

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

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

Applicants

- and -

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

Respondents

MOTION RECORD

(approval and vesting orders; approval of receiver's report, fees and activities;
declaration re: terminated transaction and deposit retained; approval of distributions;
discharge in respect of certain Respondents; sealing)
(returnable November 10, 2021)

November 3, 2021

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Lawyers for msi Spergel Inc. in its capacity as
court-appointed receiver of the Respondents

TO: THE SERVICE LIST

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Tab A

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Respondents

**NOTICE OF MOTION
(approval and vesting orders; approval of receiver's report, fees and activities;
declaration re: terminated transaction and deposit retained; approval of
distributions; discharge in respect of certain Respondents; sealing)
(returnable November 10, 2021)**

msi Spergel Inc. in its capacity as the Court-appointed receiver of the undertaking, property and assets of the Respondents (in such capacity, the "**Receiver**") will make a motion to a judge of the Ontario Superior Court of Justice (Commercial List) on November 10, 2021, at 11:30 a.m. or as soon thereafter as the motion can be heard, by videoconference the details for which are in Schedule "A" hereto.

THE PROPOSED METHOD OF HEARING: orally.

THE MOTION IS FOR:

- a. approval and vesting orders in respect of the following sale transactions wherein the Receiver acts on behalf of the applicable Respondent:
 - i. has entered into an agreement with George Chan (**Mr. Chan**) in trust for a company to be incorporated, dated September 24, 2021, to sell the assets of the Respondent Jubilee Property Investments Inc. (the “**Jubilee Transaction**”).
 - ii. has entered into an agreement with Mr. Chan in trust for a company to be incorporated, dated October 6, 2021, to sell the assets of the Respondent JG Windsor Inc. (the “**JGWI Transaction**”).
 - iii. has entered into an agreement with 2868783 Ontario Inc., dated September 24, 2021, to sell the assets of the Respondent Abu Seifein Brimley Pharma Inc. (the “**Brimley Transaction**”).

the whole in suggested accordance with the draft approval and vesting orders respectively included at tabs C, E and G of the Receiver’s motion record.
- b. an order in suggested accordance with the draft filed at tab I of the motion record:
 - i. if necessary, validating service of the notice of motion and motion record for this motion and the Receiver’s third report dated November 2, 2021 (the “**Third Report**”) and dispensing with further service thereof.
 - ii. approving the Third Report, including the activities described therein and the statements of receipts and disbursements for each of the Respondent estates appended to the Third Report.

- iii. approving the Receiver's fees, costs and expenses and those of counsel for the Receiver as set out in the fee affidavits of Mukul Manchanda sworn November 2, 2021 and the fee affidavit of Joel Turgeon sworn November 3, 2021 (collectively the "**Fee Affidavits**") and appended to the Third Report.
- iv. declaring that the transaction contemplated by the agreement of purchase and sale dated June 14, 2021 between the Receiver, as vendor, and Raouf Basilious in trust for a company to be incorporated (assigned to Guide Pharma Inc.), as purchaser (the "**Bless Hui APS**"), for assets of the Respondent Bless Hui Pharma Inc. (the "**Bless Hui Transaction**"), has been terminated, and that the Receiver is entitled to retain, as liquidated damages and in accordance with the Bless Hui APS, the deposit paid under the Bless Hui APS.
- v. authorizing and directing the Receiver to make the distributions described in the Third Report, subject to the final determination of certain claims, where applicable, as set out in the Third Report.
- vi. upon the filing of the respective Receiver's certificate, discharging msi Spergel Inc. as Receiver of the Respondents St. Mary Theotokos Pharma Inc., Westway Holdings Inc., St. Mary Cooksville Pharma Inc., SJ East Pharma Inc. and JM Westview Pharma Inc. (together, the "**Completed Estates**").
- vii. sealing the Confidential Appendices to the Third Report pending the filing of the applicable Receiver's Certificate (as defined in the relevant approval and vesting order) or further court order.

- c. such further and other relief as counsel may request and the court deem just.

THE GROUNDS FOR THE MOTION ARE:

I. APPROVAL AND VESTING ORDERS

1. The Receiver was appointed as the Receiver of all the assets, undertakings and properties of the Respondents by orders dated November 25, 2020, January 26, 2021, February 3, 2021, April 8, 2021 and September 7, 2021 – each adding Respondents in this administratively consolidated court file.
2. The appointment orders are substantially per the Commercial List model order, and authorize and empower the Receiver to market and sell the Respondents’ assets.
3. As to the Jubilee and JGWI Transactions, and as more fully appears from the Third Report:
 - a. they are respectively in respect of the sole asset of the applicable Respondent, being a commercial condominium unit located at 280 West Beaver Creek, Richmond Hill, (the “**Jubilee Real Property**”), and a medical building located at 2780 Totten Avenue, Windsor (the “**JGWI Real Property**”).
 - b. Mr. Chan is the owner of two companies who respectively operate pharmacies under a lease of the Jubilee Real Property and under a lease of part of the JGWI Real Property (together, the “**Leases**”). The Leases appear to be non-arm’s length, 40-year leases, which the Receiver believes may negatively impact the value of the Jubilee and JGWI Real Property.
 - c. The Receiver obtained two independent appraisals for each of the Jubilee and JGWI Real Property, which are attached in the Confidential Appendices to the Third Report.

- d. the Receiver considers that the terms of the Jubilee and JGWI Transactions are fair and reasonable in the circumstances, considering among other things the appraisals obtained as well as the costs and risks associated with any litigation to set aside the Leases.
 - e. The Receiver believes the Jubilee and JGWI Transactions meet the requisite criteria for approval and vesting orders.
4. As to the Brimley Transaction and as more fully appears from the Third Report:
- a. it is in respect of substantially all the assets of the applicable Respondent.
 - b. Maged Bebawy, a broker with ReMax West Realty Inc. recognized in the market as a broker having substantial experience with pharmacy assets, was retained to conduct a sale process which the Receiver has found extensive, commercially reasonable and satisfactory.
 - c. an online data room was set up and accessible to interested parties subject to confidentiality agreements. 20 parties executed confidentiality agreements and conducted due diligence. The Receiver received multiple bids.
 - f. the Receiver identified the Brimley Transaction as the best transaction located and locatable in the circumstances. The Receiver considers that the terms of the Brimley Transaction are fair and reasonable in the circumstances and that the Brimley Transaction meets the requisite criteria for approval and vesting orders.
5. The Jubilee, JGWI and Brimley Transactions are all subject to this court's granting the approval and vesting orders sought. The Brimley Transaction is also subject to obtaining

proper accreditation from the Ontario College of Pharmacists and a provider number from the Ontario Drug Benefit Plan.

6. The approval and vesting orders sought provide that no vesting occurs unless and until the Receiver files a “Receiver’s Certificate” confirming that all the closing conditions have been fulfilled or waived.

II. DECLARATION RE: BLESS HUI TRANSACTION TERMINATION

7. As more fully set out in the Third Report, the purchasers in the Bless Hui Transaction (the “**Bless Hui Purchasers**”) are in default of their obligation to complete and close the Bless Hui Transaction in accordance with the Bless Hui APS.
8. The Bless Hui Purchasers apparently ground their unilateral decision to not complete the Bless Hui Transaction on the departure or anticipated departure of the designated manager of the pharmacy, as first mentioned in correspondence to the Receiver on or about September 9, 2021. There is no term in the Bless Hui APS dealing with any employee of Bless Hui staying on after a sale, much less authorizing the Bless Hui Purchasers not to complete the Bless Hui Transaction for that or any similar reason.
9. Moreover, by September 9 and 10, 2021, all the conditions to which the Bless Hui Transaction was subject under the Bless Hui APS had been fulfilled or waived. All closing documents were prepared, executed and exchanged, including an assignment of lease. An inventory count had been arranged by the Receiver and performed on September 9.
10. On September 9 and 10, 2021, the Receiver’s counsel wrote to the Bless Hui Purchasers’ counsel to put the Bless Hui Purchasers on notice of their obligation to fulfil the Bless Hui

Transaction in accordance with the Bless Hui APS, and setting out in detail, *inter alia*, that the Receiver was willing and able to close and that all the conditions had been fulfilled or waived. The Receiver also offered, without prejudice, an extension of the closing date, which was never accepted.

11. Under the terms of the Bless Hui APS and at law, the above entitles the Receiver to consider the Bless Hui Transaction failed due to the Bless Hui Purchasers' fault, to retain the deposit paid as liquidated damages, and to immediately remarket the assets in the interest of the estate. The Receiver's counsel so stated to the Bless Hui Purchasers' counsel in an email on September 16, 2021.
12. The Receiver seeks declarations regarding the above in order to stabilize the ongoing, renewed sale efforts.

III. PROPOSED DISTRIBUTIONS

13. As more fully set out in the Third Report, following the monetization of certain of the Respondents' assets, the Receiver recommends the repayment of the Receiver's Borrowings (term defined in the Third Report) which are now secured on the proceeds of each such respective sale.
14. As also more fully set out in the Third Report, the Receiver recommends distributions to creditors of certain Respondents including the Receiver General on behalf of Canada Revenue Agency and Employment and Social Development Canada, Canadian Western Bank, McKesson Canada Corporation, and Kohl & Frisch Limited. The Receiver has reviewed those creditors' claims and their amounts and, in most cases, has obtained

independent security opinions; in those cases where independent security opinions are required but not yet finalized, the same are underway and will be completed shortly, and the Receiver believes that all the payments described in the Third Report are appropriate.

15. The proposed distributions to creditors would all be subject to (i) payment of the portion of receivership costs related to the applicable estate, including Receiver's and Receiver's counsel fees, (ii) Receiver's Borrowings repayments as set out above, (iii) payroll source deduction obligations where applicable, (iv) amounts owing pursuant to WEPPA claims, and (v) the Receiver obtaining independent security opinions where appropriate, if not already obtained.
16. The approval orders sought for the proposed distributions ensure that the distributions will be made in accordance with the order that claims must take at law against insolvent estates under receivership, including without limitation in consideration of court-ordered charges and statutory trust remedies as well as valid and enforceable purchase-money security interests and general security agreements. Those orders are appropriate in the circumstances.

