Purchase Agreement and six of physicians that operated from the Premises departed prior to the closing of the Purchase Agreement;
- (j) the sales reports provided to CWB Maxium by Mt. Cross in support of its credit application in 2017 are significantly higher than the sales reports generated by the Interim Receiver for the same time frame;
- (k) Telus Health, which provides electronic claims processing for a number of insurance companies, has advised the Interim Receiver that its investigations revealed that Mt. Cross had been billing the insurers for drugs that had not been supplied to clients. As such, Telus Health terminated its agreement with Mt. Cross in April 2018;

22. It is likely, in all of the circumstances, that CWB Maxium shall suffer significant financial losses with respect to the advances made to Mt. Cross.

23. CWB Maxium is the only secured creditor in respect to Malhotra. CWB Maxium's security over Nasim was registered after registrations made by Merchant Advance Capital. This motion is being brought on notice to Merchant Advance Capital as the first PPSA registrant in respect to Nasim.

24. CWB Maxium is entitled to the appointment of a receiver under the terms and conditions of the Guarantor GSAs executed by the Debtors in favour of CWB Maxium.

25. The appointment of a Receiver is:

- (a) necessary for the protection of the Debtors' estates for the benefit of all creditors of the Debtors, including CWB Maxium; and

(b) just and convenient under the circumstances;

26. In the light of the outcome of the Interim Receiver's investigations thus far, CWB Maxium respectfully submits that the Debtors:

(a) be enjoined and restrained from disposing of or otherwise encumbering or dissipating their assets subject to the Receivership Order sought herein without the consent of the Receiver or further Order of this Honourable Court;

(b) each provide to the Receiver an Affidavit setting out the details of their properties and assets ("**Affidavit of Assets**") within 7 days of the Receivership Order being granted; and

(c) attend at a set date and time, to be fixed by the Receiver, before a Court Reporting service within 10 days of the delivery of their respective Affidavit of Assets to be examined by counsel for the Receiver.

27. Spergel is a licensed insolvency trustee and has consented to being appointed as receiver, without security, of all of the assets, undertakings and property of the Debtors acquired for, or used in relation to the businesses carried on by the Debtors;

28. CWB Maxium relies upon section 243(1) of the BIA, section 101 of the CJA and rules 3.02, 37.07 and 41 of the *Rules of Civil Procedure*;

29. Such further and other grounds as counsel may advise and this Honourable Court may permit.

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

(a) Affidavit of Daniel Gilchrist, sworn June 22, 2018 and the Exhibits attached thereto;

- (b) The Motion Record of the Plaintiff dated June 14, 2018 as previously served and filed, including the report of Spergel in its capacity as Interim Receiver dated June 6, 2018;
- (c) Affidavit of Maureen McLaren, sworn June 6, 2018;
- (d) The Motion Record of the Plaintiff dated May 16, 2018 as previously served and filed.
- (e) the Order of Mr. Justice Dunphy dated May 16, 2018 appointing Spergel as Interim Receiver;
- (f) the Order of the Honourable Mr. Justice McEwen dated June 14, 2018 appointing Spergel as Receiver.
- (g) such further and other evidence as counsel may advise and this Honourable Court may permit.

June 28, 2018

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
Fax: 905.660.0139
bsachdeva@millerthomson.com

Craig A. Mills LSUC#: 40947B

Tel: 416.595.8596
Fax: 416.595.8695
Email: cmills@millerthomson.com

Lawyers for the Plaintiff

TO: **msi Spergel inc.**
505 Consumers Road, Suite 200
Toronto, Ontario, M2J 4V8

Philip H. Gennis
Senior Principal
Tel: 416-498-4325
Email: pgennis@spergel.ca

Mukul Manchanda
Trustee, Principal
Tel: 416.498.4314
Email: mmanchanda@spergel.ca

Fax: 416-498-4325

**Court-appointed Receiver of 1970636 Ontario
Limited o/a Mt. Cross Pharmacy**

AND TO: **Pallett Valo**
77 City Centre Drive
West Tower, Suite 300
Mississauga, ON
L5B 1M5

John Russo / Dina Milivojevic
Tel: 905.273.3300 ext. 282/283
Fax: 905.276.6920
Email: jrusso@pallettvalo.com / dmilivojevic@pallettvalo.com

Lawyers for Receiver

AND TO: **GOWLING WLG**
One Main Street West
Hamilton L8P 4Z5
Canada

Calvin Ho
Tel: 905.540.3270
Fax: 905.540.1155
Email: calvin.ho@gowlingwlg.com

**Lawyers for 1975193 Ontario Ltd. dba
MTN RX & Health and Ahmed Kassim**

11

AND TO: **Umair Nasim**
27 Spitfire Drive
Mount Hope, ON L0R 1W0

Email: umair_nasim@hotmail.com

AND TO: **MANIACI SOBEL ALTBAUM LAW**
55 Eglinton Avenue East Suite 706
Toronto, ON M4P 1G8

Jordan D. Sobel
Tel: 416.915.0622
Fax: 1.866.404.0622
Email: sobel@msalaw.ca

Lawyers for Shrikant Malhotra

AND TO: **The Department Of Justice**
The Exchange Tower
130 King Street West
Suite 3400, P.O. Box 36
Toronto, Ontario
M5X 1K6

Attention: Diane Winters/Peter Zevenhuizen
Tel: 416.973.3172/416.952.8563
Fax: 416.973.8710
Email: diane.winters@justice.gc.ca/peter.zevenhuizen@justice.gc.ca

AND TO: **Her Majesty The Queen In The Right Of The Province Of Ontario
As Represented By The Minister Of Finance
Legal Services Branch**
33 King Street West, 6th floor
Oshawa, Ontario
L1H 8H5

Attention: Kevin O'Hara
Tel: 905.433.6934
Fax: 905.436.4510
Email: Kevin.ohara@ontario.ca

AND TO: **Her Majesty The Queen In Right Of The Province Of Ontario As
Represented By The Minister Of Health And Long-Term Care
Legal Services Branch**
56 Wellesley St. West
Toronto, Ontario
M5R 2S3

Marcus Mazzucco
Tel: 416.327.8573
Fax: 416.327.8605
Email: Marcus.Mazzucco@ontario.ca

AND TO: **Faber & Oostdyk o/u Sean Oostdyk Professional Corporation**
1025 Waterdown Road
Burlington, ON L7T 1N4

Sean Oostdyk
Tel: 905-681-7800
Fax: 905-681-7814
Email: sean@folaw.ca

AND TO: **Daoust Vukovich LLP**
20 Queen Street West, Suite 3000
Toronto, ON, M5H 3R3

Daniel Waldman
Tel: (416) 597-9306
Fax: (416) 597-8897
dwaldman@dv-law.com

Lawyers for Wittington Properties Limited

AND TO: **Public Prosecution Services of Canada**
Attention: Sandra Antoniani
sandra@smork.com

AND TO: **Royal Canadian Mounted Police**
Serious and Organized Crime Section
Hamilton-Niagara Regional Detachment

Attention: Cst. Daniel Carter
Tel: 905.643.5791
fax: 905.643.5932
Email: daniel.carter@rcmp-grc.gc.ca

AND TO: Angelo Kirkopoulos
Email: kirkopoulosa@gmail.com

AND TO: 1919932 Ontario Limited
503 Concession Street
Hamilton, On L9C 1A1

AND TO: George Vlachodimos
56 Clapham Rd
Hamilton ON, L8G2H8

AND TO: Orlando Den Cassavia
4 Playfair Court
Ancaster, ON L9K 1R6

AND TO: Angela Abrantes
15 Citino Dr.
Hamilton ON L9C 0A3
Tel: 905-928-4702

AND TO: Vadim Kovalev
566 Concession Street
Hamilton ON L8V 1B1

AND TO: **McKesson Canada Corporation**
6355 Viscount Road
Mississauga, ON L4V 1W2

AND TO: **TELUS Health Solutions Inc.**
630 René-Levesque oust
Montréal QC H3B 1S6

Attention: Amalia Pinos
Tel: (514) 665-4137
Email: Amalia.Pinos@telus.com

AND TO: **Stikeman Elliott LLP**
5300 Commerce Court West
199 Bay Street
Toronto, ON M5L 1B9

Maria Konyukhova
Direct: 416-869-5230
Email: mkonyukhova@stikeman.com

Lawyers for Great West Life

AND TO: **Great West Life/London Life/Canada Life**
255 Dufferin Ave.
London, Ontario N6A 4K1

Scott D. McTaggart
Trial Counsel
Law Department
Tel: 519-435-7226
Fax: 519-435-7399
Email: scott.mctaggart@londonlife.com

Rebecca L. Grima
Phone: 519-435-7514
Fax: 519-435-7399
Email: rebecca.grima@londonlife.com

Diane Terentieff – Law Clerk
Email: Diane.Terentieff@londonlife.com

AND TO: **MERCHANT ADVANCE CAPITAL**
20TH Floor, 1500 West Georgia St.
Vancouver, BC V6G 2Z6

AND TO: **SCOTIA DEALER ADVANTAGE**
300-4190 Lougheed Highway
Burnaby, BC V5C 6A8

COURTESY COPY:

AND TO: **Noel D. Gerry**
Barrister & Solicitor
1120 Finch Ave. W.
North York, ON M3J 3H7

Tel: 416.972-1161
Email: gerrylaw@rogers.com

Lawyers for Umair N. Nasim

CWB MAXIUM FINANCIAL
Plaintiff

and 1970636 ONTARIO LTD. o/a MT. CROSS
PHARMACY et al.
Defendant

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

ONTARIO
SUPERIOR COURT OF JUSTICE -
COMMERCIAL LIST

Proceeding commenced at TORONTO

NOTICE OF MOTION
(Returnable July -- , 2018)

MILLER THOMSON LLP
SCOTIA PLAZA
40 KING STREET WEST, SUITE 5800
P.O. Box 1011
TORONTO, ON CANADA M5H 3S1

Bobby Sachdeva LSUC #34454C
bsachdeva@millerthomson.com
Tel: 905.532.6670
Craig A. Mills LSUC#: 40947B
cmills@millerthomson.com
Tel: 416.595.8596
Fax: 416.595.8695

Lawyers for the Plaintiff

15

Tab 2

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

**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

**AFFIDVIT OF DANIEL GILCHRIST
(SWORN JUNE 22 2018)**

I, DANIEL GILCHRIST, of the Community of Georgetown in the Regional Municipality of Halton, MAKE OATH AND SAY AS FOLLOWS:

1. I am the Vice President, Healthcare for the Plaintiff CWB Maxium Financial Inc. ("CWB Maxium") and as such have knowledge of the matters to which I hereinafter depose.
2. Where in this Affidavit I have relied upon information provided to me by other persons, I have identified the source of the information and state that I verily believe such information to be true.

3. In making this Affidavit, I repeat and rely upon the evidence contained in my prior Affidavit in this matter dated May 15, 2018. I attach a copy of my May 15th Affidavit as **Exhibit "A"** (without exhibits).
4. Attached to this my Affidavit and collectively marked as **Exhibit "B"** are true copies of the guarantees of Umair N. Nasim ("**Nasim**") and Shrikant Malhotra ("**Malhotra**") (collectively referred to as the "**Guarantors**") dated June 5, 2017 which were provide in consideration for CWB Maxium providing financing to 1970636 Ontario Ltd. o/a Mt. Cross Pharmacy ("**Mt. Cross**").
5. Attached to this my Affidavit and collectively marked as **Exhibit "C"** are the General Security Agreements (the "**GSAs**") executed by the Guarantors in further consideration for CWB Maxium providing financing to Mt. Cross.
6. As per its rights under the executed GSAs, CWB Maxium registered its security interest against the Debtors under the Personal Property Security Act (the "**PPSA**") on May 25, 2017.
7. Attached to this my Affidavit and collectively marked as **Exhibit "D"** are true copies of the demand letters (the "**Demands**") delivered to the Guarantors by CWB Maxium on or about May 8, 2018 and May 28, 2018 as a result of the defaults by Mt. Cross.
8. Attached to this my Affidavit and marked collectively as **Exhibit "E"** are true copies of the Notices of Intention to Enforce Security (the "**NITES**") dated May 28, 2018 as delivered to the Debtors.
9. Pursuant to Demands and the NITES, CWB Maxium sought payment of the sum of the sum of \$4,578,464.85 which was outstanding on May 28, 2018 together with all outstanding interest.
10. As of this the date of my Affidavit, the full amount \$4,578,464.85 remains outstanding and neither of the Debtors has contacted CWB Maxium or its lawyers to arrange for payment.

32198037.2

Tab A

This is Exhibit "A" referred to in the affidavit
of DANIEL GILCHRIST, SWORN BEFORE ME
this 21st day of JUNE, 2018



A COMMISSIONER FOR TAKING AFFIDAVITS

Matthew Irish-Langer

Court File No. CV-

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

CWB MAXIMUM 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 DANIEL GILCHRIST
(SWORN MAY 15, 2018)**

I, DANIEL GILCHRIST, of the Community of Georgetown, in the Regional Municipality of Halton, in the Province of Ontario, MAKE OATH AND SAY:

1. I am the Vice President, Healthcare for the Plaintiff, CWB Maximum Financial Inc. ("CWB Maximum"). I am the individual currently responsible for supervising the credit facilities of the Defendants with CWB Maximum and as such I have knowledge of the matters to which I depose. Where I have been advised of facts by third parties I have identified the source of the facts and I hereby state that I verily believe such facts to be true.
2. I make this Affidavit in support of CWB Maximum's application for the appointment of msi Spergel inc. ("Spergel") as interim receiver of the assets, undertaking and business of the Defendant 1970636 Ontario Ltd. o/a Mt. Cross Pharmacy ("1970" or "Mt. Cross") pursuant to section 47(1) of the *Bankruptcy and Insolvency Act* (the "BIA") and section

101 of the *Courts of Justice Act* (the "CJA") on the basis that the appointment of an interim receiver is necessary to preserve the Defendants' assets, books and records.

3. For the reasons explained below, CWB Maxium has recently received information that it should have received several months ago, which now brings into serious doubt the viability of the business of Mt. Cross. The appointment of an interim receiver is required on an urgent basis in order to preserve CWB Maxium's security.

Background

4. CWB Maxium is a corporation duly incorporated pursuant to the laws of the Province of Ontario, carrying on business as a finance company, with offices in Richmond Hill and elsewhere. CWB Maxium provides financing to a variety of businesses, including to pharmacies.
5. Mt. Cross is a corporation incorporated pursuant to the laws of the Province of Ontario. Attached hereto as **Exhibit "A"** is a true copy of the corporation profile report for Mt. Cross.
6. The Defendant Umair N. Nasim ("**Nasim**") is an individual residing in Mount Hope, Ontario. Nasim is the President and sole director of Mt. Cross.
7. The Defendant Shrikant Malhotra ("**Malhotra**") is an individual residing in Mississauga, Ontario. Malhotra is a shareholder of Mt. Cross.
8. As set out in more detail below, Nasim and Malhotra are guarantors of all obligations owed by Mt. Cross to CWB Maxium.

9. The other officer of Mt. Cross is Angelo Kirkopoulos ("Kirkopoulos"). He is the Secretary and Treasurer of Mt. Cross.

The Pharmacy Business

10. Mt. Cross operates a retail pharmacy ("Pharmacy") at a leased premises located at 503 Concession Street in Hamilton, Ontario (the ("Premises")). The Pharmacy is located in the Concession Wentworth Medical Centre (the "Medical Centre").
11. The Medical Centre is owned by Concession Wentworth Medical Centre Inc. (the "Landlord"). Kirkopoulos is the President of the Landlord.
12. As set out in more detail below, Mt. Cross and CWB Maxium entered into a promissory note. Mt. Cross' obligations under the promissory note were secured pursuant to a general security agreement between Mt. Cross and CWB Maxium and guarantees executed by both Nasim and Malhotra (collectively, the "Guarantors").
13. Mt. Cross has breached its obligations to CWB Maxium. Despite CWB Maxium's demands, Mt. Cross and the Guarantors have failed to cure the breach by Mt. Cross.
14. Accordingly, CWB Maxium brings this motion to appoint an interim receiver over the assets of 1970.

The Promissory Note and General Security Agreement with Mt. Cross

15. In or about April 2017, Nasim and Malhotra approached CWB Maxium with respect to their proposed purchase of the Mt. Cross pharmacy business. Nasim and Malhotra advised CWB Maxium that they had been in negotiations with the shareholders of 1919932 Ontario Ltd., namely Orlando Den Cassavia and George Vlachodimos, (collectively, the "Vendor") to acquire the Mt. Cross pharmacy business and its assets. They inquired whether CWB Maxium would agree to provide financing in respect to the purchase.
16. As part of the background to the proposed transaction, CWB Maxium was advised that the location had been an old Loblaw store that had been converted a number of years back into a pharmacy and a medical clinic. CWB Maxium was also advised that the Landlord had signed five year lease contracts (which had been renewed in 2017) with six physicians and a specialist, all of whom operated in the Medical Centre.
17. Pursuant to the purchase agreement, the total purchase price for the proposed transaction was \$5,550,000. The deposit under the proposed purchase was \$1,250,000 (the "Deposit"), which was to be paid by Nasim and Malhotra. The balance of the purchase price was to be financed by CWB Maxium.
18. After reviewing the financing opportunity, CWB Maxium agreed to finance the purchase.
19. On or about June 2, 2017, 1970, as purchaser, and 1919932 Ontario Ltd., as vendor, entered into an Agreement of Purchase and Sale ("Agreement") in respect to the purchase of the pharmacy business and its assets. Attached hereto as **Exhibit "B"** is a true copy of the Agreement.

20. Accordingly, on June 6, 2017, CWB Maxium and Mt. Cross entered into a promissory note (the "Note") whereby Mt. Cross promised to pay to CWB Maxium the sum of \$4,300,450.00 with interest at the rate of 5.75% per annum and interest on overdue interest at the rate of 18% per annum to CWB Maxium. Attached hereto as **Exhibit "C"** is a true copy of the Note.
21. Pursuant to the Note, Mt. Cross was to make payments of principal and interest on the 15th day of each and every month commencing on July 15, 2017, in the amount of \$47,265.20, up to and including June 15, 2022. On June 15, 2022, the sum of \$2,459,580.66 was to be paid by Mt. Cross.
22. As security for the Note, on June 5, 2017, CWB Maxium and Mt. Cross entered into a General Security Agreement (the "GSA") whereby Mt. Cross granted to CWB Maxium a continuing security interest in all of Mt. Cross's assets and undertakings and an assignment of Mt. Cross' accounts in consideration for CWB Maxium continuing to deal with Mt. Cross. Attached hereto as **Exhibit "D"** is a true copy of the GSA.
23. The GSA provides that Mt. Cross shall be in default under the GSA if it defaults in payment of its obligations to CWB Maxium or if Mt. Cross or any other person liable to CWB Maxium for the amounts owed by Mt. Cross to CWB Maxium is in default under any other loan, debt or obligation owed to anyone else. Upon the occurrence of an event of default, CWB Maxium may require Mt. Cross to repay all obligations in full and may appoint a receiver over the assets and undertaking of Mt. Cross.
24. On May 25, 2017, CWB Maxium registered its security interest in the assets and undertaking of Mt. Cross pursuant to the *Personal Property Security Act* (the "PPSA")

bearing registration no. 2017 0525 1436 1530 0729. Attached hereto as **Exhibit "E"** is a true copy of a PPSA search for Mt. Cross. CWB Maxium is the sole registrant against Mt. Cross.

The Guarantor's guarantees of the obligations owed by the Debtors

25. On June 5, 2017, Nasim executed a guarantee (the "**Nasim Guarantee**") whereby Nasim guaranteed all of Mt. Cross' obligations to CWB Maxium. Attached hereto as **Exhibit "F"** is a true copy of the Nasim Guarantee.
26. On June 5, 2017, Malhotra executed a guarantee (the "**Malhotra Guarantee**") whereby Malhotra guaranteed all of Mt. Cross' obligations to CWB Maxium. Attached hereto as **Exhibit "G"** is a true copy of the Malhotra Guarantee.
27. Both Nasim and Malhotra also executed General Security Agreements dated June 5, 2017 as security in respect to the Nasim Guarantee and Malhotra Guarantee, copies of which are attached as **Exhibit "H"**.
28. For ease of reference, the Nasim Guarantee and the Malhotra Guarantee shall be collectively referred to hereafter as the "**Guarantees**".

Default under the Note and the Guarantees

29. The Note first fell into default when the payment due on April 15, 2018 was returned on April 19, 2018 as a result of insufficient funds in Mt. Cross' account.
30. This was not Mt. Cross' first missed payment; Mt. Cross had missed payments on four prior occasions. As such, Steve Wasylyszyn (a sales agent with CWB Maxium) followed

up with Nasim the same day about the missed payment and advised that CWB Maxium would be making an automatic withdrawal for the same amount from the account on April 23, 2018. Attached hereto as **Exhibit "I"** is a true copy of Mr. Wasylyszyn's email dated April 19, 2018.

31. Accordingly, CWB Maxium attempted to make the withdrawal on April 23, 2018. The payment was returned on April 26, 2018 with the notation "Stop Payment". By email dated April 26, 2018, Dianne Holman, a portfolio administrator with CWB Maxium, advised Nasim of this and asked him to ensure that the "Stop Payment" was removed and that the funds were available on May 1, 2018 along with a return payment charge. Attached hereto as **Exhibit "J"** is a true copy of Ms. Holman's email dated April 26, 2018.
32. Or or about May 4, 2018, the automatic withdrawal from the Mt. Cross account scheduled for May 1, 2018 was returned again as a "stop payment".
33. In light the five returned payments, CWB Maxium issued a letter dated May 8, 2018 in which it demanded payment in full from 1970 of the amount of \$4,577,670.02 and enclosed a Notice of Intention to Enforce Security pursuant to the *Bankruptcy and Insolvency Act*. Due to an error with the postal code, CWB Maxium re-sent the demand letter to 1970 on May 10, 2018. Attached hereto as **Exhibit "K"** are true copies of the demand letter and the Notice of Intention to Enforce Security dated May 8, 2018 and May 10, 2018, delivered to 1970.
34. On May 8, 2018, CWB Maxium delivered a demand for payment to the Guarantors demanding payment in full of the amount of \$4,577,670.02. Attached hereto as **Exhibit "L"** are true copies of the demand letters delivered to the Guarantors.

