

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

CWB MAXIUM FINANCIAL INC.

Plaintiff

and

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

Defendants

**MOTION RECORD
OF THE INTERIM RECEIVER**

September 7, 2018

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Plaintiff

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1970636 ONTARIO LTD. O/A MT. CROSS PHARMACY,
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MTN RX & HEALTH and ANGELO KIRKOPOULOS

Defendants

I N D E X

Tab	Description
1.	Notice of Motion, returnable September 10, 2018
2.	First Report of the Receiver dated September 6, 2018
3.	Draft Order

TAB 1

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

CWB MAXIUM FINANCIAL INC.

Plaintiff

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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

msi Spergel inc., in its capacity as the court-appointed interim receiver of 1975193 Ontario Ltd. dba MTN RX & Health (in such capacity, the “**Interim Receiver**”), will make a motion to a judge presiding over the Commercial List on September 10, 2018 at 10:00 a.m., or as soon after that time as the motion can be heard, at the courthouse located at 330 University Avenue, Toronto, Ontario, M5G 1R7.

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

THE MOTION IS FOR AN ORDER SEEKING:

- (a) Approval of the First Report of the Interim Receiver dated September 6, 2018 (the “**First Report**”) and the activities of the Interim Receiver described therein; and
- (b) Such further and other Relief as to this Honourable Court may seem just.

THE GROUNDS FOR THE MOTION ARE:

- (a) msi Spergel Inc. was appointed as the Interim Receiver of 1975193 Ontario Ltd. dba MTN RX & Health (“**MTN RX**”) pursuant to the Order of the Honourable Justice Dunphy dated August 7, 2018 (the “Order”);
- (b) Pursuant to paragraph 22 of the Order, the Interim Receiver is required to prepare a report for the approval of the Court by September 10, 2018, setting out its proposed plan for the transfer back from MTN RX to 1970636 Ontario Ltd. o/a Mt. Cross Pharmacy of any and all collateral that is subject to CWB Maxium Financial Inc.’s security;
- (c) The First Report provides the Interim Receiver’s findings with respect to same;
- (d) Sections 46-47.2 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, and this Court's equitable and statutory jurisdiction thereunder;
- (c) Rules 1.04, 2.03, 3.02, 16, 37 and 40 of the Ontario *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended; and
- (d) Such further and other grounds as the lawyers may advise.

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

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

September 7, 2018

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CWB MAXIUM FINANCIAL INC.
Plaintiff

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

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

NOTICE OF MOTION

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TAB 2

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

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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
1975193 ONTARIO LTD. dba MTN RX & HEALTH**

September 6, 2018

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APPENDICES

1. Interim Receivership Order of the Honourable Justice Dunphy dated August 7, 2018

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 1975193 Ontario Ltd. dba MTN RX & Health (“**MTN RX**” or the “**Company**”).
- 1.0.2 MTN RX is a Canadian owned, private corporation carrying on business as a full service retail pharmacy. MTN RX operates from the premises located at 566 Concession Street, Hamilton, Ontario (the “**Premises**”).
- 1.0.3 Spergel was appointed as the Interim Receiver without security, of all of the assets, undertakings and properties of MTN RX acquired for, or used in relation to a business carried on by MTN RX, including all proceeds thereof, limited to that which is subject to the Plaintiff’s security over 1970636 Ontario Ltd. o/a Mt. Cross Pharmacy (collectively, the “**Property**”) by Order of the Honourable Mr. Justice Dunphy of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) made August 7, 2018 (the “**Appointment Order**”). The Appointment Order was made upon the application of 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 apprise the Court as to the steps taken by the Interim Receiver in these proceedings and to seek Orders from this Court:
- 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 MTN RX’s 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 The Appointment Order empowers the Interim Receiver to, among other things, provide a report to the Court containing a plan to transfer back to 1970636 Ontario Inc. o/a Mt. Cross Pharmacy ("**Mt. Cross**") the collateral of Mt. Cross in the hands of MTN RX for the review and approval of same by the Court. Mt Cross's collateral consisted of the prescriptions of 200 patients that were transferred from Mt. Cross to MTN RX during the period from February 1, 2018 to June 28, 2018 (the "**Collateral**").