IV. DISCHARGE IN RESPECT OF COMPLETED ESTATES

17. As more fully set out in the Third Report, the Receiver considers that there is either no more work to be done, or little work remaining, in respect of the Completed Estates. Where work is remaining, the Receiver has set out such work in the Third Report. The Receiver therefore moves now for its discharge from the Completed Estates upon the filing of the applicable Receiver's certificate. The release and other language of the orders sought in

this respect are substantially in the form of the Commercial List model order. Those orders are appropriate.

V. APPROVAL OF RECEIVER'S FEES AND ACTIVITIES

18. The Receiver's activities since the beginning of the herein receiverships, including the stabilization of the Respondents' affairs since about November 2020 and the sale processes discussed above, have been reported to stakeholders and any interested party in the Receiver's prior reports as well as the Third Report. Those activities are appropriate, commercially reasonable, and in the best interest of the Respondents' estates.
19. On August 12, 2021, this court approved the Receiver's activities set out in the Receiver's prior reports. The Receiver seeks approval of its activities since then, which are set out in the Third Report.
20. As to the approval of the Receiver's and its independent legal counsel's fees, detailed fee affidavits are provided as required by the caselaw, supported by true copies of detailed bills and confirming that the fees are comparable to those charged by other similar firms in Toronto for similar services. The fees are transparently disclosed, proportional and commercially reasonable.
21. This court may therefore grant the approval orders sought, which would have the constructive effects noted in the caselaw.

VI. SEALING

22. The Confidential Appendices contain information that would be highly prejudicial to the integrity of any future sale efforts necessary should any of the subject transactions failed

to close for any reason. Copies of the sale agreements are provided as part of the public motion record with minimal redactions such as to price and deposit amount. The sealing orders sought are within this court's jurisdiction to make and are appropriate in the circumstances.

VII. MAIN STATUTORY PROVISIONS RELIED UPON

23. Sections 100, 101 and 137(2) of the *Courts of Justice Act* (Ontario), section 243 of the *Bankruptcy and Insolvency Act* (Canada), and the court's inherent and equitable jurisdiction, as necessary.

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

- a. the Third Report and appendices, and
- b. such further and other evidence as counsel may advise and this Honourable Court may permit.

DATE: November 3, 2021

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Lawyers for msi Spergel Inc. in its capacity as court-appointed receiver of the Respondents

TO: THE SERVICE LIST

Schedule “A”

Videoconference hearing join-in details

Join Zoom Meeting

<https://us06web.zoom.us/j/82785207352?pwd=T1ZoQlJHYjdvSUFTOVNSUVp6dHNLQT09>

Meeting ID: 827 8520 7352

Passcode: 680441

One tap mobile

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Dial by your location

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+1 438 809 7799 Canada

Meeting ID: 827 8520 7352

Passcode: 680441

Find your local number: <https://us06web.zoom.us/j/kcENeGGS1q>

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CWB MAXIUM FINANCIAL INC., Applicants, and 4231 SHEPPARD AVENUE EAST
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INVESTMENTS INC., MAPLE MEDI PHARMA INC., RIVER HILL PHARMACY LTD.,
SJ EAST PHARMA INC., ST. MARY COOKSVILLE PHARMA INC., ST. MARY
THEOTOKOS PHARMA INC., STONEY CREEK PHARMA INC., TORONTO
APOTHECARY PHARMA INC., WESTWAY HOLDINGS INC. and OLDE
WALKERVILLE HOLDINGS INC., Respondents

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
Proceeding commenced in TORONTO

NOTICE OF MOTION
(returnable November 10, 2021)

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Lawyers for msi Spergel Inc. in its capacity as
court-appointed receiver of the Respondents

Tab B

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

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STONEY CREEK PHARMA INC., TORONTO APOTHECARY PHARMA INC.,
WESTWAY HOLDINGS INC., and OLDE WALKERVILLE HOLDINGS INC.**

Respondents

**THIRD REPORT OF MSI SPERGEL INC.
IN ITS CAPACITY AS THE RECEIVER OF**

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

November 3, 2021

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2. Order of Mr. Justice Cavanagh dated January 26, 2021
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30. Stoney Creek's WEPP statements from Employment and social Development Canada
31. River Hill's WEPP statements from Employment and social Development Canada
32. Toronto Apothecary's WEPP statements from Employment and social Development Canada
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CONFIDENTIAL APPENDICES

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2. Unredacted copy of the Jubilee Sale Agreement
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4. Unredacted copy of JGWI Sale Agreement
5. Bid Summary of the Brimley Pharmacy
6. Unredacted copy of 286 Offer to Purchase the Brimley Pharmacy

I. **APPOINTMENT AND BACKGROUND**

1. This Third report ("**Third Report**") is filed by msi Spergel inc. ("**Spergel**") in its capacity as the Court-appointed receiver (in such capacity, the "**Receiver**") of the following companies (collectively the "**Debtors**"):
 - i. 4231 Sheppard Avenue East Inc., ("**4231**")
 - ii. Abu Seifein Brimley Pharma Inc. ("**Brimley**")
 - iii. Bless Hui Pharma Inc. ("**Bless Hui**")
 - iv. JG Windsor Inc. ("**JGWI**");
 - v. JM Westview Pharma Inc. ("**Westview**");
 - vi. Jubilee Property Investors Inc., ("**Jubilee**")
 - vii. Maple Medi Pharma Inc. ("**Maple Medi**");
 - viii. River Hill Pharmacy Ltd. ("**River Hill**");
 - ix. Sigma Healthcare Inc. ("**Sigma**");
 - x. SJ East Pharma Inc. ("**SJ East**");
 - xi. St. Mary Cooksville Pharma Inc., ("**Cooksville**")
 - xii. St. Mary Theotokos Pharma Inc. ("**Theotokos**");
 - xiii. Stoney Creek Pharma Inc. ("**Stoney Creek**");
 - xiv. Toronto Apothecary Pharma Inc. ("**Toronto Apothecary**");
 - xv. Westway Holdings Inc. ("**Westway Holdings**"); and
 - xvi. Olde Walkerville Holdings Inc. ("**Olde Walkerville**").
2. 4231 is a Canadian owned private corporation. 4231 formerly owned real property municipally known as 4231 Sheppard Avenue East, Unit C1, Toronto, Ontario (the "**4231 Real Property**").
3. Brimley is a Canadian owned private corporation carrying on the business of a retail pharmacy (the "**Brimley Pharmacy**") at 127 Montezuma Trail, Toronto, Ontario (the "**Brimley Premises**").

4. Bless Hui is a Canadian owned private corporation carrying on the business of a retail pharmacy (the "**Bless Hui Pharmacy**") at 280 Spadina Avenue Toronto, Ontario (the "**Bless Hui Premises**").
5. JGWI is a Canadian owned private corporation. JGWI owns real property municipally known as 2780 Totten Avenue, Windsor, Ontario (the "**JGWI Real Property**").
6. JM Westview was a Canadian owned private corporation formerly carrying on the business of a retail pharmacy in Tilbury, Ontario.
7. Jubilee is a Canadian owned private corporation. Jubilee owns real property municipally known as 280 West Beaver Creek, Unit 11, Richmond Hill, Ontario (the "**Jubilee Real Property**").
8. Maple Medi is a Canadian owned private corporation formerly carrying on the business of a retail pharmacy (the "**Maple Medi Pharmacy**") at 2535 Major MacKenzie Drive, Vaughan, Ontario.
9. River Hill is a Canadian owned private corporation formerly carrying on the business of a retail pharmacy (the "**River Hill Pharmacy**") at 2086 Lawrence Avenue West, Toronto, Ontario (the "**River Hill Premises**").
10. Sigma is a Canadian owned private corporation carrying on the business of a retail pharmacy (the "**Sigma Drug Mart**") at 2 Dufferin Street, Tilbury, Ontario (the "**Sigma Premises**").
11. SJ East was a Canadian owned private corporation formerly carrying on the business of a retail pharmacy in Brighton Ontario.
12. Cooksville was a Canadian owned private corporation formerly carrying on the business of a retail pharmacy in Mississauga, Ontario.
13. Theotokos is a Canadian owned private corporation formerly carrying on the business of a retail pharmacy in Toronto, Ontario.
14. Stoney Creek is a Canadian owned private corporation formerly carrying on the business of a retail pharmacy (the "**Stoney Creek Pharmacy**") at 800 Queenston Road, Stoney Creek, Ontario (the "**Stoney Creek Premises**").

15. Toronto Apothecary is a Canadian owned private corporation formerly carrying on the business of a retail pharmacy (the "**Apothecary Pharmacy**") at 842 Markham Road, Toronto, Ontario (the "**Apothecary Premises**").
16. Westway Holdings is a Canadian owned private corporation formerly carrying on the business of a retail pharmacy in Toronto, Ontario.
17. Olde Walkerville is a Canadian owned private corporation carrying on the business of two retail pharmacies at 1701 Wyandotte Street and 870 Erie Street, respectively, in Windsor, Ontario (collectively the "**Olde Walkerville Premises**").
18. Spergel was appointed as the Receiver of all of the assets, undertakings and properties of the Debtors (collectively, the "**Property**") by the Orders of the Honourable Mr. Justice Cavanagh of the Ontario Superior Court of Justice (Commercial List) (the "**Court**"), in the case of Bless Hui, Maple Medi, River Hill, Theotokos, Stoney Creek, Toronto Apothecary, Westway Holdings and Olde Walkerville made November 25, 2020, in the case of JM Westview and SJ East made January 26, 2021, in the case of Cooksville, 4231, JGWI and Jubilee, made February 3, 2021, in the case of Brimley, made April 8, 2021 and in the case of Sigma made September 7, 2021 (collectively, the "**Receivership Orders**"). The Receivership Orders were made upon the application of the Debtors' general secured creditor CWB Maximum Financial Inc. ("**CWB**" or the "**Bank**"). Copies of the Receivership Orders are attached to this Third Report as **Appendices "1", "2", "3", "4" and "5"**, respectively. The Receivership Orders were granted by the Court on consent of the Debtors who were represented by counsel.
19. Copies of all non-confidential materials filed in these proceedings are posted on the Receiver's website at <https://www.spergelcorporate.ca/engagements/maple-medi-pharma-inc-river-hill-pharmacy-inc-westway-holdings-inc-toronto-apothecary-pharma-inc-st-mary-theotokos-pharmacy-inc-bless-hui-pharma-inc-stoney-creek-pharma-inc-and-olde-walkerville-holdings-inc/>
20. The Receiver retained Goldman, Sloan, Nash and Haber LLP ("**GSNH**" or the "**Receiver's Counsel**") as its independent legal counsel.