35. Despite these demand letters, neither Mt. Cross nor the Guarantors have paid the amount owing to CWB Maxium.

Alarming Information Provided by Guarantor

36. As a result of the missed payment, an appointment was made to meet with Nasim to discuss the missed payment and the state of Mt. Cross' account.

37. On Thursday, May 10, 2018, Steve Wasylyszyn (a sales agent with CWB Maxium) and I travelled to Hamilton and paid a visit to the Mt. Cross pharmacy for the purpose of meeting with Nasim to discuss the missed payment under the Note. During that meeting, we were advised of the following by Nasim:

- (a) Upon the sale of the pharmacy, with the exception of one of the specialists, all of the physicians immediately moved their practices out of the Medical Centre. Further, the remaining General Practitioner located in the building has since retired. These departures have significantly impacted the Pharmacy;
- (b) On top of this, a competing pharmacy had opened in February 2018 which is located approximately two blocks down the street from the Pharmacy. The competing pharmacy has also been negatively impacting the business. Nasim advised that he believes that the competing pharmacy is operated by 1975193 Ontario Ltd., dba MTN RX & Health (the "Competing Pharmacy"). According to a corporate profile report (attached as Exhibit "M"), the sole director is Ahmed Kassim ("Kassim"), whom I understand was locum pharmacist that previously worked at the Mt. Cross Pharmacy. Nasim also advised that the Competing

Pharmacy has also hired Mt. Cross' lead technician. Since April 1, 2018, Nasim has advised that approximately 675 client files have been transferred to the Competing Pharmacy;

- (c) As a result, Nasim advised us that he has lodged a complaint about the Competing Pharmacy and Kassim with the Ontario College of Pharmacists;
- (d) Nasim also advised that he suspects that Kirkopoulos is involved in the Competing Pharmacy and is actively taking steps to damage the Pharmacy in his capacity as a representative of the Landlord. For instance, it is his understanding that the remaining specialist and the foot doctor in the Medical Centre had been asked by Kirkopoulos to vacate by this week;
- (e) What is more alarming is that Nasim advised that he had recently discovered that the website for the Mt. Cross Pharmacy has been modified so that it defaults to the Competing Pharmacy. Nasim advised that he had no knowledge of this and did not authorize any modifications to the website. This needs to be investigated and immediately corrected to stanch the outward flow of client files from the Mt. Cross Pharmacy;
- (f) Nasim also revealed during our meeting that the Deposit (in respect to the purchase agreement) (\$1,250,000) was not paid by Nasim or Malhotra, despite the fact that the Agreement (see Exhibit B above) contained an acknowledgment by the Purchaser that the Deposit had been paid. This is of great concern to CWB Maxium as the payment of the Deposit (which was to be paid by the principals of 1970 from

29

non-borrowed sources) was a condition of CWB Maxium agreeing to finance the transaction; and

- (g) Nasim also advised that Kirkopoulos had been arrested for breaking into the Mt. Cross Pharmacy and stealing narcotics on the Premises on the evening of May 4, 2018.

38. In addition, Nasim subsequently advised me that he was contacted on May 11, 2018 by Fillware Technologies ("Fillware") in which he was advised that Fillware had received instructions from an "Angela" to merge the Pharmacy's "RX" software system (the point of sale system for prescriptions within a pharmacy) with the system for the Competing Pharmacy. Nasim advised Fillmore that no such request had been made and instructed Fillmore that no steps of this nature should be taken. This also needs to be investigated further.

39. Clearly, all of this information causes CWB Maxium great concern, as it appears to place CWB Maxium's loan and security in significant jeopardy.

Amounts owed by the Debtors and the Guarantor

40. Pursuant to the terms of the Note, the GSA and the Guarantees, Mt. Cross and the Guarantors owe CWB Maxium the sum of \$4,577,670.02 as at May 8, 2018, plus interest, at the rate of 18% per annum.

Need for a Receiver

41. From CWB Maxium's perspective, each of the issues noted above are serious and could severely impact CWB Maxium's ability to realize upon its security. It is CWB Maxium's

view that immediate action needs to be taken to appoint a receiver. As the notice period under the Notice of Intention to Enforce Security has not yet elapsed, CWB Maxium requires that an interim receiver be appointed over the assets, undertaking and property of Mt. Cross in order to permit CWB Maxium to stabilize and protect the pharmacy business.

42. The appointment will also allow Spergel to access the Defendants' books and records and evaluate the issues and developments raised by Nasim and investigate as necessary.
43. msi Spergel inc., is a licensed insolvency trustee and has consented to being appointed as interim receiver, without security, of all of the assets, undertakings and property of Mt. Cross acquired for, or used in relation to the businesses carried on by Mt. Cross. Attached hereto as **Exhibit "N"** is a true copy of the consent of msi Spergel inc. to act as the interim receiver.
44. I swear this affidavit in support of CWB Maxium's application to appoint an interim receiver over the assets, undertaking and property of Mt. Cross and for no other or improper purpose.

SWORN BEFORE ME at the City of
Vaughan, on May 15, 2018



Commissioner for Taking Affidavits
(or as may be)

Ivan Mitchell Merrow

LAWYER



DANIEL GILCHRIST

Tab B

This is Exhibit "B" referred to in the affidavit
of DANIEL GILCHRIST, SWORN BEFORE ME
this 22nd day of JUNE, 2018



A COMMISSIONER FOR TAKING AFFIDAVITS
Matthew Irish - Lawyer

CWB Maximum Financial Inc.
Guarantee

1. CUSTOMER GUARANTEED

The name of the customer whose obligations you are guaranteeing is:

1970636 Ontario Ltd.

(who, together with the Customer's successors, heirs and assigns, shall be referred to herein as the "Customer").

2. OBLIGATIONS GUARANTEED

In consideration of CWB Maximum Financial Inc. (referred to as "we", "our", "ours" and "us" in this Guarantee) dealing with or continuing to deal with the Customer, you guarantee payment to us on demand, of all present and future lease payments and obligations, conditional sale instalments and obligations, and any other debts and liabilities (collectively, the "Obligations"), both direct and indirect, (whether incurred alone or jointly with others, whether absolute or contingent, whether matured or not matured, and whether for principal, interest or fees) payable to us by the Customer under any and all lease agreements, conditional sale contracts, credit facilities, overdrafts, guarantees, letters of credit, indemnities together with all costs and expenses, including legal fees and expenses, incurred by us in connection with its dealings with the Customer. You agree to be bound by each of the terms and conditions set out below.

3. THE NATURE OF YOUR LIABILITY

Your liability under this Guarantee is CONTINUING, absolute and unconditional. It will not be limited, reduced, or otherwise affected by any one or more of the following events:

- the unenforceability of the Obligations, any security, or any of our other rights against the Customer or any other person
- any change in the terms or amount or existence of the Obligations
- the extension of time for payment to the Customer or the granting of any indulgence or concession to the Customer or any other person
- the taking or not taking of a guarantee from any other person
- not taking, perfecting, registering, or renewing any security
- accepting settlement from, or granting releases or discharges to, the Customer or any other person, including another guarantor
- any delay or default by us in the exercise of any right or remedy against you or the Customer
- your liability under any other guarantee
- the reorganization of the Customer's business (whether by amalgamation, merger, transfer, sale or otherwise)
- any change in the Customer's financial condition
- any change in control of the Customer (if the Customer is a corporation)
- a dissolution or change in membership of the Customer (if the Customer is a partnership)
- the bankruptcy of the Customer or any proceedings commenced by the Customer under the *Bankruptcy and Insolvency Act* or the *Companies Creditors Arrangement Act* or successor legislation
- our failure to abide by agreements relating to the Obligations
- a breach of any duty of ours (whether fiduciary or in negligence or otherwise) and whether owed to you, the Customer, or any other person
- incapacity, or lack of status or legal existence of the Customer
- the Customer's account being closed or our ceasing to deal with the Customer
- any irregularity, fraud, defect or lack of authority or formality in incurring the Obligation
- not providing our claim in a bankruptcy of the Customer or not proving our claim in full
- any event whatsoever that might be a defence available to the Customer for its obligation or a defence to you under this Guarantee, all of which are hereby waived

4. CWB MAXIMUM NOT LIABLE

We do not owe you any duty (as a fiduciary or otherwise) and you hereby waive any right to make any claim or counterclaim and to raise any right of set off, equitable or otherwise, arising from any alleged breach of a duty owed to you, or the Customer or any other person. We will not be liable to you nor shall you make any claim for any negligence or any breaches or omissions on our part, or any of our employees, officers, directors or agents, or any receivers appointed by us, in the course of any of our actions or their actions.

5. TERMINATING FURTHER LIABILITY

You may cancel this Guarantee for any future Obligations by providing us with express written notice of any such cancellation. You will, however, continue to be liable under this Guarantee for any of the Obligations that the Customer incurs up to and including the day after we receive your notice and for Obligations arising out of agreements made prior to the receipt of your notice.

6. NO SETOFF OR COUNTERCLAIM

You will make all payments required to be made under this Guarantee without regard to any right of setoff or counterclaim that you have or may have against us or the Customer, which rights you waive. In addition to any rights now or hereafter granted under applicable law, and not by way of limitation of any such rights, we are authorized upon any amounts being payable by you to us hereunder, without notice, any such notice being expressly waived by you, to setoff, appropriate and apply any and all deposits and any other indebtedness at any time held by us, or owing to you, against and on account of the Obligations.

7. REINSTATEMENT

This Guarantee and all other terms of this agreement shall continue to be effective or shall be reinstated, as the case may be, if at any time any payment (in whole or in part) of any of the Obligations is rescinded or must otherwise be returned or restored by us by reason of the insolvency, bankruptcy or reorganization of the Customer or for any other reason not involving our willful misconduct as though such payment had not been made.

8. APPLICATION OF MONEYS RECEIVED

We may, without notice, apply all moneys received from you, or the Customer or any other person (including under any security that we may from time to time hold) to such part of the Obligations as we, in our absolute discretion, consider appropriate. We may also revoke and alter any such application.

9. EXHAUSTING RECOURSE

We do not need to exhaust our recourse against the Customer or any other person or under any security interest we may from time to time hold before being entitled to full payment from you under this Guarantee. You waive all benefits of discussion and division.

10. INDEMNITY

As an original and independent obligation under this Guarantee, you shall (a) indemnify us and keep us indemnified against any cost, loss, expense or liability of whatever kind resulting from the failure by the Customer to make due and punctual payment of any of the Obligations or resulting from any of the Obligations being or becoming void, voidable, unenforceable or ineffective against the Customer (including, without limitation, all legal and other costs, charges and expenses incurred by us in connection with preserving or enforcing, or attempting to preserve or enforce, our rights under this Guarantee), and (b) pay on demand the amount of such cost, loss, expense or liability whether or not we have attempted to enforce any rights against the Customer, any other guarantor, or any other person.

11. POSTPONED SUBROGATION

Until the Obligations have been paid in full, you will not make any claim for repayment or contribution from the Customer or any guarantor, for any payment that you make under this Guarantee. Until all the Obligations are paid in full, we may include in our claim in the bankruptcy of the Customer the amount paid by you under this Guarantee and receive dividends in respect of that claim because you assign to us your right to prove your claim and receive dividends.

12. COSTS AND EXPENSES

You agree to pay all costs and expenses, including legal fees, of enforcing this Guarantee including the charges and expenses of our in-house lawyers. You will pay the legal fees on a solicitor and own client basis.

13. ASSIGNMENT AND POSTPONEMENT OF CLAIMS

You postpone the repayment of all present and future debts and liabilities that the Customer owes to you to the prior payment to us of the Obligations. You assign to us all such debts and liabilities, until the Obligations are repaid in full. If you receive any moneys in payment of any of such debts and liabilities, you will hold them in trust for, and will immediately pay them to, us without reducing your liability under this Guarantee.

14. CONSENT TO DISCLOSE INFORMATION

We may from time to time give any credit or other information about you to, or receive such information from, any credit bureau, reporting agency or other person.

15. ASSIGNMENT OF OBLIGATIONS

We may, without notice, sell or assign the Obligations and in such case, our assignee may enforce this Guarantee and we may enforce this Guarantee for any part of the Obligations not sold or assigned.

16. GOVERNING LAW

~~This Guarantee shall be governed by the laws of the province where the Customer's account is held and you irrevocably submit to the exclusive jurisdiction of the courts of that province.~~

17. GENERAL

Any provision of this Guarantee that is void or unenforceable in a jurisdiction is, as to that jurisdiction, ineffective to that extent without invalidating the remaining provisions. If two or more persons sign this Guarantee, each person's liability will be joint and several. This Guarantee is in addition and without prejudice to any security of any kind now or in the future held by us. There are no representations, collateral agreements, warranties, or conditions with respect to, or affecting your liability under this Guarantee other than as contained in this Guarantee. No alteration or waiver of this Guarantee or any of its terms or conditions shall be binding on us unless expressly made in writing by us. Our written statement of the amount of the Obligations shall be conclusive and binding on you. You expressly waive notice of the existence or creation of all or any of the Obligations, presentment, demand, notice of dishonor, protest and all other notices whatsoever.

18. FURTHER ASSURANCES

You shall do, execute and deliver or shall cause to be done, executed and delivered all such further acts, documents and things as we may reasonably request for the purpose of giving effect to this Guarantee.

19. DEFINITIONS

In this Guarantee "you", "your" and "yours" refer to the guarantor named below.

Dated this 5th day of June 2017

IN WITNESS WHEREOF:

BY:

Name:

Seena Oostdyk

Guaranteee

BY:

Umair Nasim

Umair Nasim

CWB Maxium Financial Inc.
Guarantee

1. CUSTOMER GUARANTEED

The name of the customer whose obligations you are guaranteeing is: 1970636 Ontario Ltd.
(who, together with the Customer's successors, heirs and assigns, shall be referred to herein as the "Customer").

2. OBLIGATIONS GUARANTEED

In consideration of CWB Maxium Financial Inc. (referred to as "we", "our", "ours" and "us" in this Guarantee) dealing with or continuing to deal with the Customer, you guarantee payment to us on demand, of all present and future lease payments and obligations, conditional sale instalments and obligations, and any other debts and liabilities (collectively, the "Obligations"), both direct and indirect, (whether incurred alone or jointly with others, whether absolute or contingent, whether matured or not matured, and whether for principal, interest or fees) payable to us by the Customer under any and all lease agreements, conditional sale contracts, credit facilities, overdrafts, guarantees, letters of credit, indemnities together with all costs and expenses, including legal fees and expenses, incurred by us in connection with its dealings with the Customer. You agree to be bound by each of the terms and conditions set out below.

3. THE NATURE OF YOUR LIABILITY

Your liability under this Guarantee is CONTINUING, absolute and unconditional. It will not be limited, reduced, or otherwise affected by any one or more of the following events:

- the unenforceability of the Obligations, any security, or any of our other rights against the Customer or any other person
- any change in the terms or amount or existence of the Obligations
- the extension of time for payment to the Customer or the granting of any indulgence or concession to the Customer or any other person
- the taking or not taking of a guarantee from any other person
- not taking, perfecting, registering or renewing any security
- accepting settlement from, or granting releases or discharges to, the Customer or any other person, including another guarantor
- any delay or default by us in the exercise of any right or remedy against you or the Customer
- your liability under any other guarantee
- the reorganization of the Customer's business (whether by amalgamation, merger, transfer, sale or otherwise)
- any change in the Customer's financial condition
- any change in control of the Customer (if the Customer is a corporation)
- a dissolution or change in membership of the Customer (if the Customer is a partnership)
- the bankruptcy of the Customer or any proceedings commenced by the Customer under the Bankruptcy and Insolvency Act or the Companies Creditors Arrangement Act or successor legislation
- our failure to abide by agreements relating to the Obligations
- a breach of any duty of ours (whether fiduciary or in negligence or otherwise) and whether owed to you, the Customer, or any other person
- incapacity, or lack of status or legal existence of the Customer
- the Customer's account being closed or our ceasing to deal with the Customer
- any irregularity, fraud, defect or lack of authority or formality in incurring the Obligation
- not providing our claim in a bankruptcy of the Customer or not proving our claim in full
- any event whatsoever that might be a defence available to the Customer for its obligation or a defence to you under this Guarantee, all of which are hereby waived

4. CWB MAXIMUM NOT LIABLE

We do not owe you any duty (as a fiduciary or otherwise) and you hereby waive any right to make any claim or counterclaim and to raise any right of set off, equitable or otherwise, arising from any alleged breach of a duty owed to you, or the Customer or any other person. We will not be liable to you nor shall you make any claim for any negligence or any breaches or omissions on our part, or any of our employees, officers, directors or agents, or any receivers appointed by us, in the course of any of our actions or their actions.

5. TERMINATING FURTHER LIABILITY

You may cancel this Guarantee for any future Obligations by providing us with express written notice of any such cancellation. You will, however, continue to be liable under this Guarantee for any of the Obligations that the Customer incurs up to and including the day after we receive your notice and for Obligations arising out of agreements made prior to the receipt of your notice.

6. NO SETOFF OR COUNTERCLAIM

You will make all payments required to be made under this Guarantee without regard to any right of setoff or counterclaim that you have or may have against us or the Customer, which rights you waive. In addition to any rights now or hereafter granted under applicable law, and not by way of limitation of any such rights, we are authorized upon any amounts being payable by you to us hereunder, without notice, any such notice being expressly waived by you, to setoff, appropriate and apply any and all deposits and any other indebtedness at any time held by us, or owing to you, against and on account of the Obligations.

7. REINSTATEMENT

This Guarantee and all other terms of this agreement shall continue to be effective or shall be reinstated, as the case may be, if at any time any payment (in whole or in part) of any of the Obligations is rescinded or must otherwise be returned or restored by us by reason of the Insolvency, bankruptcy or reorganization of the Customer or for any other reason not involving our willful misconduct, all as though such payment had not been made.

8. APPLICATION OF MONEYS RECEIVED

We may, without notice, apply all moneys received from you, or the Customer or any other person (including under any security that we may from time to time hold) to such part of the Obligations as we, in our absolute discretion, consider appropriate. We may also revoke and alter any such application.

9. EXHAUSTING RECOURSE

We do not need to exhaust our recourse against the Customer or any other person or under any security interest we may from time to time hold before being entitled to full payment from you under this Guarantee. You waive all benefits of discussion and division.

10. INDEMNITY

As an original and independent obligation under this Guarantee, you shall (a) indemnify us and keep us indemnified against any cost, loss, expense or liability of whatever kind resulting from the failure by the Customer to make due and punctual payment of any of the Obligations or resulting from any of the Obligations being or becoming void, voidable, unenforceable or ineffective against the Customer (including, without limitation, all legal and other costs, charges and expenses incurred by us in connection with preserving or enforcing, or attempting to preserve or enforce, our rights under this Guarantee), and (b) pay on demand the amount of such cost, loss, expense or liability whether or not we have attempted to enforce any rights against the Customer, any other guarantor, or any other person.

11. POSTPONED SUBROGATION

Until the Obligations have been paid in full, you will not make any claim for repayment or contribution from the Customer or any guarantor, for any payment that you make under this Guarantee. Until all the Obligations are paid in full, we may include in our claim in the bankruptcy of the Customer the amount paid by you under this Guarantee and receive dividends in respect of that claim because you assign to us your right to prove your claim and receive dividends.

12. COSTS AND EXPENSES

You agree to pay all costs and expenses, including legal fees, of enforcing this Guarantee including the charges and expenses of our in-house lawyers. You will pay the legal fees on a solicitor and own client basis.

13. ASSIGNMENT AND POSTPONEMENT OF CLAIMS

You postpone the repayment of all present and future debts and liabilities that the Customer owes to you to the prior payment to us of the Obligations. You assign to us all such debts and liabilities, until the Obligations are repaid in full. If you receive any moneys in payment of any of such debts and liabilities, you will hold them in trust for, and will immediately pay them to, us without reducing your liability under this Guarantee.

14. CONSENT TO DISCLOSE INFORMATION

We may from time to time give any credit or other information about you to, or receive such information from, any credit bureau, reporting agency or other person.

15. ASSIGNMENT OF OBLIGATIONS

We may, without notice, sell or assign the Obligations and in such case, our assignee may enforce this Guarantee and we may enforce this Guarantee for any part of the Obligations not sold or assigned.

16. GOVERNING LAW

~~This Guarantee shall be construed in accordance with the laws of the province where the Customer's account is held~~
and you irrevocably submit to the exclusive jurisdiction of the courts of that province.

17. GENERAL

Any provision of this Guarantee that is void or unenforceable in a jurisdiction is, as to that jurisdiction, ineffective to that extent without invalidating the remaining provisions. If two or more persons sign this Guarantee, each person's liability will be joint and several. This Guarantee is in addition and without prejudice to any security of any kind now or in the future held by us. There are no representations, collateral agreements, warranties, or conditions with respect to, or affecting your liability under this Guarantee other than as contained in this Guarantee. No alteration or waiver of this Guarantee or any of its terms or conditions shall be binding on us unless expressly made in writing by us. Our written statement of the amount of the Obligations shall be conclusive and binding on you. You expressly waive notice of the existence or creation of all or any of the Obligations, presentment, demand, notice of dishonor, protest and all other notices whatsoever.

18. FURTHER ASSURANCES

You shall do, execute and deliver or shall cause to be done, executed and delivered all such further acts, documents and things as we may reasonably request for the purpose of giving effect to this Guarantee.

19. DEFINITIONS

In this Guarantee "you", "your" and "yours" refer to the guarantor named below.

Dated this 5th day of June 2017

IN WITNESS WHEREOF:

BY:

Name:

Guarantee

Sean Oostdyk


BY:

Shrikant Malhotra

Shrikant Malhotra

Tab C

This is Exhibit "C" referred to in the affidavit
of DANIEL GILCHRIST, SWORN BEFORE ME
this 22nd day of JUNE, 2018



A COMMISSIONER FOR TAKING AFFIDAVITS

Matthew Inish - Lawyer

35

CWB Maxium Financial Inc.