- 3.0.3 In order to prepare a plan to transfer the Collateral, the Interim Receiver reviewed the patient listing with the designated pharmacist (the "**Pharmacist**") working at Mt. Cross. During the Interim Receiver's discussion with the Pharmacist, the Interim Receiver discovered the following limitations in relation to the transfer of Collateral back to Mt. Cross:

- a) As per the practice policies & guidelines of the Ontario College of Pharmacists (the "**OCP**"), in order to transfer the Collateral back to Mt. Cross from MTN RX, the Pharmacist at Mt. Cross would have to call each patient separately and request that the patient transfer the file to

Mt. Cross from MTN RX. It is then upto the patient to agree to the transfer or decide to stay with MTN RX or transfer the prescription to another pharmacy.

- b) In addition, Mt. Cross currently does not have the ability to process claims with Telus Health ("Telus") and Express Scripts Inc. ("ESI"). Certain patients to be transferred from MTN RX to Mt. Cross are insured with insurance companies represented by Telus and ESI. As such even if the patients were transferred to Mt. Cross, Mt. Cross may not be able to service the patients due to its current inability to process claims through Telus and ESI.

3.0.4 Given that each patient would have to be contacted separately, the patient has the option of saying no to the transfer, the confusion this may cause to the patients and the inability of Mt. Cross to process claims through Telus and ESI, the Interim Receiver in consultation with Maxium has determined that it will not be commercially reasonable to transfer the Collateral from MTN RX to Mt. Cross.

Dated at Toronto this 6th day of September, 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

APPENDIX 1

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST



THE HONOURABLE MR.

JUSTICE DUNPHY

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)

TUESDAY, THE 7TH

DAY OF AUGUST, 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 re 1975193 Ontario
Ltd. dba MTN RX & Health)

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 court-appointed receiver without security, of all of the assets, undertakings and properties of 1975193 Ontario Ltd. dba MTN RX & Health (the "MTN RX") acquired for, or used in relation to a business carried on by MTN RX, 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 the Interim Receiver dated June 6, 2018 and the Supplemental Report of the

Interim Receiver dated June 11, 2018, the First Report of the Receiver dated July 24, 2018, the Supplement to the First Report of the Receiver dated July 25, 2018 the Affidavit of Ahmed Kassim sworn July 10, 2018 and the Exhibits attached thereto, the Supplementary Affidavit of Ahmed Kassim sworn July 30, 2018 and the Exhibits attached thereto, the Transcript from the Cross-Examination of Ahmed Kassim dated July 26, 2018, the Answers to Undertakings from the Cross-examination of the Ahmed Kassim, and the Facta of the Plaintiff and MTN RX and on hearing the submissions of counsel for the Plaintiff, counsel for MTN RX and counsel for the Receiver on August 3, 2018, no one else appearing although duly served as appears from the affidavit of service of Monica Turpin sworn July 31, 2018, and on reading the consent of Spergel to act as the Receiver of MTN RX,

APPOINTMENT

1. 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 MTN RX acquired for, or used in relation to a business carried on by MTN RX, including all proceeds thereof, limited to that which is subject to the Plaintiff's security over 1970636 Ontario Ltd. o/a Mt. Cross Pharmacy (the "Property").

INTERIM RECEIVER'S POWERS

2. 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 review and have access to any and all financial information pertaining to the business of MTN RX (the "**Business**"), including banking information, both on-line and in hard copy form;
- (b) to review and have access to any and all other information not referred to in subsection 2(a) of this Order pertaining to the Business, including client files and prescription related information, both electronic and in hard copy form;

- (c) 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 Business and the interim receivership, and to share information, subject to such terms as to confidentiality as the Interim Receiver deems advisable;
- (d) to inquire into and report to the Plaintiff and the Court on the financial condition of MTN RX, the Property and the Business and any material adverse developments relating to the financial condition of MTN RX and/or the Property; and
- (e) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations;
- (f) to provide a report to the Court as provided in Paragraph 22 of this Order within four (4) weeks of August 7, 2018 as to any plan to transfer back to 1970636 Ontario Ltd. c.o.b. Mt. Cross Pharmacy ("Mt. Cross") the collateral of Mt. Cross in the hands of MTN RX for the review and approval of same by the Court; and
- (g) to engage pharmacists, consultants, 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,

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 MTN RX, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE INTERIM RECEIVER

3. THIS COURT ORDERS that (i) MTN RX, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order, including, but not limited to Ahmed Kassim, Angela Abrantes, Angelo Kirkopoulos, Giedrius (Greg) Kesminas,

Hanz Frank Lauro, 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. For clarity, the Interim Receiver shall provide MTN RX with a minimum of 24 hours' written notice prior to contacting any insurance company.