21. The Receiver filed a report in its capacity as the Proposed Receiver of JM Westview and SJ East on January 25, 2021 (the "**Proposed Receiver's Report**") reporting its findings with respect to Westview and SJ East. A copy of the Proposed Receiver's Report is not attached in the interest of keeping the size of this report as small as possible. A copy is available on the Receiver's website¹ if needed.
22. The Receiver filed its First Report dated February 1, 2021 (the "**First Report**") reporting its further findings with respect to Westview and SJ East. A copy of the First Report is not attached in the interest of keeping the size of this report as small as possible. A copy is available on the Receiver's website² if needed.
23. The Receiver filed its Second Report dated August 4, 2021 (the "**Second Report**") seeking, inter alia, approval of the sale of the 4231 Real Property; the sale of the Maple Medi Pharmacy; the sale of the Apothecary Pharmacy; the sale of the Bless Hui Pharmacy; the sale of the River Hill Pharmacy; and the sale of the Stoney Creek Pharmacy. A copy of the Second Report is not attached in the interest of keeping the size of this report as small as possible. A copy is available on the Receiver's website³ if needed.
24. At a hearing held August 12, 2021, Orders were issued by the Honourable Justice Patillo approving the sale transactions with respect to 4231, Maple Medi, Apothecary, Bless Hui, River Hill, and Stoney Creek (the "**Sale Approval and Vesting Orders**") and authorizing the Receiver to complete the transactions contemplated thereby (the "**Approved Sale Transactions**"). Copies of the Sale Approval and Vesting Orders are not attached in the interest of keeping the size of this report as small as possible. Copies are available on the Receiver's website⁴ if needed.

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

² *Ibid.*

³ *Ibid.*

⁴ *Ibid.*

25. A further Order issued by Justice Patillo dated August 12, 2021, (the "**August 12th Ancillary Order**") approved the activities described in the Receiver's First and Second Reports, including the Interim Statements of Receipts and Disbursements and the fees of the Receiver to and including June 30, 2021 for each Debtor. A copy of the August 12th Ancillary Order is attached to this Third Report as **Appendix "6"**.

II. PURPOSE OF THIS THIRD REPORT AND DISCLAIMER

26. The purpose of this Third Report is to report to the Court regarding the Receiver's activities and conduct since the Receiver's Second Report dated August 4, 2021 and to seek Orders from this Court:
- i. approving this Third Report and the activities described herein including, without limitation, the Receiver's interim statements of receipts and disbursements as at October 27, 2021 for the receivership of each of the Debtors (the "**Interim R&Ds**");
 - ii. approving the Jubilee Real Property sale transaction contemplated by the agreement of purchase and sale dated September 24, 2021 between the Receiver as vendor and George Chan in trust for a Company to be incorporated (the "**Jubilee Purchaser**") as purchaser, (the "**Jubilee Sale Agreement**") with respect to the Purchased Assets (as defined in the Jubilee Sale Agreement) (the "**Jubilee Purchased Assets**"), and authorizing the Receiver to complete the transaction contemplated thereby (the "**Jubilee Transaction**");
 - iii. vesting in the Jubilee Purchaser, Jubilee's right, title, and interest in and to the Jubilee Purchased Assets free and clear of any claims and encumbrances save and except for "Permitted Encumbrances";
 - iv. approving the JGWI Real Property sale transaction contemplated by the agreement of purchase and sale dated October 6, 2021 between the Receiver as vendor and George Chan in trust for a Company to be incorporated (the "**JGWI Purchaser**") as purchaser, (the "**JGWI Sale**

- Agreement**") with respect to the Purchased Assets (as defined in the JGWI Sale Agreement) (the "**JGWI Purchased Assets**"), and authorizing the Receiver to complete the transaction contemplated thereby (the "**JGWI Transaction**");
- v. vesting in the JGWI Purchaser, JGWI's right, title and interest in and to the JGWI Purchased Assets free and clear of any claims and encumbrances save and except for "Permitted Encumbrances";
 - vi. approving the Brimley Pharmacy sale transaction contemplated by the agreement of purchase and sale dated September 24, 2021 between the Receiver as vendor and 2868783 Ontario Inc. ("**286**") as purchaser, (the "**Brimley Sale Agreement**") with respect to the Purchased Assets (as defined in the Brimley Sale Agreement) (the "**Brimley Purchased Assets**"), and authorizing the Receiver to complete the transaction contemplated thereby (the "**Brimley Transaction**" together with the Jubilee Transaction and the JGWI Transaction shall be referred to herein as the "**Transactions**");
 - vii. vesting in 286, Brimley's right, title, and interest in and to the Brimley Purchased Assets free and clear of any claims and encumbrances save and except for "Permitted Encumbrances";
 - viii. sealing the Confidential Appendices (as defined herein) to this Third Report until the earlier of the completion of the Transactions or further Order of this Court;
 - ix. declaring that the transaction (the "**Bless Hui Transaction**") contemplated by the agreement of purchase and sale dated June 14, 2021 between the Receiver as vendor and Raouf Basilious in Trust for a corporation to be formed and as assigned to Guide Pharma Inc. ("**Guide Pharma**") as purchaser (the "**Bless Hui Sale Agreement**") is terminated with the deposit to be retained by the Receiver as liquidated damages in accordance with the terms of the Bless Hui Sale Agreement.

- x. approving the fees and disbursements of the Receiver for the period from July 1, 2021 to and including October 27, 2021 for each of the Respondents as well as fee accruals for Theotokos, Cooksville, Westway, SJ East and Westview as described in the Fee Affidavit of Mukul Manchanda sworn November 2, 2021;
 - xi. approving the fees and disbursements of the Receiver's Counsel for the period to and including October 31, 2021 for each of the Respondents as described in the Fee Affidavit of Joel Turgeon sworn November 2, 2021;
 - xii. authorizing and directing the Receiver to make distributions proposed in this Third Report; and
 - xiii. effective upon filing of a certificate by the Receiver certifying that all outstanding matters to be attended to in connection with the receivership of Theotokos, Westway, Cooksville, SJ East and Westview (the "**Completed Estates**") have been completed to the satisfaction of the Receiver, discharging Spergel as the Receiver and granting certain ancillary relief in relation; and
 - xiv. such further and other relief as Counsel may advise and this Court may permit.
27. The Receiver will not assume responsibility or liability for losses incurred by the reader due to the circulation, publication, reproduction or use of this Third Report for any other purpose.
28. In preparing this Third Report, the Receiver has relied upon certain information provided to it by the Debtors and or its principals. The Receiver has not performed an audit or verification of such information for accuracy, completeness or compliance with Accounting Standards for Private Enterprises or International Financial Reporting Standards. Accordingly, the Receiver expresses no opinion or other form of assurance with respect to such information.
29. Unless otherwise stated, all monetary amounts contained in this Third Report are expressed in Canadian dollars.

III. ACTIONS OF THE RECEIVER SUBSEQUENT TO THE SECOND REPORT

The Approved Sale Transactions

30. Following the issuance of the Sale Approval and Vesting Orders, the Receiver completed the closing of the Approved Sale Transactions with the exception of the sale transaction with respect to the Bless Hui Pharmacy contemplated by the Bless Hui APS, which is discussed in greater detail below.

The Bless Hui Sale Transaction

31. The Bless Hui Sale Transaction was scheduled to close after extensions on September 10, 2021, subject to the approved Bless Hui Agreement of Purchase and Sale (the "**Bless Hui APS**") attached to this Third Report with deposit and purchase price redacted as **Appendix "7"**.
32. On or about the morning of September 9, 2021, the Receiver was contacted by one of the Purchasers advising of its unwillingness to close due to the impending departure of the Designated Manager of the pharmacy and requesting a return of the deposit paid in the amount of \$90,000. The request for the return of the deposit was rejected by the Receiver pursuant to Paragraph 2.4(b)(ii) and the matter referred to Receiver's Counsel.
33. By September 9, 2021, all conditions to which the Bless Hui Agreement of Purchase and Sale was subject had been either fulfilled by the Receiver and/or waived by the Purchaser. All closing documents were prepared, executed, and exchanged over the course of September 9th and 10th. An Assignment of the lease of the Bless Hui Premises had been finalized and all documents related thereto executed by all parties and exchanged.
34. The inventory count was held after pharmacy closing on September 9th in anticipation of closing on September 10th at which representatives of the Purchaser were in attendance, however, left before the count was completed.
35. Receiver's Counsel sent an email to Counsel for the Purchaser on September 9, 2021 at 4:50pm in response to the Purchaser's telephone discussion with the

Receiver earlier that day requesting a call with Counsel for the Purchaser. A copy of this email is attached to this Third Report as **Appendix "8"**.

36. Receiver's Counsel sent a further email to Counsel for the Purchaser on September 9, 2021 at 5:12 pm confirming, inter alia, that the Receiver was ready willing and able to close. A copy of this email is attached to this Third Report as **Appendix "9"**.
37. Receiver's Counsel sent a further email to Counsel for the Purchaser on September 10, 2021 at 11.18am confirming, inter alia, once again that the Receiver was ready willing and able to close but offering an extension to September 24, 2021 subject to terms. A copy of this email is attached to this Third Report as **Appendix "10"**.
38. The offer by Counsel for the Receiver of an extension to close was never accepted by the Purchaser and the Receiver takes the position that the Bless Hui APS has been terminated by the Purchaser and accordingly, the Receiver is entitled to retain the deposit paid as liquidated damages. Counsel for the Receiver wrote to counsel for the Purchaser accordingly on September 16, 2021, a copy of which is attached to this Third Report as **Appendix "11"**.
39. The Bless Hui Pharmacy has been re-listed for sale on the MLS system.

IV. THE TRANSACTIONS

40. Pursuant to the terms of the Receivership Orders, the Receiver was empowered and authorized to, among other things, market any or all the Debtors' assets, including advertising and soliciting offers in respect of the assets and negotiating such terms and conditions of sale as the Receiver, in its discretion, deemed appropriate.