30 Vogell Road, Suite 1
Richmond Hill, Ontario L4B 3K6
www.maxium.net

General Security Agreement

Customer: Umar Nasim

Date: June 5, 2017

SECURITY INTEREST

In consideration of our dealing with or continuing to deal with you, you grant to us a continuing security interest in all of your Assets and Undertakings (defined below) and an assignment of your Accounts (defined below). The Assets and Undertakings over which you have granted us a security interest hereby, the Accounts assigned to us, together with the Proceeds (defined below) thereof, are herein collectively called the "Collateral". You agree that we have not agreed to postpone the time for attachment of the security interest granted hereby with respect to your presently existing Collateral, that such security interest shall attach to any Collateral acquired after the date hereof as soon as you obtain rights in such Collateral and that value has been given.

INDEBTEDNESS AND LIABILITY SECURED

You agree that the obligations secured by the security interest granted hereby (collectively, the "Obligations") include, without limitation, all your present and future obligations, indebtedness and liability to us, direct and indirect, absolute and contingent, whether matured or not matured, and include all costs and expenses (including legal fees and expenses) incurred by us in connection with our dealings with you.

1. DEFINITIONS OF COLLATERAL

ASSETS AND UNDERTAKINGS - all of your present and after acquired personal property and undertakings including without limitation, Inventory, Equipment, Deposits and Credit Balances, Investment Property, Life Insurance (all as defined herein), all intangible and intellectual property, and all real and immovable property both freehold and leasehold, except for the last day of the term of any lease.

INVENTORY - all presently owned and after acquired goods and other property held for sale or lease or that have been leased or that are to be furnished or have been furnished under a contract of service, or that are raw materials, work in process, or materials used or consumed in your business or profession.

EQUIPMENT - all presently owned and after acquired goods that are owned by you other than Inventory and consumer goods.

DEPOSITS AND CREDIT BALANCES - all monies and credit balances which are now or may hereafter be on deposit with or standing to your credit with us, and/or with any of our subsidiaries and affiliates, up to the amount set out on Schedule A (or all deposit and credit balances, if no amount is set out on Schedule A) and any amount of interest due or accruing due to you in connection with any such deposit or credit balance.

INVESTMENT PROPERTY - all present and future Investment Property held by you, including securities, shares, options, rights, warrants, joint venture interests, interests in limited partnerships, trust units, bonds, debentures and all other documents which constitute evidence of a share, participation or other interest of yours in property or in an enterprise or which constitute evidence of an obligation of the issuer (collectively called "Investment Property") including, without limitation, any Investment Property specifically identified in Schedule A; and all substitutions therefor and, subject to Section 5, dividends and income derived therefrom.

LIFE INSURANCE - the life insurance policy or policies described on Schedule A and any proceeds derived therefrom, and any amounts held by the insurer as pre-paid premiums or for the payment of future premiums.

2. ACCOUNTS

You absolutely assign and transfer to us all debts, accounts, choses in action, claims, demands, and moneys now due, owing, accruing, or which may hereafter become due, owing or accruing to you, together with all rights, benefits, security interests, mortgages, Instruments, rights of action, deeds, books and records and documents now or hereafter belonging to you in respect of or as security for any of the foregoing (collectively called "Accounts"). This assignment is and shall be a continuing security to us for the Obligations. All money or any other form of payment received by you in payment of any Accounts shall, following any continuing Event of Default under this Agreement, be received and held by you in trust for us.

3. INVESTMENT PROPERTY

If any of the Collateral consists of Investment Property, (a) you authorize us to transfer such Collateral or any part thereof into our own name or that of our nominee so that we or our nominee may appear of record as the sole owner of such Collateral; provided, that until the occurrence of any continuing Event of Default, we shall deliver promptly to you all notices, statements or other communications received by us or our nominee as such registered owner, and upon demand and receipt of payment of necessary expenses thereof, shall give you or your designee a proxy or proxies to vote and take all action with respect to such Collateral; provided further that after the occurrence of any continuing Event of Default, you waive all rights to be advised of or to receive any notices, statements or communications received by us or our nominee as such registered owner, and agree that no proxy or proxies given to you or your designee by us shall thereafter be effective; and (b) you further agree to execute such other documents and to perform such other acts, and to cause any issuer or securities intermediary

to execute such other documents and to perform such other acts as may be necessary or appropriate in order to give us "control" of such Investment Property, as defined in the *Securities Transfer Act, 2006* (Ontario), which "control" shall be in such manner as we shall designate in our sole judgment and discretion, including, without limitation, an agreement by any issuer or securities intermediary that it will comply with instructions in the case of an issuer or entitlement orders in the case of a securities intermediary, originated by us, whether before or after the occurrence of any continuing Event of Default, without further consent from you.

4. PROCEEDS

You grant us a security interest on all of your property in any form derived directly or indirectly from any use or dealing with any Assets and Undertakings or Accounts or that indemnifies or compensates for Assets and Undertakings destroyed or damaged (all of which property is herein collectively called "Proceeds"). Proceeds shall be received and held by you in trust for us.

5. INCOME AND INTEREST ON INVESTMENT PROPERTY

Until the occurrence of any continuing Event of Default, you reserve the right to receive all income from or interest on the Collateral consisting of investment Property, and if we receive any such income or interest prior to the occurrence of any continuing Event of Default, we agree to pay you such income or interest promptly. After the occurrence of any continuing Event of Default, you will not demand or receive any income from or interest on such Collateral, and if you receive any such income or interest, such income or interest shall be held by you in trust for us in the same medium in which received, shall not be commingled with any of your other assets and shall be delivered to us in the form received, properly endorsed to permit collection, not later than the next business day following the day of its receipt. We may apply the net cash receipts from such income or interest to payment of any of the Obligations, provided that we account for and pay over to you any such income or interest remaining after payment in full of the Obligations.

6. COSTS AND EXPENSES

You agree to pay the costs and expenses we incur to enforce this Agreement, register this Agreement or notice of it, repossess, maintain, preserve, repair or sell the Collateral, or appoint a consultant, receiver, receiver and manager or agent, and to pay interest thereon. You also agree to pay all legal costs and fees (including in-house legal fees, charges and expenses), incurred by us to do any of the above or to defend any legal claim or counterclaim by you or others respecting the manner of our enforcement of, or our right to enforce, this Agreement. You will pay the legal fees incurred by us on a solicitor and own client basis.

7. FREE AND CLEAR

You hereby represent and warrant to us that you are the owner of the Collateral free from any hypothec, mortgage, lien, charge, security interest or any other interest or claim including any proprietary or trust interest or encumbrance claimed by any third party. You hereby covenant and agree to keep the Collateral free and clear of all taxes, assessments, and security or proprietary interests in favour of third parties. You hereby covenant and agree to not sell, give away, part with possession of or otherwise dispose of any part of the Collateral, (except inventory sold in the normal course of business and obsolete equipment) without our prior written consent.

8. INSURANCE

You will, at your cost, keep the Collateral insured from all risk of loss, theft or damage as are customarily insured by businesses in the industry in which you are engaged. If requested, you will provide us with a copy of the insurance policy. The insurance policy will name us as first loss payee and additional insured. We may, in our absolute discretion, pay any premium due on any insurance policy, including any life insurance policy forming part of the Collateral, and the amount of any premium we pay will be added to and form part of the Obligations.

9. LOCATION OF COLLATERAL

You will keep the Collateral at the location or locations set out on Schedule A. You will not

remove the Collateral from this location (except in the ordinary course of your business) without our prior written consent. If no location is set out on Schedule A, you will keep the Collateral at the address shown below your signature to this Agreement.

10. LIMITATION ON OBLIGATIONS OF CWB MAXIMUM

Our sole obligation with respect to the custody, safekeeping and physical preservation of Collateral in our possession shall be to use reasonable care in the custody and safekeeping thereof, and we shall be deemed to have used reasonable care if we deal with such Collateral in the same manner as we deal with similar property for our own account. Neither we nor any of our directors, officers, employees or agents shall be liable for failure to demand, collect or realize upon the Collateral or any part thereof or for any delay in doing so, or shall be under any obligation to sell or otherwise dispose of any Collateral whether at your request or otherwise.

11. REPRESENTATIONS AND WARRANTIES

You hereby represent and warrant to us that:

- (a) If applicable, you are a corporation duly existing, or a partnership duly established, under the laws of the jurisdiction of your incorporation or establishment, have all necessary power and authority to own your property and assets, to carry on your business as currently carried on by you and hold all necessary licenses, permits and consents as are required so to own your property and assets and so to carry on business in each jurisdiction in which you do so;
- (b) you have the capacity, power and authority and the legal right to execute and deliver, to perform your obligations under, this Agreement, and have taken all necessary action, corporate or otherwise, to authorize the execution and delivery of this Agreement and the performance of your obligations hereunder;
- (c) this Agreement constitutes a legal, valid and binding obligation of yours enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity;
- (d) except for consents which have been obtained and are in full force and effect, no consent of any person is required, or purports to be required, in connection with the execution and delivery of this Agreement by you or the performance of your obligations hereunder;
- (e) the execution and delivery by you of this Agreement and the performance of your obligations hereunder will not violate any applicable law or contractual obligation applicable to you; and
- (f) the representations and warranties set out in clauses (a) through (e) above or in any certificate or other document delivered to us by you or on your behalf are material, shall be deemed to have been relied upon by us notwithstanding any investigation heretofore or hereafter made by us or on our behalf, shall survive the execution and delivery of this Agreement and shall continue in full force and effect without time limit.

12. REPORTING

You will:

- (a) if you are a corporation, a partnership or a sole proprietorship, provide to us accountant-prepared financial statements within 120 days of each of your fiscal year ends;
- (b) If you are an individual, provide to us your personal net worth statement upon request by us;
- (c) advise us of any Event of Default immediately upon the occurrence of such event;
- (d) inform us of any actual or probable material litigation and provide us with copies of all relevant documents upon request; and
- (e) provide us with such other information and financial data as we may request from time to time.

13. POSITIVE COVENANTS

You agree to:

- (a) make all payments when due or demanded to us (without any condition, deduction, set-off or holdback) at our address noted above (or any other address that we advise);
- (b) If applicable, maintain your existence as a corporation, partnership, or sole proprietorship, as the case may be, and keep all material agreements, rights, franchises, licences, operations, contracts or other arrangements in full force and effect;
- (c) pay all taxes, which may result in a lien or charge on any of your property and assets;
- (d) maintain, protect and preserve the Collateral in good repair and working condition;

Security Agreement

- (e) provide such security as we may require;
- (f) continue to carry on, and maintain in good standing, the business being carried on by you at the date hereof;
- (g) permit us or our authorized representatives full and reasonable access to your premises, business, financial and computer records and allow the duplication or extraction of pertinent information therefrom;
- (h) notify us in writing at least 20 days prior to any change of your name; and
- (i) notify us in writing promptly of any significant loss of or damage to the Collateral.

14. NEGATIVE COVENANTS

You will not:

- (a) create, incur, assume, or suffer to exist, any mortgage, deed of trust, pledge, lien, security interest, assignment, charge, or encumbrance (including without limitation, any conditional sale, or other title retention agreement, or finance lease) of any nature, upon or with respect to the Collateral, or sign or file under the *Personal Property Security Act* (Ontario) (the "PPSA") or similar registry system of any jurisdiction a financing statement which names you as a debtor, or sign any security agreement authorizing any secured party thereunder to file such financing statement creating a security interest in the Collateral;
- (b) if you are a corporation, a partnership or a sole proprietorship, as the case may be, permit any change of ownership or change your capital structure without our prior written consent, such consent not to be unreasonably withheld; or
- (c) transfer your interest in any part of the Collateral not expressly permitted under this Agreement or change the location(s) of the Collateral without our prior written consent.

15. DEFAULT

You shall be in default under this Agreement upon the happening of any of the following events (each, an "Event of Default"):

- (a) you or any other person liable for the Obligations is in default under any agreement relating to the Obligations or any part thereof;
- (b) you or any other person liable for the Obligations is in default under any other loan, debt or obligation owed to anyone else, subject to the passage of any applicable grace period;
- (c) you fail to perform any of the terms or conditions of this Agreement or any other agreement between you and us;
- (d) you become insolvent or bankrupt or make an assignment for the benefit of creditors or consent to the appointment of a trustee or receiver, or a trustee or receiver shall be appointed for you or for a substantial part of your property without your consent;
- (e) bankruptcy, reorganization or insolvency proceedings shall be instituted by or against you;
- (f) any statement made by you to induce us to extend credit to you was false in any material respect when made, or becomes false;
- (g) anyone takes possession of or applies to any court for possession of the Collateral, or anyone claims to have rights in the Collateral superior to our rights;
- (h) if you are an individual, you are declared incompetent by a court, or you die, or, if you are a partnership, a partner dies;
- (i) you pledge, encumber, mortgage or otherwise create or permit the continued existence of any lien or any other interest or claim including any proprietary or trust interest or encumbrance claimed by any third party with respect to any of the Collateral, except for any lien granted by you in our favour;
- (j) you incur any indebtedness for borrowed money (including, without limitation, by guaranteeing the obligations of others) outside of the ordinary course of business;
- (k) you fail to deliver to us on a timely basis the financial information required by any agreement between us; or
- (l) any other event occurs which causes us in good faith, to deem ourselves insecure, or to believe that the Collateral, or any part thereof, or the value thereof, is or is about to be placed in jeopardy.

16. REMEDIES

Upon the occurrence of an Event of Default, we may require you to repay any or all of the Obligations in full, whether matured or not, and we may enforce this Agreement by any method permitted by law, and we may exercise any rights and remedies under applicable law, and we may appoint any person, including our employee, to be an agent, a receiver or receiver and manager (the "Receiver") of the Collateral. We and the Receiver shall be entitled to:

- (a) seize and possess the Collateral;
- (b) carry on your business;
- (c) sell, lease or otherwise dispose of the Collateral;
- (d) foreclose on the Collateral;
- (e) in the case of Life Insurance, exercise any options available to you under the Life Insurance;
- (f) demand, sue for and receive Accounts, give effectual receipts and discharges for the Accounts, compromise any Accounts which may seem bad or doubtful to us and give time for payment thereof with or without security;
- (g) make any arrangement or compromise in our interest, or

- (h) take any other action deemed necessary to carry into effect the provisions of this Agreement.

The Receiver shall be your agent and you shall be solely responsible for the Receiver's actions. We shall not be in any way responsible for any misconduct or negligence on the part of the Receiver. If the proceeds of the realization of the Collateral are insufficient to repay us the Obligations in full, then you forthwith shall pay us such deficiency. The rights and powers in this paragraph are supplemental to and not in substitution for any other rights we may have from time to time.

17. POWER OF ATTORNEY

You irrevocably appoint us your attorney, with power of substitution and appointment, to sign for you, at our option, all documents necessary or desirable to permit us to exercise any of our rights and remedies under this Agreement and to complete the Schedule attached hereto, with the right to use your name and to take proceedings in your name.

18. NON WAIVER BY US

Any breach by you of this Agreement or the occurrence of an Event of Default may only be waived by us in writing. Any waiver by us does not mean that any subsequent breach or Event of Default is also waived. Any failure by us to notify you of an Event of Default shall not be deemed to be a waiver of such Event of Default. No course of conduct or omission on our part or on your part shall give rise to any expectation by you that we will not insist on strict compliance with the terms of this Agreement.

19. DEALING WITH SECURITY INTEREST

We may take and give up any of the Collateral or modify or abstain from perfecting or taking advantage of our security interest in the Collateral and otherwise deal with any of the Collateral as we shall see fit without prejudice to your liability or to our rights under this Agreement or at law.

20. PAY ENCUMBRANCES

We or the Receiver may pay any encumbrance that may exist or be threatened against the Collateral. In addition, we or the Receiver may borrow money required for the maintenance, preservation or protection of the Collateral and may grant further security interests in the Collateral in priority to the secured interest created hereby as security for the money so borrowed. In every such case, the amounts so paid or borrowed together with costs, charges, and expenses incurred in connection therewith shall become part of the Obligations, shall bear interest at the highest rate per annum charged by us on the Obligations and shall be secured by this Agreement.

21. PAYMENTS

We shall have the right to appropriate any payment made by you to any of your Obligations as we see fit, and to revoke or alter any such appropriation.

22. DEFINITIONS

In this agreement "you", "your" and "yours" refer to the Customer named above. "We", "our", "ours", and "us" refer to CWB Maxium Financial Inc.

23. CONTINUING EFFECTIVENESS

This Agreement shall be a continuing agreement in every respect, securing the payment of the Obligations. If any part of this Agreement is invalid or void, the remaining terms and provisions of this Agreement shall remain in full force and effect.

24. ACKNOWLEDGEMENT & WAIVER

You acknowledge receipt of a copy of this Agreement. You waive any right you may have to receive a copy of any financing statement, verification statement, or similar document we register

or that we may receive by way of confirmation of a security registration in respect of this Agreement or any agreement amending, supplementing or replacing it.

25. SUCCESSORS AND ASSIGNS

This Agreement shall be binding upon you, your heirs and your successors and assigns and shall enure to our benefit and to the benefit of our successors and assigns; provided that you shall not assign any of your rights or obligations hereunder without our prior written consent. We may assign our rights under this Agreement without your consent and without providing you notice of such assignment. This Agreement shall continue in full force and effect notwithstanding any change in the composition of or membership of any firm or corporation, which is a party hereto.

26. NOTICES

Any notice required to be given under this Agreement may be delivered directly to you or us or may be sent by prepaid registered mail addressed to our address shown above or your address shown below, or such further address as we or you may notify to the other in writing from time to time, and if so given the notice shall be deemed to have been given on the day of delivery or the day when it is deemed or otherwise considered to have been received for the purposes of the PPSA, as the case may be.

27. DISCHARGE

If you pay us all of the Obligations secured by this Agreement and otherwise observe and perform the terms and conditions hereof, then we shall, at your request and expense, release and discharge the security interest created by this Agreement and execute and deliver to you such deeds and other instruments as shall be required to effect any such release and discharge.

28. ENTIRE AGREEMENT

You acknowledge that this is the entire agreement between you and us and there are no other written or oral representations or warranties, which apply to the Collateral or to this Agreement. This Agreement may only be amended by an agreement in writing signed by us.

29. NO MERGER

Nether the taking of any judgment nor the exercise of any power of seizure or sale shall operate to extinguish your liability to make payment of or satisfy the Obligations.

30. FURTHER ASSURANCES

You shall at all times do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered every such further act, deed, conveyance, instrument, transfer, assignment, security agreement and assurance as we may reasonably require in order to give effect to the provisions and purposes of this Agreement.

31. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario.

WITNESS

Umar Nasim

Address: 27 Spitfire Drive, Mount Hope, ON L0R 1W0

CWB Maxium Financial Inc.

30 Vogell Road, Suite 1
Richmond Hill, Ontario L4B 3K6
www.maxium.net

General Security Agreement

Customer: Shrikant Malhotra

Date: June 5, 2017

SECURITY INTEREST

In consideration of our dealing with or continuing to deal with you, you grant to us a continuing security interest in all of your Assets and Undertakings (defined below) and an assignment of your Accounts (defined below). The Assets and Undertakings over which you have granted us a security interest hereby, the Accounts assigned to us, together with the Proceeds (defined below) thereof, are herein collectively called the "Collateral". You agree that we have not agreed to postpone the time for attachment of the security interest granted hereby with respect to your presently existing Collateral, that such security interest shall attach to any Collateral acquired after the date hereof as soon as you obtain rights in such Collateral and that value has been given.

INDEBTEDNESS AND LIABILITY SECURED

You agree that the obligations secured by the security interest granted hereby (collectively, the "Obligations") include, without limitation, all your present and future obligations, indebtedness and liability to us, direct and indirect, absolute and contingent, whether matured or not matured, and include all costs and expenses (including legal fees and expenses) incurred by us in connection with our dealings with you.

1. DEFINITIONS OF COLLATERAL

ASSETS AND UNDERTAKINGS - all of your present and after acquired personal property and undertakings including without limitation, Inventory, Equipment, Deposits and Credit Balances, Investment Property, Life Insurance (all as defined herein), all intangible and intellectual property, and all real and immovable property both freehold and leasehold, except for the last day of the term of any lease.

INVENTORY - all presently owned and after acquired goods and other property held for sale or lease or that have been leased or that are to be furnished or have been furnished under a contract of service, or that are raw materials, work in process, or materials used or consumed in your business or profession.

EQUIPMENT - all presently owned and after acquired goods that are owned by you other than Inventory and consumer goods.

DEPOSITS AND CREDIT BALANCES - all monies and credit balances which are now or may hereafter be on deposit with or standing to your credit with us, and/or with any of our subsidiaries and affiliates, up to the amount set out on Schedule A (or all deposit and credit balances, if no amount is set out on Schedule A) and any amount of interest due or accruing due to you in connection with any such deposit or credit balance.

INVESTMENT PROPERTY - all present and future investment property held by you, including securities, shares, options, rights, warrants, joint venture interests, interests in limited partnerships, trust units, bonds, debentures and all other documents which constitute evidence of a share, participation or other interest of yours in property or in an enterprise or which constitute evidence of an obligation of the issuer (collectively called "Investment Property") including, without limitation, any Investment Property specifically identified in Schedule A; and all substitutions therefor and, subject to Section 5, dividends and income derived therefrom.

LIFE INSURANCE - the life insurance policy or policies described on Schedule A and any proceeds derived therefrom, and any amounts held by the insurer as pre-paid premiums or for the payment of future premiums.

2. ACCOUNTS

You absolutely assign and transfer to us all debts, accounts, choses in action, claims, demands, and moneys now due, owing, accruing, or which may hereafter become due, owing or accruing to you, together with all rights, benefits, security interests, mortgages, instruments, rights of action, deeds, books and records and documents now or hereafter belonging to you in respect of or as security for any of the foregoing (collectively called "Accounts"). This assignment is and shall be a continuing security to us for the Obligations. All money or any other form of payment received by you in payment of any Accounts shall, following any continuing Event of Default under this Agreement, be received and held by you in trust for us.