4. 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 MTN RX, 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 5A, 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 4 or in paragraph 5 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.

4A. 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.

5. 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.

5A. 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) not allow anyone other than the Interim Receiver to have access to the Client Records; (iv) allow MTN RX reasonable and, if deemed warranted by the Interim Receiver, 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 MTN RX, from time to time, to perform certain obligations.

NO PROCEEDINGS AGAINST THE INTERIM RECEIVER

6. 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 MTN RX OR THE PROPERTY

7. THIS COURT ORDERS that no Proceeding against or in respect of MTN RX 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 MTN RX or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

8. THIS COURT ORDERS that all rights and remedies against MTN RX, 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 MTN RX to carry on any business which MTN RX is not lawfully entitled to carry on, (ii) exempt the Interim Receiver or MTN RX 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

9. 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 MTN RX, without written consent of the Interim Receiver or leave of this Court.

CONTINUATION OF SERVICES

10. THIS COURT ORDERS that all Persons having oral or written agreements with MTN RX 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 MTN RX 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 MTN RX' 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 MTN RX 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

11. 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 in respect to the Property, 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

12. THIS COURT ORDERS that all employees of MTN RX shall remain the employees of MTN RX. 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

13. 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

14. 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

15. 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.

16. 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.

17. 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

18. 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.

19. 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.

20. 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.

21. 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.

REPORT TO THE COURT

22. THIS COURT ORDERS that the Interim Receiver shall, by September 6, 2018, prepare a report for the approval of this Honourable Court (if not on the consent of MTN RX) setting out its proposed plan for the transfer back to 1970636 Ontario Ltd. o/a Mt. Cross of any and all collateral that is subject to the Plaintiff's security.

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/intercross'.

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

27. THIS COURT ORDERS that the appointment of the Interim Receiver shall expire on September 7, 2018 or such other date as ordered by this Honourable Court.

28. 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.

29. 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.

30. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than three (3) 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 MTN RX or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

A handwritten signature in dark ink, appearing to be "A. D. G.", written over a horizontal line.

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

AUG 07 2018

PER / PAR:

A handwritten signature in dark ink, appearing to be "M. M.", written over a horizontal line.

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 1975193 Ontario Ltd. dba MTN RX & Health ("**MTN RX**") acquired for, or used in relation to a business carried on by MTN RX, 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-18-597922-00CL, 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 1970636 ONTARIO LTD.
Plaintiff 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 RE 1975193 ONTARIO LTD.
DBA MTN RX & HEALTH)

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 3

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE)	MONDAY, THE
)	
JUSTICE)	DAY OF SEPTEMBER, 2018

B E T W E E N:

(Court Seal)

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

THIS MOTION, made by msi Spergel inc., in its capacity as the court-appointed interim receiver of 1975193 Ontario Ltd. dba MTN RX & Health (in such capacity, the “**Interim Receiver**”), was heard this day at the courthouse located at 330 University Avenue, Toronto, Ontario, M5G 1R7.

ON READING the Motion Record of the Interim Receiver dated September 7, 2018, including the First Report of the Interim Receiver dated September 6, 2018 (the “**First Report**”), and on hearing the submissions of counsel for the Interim Receiver and CWB Maxium Financial

Inc., no one else appearing although properly served as evidenced by the affidavit of Shallon Garrafa sworn September 7, 2018, filed,

1. THIS COURT ORDERS that the First Report and the activities of the Interim Receiver described therein are hereby approved.

(Signature of Judge)

CWB MAXIUM FINANCIAL INC.
Plaintiff

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

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

ORDER

PALLET VALO LLP

Lawyers & Trade-Mark Agents
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Mississauga, Ontario L5B 1M5

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Lawyers for the Interim Receiver, msi Spergel inc.

CWB MAXIUM FINANCIAL INC.
Plaintiff

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

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

**MOTION RECORD
OF THE INTERIM RECEIVER**

PALLET VALO LLP

Lawyers & Trade-Mark Agents
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