Jubilee Property Investments Inc.

41. The sole asset of Jubilee is a commercial condominium unit located at 280 West Beaver Creek, Unit 11, Richmond Hill, Ontario (the "**Jubilee Real Property**").

42. Upon appointment, the Receiver engaged the services of Wagner, Andrews & Kovac Ltd. ("**Wagner**") and Cornwall Property Consultants Ltd. ("**Cornwall**") to attend at and conduct full narrative appraisals of the Jubilee Real Property. The Receiver obtained appraisals in relation to the Jubilee Real Property from Wagner on February 17, 2021 as updated April 23, 2021 and from Cornwall on February 22, 2021. Copies of the appraisal reports are attached to this Third Report as **Confidential Appendix "1"**.
43. As reported in the Second Report, the Jubilee Real Property is subject to what the Receiver believes is a non-arm's length 40-year lease dated August 27, 2021 with Jubilee Medical Pharma Inc. (the "**Jubilee Tenant**") operating a pharmacy owned by George Chan (the "**Jubilee Pharmacy Lease**"). The Receiver has concerns that the Jubilee Pharmacy Lease may negatively impact the value of the Jubilee Real Property. The Jubilee Pharmacy Lease is attached to this Third Report as **Appendix "12"**.
44. The Receiver has negotiated the Jubilee Sale Agreement with Mr. Chan as the principal of the Jubilee Tenant at a price that the Receiver believes is appropriate having regard to (i) the value of the Jubilee Real Property if not affected by the Jubilee Pharmacy Lease, and (ii) the potential cost and risk to the estate of Jubilee involved in any litigation to seek to set aside the Jubilee Pharmacy Lease. The Receiver is of the opinion that the Jubilee Sale Agreement is the most economical way possible to dispose of the Jubilee Real Property.
45. After the waiver of the due diligence conditions in the Jubilee Sale Agreement, the acceptance of the Jubilee Sale Agreement is conditional only upon the approval of this Honourable Court and accordingly is the subject matter, inter alia, of the motion brought by the Receiver. A copy of the Jubilee Sale Agreement with redactions for the purchase price and deposit is attached to this Third Report as **Appendix "13"**. An unredacted copy of the Jubilee Sale Agreement is attached as **Confidential Appendix "2"**.

JG Windsor Inc.

46. The sole asset of JGWI is a 3500 square foot medical building located at 2780 Totten Avenue, Windsor, Ontario (the "**JGWI Real Property**").
47. Upon appointment, the Receiver engaged the services of Renaissance Valuations ("**Renaissance**") and F./R. Jordan and Associates. ("**Jordan**") to attend at and conduct full narrative appraisals of the JGWI Real Property. The Receiver obtained appraisals in relation to the JGWI Real Property from Renaissance on February 13, 2021 and from Jordan on May 12, 2021. Copies of the appraisal reports are attached to this Third Report as **Confidential Appendix "3"**.
48. As advised in the Second Report of the Receiver, a portion of the JGWI Real Property is subject to what the Receiver believes is a non-arm's length 40-year lease dated August 27, 2020 with Totten Windsor Drugs Inc. (the "**JGWI Tenant**") operating a pharmacy owned by George Chan (the "**Totten Pharmacy Lease**"). As with the Jubilee Pharmacy lease, the Receiver has concerns that the Totten Pharmacy Lease may negatively impact the value of the JGWI Real Property. The Totten Pharmacy Lease is attached to this Third Report as **Appendix "14"**.
49. The Receiver has negotiated JGWI Sale Agreement with Mr. Chan as the principal of the JGWI Tenant at a price at a price that the Receiver believes is appropriate having regard to (i) the value of the JGWI Real Property if not affected by the Totten Pharmacy Lease, and (ii) the potential cost and risk to the estate of JGWI involved in any litigation to seek to set aside the Totten Pharmacy Lease. The Receiver is of the opinion that the Jubilee Sale Agreement is the most economical way possible to dispose of the Jubilee Real Property .
50. The acceptance of the JGWI Sale Agreement is conditional upon due diligence and the approval of this Honourable Court and accordingly is the subject matter, inter alia, of the motion brought by the Receiver. A copy of the JGWI Sale Agreement with redactions for the purchase price and deposit is attached to this Third Report as **Appendix "15"**. An unredacted copy of the JGWI Sale Agreement is attached as **Confidential Appendix "4"**.

Abu Seifein Brimley Pharma Inc

51. The Receiver entered into an MLS Listing Agreement dated July 21, 2021 with Maged Bebawy ("**Bebawy**"), a broker with ReMax West Realty Inc., with respect to the sale of the Brimley Pharmacy (the "**Brimley Listing**") located at 123 Montezuma Trail, Scarborough, Ontario. Bebawy is well known within the pharmacy industry and has multiple years' experience in the purchase and sale of community pharmacies. A copy of the Brimley Listing is attached to this Third Report as **Appendix "16"**.
52. An online data room was set up by the Receiver containing the financial and other information related to the Brimley Pharmacy. Prior to being granted access to the data room(s), prospective purchasers were required to sign a Non-Disclosure Agreement ("**NDA**") to protect the integrity of the information made available in the data room.
53. Bebawy widely marketed the Pharmacies to garner maximum interest. The pharmacy was advertised on the reallor.ca website. An email blast was sent by Bebawy to approximately 800 prospective purchasers. A fax broadcast was also sent to approximately 4,692 pharmacies in Ontario with a success rate of 4,405. A copy of the email blast sent to prospective purchasers and marketing report is attached to this Third Report as **Appendix "17"**.
54. The current lease related to the Brimley Premises is set to expire on July 31, 2022. The Receiver was advised by the property manager that any renewals beyond July 31, 2022 would be subject to a demolition clause exercisable by the Landlord on three months' written notice. The Receiver managed to negotiate a reciprocal three months written notice provision in favour of the tenant on any renewal. Attached to this Third Report as **Appendix "18"** is a copy of the email exchange between the Receiver and the property manager in this regard.
55. As a result of the above, 20 interested parties signed the NDA and obtained the information related to the Brimley Pharmacy. After reviewing the offer(s), the Receiver determined that the purchase offer from 286 would net the highest realization and be the most appropriate transaction for the benefit of the

stakeholders. A copy of the Receiver's bid summary is attached as **Confidential Appendix "5"** to this Third Report (the "**Bid Summary**"). The Receiver shared the Bid Summary along with the written offer(s) with the Bank. The Bank has indicated to the Receiver that it supports the acceptance of the offer from 286, which the Receiver has now put into the Brimley Sale Agreement and signed subject to approval of the Court.

56. The acceptance of the Brimley Sale Agreement is conditional upon the Purchaser obtaining pharmacy accreditation from the Ontario College of Pharmacists ("**OCP**"); a provider number from the Ontario Drug Benefit Plan ("**ODB**") and approval of this Honourable Court and accordingly is the subject matter, inter alia, of the motion brought by the Receiver. A copy of the Brimley Sale Agreement with redactions for the purchase price and deposit is attached to this Third Report as **Appendix "19"**. An unredacted copy of the Brimley Sale Agreement is attached as **Confidential Appendix "6"** (collectively with Confidential Appendices "1", "2", "3", "4" and "5", the "**Confidential Appendices**").
57. The Receiver is of the view that the sale process with respect to the Brimley Pharmacy was conducted in a commercially reasonable manner and that the market was extensively canvassed pursuant to Bebawy's marketing efforts detailed above. It is the opinion of the Receiver that the terms and conditions contained in the Brimley Sale Agreement are commercially reasonable in all respects and that the purchaser price in the Brimley Sale Agreement is at market value and is the best outcome to the estate in the circumstances.

V. REQUEST FOR A SEALING ORDER

58. The Receiver is seeking a sealing order in respect of the Confidential Appendices to this Third Report as they each contain commercially sensitive information, the release of which prior to the completion of the Transactions would be prejudicial to the stakeholders in the event the Transactions do not close.

VI. OPERATING PHARMACIES NOT SUBJECT TO SALE AGREEMENTS

Olde Walkerville Holdings Inc.

59. The assets of Olde Walkerville are two retail pharmacies operating out of leased premises located at 1701 Wyandotte Street East, Windsor, Ontario and 870 Erie Street East, Windsor, Ontario (collectively, the "**Windsor Pharmacies**").
60. The Windsor Pharmacies were previously listed for sale with Bebawy, however, the marketing efforts did not garner any offers that were acceptable in the view of the Receiver.
61. The Windsor Pharmacies remain fully operational under the supervision of the Receiver and revised listing agreements have been signed with Bebawy (the "**Revised Olde Walkerville Listing Agreements**") by the Receiver. Copies of the Revised Olde Walkerville Listing Agreements are attached to this Third Report as **Appendices "20" and "21"**, respectively.

Bless Hui Pharma Inc.

62. Due to the failure of the previously approved sale to close as described in this Third Report, the Receiver has re-listed the Bless Hui Pharmacy for sale. The sole asset of Bless Hui is a retail pharmacy operating out of leased premises at 280 Spadina Avenue, Toronto, Ontario.
63. The pharmacy remains fully operational under the supervision of the Receiver and a new listing agreement for the sale of the pharmacy has been signed with Bebawy by the Receiver (the "**Bless Hui Listing Agreement**"). A copy of the new listing agreement is attached to this Third Report as **Appendix "22"**.

Sigma Healthcare Inc.

63. Sigma operates a retail pharmacy business out of leased premises located at 2 Dufferin Street, Tilbury, Ontario.
64. Immediately upon its appointment, the Receiver directly or through counsel attended to the following:
- i) secured possession of the premises;

- ii) arranged for insurance in the name of the Receiver;
- iii) notified the office of the Superintendent of Bankruptcy of its appointment as Receiver;
- iv) opened a dedicated trust account for the receivership estate and dealt with existing bank accounts;
- v) prepared and filed all documents mandated by the *Bankruptcy and Insolvency Act*;
- vi) communicated with the Canada Revenue Agency;
- vii) met with and re-hired pharmacists and technicians;
- viii) confirmed its appointment with the Ontario College of Pharmacists (the "OCP");
- ix) took steps to quantify PMSI security interests in favour of suppliers;
- x) secured a continuation of pharmaceutical supply;
- xi) took all necessary steps to ensure that the pharmacies remained fully operational under the supervision of the Receiver and that the transfer of care and control to the Receiver was seamless and without interruption to client service. The pharmacies continue to operate with most of the same personnel and remain open the same hours as previously.