3. INVESTMENT PROPERTY

If any of the Collateral consists of Investment Property, (a) you authorize us to transfer such Collateral or any part thereof into our own name or that of our nominee so that we or our nominee may appear of record as the sole owner of such Collateral; provided, that until the occurrence of any continuing Event of Default, we shall deliver promptly to you all notices, statements or other communications received by us or our nominee as such registered owner, and upon demand and receipt of payment of necessary expenses thereof, shall give you or your designee a proxy or proxies to vote and take all action with respect to such Collateral; provided further that after the occurrence of any continuing Event of Default, you waive all rights to be advised of or to receive any notices, statements or communications received by us or our nominee as such registered owner, and agree that no proxy or proxies given to you or your designee by us shall thereafter be effective; and (b) you further agree to execute such other documents and to perform such other acts, and to cause any issuer or securities intermediary

to execute such other documents and to perform such other acts as may be necessary or appropriate in order to give us "control" of such Investment Property, as defined in the *Securities Transfer Act, 2006* (Ontario), which "control" shall be in such manner as we shall designate in our sole judgment and discretion, including, without limitation, an agreement by any issuer or securities intermediary that it will comply with Instructions in the case of an issuer or entitlement orders in the case of a securities intermediary, originated by us, whether before or after the occurrence of any continuing Event of Default, without further consent from you.

4. PROCEEDS

You grant us a security interest on all of your property in any form derived directly or indirectly from any use or dealing with any Assets and Undertakings or Accounts or that indemnifies or compensates for Assets and Undertakings destroyed or damaged (all of which property is herein collectively called "Proceeds"). Proceeds shall be received and held by you in trust for us.

5. INCOME AND INTEREST ON INVESTMENT PROPERTY

Until the occurrence of any continuing Event of Default, you reserve the right to receive all income from or interest on the Collateral consisting of Investment Property, and if we receive any such income or interest prior to the occurrence of any continuing Event of Default, we agree to pay you such income or interest promptly. After the occurrence of any continuing Event of Default, you will not demand or receive any income from or interest on such Collateral, and if you receive any such income or interest, such income or interest shall be held by you in trust for us in the same medium in which received, shall not be commingled with any of your other assets and shall be delivered to us in the form received, properly endorsed to permit collection, not later than the next business day following the day of its receipt. We may apply the net cash receipts from such income or interest to payment of any of the Obligations, provided that we account for and pay over to you any such income or interest remaining after payment in full of the Obligations.

6. COSTS AND EXPENSES

You agree to pay the costs and expenses we incur to enforce this Agreement, register this Agreement or notice of it, repossess, maintain, preserve, repair or sell the Collateral, or appoint a consultant, receiver, receiver and manager or agent, and to pay interest thereon. You also agree to pay all legal costs and fees (including in-house legal fees, charges and expenses), incurred by us to do any of the above or to defend any legal claim or counterclaim by you or others respecting the manner of our enforcement of, or our right to enforce, this Agreement. You will pay the legal fees incurred by us on a solicitor and own client basis.

7. FREE AND CLEAR

You hereby represent and warrant to us that you are the owner of the Collateral free from any hypothec, mortgage, lien, charge, security interest or any other interest or claim including any proprietary or trust interest or encumbrance claimed by any third party. You hereby covenant and agree to keep the Collateral free and clear of all taxes, assessments, and security or proprietary interests in favour of third parties. You hereby covenant and agree to not sell, give away, part with possession of or otherwise dispose of any part of the Collateral, (except inventory sold in the normal course of business and obsolete equipment) without our prior written consent.

8. INSURANCE

You will, at your cost, keep the Collateral insured from all risk of loss, theft or damage as are customarily insured by businesses in the industry in which you are engaged. If requested, you will provide us with a copy of the insurance policy. The insurance policy will name us as first loss payee and additional insured. We may, in our absolute discretion, pay any premium due on any insurance policy, including any life insurance policy forming part of the Collateral, and the amount of any premium we pay will be added to and form part of the Obligations.

9. LOCATION OF COLLATERAL

You will keep the Collateral at the location or locations set out on Schedule A. You will not

remove the Collateral from this location (except in the ordinary course of your business) without our prior written consent. If no location is set out on Schedule A, you will keep the Collateral at the address shown below your signature to this Agreement.

10. LIMITATION ON OBLIGATIONS OF CWB MAXIUM

Our sole obligation with respect to the custody, safekeeping and physical preservation of Collateral in our possession shall be to use reasonable care in the custody and safekeeping thereof, and we shall be deemed to have used reasonable care if we deal with such Collateral in the same manner as we deal with similar property for our own account. Neither we nor any of our directors, officers, employees or agents shall be liable for failure to demand, collect or realize upon the Collateral or any part thereof or for any delay in doing so, or shall be under any obligation to sell or otherwise dispose of any Collateral whether at your request or otherwise.

11. REPRESENTATIONS AND WARRANTIES

You hereby represent and warrant to us that:

- (a) If applicable, you are a corporation duly existing, or a partnership duly established, under the laws of the jurisdiction of your incorporation or establishment, have all necessary power and authority to own your property and assets, to carry on your business as currently carried on by you and hold all necessary licenses, permits and consents as are required so to own your property and assets and so to carry on business in each jurisdiction in which you do so;
- (b) you have the capacity, power and authority and the legal right to execute and deliver, to perform your obligations under, this Agreement, and have taken all necessary action, corporate or otherwise, to authorize the execution and delivery of this Agreement and the performance of your obligations hereunder;
- (c) this Agreement constitutes a legal, valid and binding obligation of yours enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity;
- (d) except for consents which have been obtained and are in full force and effect, no consent of any person is required, or purports to be required, in connection with the execution and delivery of this Agreement by you or the performance of your obligations hereunder;
- (e) the execution and delivery by you of this Agreement and the performance of your obligations hereunder will not violate any applicable law or contractual obligation applicable to you; and
- (f) the representations and warranties set out in clauses (a) through (e) above or in any certificate or other document delivered to us by you or on your behalf are material, shall be deemed to have been relied upon by us notwithstanding any investigation heretofore or hereafter made by us or on our behalf, shall survive the execution and delivery of this Agreement and shall continue in full force and effect without time limit.

12. REPORTING

You will:

- ~~(a) If you are a corporation, a partnership or a sole proprietorship, provide to us accountant-prepared financial statements within 120 days of each of your fiscal year ends;~~
- (b) if you are an individual, provide to us your personal net worth statement upon request by us;
- (c) advise us of any Event of Default immediately upon the occurrence of such event;
- (d) inform us of any actual or probable material litigation and provide us with copies of all relevant documents upon request; and
- (e) provide us with such other information and financial data as we may request from time to time.

13. POSITIVE COVENANTS

You agree to:

- (a) make all payments when due or demanded to us (without any condition, deduction, set-off or holdback) at our address noted above (or any other address that we advise);
- (b) if applicable, maintain your existence as a corporation, partnership, or sole proprietorship, as the case may be, and keep all material agreements, rights, franchises, licences, operations, contracts or other arrangements in full force and effect;
- (c) pay all taxes, which may result in a lien or charge on any of your property and assets;
- (d) maintain, protect and preserve the Collateral in good repair and working condition;

- (e) provide such security as we may require;
- (f) continue to carry on, and maintain in good standing, the business being carried on by you at the date hereof;
- (g) permit us or our authorized representatives full and reasonable access to your premises, business, financial and computer records and allow the duplication or extraction of pertinent information therefrom;
- (h) notify us in writing at least 20 days prior to any change of your name; and
- (i) notify us in writing promptly of any significant loss of or damage to the Collateral.

14. NEGATIVE COVENANTS

You will not:

- (a) create, incur, assume, or suffer to exist, any mortgage, deed of trust, pledge, lien, security interest, assignment, charge, or encumbrance (including without limitation, any conditional sale, or other title retention agreement, or finance lease) of any nature, upon or with respect to the Collateral, or sign or file under the *Personal Property Security Act* (Ontario) (the "PPSA") or similar registry system of any jurisdiction a financing statement which names you as a debtor, or sign any security agreement authorizing any secured party thereunder to file such financing statement creating a security interest in the Collateral;
- (b) if you are a corporation, a partnership or a sole proprietorship, as the case may be, permit any change of ownership or change your capital structure without our prior written consent, such consent not to be unreasonably withheld; or
- (c) transfer your interest in any part of the Collateral not expressly permitted under this Agreement or change the location(s) of the Collateral without our prior written consent.

15. DEFAULT

You shall be in default under this Agreement upon the happening of any of the following events (each, an "Event of Default"):

- (a) you or any other person liable for the Obligations is in default under any agreement relating to the Obligations or any part thereof;
- (b) you or any other person liable for the Obligations is in default under any other loan, debt or obligation owed to anyone else, subject to the passage of any applicable grace period;
- (c) you fail to perform any of the terms or conditions of this Agreement or any other agreement between you and us;
- (d) you become insolvent or bankrupt or make an assignment for the benefit of creditors or consent to the appointment of a trustee or receiver, or a trustee or receiver shall be appointed for you or for a substantial part of your property without your consent;
- (e) bankruptcy, reorganization or insolvency proceedings shall be instituted by or against you;
- (f) any statement made by you to induce us to extend credit to you was false in any material respect when made, or becomes false;
- (g) anyone takes possession of or applies to any court for possession of the Collateral, or anyone claims to have rights in the Collateral superior to our rights;
- (h) if you are an individual, you are declared incompetent by a court, or you die, or, if you are a partnership, a partner dies;
- (i) you pledge, encumber, mortgage or otherwise create or permit the continued existence of any lien or any other interest or claim including any proprietary or trust interest or encumbrance claimed by any third party with respect to any of the Collateral, except for any lien granted by you in our favour;
- (j) you incur any indebtedness for borrowed money (including, without limitation, by guaranteeing the obligations of others) outside of the ordinary course of business;
- (k) you fail to deliver to us on a timely basis the financial information required by any agreement between us; or
- (l) any other event occurs which causes us in good faith, to deem ourselves insecure, or to believe that the Collateral, or any part thereof, or the value thereof, is or is about to be placed in jeopardy.

16. REMEDIES

Upon the occurrence of an Event of Default, we may require you to repay any or all of the Obligations in full, whether matured or not, and we may enforce this Agreement by any method permitted by law, and we may exercise any rights and remedies under applicable law, and we may appoint any person, including our employee, to be an agent, a receiver or receiver and manager (the "Receiver") of the Collateral. We and the Receiver shall be entitled to:

- (a) seize and possess the Collateral;
- (b) carry on your business;
- (c) sell, lease or otherwise dispose of the Collateral;
- (d) foreclose on the Collateral;
- (e) in the case of Life Insurance, exercise any options available to you under the Life Insurance;
- (f) demand, sue for and receive Accounts, give effectual receipts and discharges for the Accounts, compromise any Accounts which may seem bad or doubtful to us and give time for payment thereof with or without security;
- (g) make any arrangement or compromise in our interest, or

(h) take any other action deemed necessary to carry into effect the provisions of this Agreement.

The Receiver shall be your agent and you shall be solely responsible for the Receiver's actions. We shall not be in any way responsible for any misconduct or negligence on the part of the Receiver. If the proceeds of the realization of the Collateral are insufficient to repay us the Obligations in full, then you forthwith shall pay us such deficiency. The rights and powers in this paragraph are supplemental to and not in substitution for any other rights we may have from time to time.

17. POWER OF ATTORNEY

You irrevocably appoint us your attorney, with power of substitution and appointment, to sign for you, at our option, all documents necessary or desirable to permit us to exercise any of our rights and remedies under this Agreement and to complete the Schedule attached hereto, with the right to use your name and to take proceedings in your name.

18. NON WAIVER BY US

Any breach by you of this Agreement or the occurrence of an Event of Default may only be waived by us in writing. Any waiver by us does not mean that any subsequent breach or Event of Default is also waived. Any failure by us to notify you of an Event of Default shall not be deemed to be a waiver of such Event of Default. No course of conduct or omission on our part or on your part shall give rise to any expectation by you that we will not insist on strict compliance with the terms of this Agreement.

19. DEALING WITH SECURITY INTEREST

We may take and give up any of the Collateral or modify or abstain from perfecting or taking advantage of our security interest in the Collateral and otherwise deal with any of the Collateral as we shall see fit without prejudice to your liability or to our rights under this Agreement or at law.

20. PAY ENCUMBRANCES

We or the Receiver may pay any encumbrance that may exist or be threatened against the Collateral. In addition, we or the Receiver may borrow money required for the maintenance, preservation or protection of the Collateral and may grant further security interests in the Collateral in priority to the secured interest created hereby as security for the money so borrowed. In every such case, the amounts so paid or borrowed together with costs, charges, and expenses incurred in connection therewith shall become part of the Obligations, shall bear interest at the highest rate per annum charged by us on the Obligations and shall be secured by this Agreement.

21. PAYMENTS

We shall have the right to appropriate any payment made by you to any of your Obligations as we see fit, and to revoke or alter any such appropriation.

22. DEFINITIONS

In this agreement "you", "your" and "yours" refer to the Customer named above. "We", "our", "ours", and "us" refer to CVCB Maximum Financial Inc.

23. CONTINUING EFFECTIVENESS

This Agreement shall be a continuing agreement in every respect, securing the payment of the Obligations. If any part of this Agreement is invalid or void, the remaining terms and provisions of this Agreement shall remain in full force and effect.

24. ACKNOWLEDGEMENT & WAIVER

You acknowledge receipt of a copy of this Agreement. You waive any right you may have to receive a copy of any financing statement, verification statement, or similar document we register

or that we may receive by way of confirmation of a security registration in respect of this Agreement or any agreement amending, supplementing or replacing it.

25. SUCCESSORS AND ASSIGNS

This Agreement shall be binding upon you, your heirs and your successors and assigns and shall enure to our benefit and to the benefit of our successors and assigns; provided that you shall not assign any of your rights or obligations hereunder without our prior written consent. We may assign our rights under this Agreement without your consent and without providing you notice of such assignment. This Agreement shall continue in full force and effect notwithstanding any change in the composition of or membership of any firm or corporation, which is a party hereto.

26. NOTICES

Any notice required to be given under this Agreement may be delivered directly to you or us or may be sent by prepaid registered mail addressed to our address shown above or your address shown below, or such further address as we or you may notify to the other in writing from time to time, and if so given the notice shall be deemed to have been given on the day of delivery or the day when it is deemed or otherwise considered to have been received for the purposes of the PPSA, as the case may be.

27. DISCHARGE

If you pay us all of the Obligations secured by this Agreement and otherwise observe and perform the terms and conditions hereof, then we shall, at your request and expense, release and discharge the security interest created by this Agreement and execute and deliver to you such deeds and other instruments as shall be required to effect any such release and discharge.

28. ENTIRE AGREEMENT

You acknowledge that this is the entire agreement between you and us and there are no other written or oral representations or warranties, which apply to the Collateral or to this Agreement. This Agreement may only be amended by an agreement in writing signed by us.

29. NO MERGER

Neither the taking of any judgment nor the exercise of any power of seizure or sale shall operate to extinguish your liability to make payment of or satisfy the Obligations.

30. FURTHER ASSURANCES

You shall at all times do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered every such further act, deed, conveyance, instrument, transfer, assignment, security agreement and assurance as we may reasonably require in order to give effect to the provisions and purposes of this Agreement.

31. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario.

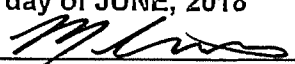
WITNESS

Shrikant Malhotra

Address: 5633 Retreat Street, Mississauga, ON L5R 0B3

Tab D

This is Exhibit "D" referred to in the affidavit
of DANIEL GILCHRIST, SWORN BEFORE ME
this 21st day of JUNE, 2018


A COMMISSIONER FOR TAKING AFFIDAVITS

Matthew Irish - Lawyer

42



MAXIUM
FINANCIAL

Registered Letter

Monday May 28, 2018

Shrikant Malhotra
Personal and Confidential
5633 Retreat Street
Mississauga, Ontario
LSR 0B3

RE: 1970636 Ontario Ltd.
Amount: \$4,578,464.85

Dear Sir:

Please be advised that the subject 1970636 Ontario Ltd. are in arrears in the amount of \$94,530.40 and are accordingly deemed to be in default. A Demand for payment was issued to 1970636 Ontario Ltd. on Tuesday May 8th, 2018. A personal Guarantee was executed by you on June 5th, 2017 to support the outstanding debt of 1970636 Ontario Ltd., a copy of which is herewith attached for your information.

We are now demanding payment in full in the amount of \$4,578,464.85 which represents the total amount owing for all contracts.

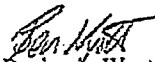
If payment in full has not been received by Thursday June 7th, 2018 CWB Maxium Financial Inc. will have no other alternative than to proceed with the necessary legal action.

It is in your best interest to contact this office immediately to discuss payment arrangements.

PLEASE BE ADVISED THAT WE HAVE INSTRUCTED OUR LEGAL COUNSEL TO OPEN A FILE.

TIME IS NOW OF THE ESSENCE. GOVERN YOURSELF ACCORDINGLY.

Regards


Benjamin Wyatt
Vice President - Portfolio
Attachment

CWB Maximum Financial Inc.
Guarantee

1. CUSTOMER GUARANTEED

The name of the customer whose obligations you are guaranteeing is:

1970536 Ontario Ltd.

(who, together with the Customer's successors, heirs and assigns, shall be referred to herein as the "Customer").

2. OBLIGATIONS GUARANTEED

In consideration of CWB Maximum Financial Inc. (referred to as "we", "our", "ours" and "us" in this Guarantee) dealing with or continuing to deal with the Customer, you guarantee payment to us on demand, of all present and future lease payments and obligations, conditional sale instalments and obligations, and any other debts and liabilities (collectively, the "Obligations"), both direct and indirect, (whether incurred alone or jointly with others, whether absolute or contingent, whether matured or not matured, and whether for principal, interest or fees) payable to us by the Customer under any and all lease agreements, conditional sale contracts, credit facilities, overdrafts, guarantees, letters of credit, indemnities together with all costs and expenses, including legal fees and expenses, incurred by us in connection with its dealings with the Customer. You agree to be bound by each of the terms and conditions set out below.

3. THE NATURE OF YOUR LIABILITY

Your liability under this Guarantee is CONTINUING, absolute and unconditional. It will not be limited, reduced, or otherwise affected by any one or more of the following events:

- the unenforceability of the Obligations, any security, or any of our other rights against the Customer or any other person
- any change in the terms or amount or existence of the Obligations
- the extension of time for payment to the Customer or the granting of any indulgence or concession to the Customer or any other person
- the taking or not taking of a guarantee from any other person
- not taking, perfecting, registering, or renewing any security
- accepting settlement from, or granting releases or discharges to, the Customer or any other person, including another guarantor
- any delay or default by us in the exercise of any right or remedy against you or the Customer
- your liability under any other guarantee
- the reorganization of the Customer's business (whether by amalgamation, merger, transfer, sale or otherwise)
- any change in the Customer's financial condition
- any change in control of the Customer (if the Customer is a corporation)
- a dissolution or change in membership of the Customer (if the Customer is a partnership)
- the bankruptcy of the Customer or any proceedings commenced by the Customer under the Bankruptcy and Insolvency Act or the Companies Creditors Arrangement Act or successor legislation
- our failure to abide by agreements relating to the Obligations
- a breach of any duty of ours (whether fiduciary or in negligence or otherwise) and whether owed to you, the Customer, or any other person
- incapacity, or lack of status or legal existence of the Customer
- the Customer's account being closed or our ceasing to deal with the Customer
- any irregularity, fraud, defect or lack of authority or formality in incurring the Obligation
- not providing our claim in a bankruptcy of the Customer or not proving our claim in full
- any event whatsoever that might be a defence available to the Customer for its obligation or a defence to you under this Guarantee, all of which are hereby waived

4. CWB MAXIMUM NOT LIABLE

We do not owe you any duty (as a fiduciary or otherwise) and you hereby waive any right to make any claim or counterclaim and to raise any right of set off, equitable or otherwise, arising from any alleged breach of a duty owed to you, or the Customer or any other person. We will not be liable to you nor shall you make any claim for any negligence or any breaches or omissions on our part, or any of our employees, officers, directors or agents, or any receivers appointed by us, in the course of any of our actions or their actions.

5. TERMINATING FURTHER LIABILITY

You may cancel this Guarantee for any future Obligations by providing us with express written notice of any such cancellation. You will, however, continue to be liable under this Guarantee for any of the Obligations that the Customer incurs up to and including the day after we receive your notice and for Obligations arising out of agreements made prior to the receipt of your notice.

6. NO SETOFF OR COUNTERCLAIM

You will make all payments required to be made under this Guarantee without regard to any right of setoff or counterclaim that you have or may have against us or the Customer, which rights you waive. In addition to any rights now or hereafter granted under applicable law, and not by way of limitation of any such rights, we are authorized upon any amounts being payable by you to us hereunder, without notice, any such notice being expressly waived by you, to setoff, appropriate and apply any and all deposits and any other indebtedness at any time held by us, or owing to you, against and on account of the Obligations.

7. REINSTATEMENT

This Guarantee and all other terms of this agreement shall continue to be effective or shall be reinstated, as the case may be, if at any time any payment (in whole or in part) of any of the Obligations is rescinded or must otherwise be returned or restored by us by reason of the insolvency, bankruptcy or reorganization of the Customer or for any other reason not involving our willful misconduct, all as though such payment had not been made.

8. APPLICATION OF MONEYS RECEIVED

We may, without notice, apply all moneys received from you, or the Customer or any other person (including under any security that we may from time to time hold) to such part of the Obligations as we, in our absolute discretion, consider appropriate. We may also revoke and alter any such application.

9. EXHAUSTING RECOURSE

We do not need to exhaust our recourse against the Customer or any other person or under any security interest we may from time to time hold before being entitled to full payment from you under this Guarantee. You waive all benefits of discussion and division.

10. INDEMNITY

As an original and independent obligation under this Guarantee, you shall (a) indemnify us and keep us Indemnified against any cost, loss, expense or liability of whatever kind resulting from the failure by the Customer to make due and punctual payment of any of the Obligations or resulting from any of the Obligations being or becoming void, voidable, unenforceable or ineffective against the Customer (including, without limitation, all legal and other costs, charges and expenses incurred by us in connection with preserving or enforcing, or attempting to preserve or enforce, our rights under this Guarantee); and (b) pay on demand the amount of such cost, loss, expense or liability whether or not we have attempted to enforce any rights against the Customer, any other guarantor, or any other person.

11. POSTPONED SUBROGATION

Until the Obligations have been paid in full, you will not make any claim for repayment or contribution from the Customer or any guarantor, for any payment that you make under this Guarantee. Until all the Obligations are paid in full, we may include in our claim in the bankruptcy of the Customer the amount paid by you under this Guarantee and receive dividends in respect of that claim because you assign to us your right to prove your claim and receive dividends.

12. COSTS AND EXPENSES

You agree to pay all costs and expenses, including legal fees, of enforcing this Guarantee including the charges and expenses of our in-house lawyers. You will pay the legal fees on a solicitor and own client basis.

13. ASSIGNMENT AND POSTPONEMENT OF CLAIMS

You postpone the repayment of all present and future debts and liabilities that the Customer owes to you to the prior payment to us of the Obligations. You assign to us all such debts and liabilities, until the Obligations are paid in full. If you receive any moneys in payment of any of such debts and liabilities, you will hold them in trust for, and will immediately pay them to, us without reducing your liability under this Guarantee.

14. CONSENT TO DISCLOSE INFORMATION

We may from time to time give any credit or other information about you to, or receive such information from, any credit bureau, reporting agency or other person.

15. ASSIGNMENT OF OBLIGATIONS

We may, without notice, sell or assign the Obligations and in such case, our assigns may enforce this Guarantee and we may enforce this Guarantee for any part of the Obligations not sold or assigned.

16. GOVERNING LAW

~~This Guarantee shall be construed in accordance with the laws of the province where the Customer's account is held -- and you irrevocably submit to the exclusive jurisdiction of the courts of that province.~~

17. GENERAL

Any provision of this Guarantee that is void or unenforceable in a jurisdiction is, as to that jurisdiction, ineffective to that extent without invalidating the remaining provisions. If two or more persons sign this Guarantee, each person's liability will be joint and several. This Guarantee is in addition and without prejudice to any security of any kind now or in the future held by us. There are no representations, collateral agreements, warranties, or conditions with respect to, or affecting your liability under this Guarantee other than as contained in this Guarantee. No alteration or waiver of this Guarantee or any of its terms or conditions shall be binding on us unless expressly made in writing by us. Our written statement of the amount of the Obligations shall be conclusive and binding on you. You expressly waive notice of the existence or creation of all or any of the Obligations, presentment, demand, notice of dishonor, protest and all other notices whatsoever.

18. FURTHER ASSURANCES

You shall do, execute and deliver or shall cause to be done, executed and delivered all such further acts, documents and things as we may reasonably request for the purpose of giving effect to this Guarantee.

19. DEFINITIONS

In this Guarantee "you" "your" and "yours" refer to the guarantor named below.

Dated this 5th day of June 2017

IN WITNESS WHEREOF:

BY:

Name:

Guarantee

BY:

Shrikant Malhotra

44

FORM 86

NOTICE OF INTENTION TO ENFORCE A SECURITY
(Rule 124)

TO: Shrikant Malhotra., an insolvent person

TAKE NOTICE THAT:

1. CWB MAXIUM FINANCIAL INC., a secured creditor, intends to enforce its security on the insolvent person's property described below:

"As described in the attached General Security Agreement"

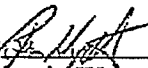
2. The security that is to be enforced is in the form of the attached General Security Agreement"

3. The total amount of indebtedness secured by the security is \$4,578,464.85 together with interest and costs.

4. The secured creditor will not have the right to enforce the security until after the expiry of the ten day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

DATED at Richmond Hill, this 28th day of May 2018.

CWB MAXIUM FINANCIAL INC.

Per: 
Benjamin Wyatt
Vice President - Portfolio

45

CWB Maxium Financial Inc.

30 Vogell Road, Suite 1
Richmond Hill, Ontario L4B 3K6
www.maxium.net

General Security Agreement

Customer: Shrikant Malhotra

Date: June 5 2017

SECURITY INTEREST

In consideration of our dealing with or continuing to deal with you, you grant to us a continuing security interest in all of your Assets and Undertakings (defined below) and an assignment of your Accounts (defined below). The Assets and Undertakings over which you have granted us a security interest hereby, the Accounts assigned to us, together with the Proceeds (defined below) thereof, are herein collectively called the "Collateral". You agree that we have not agreed to postpone the time for attachment of the security interest granted hereby with respect to your presently existing Collateral, that such security interest shall attach to any Collateral acquired after the date hereof as soon as you obtain rights in such Collateral and that value has been given.

INDEBTEDNESS AND LIABILITY SECURED

You agree that the obligations secured by the security interest granted hereby (collectively, the "Obligations") include, without limitation, all your present and future obligations, indebtedness and liability to us, direct and indirect, absolute and contingent, whether matured or not matured, and include all costs and expenses (including legal fees and expenses) incurred by us in connection with our dealings with you.

1. DEFINITIONS OF COLLATERAL

ASSETS AND UNDERTAKINGS - all of your present and after acquired personal property and undertakings including without limitation, inventory, equipment, deposits and credit balances, investment property, life insurance (all as defined herein), all intangible and intellectual property, and all real and immovable property both freehold and leasehold, except for the last day of the term of any lease.

INVENTORY - all presently owned and after acquired goods and other property held for sale or lease or that have been leased or that are to be furnished or have been furnished under a contract of service, or that are raw materials, work in process, or materials used or consumed in your business or profession.

EQUIPMENT - all presently owned and after acquired goods that are owned by you other than inventory and consumer goods.

DEPOSITS AND CREDIT BALANCES - all monies and credit balances which are now or may hereafter be on deposit with or standing to your credit with us, and/or with any of our subsidiaries and affiliates, up to the amount set out on Schedule A (or all deposit and credit balances, if no amount is set out on Schedule A) and any amount of interest due or accruing due to you in connection with any such deposit or credit balance.

INVESTMENT PROPERTY - all present and future investment property held by you, including securities, shares, options, rights, warrants, joint venture interests, interests in limited partnerships, trust units, bonds, debentures and all other documents which constitute evidence of a share, participation or other interest of yours in property or in an enterprise or which constitute evidence of an obligation of the issuer (collectively called "Investment Property") including, without limitation, any Investment Property specifically identified in Schedule A; and all substitutions therefor and, subject to Section 5, dividends and income derived therefrom.

LIFE INSURANCE - the life insurance policy or policies described on Schedule A and any proceeds derived therefrom, and any amounts held by the insurer as pre-paid premiums or for the payment of future premiums.

2. ACCOUNTS

You absolutely assign and transfer to us all debts, accounts, choses in action, claims, demands, and moneys now due, owing, accruing, or which may hereafter become due, owing or accruing to you, together with all rights, benefits, security interests, mortgages, instruments, rights of action, deeds, books and records and documents now or hereafter belonging to you in respect of or as security for any of the foregoing (collectively called "Accounts"). This assignment is and shall be a continuing security to us for the Obligations. All money or any other form of payment received by you in payment of any Accounts shall, following any continuing Event of Default under this Agreement, be received and held by you in trust for us.

3. INVESTMENT PROPERTY

If any of the Collateral consists of Investment Property, (a) you authorize us to transfer such Collateral or any part thereof into our own name or that of our nominee so that we or our nominee may appear of record as the sole owner of such Collateral; provided, that until the occurrence of any continuing Event of Default, we shall deliver promptly to you all notices, statements or other communications received by us or our nominee as such registered owner, and upon demand and receipt of payment of necessary expenses thereof, shall give you or your designee a proxy or proxies to vote and take all action with respect to such Collateral; provided further that after the occurrence of any continuing Event of Default, you waive all rights to be advised of or to receive any notices, statements or communications received by us or our nominee as such registered owner, and agree that no proxy or proxies given to you or your designee by us shall thereafter be effective; and (b) you further agree to execute such other documents and to perform such other acts, and to cause any issuer or securities intermediary

to execute such other documents and to perform such other acts as may be necessary or appropriate in order to give us "control" of such Investment Property, as defined in the *Securities Transfer Act, 2006* (Ontario), which "control" shall be in such manner as we shall designate in our sole judgment and discretion, including, without limitation, an agreement by any issuer or securities intermediary that it will comply with instructions in the case of an issuer or entitlement orders in the case of a securities intermediary, originated by us, whether before or after the occurrence of any continuing Event of Default, without further consent from you.

4. PROCEEDS

You grant us a security interest on all of your property in any form derived directly or indirectly from any use or dealing with any Assets and Undertakings or Accounts or that indemnifies or compensates for Assets and Undertakings destroyed or damaged (all of which property is herein collectively called "Proceeds"). Proceeds shall be received and held by you in trust for us.

5. INCOME AND INTEREST ON INVESTMENT PROPERTY

Until the occurrence of any continuing Event of Default, you reserve the right to receive all income from or interest on the Collateral consisting of Investment Property, and if we receive any such income or interest prior to the occurrence of any continuing Event of Default, we agree to pay you such income or interest promptly. After the occurrence of any continuing Event of Default, you will not demand or receive any income from or interest on such Collateral, and if you receive any such income or interest, such income or interest shall be held by you in trust for us in the same medium in which received, shall not be commingled with any of your other assets and shall be delivered to us in the form received, properly endorsed to permit collection, not later than the next business day following the day of its receipt. We may apply the net cash receipts from such income or interest to payment of any of the Obligations, provided that we account for and pay over to you any such income or interest remaining after payment in full of the Obligations.

6. COSTS AND EXPENSES

You agree to pay the costs and expenses we incur to enforce this Agreement, register this Agreement or notice of it, repossess, maintain, preserve, repair or sell the Collateral, or appoint a consultant, receiver, receiver and manager or agent, and to pay interest thereon. You also agree to pay all legal costs and fees (including in-house legal fees, charges and expenses), incurred by us to do any of the above or to defend any legal claim or counterclaim by you or others respecting the manner of our enforcement of, or our right to enforce, this Agreement. You will pay the legal fees incurred by us on a solicitor and own client basis.

7. FREE AND CLEAR

You hereby represent and warrant to us that you are the owner of the Collateral free from any hypothec, mortgage, lien, charge, security interest or any other interest or claim including any proprietary or trust interest or encumbrance claimed by any third party. You hereby covenant and agree to keep the Collateral free and clear of all taxes, assessments, and security or proprietary interests in favour of third parties. You hereby covenant and agree to not sell, give away, part with possession of or otherwise dispose of any part of the Collateral, (except inventory sold in the normal course of business and obsolete equipment) without our prior written consent.

8. INSURANCE

You will, at your cost, keep the Collateral insured from all risk of loss, theft or damage as are customarily insured by businesses in the industry in which you are engaged. If requested, you will provide us with a copy of the insurance policy. The insurance policy will name us as first loss payee and additional insured. We may, in our absolute discretion, pay any premium due on any insurance policy, including any life insurance policy forming part of the Collateral, and the amount of any premium we pay will be added to and form part of the Obligations.

9. LOCATION OF COLLATERAL

You will keep the Collateral at the location or locations set out on Schedule A. You will not

46

remove the Collateral from this location (except in the ordinary course of your business) without our prior written consent. If no location is set out on Schedule A, you will keep the Collateral at the address shown below your signature to this Agreement.

10. LIMITATION ON OBLIGATIONS OF CWB MAXIMUM

Our sole obligation with respect to the custody, safekeeping and physical preservation of Collateral in our possession shall be to use reasonable care in the custody and safekeeping thereof, and we shall be deemed to have used reasonable care if we deal with such Collateral in the same manner as we deal with similar property for our own account. Neither we nor any of our directors, officers, employees or agents shall be liable for failure to demand, collect or realize upon the Collateral or any part thereof or for any delay in doing so, or shall be under any obligation to sell or otherwise dispose of any Collateral whether at your request or otherwise.

11. REPRESENTATIONS AND WARRANTIES

You hereby represent and warrant to us that:

- (a) if applicable, you are a corporation duly existing, or a partnership duly established, under the laws of the jurisdiction of your incorporation or establishment, have all necessary power and authority to own your property and assets, to carry on your business as currently carried on by you and hold all necessary licenses, permits and consents as are required so to own your property and assets and so to carry on business in each jurisdiction in which you do so;
- (b) you have the capacity, power and authority and the legal right to execute and deliver, to perform your obligations under, this Agreement, and have taken all necessary action, corporate or otherwise, to authorize the execution and delivery of this Agreement and the performance of your obligations hereunder;
- (c) this Agreement constitutes a legal, valid and binding obligation of yours enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity;
- (d) except for consents which have been obtained and are in full force and effect, no consent of any person is required, or purports to be required, in connection with the execution and delivery of this Agreement by you or the performance of your obligations hereunder;
- (e) the execution and delivery by you of this Agreement and the performance of your obligations hereunder will not violate any applicable law or contractual obligation applicable to you; and
- (f) the representations and warranties set out in clauses (a) through (e) above or in any certificate or other document delivered to us by you or on your behalf are material, shall be deemed to have been relied upon by us notwithstanding any investigation heretofore or hereafter made by us or on our behalf, shall survive the execution and delivery of this Agreement and shall continue in full force and effect without time limit.

12. REPORTING

You will:

- (a) If you are a corporation, a partnership or a sole proprietorship, provide to us accountant-prepared financial statements within 120 days of each of your fiscal year ends;
- (b) if you are an individual, provide to us your personal net worth statement upon request by us;
- (c) advise us of any Event of Default immediately upon the occurrence of such event;
- (d) inform us of any actual or probable material litigation and provide us with copies of all relevant documents upon request; and
- (e) provide us with such other information and financial data as we may request from time to time.

13. POSITIVE COVENANTS

You agree to:

- (a) make all payments when due or demanded to us (without any condition, deduction, set-off or holdback) at our address noted above (or any other address that we advise);
- (b) if applicable, maintain your existence as a corporation, partnership, or sole proprietorship, as the case may be, and keep all material agreements, rights, franchises, licences, operations, contracts or other arrangements in full force and effect;
- (c) pay all taxes, which may result in a lien or charge on any of your property and assets;
- (d) maintain, protect and preserve the Collateral in good repair and working condition;

Security Agreement

- (e) provide such security as we may require;
- (f) continue to carry on, and maintain in good standing, the business being carried on by you at the date hereof;
- (g) permit us or our authorized representatives full and reasonable access to your premises, business, financial and computer records and allow the duplication or extraction of pertinent information therefrom;
- (h) notify us in writing at least 20 days prior to any change of your name; and
- (i) notify us in writing promptly of any significant loss of or damage to the Collateral.

14. NEGATIVE COVENANTS

You will not:

- (a) create, incur, assume, or suffer to exist, any mortgage, deed of trust, pledge, lien, security interest, assignment, charge, or encumbrance (including without limitation, any conditional sale, or other title retention agreement, or finance lease) of any nature, upon or with respect to the Collateral, or sign or file under the *Personal Property Security Act* (Ontario) (the "PPSA") or similar registry system of any jurisdiction a financing statement which names you as a debtor, or sign any security agreement authorizing any secured party thereunder to file such financing statement creating a security interest in the Collateral;
- (b) if you are a corporation, a partnership or a sole proprietorship, as the case may be, permit any change of ownership or change your capital structure without our prior written consent, such consent not to be unreasonably withheld; or
- (c) transfer your interest in any part of the Collateral not expressly permitted under this Agreement or change the location(s) of the Collateral without our prior written consent.

15. DEFAULT

You shall be in default under this Agreement upon the happening of any of the following events (each, an "Event of Default"):

- (a) you or any other person liable for the Obligations is in default under any agreement relating to the Obligations or any part thereof;
- (b) you or any other person liable for the Obligations is in default under any other loan, debt or obligation owed to anyone else, subject to the passage of any applicable grace period;
- (c) you fail to perform any of the terms or conditions of this Agreement or any other agreement between you and us;
- (d) you become insolvent or bankrupt or make an assignment for the benefit of creditors or consent to the appointment of a trustee or receiver, or a trustee or receiver shall be appointed for you or for a substantial part of your property without your consent;
- (e) bankruptcy, reorganization or insolvency proceedings shall be instituted by or against you;
- (f) any statement made by you to induce us to extend credit to you was false in any material respect when made, or becomes false;
- (g) anyone takes possession of or applies to any court for possession of the Collateral, or anyone claims to have rights in the Collateral superior to our rights;
- (h) if you are an individual, you are declared incompetent by a court, or you die, or, if you are a partnership, a partner dies;
- (i) you pledge, encumber, mortgage or otherwise create or permit the continued existence of any lien or any other interest or claim including any proprietary or trust interest or encumbrance claimed by any third party with respect to any of the Collateral, except for any lien granted by you in our favour;
- (j) you incur any indebtedness for borrowed money (including, without limitation, by guaranteeing the obligations of others) outside of the ordinary course of business;
- (k) you fail to deliver to us on a timely basis the financial information required by any agreement between us; or
- (l) any other event occurs which causes us in good faith, to deem ourselves insecure, or to believe that the Collateral, or any part thereof, or the value thereof, is or is about to be placed in jeopardy.

16. REMEDIES

Upon the occurrence of an Event of Default, we may require you to repay any or all of the Obligations in full, whether matured or not, and we may enforce this Agreement by any method permitted by law, and we may exercise any rights and remedies under applicable law, and we may appoint any person, including our employee, to be an agent, a receiver or receiver and manager (the "Receiver") of the Collateral. We and the Receiver shall be entitled to:

- (a) seize and possess the Collateral;
- (b) carry on your business;
- (c) sell, lease or otherwise dispose of the Collateral;
- (d) foreclose on the Collateral;
- (e) in the case of life insurance, exercise any options available to you under the life insurance;
- (f) demand, sue for and receive accounts, give effectual receipts and discharges for the accounts, compromise any accounts which may seem bad or doubtful to us and give time for payment thereof with or without security;
- (g) make any arrangement or compromise in our interest, or

(h) take any other action deemed necessary to carry into effect the provisions of this Agreement.

The Receiver shall be your agent and you shall be solely responsible for the Receiver's actions. We shall not be in any way responsible for any misconduct or negligence on the part of the Receiver. If the proceeds of the realization of the Collateral are insufficient to repay us the Obligations in full, then you forthwith shall pay us such deficiency. The rights and powers in this paragraph are supplemental to and not in substitution for any other rights we may have from time to time.

17. POWER OF ATTORNEY

You irrevocably appoint us your attorney, with power of substitution and appointment, to sign for you, at our option, all documents necessary or desirable to permit us to exercise any of our rights and remedies under this Agreement and to complete the Schedule attached hereto, with the right to use your name and to take proceedings in your name.

18. NON WAIVER BY US

Any breach by you of this Agreement or the occurrence of an Event of Default may only be waived by us in writing. Any waiver by us does not mean that any subsequent breach or Event of Default is also waived. Any failure by us to notify you of an Event of Default shall not be deemed to be a waiver of such Event of Default. No course of conduct or omission on our part or on your part shall give rise to any expectation by you that we will not insist on strict compliance with the terms of this Agreement.

19. DEALING WITH SECURITY INTEREST

We may take and give up any of the Collateral or modify or abstain from perfecting or taking advantage of our security interest in the Collateral and otherwise deal with any of the Collateral as we shall see fit without prejudice to your liability or to our rights under this Agreement or at law.

20. PAY ENCUMBRANCES

We or the Receiver may pay any encumbrance that may exist or be threatened against the Collateral. In addition, we or the Receiver may borrow money required for the maintenance, preservation or protection of the Collateral and may grant further security interests in the Collateral in priority to the secured interest created hereby as security for the money so borrowed. In every such case, the amounts so paid or borrowed together with costs, charges, and expenses incurred in connection therewith shall become part of the Obligations, shall bear interest at the highest rate per annum charged by us on the Obligations and shall be secured by this Agreement.

21. PAYMENTS

We shall have the right to appropriate any payment made by you to any of your Obligations as we see fit, and to revoke or alter any such appropriation.

22. DEFINITIONS

In this agreement "you", "your" and "yours" refer to the Customer named above. "We", "our", "ours", and "us" refer to CWB Maxium Financial Inc.

23. CONTINUING EFFECTIVENESS

This Agreement shall be a continuing agreement in every respect, securing the payment of the Obligations. If any part of this Agreement is invalid or void, the remaining terms and provisions of this Agreement shall remain in full force and effect.

24. ACKNOWLEDGEMENT & WAIVER

You acknowledge receipt of a copy of this Agreement. You waive any right you may have to receive a copy of any financing statement, verification statement, or similar document we register

or that we may receive by way of confirmation of a security registration in respect of this Agreement or any agreement amending, supplementing or replacing it.

25. SUCCESSORS AND ASSIGNS

This Agreement shall be binding upon you, your heirs and your successors and assigns and shall enure to our benefit and to the benefit of our successors and assigns; provided that you shall not assign any of your rights or obligations hereunder without our prior written consent. We may assign our rights under this Agreement without your consent and without providing you notice of such assignment. This Agreement shall continue in full force and effect notwithstanding any change in the composition of or membership of any firm or corporation, which is a party hereto.

26. NOTICES

Any notice required to be given under this Agreement may be delivered directly to you or us or may be sent by prepaid registered mail addressed to our address shown above or your address shown below, or such further address as we or you may notify to the other in writing from time to time, and if so given the notice shall be deemed to have been given on the day of delivery or the day when it is deemed or otherwise considered to have been received for the purposes of the PPSA, as the case may be.

27. DISCHARGE

If you pay us all of the Obligations secured by this Agreement and otherwise observe and perform the terms and conditions hereof, then we shall, at your request and expense, release and discharge the security interest created by this Agreement and execute and deliver to you such deeds and other instruments as shall be required to effect any such release and discharge.

28. ENTIRE AGREEMENT

You acknowledge that this is the entire agreement between you and us and there are no other written or oral representations or warranties, which apply to the Collateral or to this Agreement. This Agreement may only be amended by an agreement in writing signed by us.

29. NO MERGER

Neither the taking of any judgment nor the exercise of any power of seizure or sale shall operate to extinguish your liability to make payment of or satisfy the Obligations.

30. FURTHER ASSURANCES

You shall at all times do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered every such further act, deed, conveyance, instrument, transfer, assignment, security agreement and assurance as we may reasonably require in order to give effect to the provisions and purposes of this Agreement.

31. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario.

WITNESS

Shrikant Malhotra

Address: 5633 Retreat Street, Mississauga, ON L5R 0B3

48



MAXIUM
FINANCIAL

Registered Letter

Tuesday May 8th, 2018

Mr. Umair Masim
Personal and Confidential
27 Spitfire Drive
Mount Hope, Ontario
L0R 1W0

RE: 1970636 Ontario Ltd.
Amount: \$4,577,670.02

Dear Sir:

Please be advised that the subject 1970636 Ontario Ltd. are in arrears in the amount of \$47,265.20 and are accordingly deemed to be in default. A Demand for payment was issued to 1970636 Ontario Ltd. on Tuesday May 8th, 2018. A personal Guarantee was executed by you on June 5th, 2017 to support the outstanding debt of 1970636 Ontario Ltd., a copy of which is herewith attached for your information.