65. The Receiver is currently operating the Sigma pharmacy business. Once stabilized, the Receiver will be listing the pharmacy business for sale on a going-concern basis and will report back to the stakeholders and to the Court in due course.

VII. NON-OPERATING DEBTORS

JM WESTVIEW PHARMA INC.

66. As previously reported by the Receiver, the pharmacy operations of Westview operating as Mill Street Pharmacy in Tilbury, Ontario ceased in January 2021. The Receiver has filed an Assignment in Bankruptcy with respect to Westview. The Receiver as Trustee of Westview undertook a detailed investigation into the transfer of the Westview pharmacy assets to Sigma,

which ultimately resulted in an interim receivership order and later a full receivership order being issued against Sigma.

67. As there is no further work to be done by the Receiver with respect to JM Westview, the Receiver is seeking its discharge.

SJ EAST PHARMA INC.

68. As previously reported by the Receiver, the pharmacy operations of SJ East operating as Brighton Pharmacy in Brighton, Ontario ceased in or around November 2020. The Receiver has filed an Assignment in Bankruptcy with respect to SJ East. The Receiver as Trustee of SJ East undertook a detailed investigation into the transfer of the SJ East pharmacy assets and reported its findings to the inspector of the estate. The inspector has indicated that he is not in favour of taking further steps in the Bankruptcy in respect of the matters reported. Given that the inspector is a representative of CWB and any losses in the estate of SJ East in the receivership will predominantly to CWB's account, the Receiver believes that no further steps are required or appropriate.
69. Accordingly, the Receiver is seeking its discharge with respect to the estate of SJ East.

ST. MARY THEOTOKOS PHARMA INC.

70. The pharmacy operations of Theotokos ceased prior to the appointment of the Receiver and the principals of the Debtors have advised that the operations were co-mingled with those of Bless Hui given its proximity. As there is no further work to be done by the Receiver with respect to Theotokos, the Receiver is seeking its discharge.

WESTWAY HOLDINGS INC.

71. The pharmacy operations of Westway ceased prior to the appointment of the Receiver and it is believed that the operations were co-mingled with those of River Hill given its proximity. As there is no further work to be done by the Receiver with respect to Westway, the Receiver is seeking its discharge.

ST. MARY COOKSVILLE PHARMA INC.

The pharmacy operations of Cooksville ceased in or around November, 2020. The Receiver has filed an Assignment in Bankruptcy with respect to Cooksville. The Receiver as Trustee of Cooksville undertook a detailed investigation into the transfer of the Cooksville pharmacy assets and reported its findings to the inspector of the estate. The inspector has indicated that he is not in favour of taking further steps in the Bankruptcy in respect of the matters reported. Given that the inspector is a representative of CWB and any losses in the estate of SJ East in the receivership will predominantly to CWB's account, the Receiver believes that no further steps are required or appropriate.

72. Accordingly, the Receiver is seeking its discharge with respect to the estate of Cooksville.

IX. FEES AND DISBURSEMENTS OF THE RECEIVER

73. Attached to this Third Report as **Appendix "23"** is the Affidavit of Mukul Manchanda, sworn November 2, 2021, (the "**Manchanda Affidavit**") which incorporates, by reference a copy of the time dockets pertaining to the receiverships of each of the Debtors for the period from July 1, 2021 to and including October 27, 2021. The fees and disbursements of the Receiver for the period to and including June 30, 2021 for the Debtors in Paragraph 78 below, save and except for Sigma, were previously approved by Order of the Honourable Justice Patillo dated August 12, 2021.
74. The fees and disbursements of the Receiver for each of the Debtors (save and except for Sigma) for the period from July 1, 2021 to and including October 27, 2021 are as follows:
- i. in respect of the receivership of Westview for the period from July 1, 2021 to and including October 27, 2021 fees \$2,093.04 (inclusive of HST, disbursements and a discount of \$144.50) were charged by Spergel as detailed in the Manchanda Affidavit. This represents 5.05 hours at an effective rate of \$395.39 per hour. The Receiver anticipates additional fees

to completion in the amount of \$5,000, not including HST and disbursements.

- ii. in respect of the receivership of SJ East for the period from July 1, 2021 to and including October 27, 2021 fees of \$5,339.25 (inclusive of HST, disbursements and a discount of \$742.50) were charged by Spergel as detailed in the Manchanda Affidavit. This represents 16.30 hours at an effective rate of \$335.43 per hour. The Receiver anticipates additional fees to completion in the amount of \$5,000, not including HST and disbursements.
- iii. in respect of the receivership of Bless Hui for the period from July 1, 2021 to and including October 27, 2021, 2021 fees of \$53,141.36 (inclusive of HST, disbursements and a discount of \$4,536.00) were charged by Spergel as detailed in the Manchanda Affidavit. This represents 153.10 hours at an effective rate of \$336.24 per hour.
- iv. in respect of the receivership of Maple Medi for the period from July 1, 2021 to and including October 27, 2021 fees of \$36,491.45 (inclusive of HST, disbursements and a discount of \$4,526.50) were charged by Spergel as detailed in the Manchanda Affidavit. This represents 112.05 hours at an effective rate of \$328.20 per hour.
- v. in respect of the receivership of River Hill for the period from July 1, 2021 to and including October 27, 2021 fees of \$33,438.74 (inclusive of HST, disbursements and a discount of \$4,417.00) were charged by Spergel as detailed in the Manchanda Affidavit. This represents 108.00 hours at an effective rate of \$314.69 per hour.
- vi. in respect of the receivership of Theotokos for the period from July 1, 2021 to and including October 27, 2021 fees of \$1,626.92 (inclusive of HST, disbursements and a discount of \$89.00) were charged by Spergel as detailed in the Manchanda Affidavit. This represents 3.45 hours at an effective rate of \$443.12 per hour. The Receiver anticipates additional fees

to completion in the amount of \$5,000, not including HST and disbursements.

- vii. in respect of the receivership of Stoney Creek for the period from July 1, 2021 to and including October 27, 2021 fees of \$32,711.81 (inclusive of HST, disbursements and a discount of \$3,787.50) were charged by Spergel as detailed in the Manchanda Affidavit. This represents 95.75 hours at an effective rate of \$340.39 per hour.
- viii. in respect of the receivership of Toronto Apothecary for the period from July 1, 2021 to and including October 27, 2021 fees of \$39,255.86 (inclusive of HST, disbursements and a discount of \$5,130.50) were charged by Spergel as detailed in the Manchanda Affidavit. This represents 119.00 hours at an effective rate of \$334.46 per hour.
- ix. in respect of the receivership of Westway for the period from July 1, 2021 to and including October 27, 2021 fees of \$2,093.04 (inclusive of HST, disbursements and a discount of \$144.50) were charged by Spergel as detailed in the Manchanda Affidavit. This represents 5.05 hours at an effective rate of \$395.40 per hour. The Receiver anticipates additional fees to completion in the amount of \$5,000, not including HST and disbursements.
- x. in respect of the receivership of Olde Walkerville for the period from July 1, 2021 to and including October 27, 2021 fees of \$41,761.13 (inclusive of HST, disbursements and a discount of \$6,031.00) were charged by Spergel as detailed in the Manchanda Affidavit. This represents 134.40 hours at an effective rate of \$317.89 per hour.
- xi. in respect of the receivership of Cooksville for the period from July 1, 2021 to and including October 27, 2021 fees of \$1,993.60 (inclusive of HST, disbursements and a discount of \$122.00) were charged by Spergel as detailed in the Manchanda Affidavit. This represents 4.55 hours at an effective rate of \$414.56 per hour. The Receiver anticipates additional fees

to completion in the amount of \$5,000, not including HST and disbursements.

- xii. in respect of the receivership of 4231 for the period from July 1, 2021 to and including October 27, 2021 fees of \$15,431.84 (inclusive of HST, disbursements and a discount of \$1,012.50) were charged by Spergel as detailed in the Manchanda Affidavit. This represents 32.45 hours at an effective rate of \$451.10 per hour.
- xiii. in respect of the receivership of Jubilee for the period from July 1, 2021 to and including October 27, 2021 fees of \$8,184.59 (inclusive of HST, disbursements and a discount of \$757.50) were charged by Spergel as detailed in the Manchanda Affidavit. This represents 19.30 hours at an effective rate of \$414.53 per hour.
- xiv. in respect of the receivership of JGWI for the period from July 1, 2021 to and including October 27, 2021 fees of \$12,259.37 (inclusive of HST, disbursements and a discount of \$926.00) were charged by Spergel as detailed in the Manchanda Affidavit. This represents 26.40 hours at an effective rate of \$446.02 per hour.
- xv. in respect of the receivership of Brimley for the period from July 1, 2021 to and including October 27, 2021 fees of \$53,829.17 (inclusive of HST, disbursements and a discount of \$10,374.00) were charged by Spergel as detailed in the Manchanda Affidavit. This represents 198.70 hours at an effective rate of \$291.80 per hour.
- xvi. In respect of the receivership of Sigma for the period to and including October 27, 2021 fees of \$59,513.71 (inclusive of HST, disbursements and a discount of \$6,306.50) were charged by Spergel as detailed in the Manchanda Affidavit. This represents 168.80 hours at an effective rate of \$349.37 per hour.