We are now demanding payment in full in the amount of \$4,577,670.02 which represents the total amount owing for all contracts.


If payment in full has not been received by Friday May 18th, 2018 CWB Maxium Financial Inc. will have no other alternative than to proceed with the necessary legal action.

It is in your best interest to contact this office immediately to discuss payment arrangements.

PLEASE BE ADVISED THAT WE HAVE INSTRUCTED OUR LEGAL COUNSEL TO OPEN A FILE.

TIME IS NOW OF THE ESSENCE. GOVERN YOURSELF ACCORDINGLY.

Regards


Benjamin Wyett
Vice President - Portfolio
Attachment



REGISTERED
DOMESTIC
CUSTOMER RECEIPT

RECOMMANDÉ
RÉGIME INTÉRIEUR
REÇU DU CLIENT



No	Destinataire
Nom	Umair Masim
Adresse	27 Spitfire Dr
Ville / Prov. / Postal Code	Mount Hope
Ville / Prov. / Code postal	
Destinataire	
Value (incl. taxes)	\$

33-085-584 (14-05) 1970636 Ont (quarantor)

FOR DELIVERY, CONFIRMATION
RÉCEPTION, CONFIRMATION
1 (888) 550-6333
RN 270 033 638 CA



MAXIUM
FINANCIAL

Registered Letter

Monday May 28th, 2018

Mr. Umair Nasim
Personal and Confidential
27 Spitfire Drive
Mount Hope, Ontario
L0R 1W0

**RE: 1970636 Ontario Ltd.
Amount: \$4,578,464.85**

Dear Sir:

Please be advised that the subject 1970636 Ontario Ltd. are in arrears in the amount of \$94,530.40 and are accordingly deemed to be in default. A Demand for payment was issued to 1970636 Ontario Ltd. on Tuesday May 8th, 2018. A personal Guarantee was executed by you on June 5th, 2017 to support the outstanding debt of 1970636 Ontario Ltd., a copy of which is herewith attached for your information.

We are now demanding payment in full in the amount of \$4,578,464.85 which represents the total amount owing for all contracts.

If payment in full has not been received by Thursday June 7th, 2018 CWB Maxium Financial Inc. will have no other alternative than to proceed with the necessary legal action.

It is in your best interest to contact this office immediately to discuss payment arrangements.

PLEASE BE ADVISED THAT WE HAVE INSTRUCTED OUR LEGAL COUNSEL TO OPEN A FILE.

TIME IS NOW OF THE ESSENCE. GOVERN YOURSELF ACCORDINGLY.

Regards

Benjamin Wyatt
Vice President - Portfolio
Attachment

CWB Maximum Financial Inc.
Guarantee

1. CUSTOMER GUARANTEED

The name of the customer whose obligations you are guaranteeing is: 1970636 Ontario Ltd.
(who, together with the Customer's successors, heirs and assigns, shall be referred to herein as the "Customer").

2. OBLIGATIONS GUARANTEED

In consideration of CWB Maximum Financial Inc. (referred to as "we", "our", "ours" and "us" in this Guarantee) dealing with or continuing to deal with the Customer, you guarantee payment to us on demand, of all present and future loans, payments and obligations, conditional sale instalments and obligations, and any other debts and liabilities (collectively, the "Obligations"), both direct and indirect (whether incurred alone or jointly with others, whether absolute or contingent, whether matured or not matured, and whether for principal, interest or fees) payable to us by the Customer under any and all lease agreements, conditional sale contracts, credit facilities, overdrafts, guarantees, letters of credit, indemnities together with all costs and expenses, including legal fees and expenses, incurred by us in connection with its dealings with the Customer. You agree to be bound by each of the terms and conditions set out below.

3. THE NATURE OF YOUR LIABILITY

Your liability under this Guarantee is CONTINUING, absolute and unconditional. It will not be limited, reduced, or otherwise affected by any one or more of the following events:

- the unenforceability of the Obligations, any security, or any of our other rights against the Customer or any other person
- any change in the terms or amount or existence of the Obligations
- the extension of time for payment to the Customer or the granting of any indulgence or concession to the Customer or any other person
- the taking or not taking of a guarantee from any other person
- not taking, perfecting, registering, or renewing any security
- accepting settlement from, or granting releases or discharges to, the Customer or any other person, including another guarantor
- any delay or default by us in the exercise of any right or remedy against you or the Customer
- your liability under any other guarantee
- the reorganization of the Customer's business (whether by amalgamation, merger, transfer, sale or otherwise)
- any change in the Customer's financial condition
- any change in control of the Customer (if the Customer is a corporation)
- a dissolution or change in membership of the Customer (if the Customer is a partnership)
- the bankruptcy of the Customer or any proceedings commenced by the Customer under the Bankruptcy and Insolvency Act or the Companies Creditors Arrangement Act or successor legislation
- our failure to abide by agreements relating to the Obligations
- a breach of any duty of ours (whether fiduciary or in negligence or otherwise) and whether owed to you, the Customer, or any other person
- incapacity, or lack of status or legal existence of the Customer
- the Customer's account being closed or our ceasing to deal with the Customer
- any irregularity, fraud, defect or lack of authority or formality in incurring the Obligation
- not providing our claim in a bankruptcy of the Customer or not proving our claim in full
- any event whatsoever that might be a defence available to the Customer for its obligation or a defence to you under this Guarantee, all of which are hereby waived

4. CWB MAXIMUM NOT LIABLE

We do not owe you any duty (as a fiduciary or otherwise) and you hereby waive any right to make any claim or counterclaim and to raise any right of set off, equitable or otherwise, arising from any alleged breach of a duty owed to you, or the Customer or any other person. We will not be liable to you nor shall you make any claim for any negligence or any breaches or omissions on our part, or any of our employees, officers, directors or agents, or any receivers appointed by us, in the course of any of our actions or their actions.

5. TERMINATING FURTHER LIABILITY

You may cancel this Guarantee for any future Obligations by providing us with express written notice of any such cancellation. You will, however, continue to be liable under this Guarantee for any of the Obligations that the Customer incurs up to and including the day after we receive your notice and for Obligations arising out of agreements made prior to the receipt of your notice.

6. NO SETOFF OR COUNTERCLAIM

You will make all payments required to be made under this Guarantee without regard to any right of setoff or counterclaim that you have or may have against us or the Customer, which rights you waive. In addition to any rights now or hereafter granted under applicable law, and not by way of limitation of any such rights, we are authorized upon any amounts being payable by you to us hereunder, without notice, any such notice being expressly waived by you, to setoff, appropriate and apply any and all deposits and any other indebtedness at any time held by us, or owing to you, against and on account of the Obligations.

7. REINSTATEMENT

This Guarantee and all other terms of this agreement shall continue to be effective or shall be reinstated, as the case may be, if at any time any payment (in whole or in part) of any of the Obligations is rescinded or must otherwise be returned or restored by us by reason of the insolvency, bankruptcy or reorganization of the Customer or for any other reason not involving our willful misconduct, all as though such payment had not been made.

8. APPLICATION OF MONEYS RECEIVED

We may, without notice, apply all moneys received from you, or the Customer or any other person (including under any security that we may from time to time hold) to such part of the Obligations as we, in our absolute discretion, consider appropriate. We may also revoke and alter any such application.

9. EXHAUSTING RECOURSE

We do not need to exhaust our recourse against the Customer or any other person or under any security interest we may from time to time hold before being entitled to full payment from you under this Guarantee. You waive all benefits of discussion and division.

10. INDEMNITY

As an original and independent obligation under this Guarantee, you shall (a) indemnify us and keep us indemnified against any cost, loss, expense or liability of whatever kind resulting from the failure by the Customer to make due and punctual payment of any of the Obligations or resulting from any of the Obligations being or becoming void, voidable, unenforceable or ineffective against the Customer (including, without limitation, all legal and other costs, charges and expenses incurred by us in connection with preserving or enforcing, or attempting to preserve or enforce, our rights under this Guarantee), and (b) pay on demand the amount of such cost, loss, expense or liability whether or not we have attempted to enforce any rights against the Customer, any other guarantor, or any other person.

11. POSTPONED SUBROGATION

Until the Obligations have been paid in full, you will not make any claim for repayment or contribution from the Customer or any guarantor, for any payment that you make under this Guarantee. Until all the Obligations are paid in full, we may include in our claim in the bankruptcy of the Customer the amount paid by you under this Guarantee and receive dividends in respect of that claim because you assign to us your right to prove your claim and receive dividends.

12. COSTS AND EXPENSES

You agree to pay all costs and expenses, including legal fees, of enforcing this Guarantee including the charges and expenses of our in-house lawyers. You will pay the legal fees on a solicitor and own client basis.

13. ASSIGNMENT AND POSTPONEMENT OF CLAIMS

You postpone the repayment of all present and future debts and liabilities that the Customer owes to you to the prior payment to us of the Obligations. You assign to us all such debts and liabilities, until the Obligations are repaid in full. If you receive any moneys in payment of any of such debts and liabilities, you will hold them in trust for, and will immediately pay them to, us without reducing your liability under this Guarantee.

14. CONSENT TO DISCLOSE INFORMATION

We may from time to time give any credit or other information about you to, or receive such information from, any credit bureau, reporting agency or other person.

15. ASSIGNMENT OF OBLIGATIONS

We may, without notice, sell or assign the Obligations and in such case, our assignee may enforce this Guarantee and we may enforce this Guarantee for any part of the Obligations not sold or assigned.

16. GOVERNING LAW

~~This Guarantee shall be construed in accordance with the laws of the province where the Customer's account is held and you irrevocably submit to the exclusive jurisdiction of the courts of that province.~~

17. GENERAL

Any provision of this Guarantee that is void or unenforceable in a jurisdiction is, as to that jurisdiction, ineffective to that extent without invalidating the remaining provisions. If two or more persons sign this Guarantee, each person's liability will be joint and several. This Guarantee is in addition and without prejudice to any security of any kind now or in the future held by us. There are no representations, collateral agreements, warranties, or conditions with respect to, or affecting your liability under this Guarantee other than as contained in this Guarantee. No alteration or waiver of this Guarantee or any of its terms or conditions shall be binding on us unless expressly made in writing by us. Our written statement of the amount of the Obligations shall be conclusive and binding on you. You expressly waive notice of the existence or creation of all or any of the Obligations, presentment, demand, notice of dishonor, protest and all other notices whatsoever.

18. FURTHER ASSURANCES

You shall do, execute and deliver or shall cause to be done, executed and delivered all such further acts, documents and things as we may reasonably request for the purpose of giving effect to this Guarantee.

19. DEFINITIONS

In this Guarantee "you" "your" and "yours" refer to the guarantor named below.

Dated this 5th day of June 2017

IN WITNESS WHEREOF:

BY:

Name:

Guaranteee

BY:

Umar Nasir

57

FORM 86

NOTICE OF INTENTION TO ENFORCE A SECURITY
(Rule 124)

TO: Umair Nasim., an insolvent person

TAKE NOTICE THAT:

1. CWB MAXIUM FINANCIAL INC., a secured creditor, intends to enforce its security on the insolvent person's property described below:

"As described in the attached General Security Agreement"

2. The security that is to be enforced is in the form of the attached General Security Agreement"

3. The total amount of indebtedness secured by the security is \$4,578,464.85 together with interest and costs.

4. The secured creditor will not have the right to enforce the security until after the expiry of the ten day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

DATED at Richmond Hill, this 28th day of May 2018.

CWB MAXIUM FINANCIAL INC.

Per: 

Benjamin Wyatt

Vice President - Portfolio

52

CWB Maxium Financial Inc.

30 Vogell Road, Suite 1
Richmond Hill, Ontario L4B 3K6
www.maxium.net

General Security Agreement

Customer: Umar Nasim

Date: June 5, 2007

SECURITY INTEREST

In consideration of our dealing with or continuing to deal with you, you grant to us a continuing security interest in all of your Assets and Undertakings (defined below) and an assignment of your Accounts (defined below). The Assets and Undertakings over which you have granted us a security interest hereby, the Accounts assigned to us, together with the Proceeds (defined below) thereof, are herein collectively called the "Collateral". You agree that we have not agreed to postpone the time for attachment of the security interest granted hereby with respect to your presently existing Collateral, that such security interest shall attach to any Collateral acquired after the date hereof as soon as you obtain rights in such Collateral and that value has been given.

INDEBTEDNESS AND LIABILITY SECURED

You agree that the obligations secured by the security interest granted hereby (collectively, the "Obligations") include, without limitation, all your present and future obligations, indebtedness and liability to us, direct and indirect, absolute and contingent, whether matured or not matured, and include all costs and expenses (including legal fees and expenses) incurred by us in connection with our dealings with you.

1. DEFINITIONS OF COLLATERAL

ASSETS AND UNDERTAKINGS - all of your present and after acquired personal property and undertakings including without limitation, Inventory, Equipment, Deposits and Credit Balances, Investment Property, Life Insurance (all as defined herein), all intangible and intellectual property, and all real and immovable property both freehold and leasehold, except for the last day of the term of any lease.

INVENTORY - all presently owned and after acquired goods and other property held for sale or lease or that have been leased or that are to be furnished or have been furnished under a contract of service, or that are raw materials, work in process, or materials used or consumed in your business or profession.

EQUIPMENT - all presently owned and after acquired goods that are owned by you other than Inventory and consumer goods.

DEPOSITS AND CREDIT BALANCES - all monies and credit balances which are now or may hereafter be on deposit with or standing to your credit with us, and/or with any of our subsidiaries and affiliates, up to the amount set out on Schedule A (or all deposit and credit balances, if no amount is set out on Schedule A) and any amount of interest due or accruing due to you in connection with any such deposit or credit balance.

INVESTMENT PROPERTY - all present and future investment property held by you, including securities, shares, options, rights, warrants, joint venture interests, interests in limited partnerships, trust units, bonds, debentures and all other documents which constitute evidence of a share, participation or other interest of yours in property or in an enterprise or which constitute evidence of an obligation of the Issuer (collectively called "Investment Property") including, without limitation, any Investment Property specifically identified in Schedule A; and all substitutions therefor and, subject to Section 5, dividends and income derived therefrom.

LIFE INSURANCE - the life insurance policy or policies described on Schedule A and any proceeds derived therefrom, and any amounts held by the insurer as pre-paid premiums or for the payment of future premiums.

2. ACCOUNTS

You absolutely assign and transfer to us all debts, accounts, choses in action, claims, demands, and moneys now due, owing, accruing, or which may hereafter become due, owing or accruing to you, together with all rights, benefits, security interests, mortgages, instruments, rights of action, deeds, books and records and documents now or hereafter belonging to you in respect of or as security for any of the foregoing (collectively called "Accounts"). This assignment is and shall be a continuing security to us for the Obligations. All money or any other form of payment received by you in payment of any Accounts shall, following any continuing Event of Default under this Agreement, be received and held by you in trust for us.

3. INVESTMENT PROPERTY

If any of the Collateral consists of Investment Property, (a) you authorize us to transfer such Collateral or any part thereof into our own name or that of our nominee so that we or our nominee may appear of record as the sole owner of such Collateral; provided, that until the occurrence of any continuing Event of Default, we shall deliver promptly to you all notices, statements or other communications received by us or our nominee as such registered owner, and upon demand and receipt of payment of necessary expenses thereof, shall give you or your designee a proxy or proxies to vote and take all action with respect to such Collateral; provided further that after the occurrence of any continuing Event of Default, you waive all rights to be advised of or to receive any notices, statements or communications received by us or our nominee as such registered owner, and agree that no proxy or proxies given to you or your designee by us shall thereafter be effective; and (b) you further agree to execute such other documents and to perform such other acts, and to cause any issuer or securities intermediary

to execute such other documents and to perform such other acts as may be

necessary or appropriate in order to give us "control" of such Investment Property, as defined in the *Securities Transfer Act, 2006* (Ontario), which "control" shall be in such manner as we shall designate in our sole judgment and discretion, including, without limitation, an agreement by any issuer or securities intermediary that it will comply with instructions in the case of an issuer or entitlement orders in the case of a securities intermediary, originated by us, whether before or after the occurrence of any continuing Event of Default, without further consent from you.

4. PROCEEDS

You grant us a security interest on all of your property in any form derived directly or indirectly from any use or dealing with any Assets and Undertakings or Accounts or that indemnifies or compensates for Assets and Undertakings destroyed or damaged (all of which property is herein collectively called "Proceeds"). Proceeds shall be received and held by you in trust for us.

5. INCOME AND INTEREST ON INVESTMENT PROPERTY

Until the occurrence of any continuing Event of Default, you reserve the right to receive all income from or interest on the Collateral consisting of Investment Property, and if we receive any such income or interest prior to the occurrence of any continuing Event of Default, we agree to pay you such income or interest promptly. After the occurrence of any continuing Event of Default, you will not demand or receive any income from or interest on such Collateral, and if you receive any such income or interest, such income or interest shall be held by you in trust for us in the same medium in which received, shall not be commingled with any of your other assets and shall be delivered to us in the form received, properly endorsed to permit collection, not later than the next business day following the day of its receipt. We may apply the net cash receipts from such income or interest to payment of any of the Obligations, provided that we account for and pay over to you any such income or interest remaining after payment in full of the Obligations.

6. COSTS AND EXPENSES

You agree to pay the costs and expenses we incur to enforce this Agreement, register this Agreement or notice of it, repossess, maintain, preserve, repair or sell the Collateral, or appoint a consultant, receiver, receiver and manager or agent, and to pay interest thereon. You also agree to pay all legal costs and fees (including in-house legal fees, charges and expenses), incurred by us to do any of the above or to defend any legal claim or counterclaim by you or others respecting the manner of our enforcement of, or our right to enforce, this Agreement. You will pay the legal fees incurred by us on a solicitor and own client basis.

7. FREE AND CLEAR

You hereby represent and warrant to us that you are the owner of the Collateral free from any hypothec, mortgage, lien, charge, security interest or any other interest or claim including any proprietary or trust interest or encumbrance claimed by any third party. You hereby covenant and agree to keep the Collateral free and clear of all taxes, assessments, and security or proprietary interests in favour of third parties. You hereby covenant and agree to not sell, give away, part with possession of or otherwise dispose of any part of the Collateral, (except inventory sold in the normal course of business and obsolete equipment) without our prior written consent.

8. INSURANCE

You will, at your cost, keep the Collateral insured from all risk of loss, theft or damage as are customarily insured by businesses in the industry in which you are engaged. If requested, you will provide us with a copy of the insurance policy. The insurance policy will name us as first loss payee and additional insured. We may, in our absolute discretion, pay any premium due on any insurance policy, including any life insurance policy forming part of the Collateral, and the amount of any premium we pay will be added to and form part of the Obligations.

9. LOCATION OF COLLATERAL

You will keep the Collateral at the location or locations set out on Schedule A. You will not

remove the Collateral from this location (except in the ordinary course of your business) without our prior written consent. If no location is set out on Schedule A, you will keep the Collateral at the address shown below your signature to this Agreement.

10. LIMITATION ON OBLIGATIONS OF CWB MAXIMUM

Our sole obligation with respect to the custody, safekeeping and physical preservation of Collateral in our possession shall be to use reasonable care in the custody and safekeeping thereof, and we shall be deemed to have used reasonable care if we deal with such Collateral in the same manner as we deal with similar property for our own account. Neither we nor any of our directors, officers, employees or agents shall be liable for failure to demand, collect or realize upon the Collateral or any part thereof or for any delay in doing so, or shall be under any obligation to sell or otherwise dispose of any Collateral whether at your request or otherwise.

11. REPRESENTATIONS AND WARRANTIES

You hereby represent and warrant to us that:

- (a) if applicable, you are a corporation duly existing, or a partnership duly established, under the laws of the jurisdiction of your incorporation or establishment, have all necessary power and authority to own your property and assets, to carry on your business as currently carried on by you and hold all necessary licenses, permits and consents as are required so to own your property and assets and so to carry on business in each jurisdiction in which you do so;
- (b) you have the capacity, power and authority and the legal right to execute and deliver, to perform your obligations under, this Agreement, and have taken all necessary action, corporate or otherwise, to authorize the execution and delivery of this Agreement and the performance of your obligations hereunder;
- (c) this Agreement constitutes a legal, valid and binding obligation of yours enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity;
- (d) except for consents which have been obtained and are in full force and effect, no consent of any person is required, or purports to be required, in connection with the execution and delivery of this Agreement by you or the performance of your obligations hereunder;
- (e) the execution and delivery by you of this Agreement and the performance of your obligations hereunder will not violate any applicable law or contractual obligation applicable to you; and
- (f) the representations and warranties set out in clauses (a) through (e) above or in any certificate or other document delivered to us by you or on your behalf are material, shall be deemed to have been relied upon by us notwithstanding any investigation heretofore or hereafter made by us or on our behalf, shall survive the execution and delivery of this Agreement and shall continue in full force and effect without time limit.

12. REPORTING

You will:

- (a) if you are a corporation, a partnership or a sole proprietorship, provide to us accountant-prepared financial statements within 120 days of each of your fiscal year ends;
- (b) if you are an individual, provide to us your personal net worth statement upon request by us;
- (c) advise us of any Event of Default (immediately upon the occurrence of such event);
- (d) inform us of any actual or probable material litigation and provide us with copies of all relevant documents upon request; and
- (e) provide us with such other information and financial data as we may request from time to time.

13. POSITIVE COVENANTS

You agree to:

- (a) make all payments when due or demanded to us (without any condition, deduction, set-off or holdback) at our address noted above (or any other address that we advise);
- (b) if applicable, maintain your existence as a corporation, partnership, or sole proprietorship, as the case may be, and keep all material agreements, rights, franchises, licences, operations, contracts or other arrangements in full force and effect;
- (c) pay all taxes, which may result in a lien or charge on any of your property and assets;
- (d) maintain, protect and preserve the Collateral in good repair and working condition;

- (c) provide such security as we may require;
- (f) continue to carry on, and maintain in good standing, the business being carried on by you at the date hereof;
- (g) permit us or our authorized representatives full and reasonable access to your premises, business, financial and computer records and allow the duplication or extraction of pertinent information therefrom;
- (h) notify us in writing at least 20 days prior to any change of your name; and
- (i) notify us in writing promptly of any significant loss of or damage to the Collateral.