X. FEES AND DISBURSEMENTS OF RECEIVER'S COUNSEL

75. Attached hereto as **Appendix "24"** is the Affidavit of Joel Turgeon, sworn November 3, 2021, which incorporates, by reference, a copy of the accounts rendered by the Receiver's Counsel to the Receiver pertaining to the receiverships of each of the Debtors for the period from November 2020 to and including October 31, 2021.
76. The fees and expenses of Receiver's Counsel for this period are as follows:
- i. in respect of the receivership of Westview, fees of \$11,060, disbursements of \$857, and HST of \$1,547.65. This represents a total of 22.4 hours at an effective rate of \$493.75 per hour;
 - ii. in respect of the receivership of SJ East, fees of \$5,342.50, disbursements of \$15, and HST of \$696.48. This represents a total of 10.1 hours at an effective rate of \$528.96 per hour;
 - iii. in respect of the receivership of Bless Hui, fees of \$22,577.50, disbursements of \$82.59, and HST of \$2,942.70. This represents a total of 46.7 hours at an effective rate of \$483.45 per hour;
 - iv. in respect of the receivership of Maple Medi, fees of \$16,675, disbursements of \$107.24, and HST of \$2,178.57. This represents a total of 36.6 hours at an effective rate of \$455.60 per hour;
 - v. in respect of the receivership of River Hill, fees of \$18,365, disbursements of \$82.59, and HST of \$2,395.07. This represents a total of 38.6 hours at an effective rate of \$501.78 per hour;
 - vi. in respect of the receivership of Theotokos, fees of \$2,190, disbursements of \$0, and HST of \$284.7. This represents a total of 4.6 hours at an effective rate of \$476.09 per hour;
 - vii. in respect of the receivership of Stoney Creek, fees of \$17,272.50, disbursements of \$82.59, and HST of \$2,253.05. This represents a total of 37.9 hours at an effective rate of \$455.74 per hour;

- viii. in respect of the receivership of Toronto Apothecary, fees of \$16,112.50, disbursements of \$190.34, and HST of \$2,116.25. This represents a total of 36.8 hours at an effective rate of \$437.84 per hour;
 - ix. in respect of the receivership of Westway, fees of \$2,190, disbursements of \$24.15, and HST of \$286.80. This represents a total of 4.6 hours at an effective rate of \$476.09 per hour;
 - x. in respect of the receivership of Olde Walkerville, fees of \$6,275, disbursements of \$24.15, and HST of \$817.85. This represents a total of 12.7 hours at an effective rate of \$494.09 per hour;
 - xi. in respect of the receivership of Cooksville, fees of \$12,145, disbursements of \$1,589.15, and HST of \$1,784.40. This represents a total of 26.8 hours at an effective rate of \$453.17 per hour;
 - xii. in respect of the receivership of 4231, fees of \$12,515, disbursements of \$738.55, and HST of \$1,653.55. This represents a total of 26.7 hours at an effective rate of \$469.10 per hour;
 - xiii. in respect of the receivership of Jubilee, fees of \$12,800, disbursements of \$328.45, and HST of \$1,691.35. This represents a total of 24.3 hours at an effective rate of \$526.75 per hour;
 - xiv. in respect of the receivership of JGWI, fees of \$11,562.50, disbursements of \$65.40, and HST of \$1,511.63. This represents a total of 21.8 hours at an effective rate of \$530.39 per hour;
 - xv. in respect of the receivership of Brimley, fees of \$6,125, disbursements of \$52.44, and HST of \$800.99. This represents a total of 11.9 hours at an effective rate of \$514.76 per hour;
 - xvi. in respect of the receivership of Sigma, fees of \$3,195, disbursements of \$70.75, and HST of \$422.47. This represents a total of 6.6 hours at an effective rate of \$484.09 per hour;
77. The Receiver has reviewed the Receiver's Counsel's accounts and given the Receiver's involvement in this matter, the Receiver is of the view that all the work

set out in Receiver's Counsel's accounts was carried out and was necessary. The hourly rates of the lawyers who worked on this matter were reasonable considering the services required, and the services were carried out by lawyers with the appropriate level of experience.

XI. RECEIVER'S STATEMENTS OF RECEIPTS AND DISBURSEMENTS

78. Attached to this Third Report as **Appendix "25"** are the Receiver's Statements of Receipts and Disbursements as October 27, 2021 for each of the Debtors.

XII. PROPOSED DISTRIBUTION

Receiver's Certificates

79. Pursuant to paragraph 23 of the amended and restated receivership order dated February 3, 2021 (the "**February Receivership Order**"), the Receiver borrowed monies from CWB in the principal amount of \$440,000 (the "**Receiver's Borrowings**") to fund its activities in respect to the estates of the following: a) Bless Hui; b) Maple Medi; c) River Hill; d) Theotokos; e) Stoney Creek; f) Toronto Apothecary; g) Westway Holdings; h) Olde Walkerville; i) SJ East; j) Westview; k) Cooksville; l) JGWI; m) Jubilee; and n) 4231 (collectively, the "**February Debtors**"). Attached as **Appendix "26"** to this Third Report are copies of the Receiver's Certificates representing the Receiver's Borrowings. The Receiver's Borrowings were used for the estate of the February Debtors as follows:

In the Matter of the Receivership of Bless Hui Pharma Inc. et al
Summary of Receiver's Borrowings related to the February Debtors

Estates	Borrowings
4231	35,000.00
Bless Hui	80,500.00
Cooksville	5,000.00
JGWI	19,000.00
Jubilee	25,000.00
Maple Medi	29,000.00
Olde Walkerville	122,500.00
River Hill	30,000.00
SJ East	5,000.00
Stoney Creek	24,000.00
Theotokos	5,000.00
Toronto Apothecary	50,000.00
Westview	5,000.00
Westway Holdings	5,000.00
Total	440,000.00

80. Pursuant to paragraph 23 of the February Receivership Order, the issuance of the Receiver's Certificate has the effect of creating a charge on the Property (as defined in the February Receivership Order), by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the repayment 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 (as defined in the February Receivership Order), but subordinate to the Receiver's Charge, and the charges set out in subsections 14.06(7), 81.4(4), and 81.6(2) of the BIA.
81. Given all of the Property of the February Debtors have not been realized upon, the Receiver is recommending the repayment of the Receiver's Borrowings from the proceeds of the sale of assets (pro-rated based on gross realizations from the sale of assets) of the following:
- a) Maple Medi - \$111,185.00 (the "**Maple Medi RB Payment**");
 - b) River Hill - \$121,115.00 (the "**River Hill RB Payment**");

- c) Stoney Creek - \$112,500.00 (the "**Stoney Creek RB Payment**");
 - d) Toronto Apothecary - \$60,200.00 (the "**Apothecary RB Payment**"); and
 - e) 4231 - \$35,000.00 (the "**4231 RB Payment**").
82. If proceeds are received from the estates of February Debtors other than the five noted above and to which funds borrowed under the Receiver's Charge were applied, the Receiver will at that point reallocate such funds *pro rata* to the five estates noted above.

4231 Sheppard Avenue East Inc.

Canada Revenue Agency

83. Canada Revenue Agency ("**CRA**") is in the midst of conducting a trust exam of 4231's *Harmonized Sales Tax* ("**HST**") account. Although a formal claim with respect to outstanding HST has not been filed by CRA, the CRA has advised the Receiver that 4231 owes \$4,073.07 (the "**4231 HST Amount**") with respect to outstanding HST. The Receiver is proposing to hold the 4231 HST Amount (the "**4231 HST Holdback**") pending completion of the trust exam from CRA and will seek a further order of this Honourable Court for distribution with respect to same.
84. A title search conducted with respect to the 4231 Real Property on February 24, 2021 indicated a first mortgage in the principal amount of \$400,000 held by CWB which comprises an initial charge registered on October 23, 2019 (the "**CWB Mortgage**"). Attached hereto as **Appendix "27"** is a copy of the correspondence from CWB confirming the amount in respect of the CWB Mortgage was \$268,369.28 as at October 15, 2021. Attached hereto as **Appendix "28"** is a copy of the title search conducted on February 24, 2021. GSNH advises that CWB also held a general security agreement granted by 4231 and that is in the process of reviewing that agreement and the CWB Mortgage for validity as against the estate of 4231. The Receiver will report further in a Supplementary Report when GSNH's review in that regard is complete.
85. On the assumption that GSNH's review of the security held by CWB is that it is valid, after payment of the fees and disbursements of the Receiver and Receiver'

Counsel (subject to a reserve for further fees as may be determined by the Receiver) as they relate to the 4231 Real Property, the payment of the 4231 RB Payment and retaining the 4231 HST Holdback, the Receiver recommends that it be authorized and directed to distribute from the sale of the 4231 Real Property to CWB a maximum of \$268,369.28 plus accrued interest.

Maple Medi Pharma Inc.

Canada Revenue Agency

86. CRA is in the midst of conducting a trust exam of Maple Medi's payroll account. Although a formal claim with respect to outstanding source deductions has not been filed by CRA, the CRA has advised the Receiver that Maple Medi owes \$4,748.31 (the "**Maple Medi Payroll Amount**") with respect to outstanding source deductions. The Receiver is proposing to hold the Maple Medi Payroll Amount (the "**Maple Medi Payroll Holdback**") pending completion of the trust exam from CRA and will seek a further order of this Honourable Court for distribution with respect to same.

Wage Earner's Protection Program ("WEPP")

87. The Receiver mailed WEPP notifications, including schedules of amounts payable to all eligible former employees of Maple Medi. The Receiver received a statement from Employment and social Development Canada on October 19, 2021 indicating a total of \$2,280.99 outstanding with security for payment pursuant to subsection 81.4(4) of the *Bankruptcy and Insolvency Act (Canada)* ("**BIA**"). Attached as **Appendix "29"** to this Third Report is a copy of the statement received from Employment and Social Development Canada.
88. Therefore, after payment of the fees and disbursements of the Receiver and the Receiver's Counsel (subject to a reserve for further fees as may be determined by the Receiver) as they relate to Maple Medi, the payment of the Maple Medi RB Payment, retaining the Maple Medi Payroll Holdback, the Receiver recommends that it be authorized and directed to distribute \$2,280.99 to the Receiver General in respect of the priority claim pursuant to subsection 81.4(4) of BIA (the "**Medi WEPP Claim**").

McKesson Canada Corporation ("McKesson")

89. A review of the *Personal Property Security Act* ("**PPSA**") search of Maple Medi indicated that McKesson holds a purchase money security interest ("**PMSI**") in the inventory of Maple Medi. The Receiver's Counsel has reviewed McKesson's PMSI in the inventory of Maple Medi, and, subject to the usual assumptions and qualifications of an opinion of such nature, has opined that McKesson's PMSI in the inventory of Maple Medi is validly perfected and enforceable in accordance with its terms.
90. At the outset of the receivership proceedings, McKesson advised that it is owed \$92,326.69 with respect to its PMSI. The inventory count obtained by the Receiver upon appointment indicated \$61,709.82 as the value of the inventory subject to McKesson's PMSI. Accordingly, the Receiver recommends that it be authorized and directed to pay \$61,709.82 to McKesson in respect of the PMSI over the inventory of Maple Medi (the "**McKesson Medi PMSI Claim**").

CWB

91. CWB holds certain security over Maple Medi including a general security agreement dated May 25, 2018 ("**CWB's Medi Security**").
92. The Receiver's Counsel has reviewed CWB's Medi Security, and, subject to the usual assumptions and qualifications of an opinion of such nature, has opined that CWB's Medi Security is validly perfected and enforceable in accordance with its terms.
93. On October 15, 2021 CWB provided details of the amounts due by Maple Medi to CWB, not including legal expenses, to be \$1,551,266.15 (plus further amounts for the continued accrual of interest and recovery expenses).
94. Accordingly, the Receiver recommends that, after payment of the fees and disbursements of the Receiver and the Receiver's Counsel (subject to a reserve for further fees as may be determined by the Receiver) as they relate to Maple Medi, the payment of the Maple Medi RB Payment, retaining the Maple Medi Payroll Holdback, payment of the Medi WEPP Claim, payment of the McKesson Medi PMSI Claim, the Receiver be authorized and directed to pay the balance of

any and all funds available in Maple Medi's estate to CWB, on account of Maple Medi's secured indebtedness owing to CWB for principal, interest and costs up to the amount of Maple Medi's secured indebtedness owing to CWB.

Stoney Creek Pharma Inc.

Canada Revenue Agency

95. CRA is in the midst of conducting a trust exam of Stoney Creek's payroll account. Although a formal claim with respect to outstanding source deductions has not been filed by CRA, the CRA has advised the Receiver that Stoney Creek owes \$6,189.62 (the "**Stoney Creek Payroll Amount**") with respect to outstanding source deductions. The Receiver is proposing to hold the Stoney Creek Payroll Amount (the "**Stoney Creek Payroll Holdback**") pending completion of the trust exam from CRA and will seek a further order of this Honourable Court for distribution with respect to same.

Wage Earner's Protection Program

96. The Receiver mailed WEPP notifications, including schedules of amounts payable to all eligible former employees of Stoney Creek. The Receiver received a statement from Employment and Social Development Canada on October 26, 2021 indicating a total of \$3,580.45 outstanding with security for payment pursuant to subsection 81.4(4) of BIA. Attached as **Appendix "30"** to this Third Report is a copy of the statement received from Employment and Social Development Canada.
97. Therefore, after payment of the fees and disbursements of the Receiver and the Receiver's Counsel (subject to a reserve for further fees as may be determined by the Receiver) as they relate to Stoney Creek, the payment of the Stoney Creek RB Payment, retaining the Stoney Creek Payroll Holdback, the Receiver recommends that it be authorized and directed to distribute \$3,580.45 to the Receiver General in respect of the priority claim pursuant to subsection 81.4(4) of BIA (the "**Stoney Creek WEPP Claim**").

McKesson Canada Corporation

98. A review of the PPSA search of Stoney Creek indicated that McKesson holds a PMSI in the inventory of Stoney Creek. The Receiver's Counsel has reviewed McKesson's PMSI in the inventory of Stoney Creek, and, subject to the usual assumptions and qualifications of an opinion of such nature, has opined that McKesson's PMSI in the inventory of Stoney Creek is validly perfected and enforceable in accordance with its terms.
99. At the outset of the receivership proceedings, McKesson advised that it is owed \$84,688.09 with respect to its PMSI. The inventory count obtained by the Receiver upon appointment indicated \$164,570.53 as the value of the inventory subject to McKesson's PMSI. Accordingly, the Receiver recommends that it be authorized and directed to pay \$84,688.09 to McKesson in respect of the PMSI over the inventory of Stoney Creek (the "**McKesson Stoney Creek PMSI Claim**").

CWB

100. CWB holds certain security over Stoney Creek including a general security agreement dated August 18, 2016 ("**CWB's Stoney Creek Security**").
101. The Receiver's Counsel has reviewed CWB's Stoney Creek Security, and, subject to the usual assumptions and qualifications of an opinion of such nature, has opined that CWB's Stoney Creek Security is validly perfected and enforceable in accordance with its terms.
102. On October 15, 2021 CWB provided details of the amounts due by Stoney Creek to CWB, not including legal expenses, to be \$1,318,899.40 (plus further amounts for the continued accrual of interest and recovery expenses).
103. Accordingly, the Receiver recommends that, after payment of the fees and disbursements of the Receiver and the Receiver's Counsel (subject to a reserve for further fees as may be determined by the Receiver) as they relate to Stoney Creek, the payment of the Stoney Creek RB Payment, retaining the Stoney creek Payroll Holdback, payment of the Stoney Creek WEPP Claim, payment of the McKesson Stoney Creek PMSI Claim, the Receiver be authorized and directed to pay the balance of any and all funds available in Stoney Creek's estate to CWB,

on account of Stoney Creek's secured indebtedness owing to CWB for principal, interest and costs up to the amount of Stoney Creek's secured indebtedness owing to CWB.

River Hill Pharmacy Limited

Canada Revenue Agency

104. CRA is in the midst of conducting a trust exam of River Hill's payroll account. Although a formal claim with respect to outstanding source deductions has not been filed by CRA, the CRA has advised the Receiver that River Hill owes \$12,946.74 (the "**River Hill Payroll Amount**") with respect to outstanding source deductions. The Receiver is proposing to hold the River Hill Payroll Amount (the "**River Hill Payroll Holdback**") pending completion of the trust exam from CRA and will seek a further order of this Honourable Court for distribution with respect to same.

Wage Earner's Protection Program

105. The Receiver mailed WEPP notifications, including schedules of amounts payable to all eligible former employees of River Hill. The Receiver received a statement from Employment and Social Development Canada on October 19, 2021 indicating a total of \$2,509.94 outstanding with security for payment pursuant to subsection 81.4(4) of BIA. Attached as **Appendix "31"** to this Third Report is a copy of the statement received from Employment and Social Development Canada.
106. Therefore, after payment of the fees and disbursements of the Receiver and the Receiver's Counsel (subject to a reserve for further fees as may be determined by the Receiver) as they relate to River Hill, the payment of the River Hill RB Payment, retaining the River Hill Payroll Holdback, the Receiver recommends that it be authorized and directed to distribute \$2,509.94 to the Receiver General in respect of the priority claim pursuant to subsection 81.4(4) of BIA (the "**River Hill WEPP Claim**").

McKesson Canada Corporation and Kohl & Frisch Limited ("K&F")

107. A review of the PPSA search of River Hill indicated that McKesson and K&F holds a PMSI in the inventory of River Hill. The Receiver's Counsel has reviewed McKesson's and K&F's PMSI in the inventory of River Hill, and, subject to the usual assumptions and qualifications of an opinion of such nature, has opined that McKesson's and K&F's PMSI in the inventory of River Hill is validly perfected and enforceable in accordance with its terms.
108. At the outset of the receivership proceedings, McKesson advised that it is owed \$45,641.50 with respect to its PMSI. The inventory count obtained by the Receiver upon appointment indicated \$21,238.76 as the value of the inventory subject to McKesson's PMSI. Accordingly, the Receiver recommends that it be authorized and directed to pay \$21,238.76 to McKesson in respect of the PMSI over the inventory of River Hill (the "**McKesson Stoney Creek PMSI Claim**").
109. At the outset of the receivership proceedings, K&F advised that it is owed \$38,896.38 with respect to its PMSI. The inventory count obtained by the Receiver upon appointment indicated \$58,996.85 as the value of the inventory subject to K&F's PMSI. Accordingly, the Receiver recommends that it be authorized and directed to pay \$38,896.38 to K&F in respect of the PMSI over the inventory of River Hill (the "**K&F Stoney Creek PMSI Claim**")

CWB

110. CWB holds certain security over River Hill including a general security agreement dated August 26, 2015 granted in favour of Element Financial corporation and assigned to CWB by agreement dated January 31, 2018 ("**CWB's River Hill Security**").
111. The Receiver's Counsel has reviewed CWB's River Hill Security, and, subject to the usual assumptions and qualifications of an opinion of such nature, has opined that CWB's River Hill Security is validly perfected and enforceable in accordance with its terms.

112. On October 15, 2021 CWB provided details of the amounts due by River Hill to CWB, not including legal expenses, to be \$737,264.72 (plus further amounts for the continued accrual of interest and recovery expenses).
113. Accordingly, the Receiver recommends that, after payment of the fees and disbursements of the Receiver and the Receiver's Counsel (subject to a reserve for further fees as may be determined by the Receiver) as they relate to River Hill, the payment of the River Hill RB Payment, retaining the River Hill Payroll Holdback, payment of the River Hill WEPP Claim, payment of the McKesson River Hill PMSI Claim, payment of the K&F River Hill PMSI Claim, the Receiver be authorized and directed to pay the balance of any and all funds available in River Hill's estate to CWB, on account of River Hill's secured indebtedness owing to CWB for principal, interest and costs up to the amount of River Hill's secured indebtedness owing to CWB.

Toronto Apothecary Pharma Inc.

Canada Revenue Agency

114. CRA is in the midst of conducting a trust exam of Toronto Apothecary's payroll account. Although a formal claim with respect to outstanding source deductions has not been filed by CRA, the CRA has advised the Receiver that Toronto Apothecary owes \$3,137.25 (the "**Apothecary Payroll Amount**") with respect to outstanding source deductions. The Receiver is proposing to hold the Apothecary Payroll Amount (the "**Apothecary Payroll Holdback**") pending completion of the trust exam from CRA and will seek a further order of this Honourable Court for distribution with respect to same.
115. CRA is in the midst of conducting a trust exam of Toronto Apothecary's HST account. Although a formal claim with respect to outstanding HST has not been filed by CRA, the CRA has advised the Receiver that Toronto Apothecary owes \$1,328.46 (the "**Apothecary HST Amount**") with respect to outstanding HST. The Receiver is proposing to hold the Apothecary HST Amount (the "**Apothecary HST Holdback**") pending completion of the trust exam from CRA and will seek a further order of this Honourable Court for distribution with respect to same

Wage Earner's Protection Program

116. The Receiver mailed WEPP notifications, including schedules of amounts payable to all eligible former employees of Toronto Apothecary. The Receiver received a statement from Employment and Social Development Canada on October 19, 2021 indicating a total of \$2,000.00 outstanding with security for payment pursuant to subsection 81.4(4) of BIA. Attached as **Appendix "32"** to this Third Report is a copy of the statement received from Employment and Social Development Canada.
117. Therefore, after payment of the fees and disbursements of the Receiver and the Receiver's Counsel (subject to a reserve for further fees as may be determined by the Receiver) as they relate to Toronto Apothecary, the payment of the Apothecary RB Payment, retaining the Apothecary Payroll Holdback, retaining the Apothecary HST Holdback, the Receiver recommends that it be authorized and directed to distribute \$2,000.00 to the Receiver General in respect of the priority claim pursuant to subsection 81.4(4) of BIA (the "**Apothecary WEPP Claim**").