14. NEGATIVE COVENANTS

You will not:

- (a) create, incur, assume, or suffer to exist, any mortgage, deed of trust, pledge, lien, security interest, assignment, charge, or encumbrance (including without limitation, any conditional sale, or other title retention agreement, or finance lease) of any nature, upon or with respect to the Collateral, or sign or file under the *Personal Property Security Act* (Ontario) (the "PPSA") or similar registry system of any jurisdiction a financing statement which names you as a debtor, or sign any security agreement authorizing any secured party thereunder to file such financing statement creating a security interest in the Collateral;
- (b) if you are a corporation, a partnership or a sole proprietorship, as the case may be, permit any change of ownership or change your capital structure without our prior written consent, such consent not to be unreasonably withheld; or
- (c) transfer your interest in any part of the Collateral not expressly permitted under this Agreement or change the location(s) of the Collateral without our prior written consent.

15. DEFAULT

You shall be in default under this Agreement upon the happening of any of the following events (each, an "Event of Default"):

- (a) you or any other person liable for the Obligations is in default under any agreement relating to the Obligations or any part thereof;
- (b) you or any other person liable for the Obligations is in default under any other loan, debt or obligation owed to anyone else, subject to the passage of any applicable grace period;
- (c) you fail to perform any of the terms or conditions of this Agreement or any other agreement between you and us;
- (d) you become insolvent or bankrupt or make an assignment for the benefit of creditors or consent to the appointment of a trustee or receiver, or a trustee or receiver shall be appointed for you or for a substantial part of your property without your consent;
- (e) bankruptcy, reorganization or insolvency proceedings shall be instituted by or against you;
- (f) any statement made by you to induce us to extend credit to you was false in any material respect when made, or becomes false;
- (g) anyone takes possession of or applies to any court for possession of the Collateral, or anyone claims to have rights in the Collateral superior to our rights;
- (h) if you are an individual, you are declared incompetent by a court, or you die, or, if you are a partnership, a partner dies;
- (i) you pledge, encumber, mortgage or otherwise create or permit the continued existence of any lien or any other interest or claim including any proprietary or trust interest or encumbrance claimed by any third party with respect to any of the Collateral, except for any lien granted by you in our favour;
- (j) you incur any indebtedness for borrowed money (including, without limitation, by guaranteeing the obligations of others) outside of the ordinary course of business;
- (k) you fail to deliver to us on a timely basis the financial information required by any agreement between us; or
- (l) any other event occurs which causes us in good faith, to deem ourselves insecure, or to believe that the Collateral, or any part thereof, or the value thereof, is or is about to be placed in jeopardy.

16. REMEDIES

Upon the occurrence of an Event of Default, we may require you to repay any or all of the Obligations in full, whether matured or not, and we may enforce this Agreement by any method permitted by law, and we may exercise any rights and remedies under applicable law, and we may appoint any person, including our employee, to be an agent, a receiver or receiver and manager (the "Receiver") of the Collateral. We and the Receiver shall be entitled to:

- (a) seize and possess the Collateral;
- (b) carry on your business;
- (c) sell, lease or otherwise dispose of the Collateral;
- (d) foreclose on the Collateral;
- (e) in the case of Life Insurance, exercise any options available to you under the Life Insurance;
- (f) demand, sue for and receive Accounts, give effectual receipts and discharges for the Accounts, compromise any Accounts which may seem bad or doubtful to us and give time for payment thereof with or without security;
- (g) make any arrangement or compromise in our interest, or

54

(h) take any other action deemed necessary to carry into effect the provisions of this Agreement.

The Receiver shall be your agent and you shall be solely responsible for the Receiver's actions. We shall not be in any way responsible for any misconduct or negligence on the part of the Receiver. If the proceeds of the realization of the Collateral are insufficient to repay us the Obligations in full, then you forthwith shall pay us such deficiency. The rights and powers in this paragraph are supplemental to and not in substitution for any other rights we may have from time to time.

17. POWER OF ATTORNEY

You irrevocably appoint us your attorney, with power of substitution and appointment, to sign for you, at our option, all documents necessary or desirable to permit us to exercise any of our rights and remedies under this Agreement and to complete the Schedule attached hereto, with the right to use your name and to take proceedings in your name.

18. NON WAIVER BY US

Any breach by you of this Agreement or the occurrence of an Event of Default may only be waived by us in writing. Any waiver by us does not mean that any subsequent breach or Event of Default is also waived. Any failure by us to notify you of an Event of Default shall not be deemed to be a waiver of such Event of Default. No course of conduct or omission on our part or on your part shall give rise to any expectation by you that we will not insist on strict compliance with the terms of this Agreement.

19. DEALING WITH SECURITY INTEREST

We may take and give up any of the Collateral or modify or abstain from perfecting or taking advantage of our security interest in the Collateral and otherwise deal with any of the Collateral as we shall see fit without prejudice to your liability or to our rights under this Agreement or at law.

20. PAY ENCUMBRANCES

We or the Receiver may pay any encumbrance that may exist or be threatened against the Collateral. In addition, we or the Receiver may borrow money required for the maintenance, preservation or protection of the Collateral and may grant further security interests in the Collateral in priority to the secured interest created hereby as security for the money so borrowed. In every such case, the amounts so paid or borrowed together with costs, charges, and expenses incurred in connection therewith shall become part of the Obligations, shall bear interest at the highest rate per annum charged by us on the Obligations and shall be secured by this Agreement.

21. PAYMENTS

We shall have the right to appropriate any payment made by you to any of your Obligations as we see fit, and to revoke or alter any such appropriation.

22. DEFINITIONS

In this agreement "you", "your" and "yours" refer to the Customer named above. "We", "our", "ours", and "us" refer to CWB Maxium Financial Inc.

23. CONTINUING EFFECTIVENESS

This Agreement shall be a continuing agreement in every respect, securing the payment of the Obligations. If any part of this Agreement is invalid or void, the remaining terms and provisions of this Agreement shall remain in full force and effect.

24. ACKNOWLEDGEMENT & WAIVER

You acknowledge receipt of a copy of this Agreement. You waive any right you may have to receive a copy of any financing statement, verification statement, or similar document we register

or that we may receive by way of confirmation of a security registration in respect of this Agreement or any agreement amending, supplementing or replacing it.

25. SUCCESSORS AND ASSIGNS

This Agreement shall be binding upon you, your heirs and your successors and assigns and shall enure to our benefit and to the benefit of our successors and assigns; provided that you shall not assign any of your rights or obligations hereunder without our prior written consent. We may assign our rights under this Agreement without your consent and without providing you notice of such assignment. This Agreement shall continue in full force and effect notwithstanding any change in the composition of or membership of any firm or corporation, which is a party hereto.

26. NOTICES

Any notice required to be given under this Agreement may be delivered directly to you or us or may be sent by prepaid registered mail addressed to our address shown above or your address shown below, or such further address as we or you may notify to the other in writing from time to time, and if so given the notice shall be deemed to have been given on the day of delivery or the day when it is deemed or otherwise considered to have been received for the purposes of the PPSA, as the case may be.

27. DISCHARGE

If you pay us all of the Obligations secured by this Agreement and otherwise observe and perform the terms and conditions hereof, then we shall, at your request and expense, release and discharge the security interest created by this Agreement and execute and deliver to you such deeds and other instruments as shall be required to effect any such release and discharge.

28. ENTIRE AGREEMENT

You acknowledge that this is the entire agreement between you and us and there are no other written or oral representations or warranties, which apply to the Collateral or to this Agreement. This Agreement may only be amended by an agreement in writing signed by us.

29. NO MERGER

Neither the taking of any judgment nor the exercise of any power of seizure or sale shall operate to extinguish your liability to make payment of or satisfy the Obligations.

30. FURTHER ASSURANCES

You shall at all times do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered every such further act, deed, conveyance, instrument, transfer, assignment, security agreement and assurance as we may reasonably require in order to give effect to the provisions and purposes of this Agreement.

31. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario.

WITNESS

Umar Nasim

Address: 27 Spitfire Drive, Mount Hope, ON L0R 1W0

Tab E

This is Exhibit "E" referred to in the affidavit
of DANIEL GILCHRIST, SWORN BEFORE ME
this 21st day of JUNE, 2018



A COMMISSIONER FOR TAKING AFFIDAVITS

Matthew Irish - Lawyer

56

FORM 86

NOTICE OF INTENTION TO ENFORCE A SECURITY
(Rule 124)

TO: Umair Nasim., an insolvent person

TAKE NOTICE THAT:

1. CWB MAXIUM FINANCIAL INC., a secured creditor, intends to enforce its security on the insolvent person's property described below:

"As described in the attached General Security Agreement"

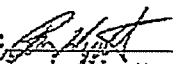
2. The security that is to be enforced is in the form of the attached General Security Agreement"

3. The total amount of indebtedness secured by the security is \$4,578,464.85 together with interest and costs.

4. The secured creditor will not have the right to enforce the security until after the expiry of the ten day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

DATED at Richmond Hill, this 28th day of May 2018.

CWB MAXIUM FINANCIAL INC.

Per: 
Benjamin Wyett
Vice President - Portfolio

57

FORM 86

NOTICE OF INTENTION TO ENFORCE A SECURITY
(Rule 124)

TO: Shrikant Malhotra., an insolvent person

TAKE NOTICE THAT:

1. CWB MAXIUM FINANCIAL INC., a secured creditor, intends to enforce its security on the insolvent person's property described below:

"As described in the attached General Security Agreement"

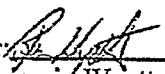
2. The security that is to be enforced is in the form of the attached General Security Agreement"

3. The total amount of indebtedness secured by the security is \$4,578,464.85 together with interest and costs.

4. The secured creditor will not have the right to enforce the security until after the expiry of the ten day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

DATED at Richmond Hill, this 28th day of May 2018.

CWB MAXIUM FINANCIAL INC.

Per: 
Benjamin Wyett
Vice President - Portfolio

Tab F

This is Exhibit "F" referred to in the affidavit
of DANIEL GILCHRIST, SWORN BEFORE ME
this 12th day of JUNE, 2018



A COMMISSIONER FOR TAKING AFFIDAVITS

Matthew Irish - Lawyer

59

5/17/2018

Personal Property Lien: Enquiry Result



[Main Menu](#) [New Enquiry](#)

Enquiry Result

File Currency: 16MAY 2018

All Pages

[Show All Pages](#)

Note: All pages have been returned.

Type of Search	Individual Non-Specific						
Search Conducted On	SHRIKANT;MALHOTRA						
File Currency	16MAY 2018						
File Number	Family	of Families	Page	of Pages	Expiry Date	Status	
728007795	1	2	1	4	25MAY 2027		
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN							
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
728007795		01	003		20170525 1436 1530 0729	P PPSA	10
Individual Debtor	Date of Birth	First Given Name			Initial	Surname	
Business Debtor	Business Debtor Name					Ontario Corporation Number	
	1970636 ONTARIO LTD.						
	Address				City	Province	Postal Code
	503 CONCESSION STREET				HAMILTON	ON	N0G 1H0
Individual Debtor	Date of Birth	First Given Name			Initial	Surname	
Business Debtor	Business Debtor Name					Ontario Corporation Number	
	CONCESSION WENTWORTH MEDICAL CLINIC						
	Address				City	Province	Postal Code
	503 CONCESSION STREET				HAMILTON	ON	N0G 1H0
Secured Party	Secured Party / Lien Claimant						
	CWB MAXIUM FINANCIAL INC.						
	Address				City	Province	Postal Code
	1 - 30 VOGELL ROAD				RICHMOND HILL	ON	L4B 3K6
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	No Fixed Maturity Date
		X	X	X	X	X	
Motor Vehicle Description	Year	Make	Model		V.I.N.		
General Collateral Description	General Collateral Description						
	A SECURITY INTEREST IS TAKEN IN ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.						
Registering Agent	Registering Agent						

60

5/17/2018

Personal Property Lien: Enquiry Result

D+H LIMITED PARTNERSHIP			
Address	City	Province	Postal Code
SUITE 200, 4126 NORLAND AVENUE	BURNABY	BC	V5G 3S8

CONTINUED

Type of Search	Individual Non-Specific						
Search Conducted On	SHRIKANT, MALHOTRA						
File Currency	16MAY 2018						
File Number	Family	of Families	Page	of Pages	Expiry Date	Status	
728007795	1	2	2	4	25MAY 2027		

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
728007795		02	003		20170525 1436 1530 0729		

Individual Debtor	Date of Birth	First Given Name	Initial	Surname
-------------------	---------------	------------------	---------	---------

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	MT. CROSS PHARMACY			
	Address	City	Province	Postal Code
	503 CONCESSION STREET	HAMILTON	ON	N0G 1H0

Individual Debtor	Date of Birth	First Given Name	Initial	Surname
	08FEB1970	UMAIR		NASIM

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	Address	City	Province	Postal Code
	27 SPITFIRE DRIVE	MOUNT HOPE	ON	L0R 1W0

Secured Party	Secured Party / Lien Claimant		
	Address	City	Province
			Postal Code

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
---------------------------	----------------	-----------	-----------	----------	-------	------------------------	--------	---------------------	------------------------

Motor Vehicle Description	Year	Make	Model	V.I.N.
---------------------------	------	------	-------	--------

General Collateral Description	General Collateral Description
--------------------------------	--------------------------------

Registering Agent	Registering Agent		
	Address	City	Province
			Postal Code

CONTINUED

Type of Search	Individual Non-Specific						
Search Conducted On	SHRIKANT, MALHOTRA						
File Currency	16MAY 2018						

5/17/2018

Personal Property Lien: Enquiry Result

61

File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
728007795	1	2	3	4	25MAY 2027			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN								
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period	
728007795		03	003		20170525 1436 1530 0729			
Individual Debtor	Date of Birth	First Given Name		Initial	Surname			
	08FEB1970	UMAIR		N	NASIM			
Business Debtor	Business Debtor Name				Ontario Corporation Number			
	Address				City	Province	Postal Code	
	27 SPITFIRE DRIVE				MOUNT HOPE	ON	L0R 1W0	
Individual Debtor	Date of Birth	First Given Name		Initial	Surname			
	05DEC1968	SHRIKANT			MALHOTRA			
Business Debtor	Business Debtor Name				Ontario Corporation Number			
	Address				City	Province	Postal Code	
	5633 RETREAT STREET				MISSISSAUGA	ON	L5R 0B3	
Secured Party	Secured Party / Lien Claimant							
	Address				City	Province	Postal Code	
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make	Model		V.I.N.			
General Collateral Description	General Collateral Description							
Registering Agent	Registering Agent							
	Address				City	Province	Postal Code	

END OF FAMILY

Type of Search	Individual Non-Specific						
Search Conducted On	SHRIKANT,MALHOTRA						
File Currency	16MAY 2018						
File Number	Family	of Families	Page	of Pages	Expiry Date	Status	
728868762	2	2	4	4	19JUN 2022		
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN							
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
728868762		001	1		20170619 1243 1532 6048 P	PPSA	05
Individual Debtor	Date of Birth	First Given Name		Initial	Surname		

62

5/17/2018

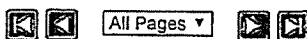
Personal Property Lien: Enquiry Result

05DEC1968		SHRIKANT		MALHOTRA	
Business Debtor	Business Debtor Name			Ontario Corporation Number	
Address			City	Province	Postal Code
5633 RETREAT ST			MISSISSAUGA	ON	L5R 0B3
Individual Debtor	Date of Birth	First Given Name	Initial	Surname	
Business Debtor	Business Debtor Name			Ontario Corporation Number	
Address			City	Province	Postal Code
Secured Party	Secured Party / Lien Claimant				
TOYOTA CREDIT CANADA INC.					
Address			City	Province	Postal Code
80 MICRO COURT, SUITE 200			MARKHAM	ON	L3R 9Z5
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other
	X		X	X	X
Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date		
X		03JUN2022			
Motor Vehicle Description	Year	Make	Model	V.I.N.	
	2017	SUBARU	OUT-HD2PE6	4S4BSFTC0H3402294	
General Collateral Description	General Collateral Description				
Registering Agent	Registering Agent				
D + H LIMITED PARTNERSHIP					
Address			City	Province	Postal Code
2 ROBERT SPECK PARKWAY, 15TH FLOOR			MISSISSAUGA	ON	L4J 1H8

LAST PAGE

Note: All pages have been returned.

[BACK TO TOP](#)



[Show All Pages](#)

This service is tested daily with McAfee SECURE™ to ensure the security of the transaction and information.

At ServiceOntario, we respect your right to privacy and value the trust you place in us. [Read more about ServiceOntario's Privacy Statement.](#)

[ServiceOntario Contact Centre](#)

Web Page ID: WEnqResult

System Date: 17MAY2018

Last Modified: May 17, 2018

[Privacy](#)

[Accessibility](#)

[Contact us](#)

[FAQ](#)

[Terms of Use](#)

© Queen's Printer for Ontario 2015

Tab G

This is Exhibit "G" referred to in the affidavit
of DANIEL GILCHRIST, SWORN BEFORE ME
this 22nd day of JUNE, 2018



A COMMISSIONER FOR TAKING AFFIDAVITS

Matthew Irish - Lawyer

5/14/2018

Personal Property Lien: Enquiry Result

64


[Main Menu](#) [New Enquiry](#)

Enquiry Result

File Currency: 13MAY 2018

All Pages

[Show All Pages](#)

Note: All pages have been returned.

Type of Search	Individual Non-Specific								
Search Conducted On	UMAIR;NASIM								
File Currency	13MAY 2018								
File Number	Family	of Families	Page	of Pages	Expiry Date	Status			
715285107	1	4	1	9	04APR 2019				
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
715285107		001	3		20160404 0818 6083 1247	P PPSA	3		
Individual Debtor	Date of Birth	First Given Name		Initial	Surname				
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	ANSA DRUGS LTD.								
	Address			City	Province	Postal Code			
	625 GREENHILL AVE			HAMILTON	ON	L8K 5N8			
Individual Debtor	Date of Birth	First Given Name		Initial	Surname				
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	GREENHILL PHARMACY								
	Address			City	Province	Postal Code			
	625 GREENHILL AVE			HAMILTON	ON	L8K 5N8			
Secured Party	Secured Party / Lien Claimant								
	MERCHANT ADVANCE CAPITAL								
	Address			City	Province	Postal Code			
	2207 - 1367 ALBERNI STREET			VANCOUVER	BC	V6E 4R9			
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
	X	X	X	X	X				X
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
	ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTORS, INCLUDING, BUT NOT LIMITED TO, THE FUTURE DEBIT/CREDIT CARD RECEIVABLES OF THE DEBTORS								
Registering Agent	Registering Agent								

65

5/14/2018

Personal Property Lien: Enquiry Result

MERCHANT ADVANCE CAPITAL			
Address	City	Province	Postal Code
2207 - 1367 ALBERNI STREET	VANCOUVER	BC	V6E 4R9

CONTINUED

Type of Search	Individual Non-Specific						
Search Conducted On	UMAIR;NASIM						
File Currency	13MAY 2018						
File Number	Family	of Families	Page	of Pages	Expiry Date	Status	
715285107	1	4	2	9	04APR 2019		
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN							
File Number	Cautious Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
715285107		002	3		20160404 0818 6083 1247		
Individual Debtor	Date of Birth	First Given Name		Initial	Surname		
	08FEB1970	UMAIR			NASIM		
Business Debtor	Business Debtor Name				Ontario Corporation Number		
	Address				City	Province	Postal Code
	27 SPITFIRE DRIVE				MOUNT HOPE	ON	L0R 1W0
Individual Debtor	Date of Birth	First Given Name		Initial	Surname		
	07JAN1971	ANSA			SHEIKH		
Business Debtor	Business Debtor Name				Ontario Corporation Number		
	Address				City	Province	Postal Code
	27 SPITFIRE DRIVE				MOUNT HOPE	ON	L0R 1W0
Secured Party	Secured Party / Lien Claimant						
	Address				City	Province	Postal Code
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts Other	Motor Vehicle Included	Amount	Date of Maturity or No Fixed Maturity Date
Motor Vehicle Description	Year	Make	Model		V.I.N.		
General Collateral Description	General Collateral Description						
Registering Agent	Registering Agent						
	Address				City	Province	Postal Code

CONTINUED

Type of Search	Individual Non-Specific
Search Conducted On	UMAIR;NASIM
File Currency	13MAY 2018

5/14/2018

Personal Property Lien: Enquiry Result

Lde

File Number	Family	of Families	Page	of Pages	Expiry Date	Status
715285107	1	4	3	9	04APR 2019	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
715285107		003	3		20160404 0818 6083 1247		

Individual Debtor	Date of Birth	First Given Name	Initial	Surname
	07JAN1971	NOVEEN		SHEIKH
Business Debtor	Business Debtor Name			Ontario Corporation Number

Address	City	Province	Postal Code
27 SPITFIRE DRIVE	MOUNT HOPE	ON	L0R 1W0

Individual Debtor	Date of Birth	First Given Name	Initial	Surname
Business Debtor	Business Debtor Name			Ontario Corporation Number

Address	City	Province	Postal Code
---------	------	----------	-------------

Secured Party	Secured Party / Lien Claimant
---------------	-------------------------------

Address	City	Province	Postal Code
---------	------	----------	-------------

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
---------------------------	----------------	-----------	-----------	----------	-------	------------------------	--------	---------------------	------------------------

Motor Vehicle Description	Year	Make	Model	V.I.N.
---------------------------	------	------	-------	--------

General Collateral Description	General Collateral Description
--------------------------------	--------------------------------

Registering Agent	Registering Agent		
Address	City	Province	Postal Code

END OF FAMILY

Type of Search	Individual Non-Specific
Search Conducted On	UMAIR;NASIM
File Currency	13MAY 2018

File Number	Family	of Families	Page	of Pages	Expiry Date	Status
719041104	2	4	4	9	28JUL 2019	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
719041104		001	2		20160728 0822 6083 4530	P PPSA	3

Individual Debtor	Date of Birth	First Given Name	Initial	Surname
-------------------	---------------	------------------	---------	---------

67

5/14/2018

Personal Property Lien: Enquiry Result

Business Debtor	Business Debtor Name 2253658 ONTARIO INC.	Ontario Corporation Number
	Address 567 SCENIC DRIVE	City HAMILTON
		Province ON
		Postal Code L9C 1G9

Individual Debtor	Date of Birth	First Given Name	Initial	Surname
Business Debtor	Business Debtor Name			Ontario Corporation Number
	I-CARE DRUG MART			
	Address	City	Province	Postal Code
	567 SCENIC DRIVE	HAMILTON	ON	L9C 1G9

Secured Party	Secured Party / Lien Claimant MERCHANT ADVANCE CAPITAL
	Address 20TH FLOOR - 1500 WEST GEORGIA ST.
	City VANCOUVER
	Province BC
	Postal Code V6G 2Z6

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
	X	X	X	X	X				X

Motor Vehicle Description	Year	Make	Model	V.I.N.
----------------------------------	-------------	-------------	--------------	---------------

General Collateral Description	General Collateral Description ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTORS, INCLUDING, BUT NOT LIMITED TO, THE FUTURE DEBIT/CREDIT CARD RECEIVABLES OF THE DEBTORS
---------------------------------------	--

Registering Agent	Registering Agent MERCHANT ADVANCE CAPITAL
	Address 2207 - 1367 ALBERNI STREET
	City VANCOUVER
	Province BC
	Postal Code V6E 4R9

CONTINUED

Type of Search	Individual Non-Specific						
Search Conducted On	UMAIR;NASIM						
File Currency	13MAY 2018						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	719041104	2	4	5	9	28JUL 2019	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
719041104		002	2		20160728 0822 6083 4530		

Individual Debtor	Date of Birth	First Given Name	Initial	Surname	
Business Debtor	Business Debtor Name			Ontario Corporation Number	
	ICARE DRUG MART				
	Address	City	Province	Postal Code	
	567 SCENIC DRIVE	HAMILTON	ON	L9C 1G9	

Individual Debtor	Date of Birth	First Given Name	Initial	Surname
	08FEB1970	UAIIR		NASIM
Business Debtor	Business Debtor Name			Ontario Corporation Number

5/14/2018

Personal Property Lien: Enquiry Result

68

Address		City	Province	Postal Code
27 SPITFIRE DRIVE		MOUNT HOPE	ON	L0R 1W0
Secured Party	Secured Party / Lien Claimant			
Address		City	Province	Postal Code
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts Other
Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date	
Motor Vehicle Description	Year	Make	Model	V.I.N.
General Collateral Description	General Collateral Description			
Registering Agent	Registering Agent			
Address		City	Province	Postal Code

END OF FAMILY

Type of Search	Individual Non-Specific						
Search Conducted On	UMAIR;NASIM						
File Currency	13MAY 2018						
File Number	Family	of Families	Page	of Pages	Expiry Date	Status	
728007795	3	4	6	9	25MAY 2027		
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN							
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
728007795		01	003		20170525 1436 1530 0729	P PPSA	10
Individual Debtor	Date of Birth	First Given Name		Initial	Surname		
Business Debtor	Business Debtor Name					Ontario Corporation Number	
	1970636 ONTARIO LTD.						
	Address		City	Province	Postal Code		
	503 CONCESSION STREET		HAMILTON	ON	N0G 1H0		
Individual Debtor	Date of Birth	First Given Name		Initial	Surname		
Business Debtor	Business Debtor Name					Ontario Corporation Number	
	CONCESSION WENTWORTH MEDICAL CLINIC						
	Address		City	Province	Postal Code		
	503 CONCESSION STREET		HAMILTON	ON	N0G 1H0		
Secured Party	Secured Party / Lien Claimant						
	CWB MAXIUM FINANCIAL INC.						
	Address		City	Province	Postal Code		
	1 - 30 VOGELL ROAD		RICHMOND HILL	ON	L4B 3K6		

69

5/14/2018

Personal Property Lien: Enquiry Result

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
---------------------------	----------------	-----------	-----------	----------	-------	------------------------	--------	---------------------	------------------------

X X X X X

Motor Vehicle Description	Year	Make	Model	V.I.N.
---------------------------	------	------	-------	--------

General Collateral Description	General Collateral Description
	A SECURITY INTEREST IS TAKEN IN ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.

Registering Agent	Registering Agent	City	Province	Postal Code
	D+H LIMITED PARTNERSHIP	BURNABY	BC	V5G 3S8
Address	SUITE 200, 4126 NORLAND AVENUE			

CONTINUED

Type of Search	Individual Non-Specific						
Search Conducted On	UMAIR;NASIM						
File Currency	13MAY 2018						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	728007795	3	4	7	9	25MAY 2027	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
728007795		02	003		20170525 1436 1530 0729		

Individual Debtor	Date of Birth	First Given Name	Initial	Surname	
Business Debtor	Business Debtor Name			Ontario Corporation Number	
	MT. CROSS PHARMACY				
	Address		City	Province	Postal Code
	503 CONCESSION STREET		HAMILTON	ON	N0G 1H0

Individual Debtor	Date of Birth	First Given Name	Initial	Surname
	08FEB1970	UAIIR		NASIM
Business Debtor	Business Debtor Name			Ontario Corporation Number
	Address	City	Province	Postal Code
	27 SPITFIRE DRIVE	MOUNT HOPE	ON	L0R 1W0

Secured Party	Secured Party / Lien Claimant			
Address	City	Province	Postal Code	

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
---------------------------	----------------	-----------	-----------	----------	-------	------------------------	--------	---------------------	------------------------

Motor Vehicle Description	Year	Make	Model	V.I.N.
---------------------------	------	------	-------	--------

5/14/2018

Personal Property Lien: Enquiry Result

General Collateral Description	General Collateral Description			
Registering Agent	Registering Agent			
Address		City	Province	Postal Code

CONTINUED

Type of Search	Individual Non-Specific					
Search Conducted On	UMAIR,NASIM					
File Currency	13MAY 2018					
File Number	Family	of Families	Page	of Pages	Expiry Date	Status
728007795	3	4	8	9	25MAY 2027	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
728007795		03	003		20170525 1436 1530 0729		

Individual Debtor	Date of Birth	First Given Name	Initial	Surname
	08FEB1970	UMAIR	N	NASIM
Business Debtor	Business Debtor Name			Ontario Corporation Number
Address			City	Province Postal Code
27 SPITFIRE DRIVE			MOUNT HOPE	ON L0R 1W0

Individual Debtor	Date of Birth	First Given Name	Initial	Surname
	05DEC1968	SHRIKANT		MALHOTRA
Business Debtor	Business Debtor Name			Ontario Corporation Number
Address			City	Province Postal Code
5633 RETREAT STREET			MISSISSAUGA	ON L5R 0B3

Secured Party	Secured Party / Lien Claimant			
Address		City	Province	Postal Code

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
---------------------------	----------------	-----------	-----------	----------------	------------------------	--------	---------------------	------------------------

Motor Vehicle Description	Year	Make	Model	V.I.N.
---------------------------	------	------	-------	--------

General Collateral Description	General Collateral Description			
--------------------------------	--------------------------------	--	--	--

Registering Agent	Registering Agent			
Address		City	Province	Postal Code

5/14/2018

Personal Property Lien: Enquiry Result

This service is tested daily with McAfee SECURE™ to ensure the security of the transaction and information.

At ServiceOntario, we respect your right to privacy and value the trust you place in us. [Read more about ServiceOntario's Privacy Statement.](#)

[ServiceOntario Contact Centre](#)

Web Page ID: WEnqResult

System Date: 14MAY2018

Last Modified: May 14, 2018

[Privacy](#)

[Accessibility](#)

[Contact us](#)

[FAQ](#)

[Terms of Use](#)

© Queen's Printer for Ontario 2015

Tab H

This is Exhibit "H" referred to in the affidavit
of DANJEL GILCHRIST, SWORN BEFORE ME
this 22nd day of JUNE, 2018



A COMMISSIONER FOR TAKING AFFIDAVITS

Matthew Irish - Lawyer

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.

)

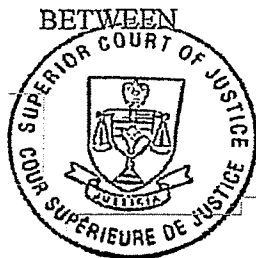
THURSDAY, THE 14TH

JUSTICE MCEWEN

)

DAY OF JUNE, 2018

)



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,

Except for named Receiver, appearing in person

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;^W
- (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;^W
- (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;

- 4 days*
- (q) to examine, without an order, under oath on ~~48 hours~~ *4 days* 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^M and the Property and any material adverse developments relating to the financial condition of the Debtors^M 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^M, 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^M, (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 1919932 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 Debtor~~s~~ 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~~s~~, 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

-10-

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 Debtor^M, 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 Debtor^S (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. *M*

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' *M* 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).



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

JUN 14 2018

PER/PAR:



SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that msi Spergel inc., the Receiver (the "Receiver") of the assets, undertakings and properties 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, 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

91

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.

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

Plaintiff

o/a MT. CROSS PHARMACY, et al.

Defendants

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 I

92

This is Exhibit "I" referred to in the affidavit
of DANIEL GILCHRIST, SWORN BEFORE ME
this 22nd day of JUNE, 2018



A COMMISSIONER FOR TAKING AFFIDAVITS

Matthew Irish-Langer

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,
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

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 NASIM,
SHRIKANT MALHOTRA, 1975193 ONTARIO LTD. dba MTN RX & HEALTH AND
ANGELO KIRKOPOULOS**

Defendants

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

June 11, 2018

1.0.1 This supplemental report (this "**Supplement**") 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**"), as a supplement to the Interim Receiver's Report to the Court dated June 6, 2018 (the "**Report**"). Unless otherwise stated, all capitalized terms are defined as in the Report.

1.0.2 Paragraph 4.0.17 of the Report notes that the 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. On June 8, 2018 the Interim Receiver met with Kassim. During the Interim Receiver's meeting with Kassim, he advised the Interim Receiver that:

- he worked as a relief pharmacist at Mt. Cross for the period from August 2017 to January 2018;
- prior to opening MTN RX, he was in discussions with Nasim to purchase one of Nasim's pharmacies, however the deal fell through. It is the Interim Receiver's understanding that Nasim owns two other pharmacies in addition to Mt. Cross Pharmacy;
- while working at Mt. Cross Pharmacy, he approached Angela and asked whether she would work for him when he opened his own pharmacy. He further advised that Angela was a key employee as over the years working at the Mt. Cross Pharmacy, she developed personal relationships with a majority, if not all, of the patients;
- the blister pack and other patients were transferred to MTN RX, however the reason for transfer of patients was the inability of Mt. Cross Pharmacy;
a) to service the patients due to cancellation of its account with Telus Health and b) to order certain medicines. Telus Health advised the Interim Receiver that the agreement between Telus Health and Mt. Cross was terminated on April 16, 2018 (the "**Termination Date**"). The transfer report

included as **Confidential Appendix "1"** to the Report indicates that patients were being transferred to MTN RX prior to the Termination Date;

- he did not instruct Angela to merge the Mt. Cross' "RX" software system (the point of sale system for prescriptions within a pharmacy) with the system for MTN RX. He did not recall whether Angela was employed by MTN RX or not when the call on May 11, 2018 was made to Fillware to merge the software system by Angela;
- he engaged the services of Kirkopoulos to set up MTN RX and that Kirkopoulos was at one point an officer of MTN RX. To date he has not paid any monies to Kirkopoulos for his services related to setting up MTN RX;
- Kirkopoulos assisted him in finding the MTN RX Premises and that the MTN RX Premises is owned by a friend of Kirkopoulos;
- MTN RX started operating towards the end of February 2018. MTN RX does not have a written lease for the MTN RX Premises and that MTN RX to date has not paid any rent or occupation costs at the MTN RX Premises. He further advised that MTN RX is in the process of entering into a lease agreement with the landlord of the MTN RX Premises;
- he did not fund the set up and operation of MTN RX with his own money but rather one of MTN RX's shareholder, a Mr. Hians, has funded the cash requirements of MTN RX since its inception; and
- Vadim is currently practicing from the MTN RX Premises. Kassim further advised that Vadim operates under Doctor Source Inc. ("DSI"). It is the Interim Receiver's understanding that Greg is a majority shareholder of DSI. Furthermore Kassim advised that DSI does not have a written agreement with MTN RX or the landlord of the MTN RX Premises to occupy and operate from the MTN RX Premises.

1.0.3 The Interim Receiver was advised that Mr. Hians is a silent partner and does not take an active role in MTN RX. It is the Interim Receiver's understanding that

MTN RX has three (3) shareholders with the ownership interest as follows: a) Kassim – 51%; b) Greg – 25%; and c) Mr. Hianes – 24%.

- 1.0.4 The Interim Receiver's meeting with Kassim further indicated that certain assets and business of Mt. Cross, over which Maxium has security, were transferred to MTN RX. In addition, the confirmation from Kassim that Kirkopoulos was an officer of MTN RX indicates that Mt. Cross and MTN RX were dealing with each other at non-arm's length at all material times:
- 1.0.5 The Interim Receiver restates the request that this Honourable Court grant the relief sought in the Report together with approving this Supplement and the actions of the Interim Receiver described herein.

Dated at Toronto 11th 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

CWB MAXIUM FINANCIAL
Plaintiff

and

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

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

**ONTARIO
SUPERIOR COURT OF JUSTICE -
COMMERCIAL LIST**

Proceeding commenced at TORONTO

**AFFIDAVIT OF DANIEL GILCHRIST
(SWORN June __, 2018)**

**MILLER THOMSON LLP
SCOTIA PLAZA
40 KING STREET WEST, SUITE 5800
P.O. BOX 1011
TORONTO, ON CANADA M5H 3S1**

Bobby Sachdeva LSUC #34454C
bsachdeva@millerthomson.com
Tel: 905.532.6670
Craig A. Mills LSUC#: 40947B
cmills@millerthomson.com
Tel: 416.595.8596
Fax: 416.595.8695

Lawyers for the Plaintiff

Tab 3

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.

)

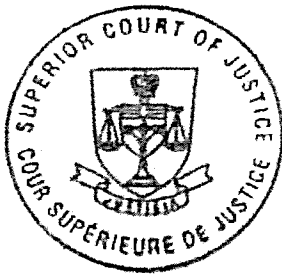
WEDNESDAY, THE 16TH

JUSTICE DUNPHY

)

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.

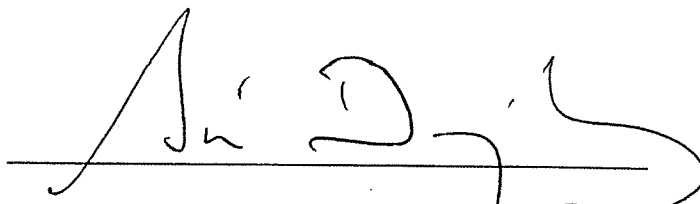
28. THIS COURT ORDERS that the Interim Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Interim 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 4

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE M)	WEEKDAY, THE #
)	
JUSTICE)	DAY OF JULY, 2018

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 – Guarantors)

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 Umair N. Nasim and Shrikant Malhotra (collectively, the "**Debtor**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Daniel Gilchrist sworn June --, 2018 and the Exhibits thereto 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 June ---, 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 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 Debtor, 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 Debtor, 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 Debtor;

- (d) to engage 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 Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (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 Debtor, 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 Debtor, 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, provided that the aggregate consideration for all such transactions does not exceed \$100,000; 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*, or section 31 of the Ontario *Mortgages Act*, as the case may be, 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 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;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) 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 Debtor;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the

foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;

- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (r) 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 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 RECEIVER

4. THIS COURT ORDERS that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (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 that regard, the Debtor shall:

- (a) provide to the Receiver an Affidavit setting out the details of all of his properties and assets ("**Affidavit of Assets**") within seven (7) days of the date of this Order; and
- (b) attend at a set date and time, to be fixed by the Receiver on four (4) days' notice, before a Court Reporting service within ten (10) days of the Debtor's delivery of an Affidavit of Assets to be examined under oath by counsel for the Receiver.

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, 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 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.

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.

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 DEBTOR OR THE PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

10. THIS COURT ORDERS that all rights and remedies against the Debtor, the 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 Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the 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 RECEIVER

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

CONTINUATION OF SERVICES

12. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, 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 Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the 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 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 Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's 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 Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

16. 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

17. 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

18. 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.

19. 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.

20. 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

21. 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 \$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 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.

22. 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.

23. 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.

24. 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

25. 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'.

26. 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 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

27. 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.

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

29. 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.

30. 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.

31. 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 Debtor's estate with such priority and at such time as this Court may determine.

32. 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.

33. 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).

SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that msi Spergel inc., the receiver (the "**Receiver**") of the assets, undertakings and properties of Umair N. Nasim and Shrikant Malhotra, 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 July, 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 _____, 20__.

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

Per: _____

Name:

Title:

Revised: January 21, 2014
~~s.243(1) BIA (National Receiver) and s. 101 CJA (Ontario) Receiver~~

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE ~~M~~) WEEKDAY, THE #
JUSTICE)
DAY OF MONTH JULY, 20YR 2018

PLAINTIFF¹

CWB MAXIUM FINANCIAL INC.

Plaintiff

- and -

DEFENDANT

~~Defendant~~

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 – Guarantors)

THIS MOTION made by the Plaintiff² 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

¹ The Model Order Subcommittee notes that a receivership proceeding may be commenced by action or by application. This model order is drafted on the basis that the receivership proceeding is commenced by way of an action.

² Section 243(1) of the BIA provides that the Court may appoint a receiver "on application by a secured creditor".

~~[RECEIVER'S NAME]~~ msi Spergel inc. ("Spergel") as receiver ~~[and manager]~~ (in such ~~capacities~~ capacity, the "Receiver") without security, of all of the assets, undertakings and properties of ~~[DEBTOR'S NAME] (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor~~ Umair N. Nasim and Shrikant Malhotra (collectively, the "Debtor"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of ~~[NAME]~~ Daniel Gilchrist sworn ~~[DATE]~~ June --, 2018 and the Exhibits thereto and on hearing the submissions of counsel for ~~[NAMES]~~ the Plaintiff, no one appearing for ~~[NAME]~~ the Debtor although duly served as appears from the affidavit of service of ~~[NAME]~~ Maureen McLaren sworn ~~[DATE]~~ June ---, 2018 and on reading the consent of ~~[RECEIVER'S NAME]~~ Spergel to act as the Receiver,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion is hereby abridged and validated³ 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, ~~[RECEIVER'S NAME]~~ Spergel is hereby appointed 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").

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:

³ If service is effected in a manner other than as authorized by the Ontario Rules of Civil Procedure, an order validating irregular service is required pursuant to Rule 16.08 of the Rules of Civil Procedure and may be granted in appropriate circumstances.

- (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 Debtor, 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 Debtor;
- (d) to engage 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 Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;

- (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 Debtor, 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 Debtor, the Property or the Receiver, and to settle or compromise any such proceedings.⁴ 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 , provided that the aggregate consideration for all such transactions does not exceed \$ 100,000 ; 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*, for section 31 of the Ontario *Mortgages*

⁴ ~~This model order does not include specific authority permitting the Receiver to either file an assignment in bankruptcy on behalf of the Debtor, or to consent to the making of a bankruptcy order against the Debtor. A bankruptcy may have the effect of altering the priorities among creditors, and therefore the specific authority of the Court should be sought if the Receiver wishes to take one of these steps.~~

Act, as the case may be,⁵ shall not be required, ~~and in each case the Ontario Bulk Sales Act shall not apply.~~

- (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 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;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) 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 Debtor;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

⁵ ~~If the Receiver will be dealing with assets in other provinces, consider adding references to applicable statutes in other provinces. If this is done, those statutes must be reviewed to ensure that the Receiver is exempt from or can be exempted from such notice periods, and further that the Ontario Court has the jurisdiction to grant such an exemption.~~

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 Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (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 that regard, the Debtor shall:

- (a) provide to the Receiver an Affidavit setting out the details of all of his properties and assets ("Affidavit of Assets") within seven (7) days of the date of this Order; and
- (b) attend at a set date and time, to be fixed by the Receiver on four (4) days' notice, before a Court Reporting service within ten (10) days of the Debtor's delivery of an Affidavit of Assets to be examined under oath by counsel for the Receiver.

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, 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 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~~ 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.

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.

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 DEBTOR OR THE PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

10. THIS COURT ORDERS that all rights and remedies against the Debtor, the 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 Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the 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 RECEIVER

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

CONTINUATION OF SERVICES

12. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, 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 Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current

telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the 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 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 Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's 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 Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

16. 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

17. 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

18. 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.⁶

19. 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.

20. 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

21. 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 \$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

⁶ ~~Note that subsection 243(6) of the BIA provides that the Court may not make such an order "unless it is satisfied that the secured creditors who would be materially affected by the order were given reasonable notice and an opportunity to make representations".~~

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.


22. 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.

23. 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.

24. 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

25. 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'.

26. 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 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

27. 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.

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

29. 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.

30. 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.

31. 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 Debtor's estate with such priority and at such time as this Court may determine.

32. 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.

33. 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).

SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that ~~[RECEIVER'S NAME]~~ msi Spergel inc., the receiver (the "Receiver") of the assets, undertakings and properties ~~[DEBTOR'S NAME] acquired for, or used in relation to a business carried on by the Debtor~~ of Umair N. Nasim and Shrikant Malhotra, 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 July, 20 2018 (the "Order") made in an action having Court file number CL 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.

166

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 _____, 20__.

~~[RECEIVER'S NAME]~~ Msi Spergel inc., solely
in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____
Name:
Title:

Document comparison by Workshare Compare on Thursday, June 28, 2018
12:42:34 PM

Input:	
Document 1 ID	interwovenSite://MTDMS.MILLERTHOMSON.CORP/Legal/32215300/1
Description	#32215300v1<Legal> - Order - receiver guarantors
Document 2 ID	interwovenSite://MTDMS.MILLERTHOMSON.CORP/Legal/32215300/2
Description	#32215300v2<Legal> - Order - receiver guarantors
Rendering set	Standard

Legend:	
<u>Insertion</u>	
Deletion	
Moved from	
<u>Moved to</u>	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	38
Deletions	46
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	84

[illegible]

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
Commercial List**

Proceeding commenced at Toronto

MOTION RECORD

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

Fax: 905.660.0139

bsachdeva@millerthomson.com

Craig A. Mills LSUC#: 40947B

Tel: 416.595.8596

Email: cmills@millerthomson.com

Fax: 416.595.8695

Solicitors for the Plaintiff