McKesson Canada Corporation and Kohl & Frisch Limited

118. A review of the PPSA search of Toronto Apothecary indicated that McKesson and K&F holds a PMSI in the inventory of Toronto Apothecary. The Receiver's Counsel has reviewed McKesson's and K&F's PMSI in the inventory of Toronto Apothecary, and, subject to the usual assumptions and qualifications of an opinion of such nature, has opined that McKesson's and K&F's PMSI in the inventory of Toronto Apothecary is validly perfected and enforceable in accordance with its terms.
119. At the outset of the receivership proceedings, McKesson advised that it is owed \$41,112.65 with respect to its PMSI. The inventory count obtained by the Receiver upon appointment indicated \$7,085.65 as the value of the inventory subject to McKesson's PMSI. Accordingly, the Receiver recommends that it be authorized and directed to pay \$7,085.65 to McKesson in respect of the PMSI over the inventory of Toronto Apothecary (the "**McKesson Apothecary PMSI Claim**").
120. At the outset of the receivership proceedings, K&F advised that it is owed \$17,996.26 with respect to its PMSI. The inventory count obtained by the Receiver

upon appointment indicated \$66,936.41 as the value of the inventory subject to K&F's PMSI. Accordingly, the Receiver recommends that it be authorized and directed to pay \$17,996.26 to K&F in respect of the PMSI over the inventory of Toronto Apothecary (the "**K&F Apothecary PMSI Claim**").

CWB

121. CWB holds certain security over Toronto Apothecary including a general security agreement dated March 11, 2016 ("**CWB's Apothecary Security**").
122. The Receiver's Counsel has reviewed CWB's Apothecary Security, and, subject to the usual assumptions and qualifications of an opinion of such nature, has opined that CWB's Apothecary Security is validly perfected and enforceable in accordance with its terms.
123. On October 15, 2021 CWB provided details of the amounts due by Toronto Apothecary to CWB, not including legal expenses, to be \$540,055.83 (plus further amounts for the continued accrual of interest and recovery expenses).
124. Accordingly, the Receiver recommends that, after payment of the fees and disbursements of the Receiver and the Receiver's Counsel (subject to a reserve for further fees as may be determined by the Receiver) as they relate to Toronto Apothecary, the payment of the Apothecary RB Payment, retaining the Apothecary Payroll Holdback, retaining the Apothecary HST Holdback, payment of the Apothecary WEPP Claim, payment of the McKesson Apothecary PMSI Claim, payment of the K&F Apothecary PMSI Claim, the Receiver be authorized and directed to pay the balance of any and all funds available in Toronto Apothecary's estate to CWB, on account of Toronto Apothecary's secured indebtedness owing to CWB for principal, interest and costs up to the amount of Toronto Apothecary's secured indebtedness owing to CWB.

XIII. ALLEGATIONS MADE IN COUNTERCLAIMS OF GUARANTORS

125. In connection with the distribution orders that are sought, the Receiver advises that it has been provided with counterclaims made by defendants in actions (the "Guarantors") commenced by CWB in connection with guarantees that CWB says those defendants granted in respect of the amounts owing by various of the

Debtors. Copies of the counterclaims provided to the Receiver are collectively attached to this Third Report as **Appendix "33"**.

126. Each of the counterclaims names certain of the Debtors as defendant by counterclaim.
127. The Receiver notes that no motion has been brought and no order has been granted to permit those counterclaims to commence a proceeding against any of the Debtors as required by the various receivership orders granted in this proceeding. This is despite correspondence from Receiver's Counsel to counsel for the Guarantors on June 3, 2021 indicating that leave was required in that regard.

XIV. DISCHARGE OF THE RECEIVER WITH RESPECT TO THE COMPLETED ESTATES

128. As noted in this Third Report the Receiver is seeking its discharge as Receiver of the Completed Estates.
129. Subsequent to the date of this Third Report and prior to the Receiver's discharge in connection with the Completed Estates, the Receiver proposes to attend to the following:
 - a) preparing and filing final returns;
 - b) finalizing WEPPA liability, if any, receiving and reviewing CRA assessments in relation to source deductions and HST, if any, and confirming the quantum of prior ranking claims;
 - c) other residual and/or administrative matters in connection with Spergel's appointment as Receiver, including all necessary filings with the Office of the Superintendent of Bankruptcy; and
 - d) filing of the Receiver's Certificate of Discharge.

XV. RECOMMENDATIONS

130. For the reasons outlined in this Third Report, the Receiver respectfully requests that the Court grant the relief requested in this Third Report.

Dated at Toronto this 3rd day of November, 2021.

msi Spergel inc.

solely in its capacity as the Court-appointed
Receiver of the Debtors and not in its personal
or corporate capacity.

Per:



Philip H. Gennis, JD., CIRP, LIT
Licensed Insolvency Trustee

Tab 1

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.

)

WEDNESDAY, THE

JUSTICE CAVANAGH

)

25th DAY OF NOVEMBER, 2020

)

BETWEEN

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

Applicants

-and-

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

Respondents

ORDER
(appointing Receiver)

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

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

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

SERVICE

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

APPOINTMENT

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

RECEIVER’S POWERS

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

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

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

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

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

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

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

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

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

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

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

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

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

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

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

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

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

RECEIVER TO HOLD FUNDS

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

EMPLOYEES

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

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

PIPEDA

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

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

LIMITATION ON ENVIRONMENTAL LIABILITIES

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

LIMITATION ON THE RECEIVER’S LIABILITY

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

RECEIVER’S ACCOUNTS

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

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

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

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

FUNDING OF THE RECEIVERSHIP

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

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

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

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

SERVICE AND NOTICE

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

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

ALLOCATION

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

GENERAL

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

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

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

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

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

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

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



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

DEC 01 2020

PER / PAR:



SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

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

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

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

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

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

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

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

DATED the ____ day of _____, 2020.

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

Per: _____

Name:

Title:

1951584 ONTARIO INC. et al.
Applicants

and

4231 SHEPPARD AVENUE EAST INC., et al.
Respondents

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

Proceeding commenced at Toronto

ORDER
(APPOINTING RECEIVER)

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Tab 2

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.)	TUESDAY, THE
)	
JUSTICE CAVANAGH)	26 th DAY OF JANUARY, 2021

BETWEEN

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

Applicants

-and-

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

Respondents

AMENDED AND RESTATED RECEIVERSHIP ORDER
(appointing Receiver)

THIS APPLICATION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the “**CJA**”) appointing msi Spergel inc. (“**Spergel**”) as receiver (in such capacity, the “**Receiver**”) without security, of all of the assets, undertakings and properties of each of the Respondents acquired for, or used in relation to

businesses carried on by the Respondents, was heard this day by ZOOM video conference due to the COVID-19 pandemic.

ON READING the Order of this Court dated November 25, 2020, among other things, appointing Spergel as Receiver of the Debtors (as defined below) (the “**Receivership Order**”), the Amended and Restated Receivership Order dated December 7, 2020 amending and restating the Receivership Order (the “**Amended Receivership Order**”), the Order of this Court dated January 8, 2021, among other things, authorizing the issuance of this Amended and Restated Receivership Order, the Affidavit of Edward Hopkinson sworn October 30, 2020, Supplemental Affidavit of Edward Hopkinson sworn November 24, 2020 and on being advised that the Debtors (as defined below) consent to this Order, and on hearing the submissions of counsel for the Applicants and the Debtors and the other Counsel listed on the Counsel Slip, no one else appearing although duly served according to the Affidavit of Service of Asim Iqbal sworn November 24, 2020;

INTERPRETATION

1. **THIS COURT ORDERS** that, in this Order, the term “**Order Date**” shall mean the following:

- (a) November 25, 2020, with respect to Bless Hui Pharma Inc., Maple Medi Pharma Inc., River Hill Pharmacy Ltd., St. Mary Theotokos Pharma Inc., Stoney Creek Pharma Inc., Toronto Apothecary Pharma Inc., Westway Holdings Inc., and Olde Walkerville Holdings Inc.; and
- (b) January 26, 2021, with respect to JM Westview Pharma Inc. and SJ East Pharma Inc.

SERVICE

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

APPOINTMENT

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

RECEIVER’S POWERS

4. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtors (or any one of them), including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtors (or any one of them);
- (d) to engage pharmacists, consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the

Receiver's powers and duties, including without limitation those conferred by this Order;

- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtors (or any one of them) or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors (or any one of them) and to exercise all remedies of the Debtors (or any one of them) in collecting such monies, including, without limitation, to enforce any security held by the Debtors (or any one of them);
- (g) to settle, extend or compromise any indebtedness owing to the Debtors (or any one of them);
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtors (or any one of them), for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtors (or any one of them), the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,

- (i) without the approval of this Court in respect of any transaction not exceeding \$50,000.00, provided that the aggregate consideration for all such transactions does not exceed \$100,000.00; and
- (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act* shall not be required;

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to summarily dispose of Property that is perishable or likely to depreciate rapidly in value;
- (n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the Receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtors (or any one of them);
- (q) to enter into agreements with any licensed insolvency trustee in bankruptcy appointed in respect of the Debtors (or any one of them), including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors (or any one of them);

- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtors (or any one of them) may have;
- (s) to inquire into and report to the Applicants and the Court on the financial condition of the Debtors (or any one of them) and the Property; and
- (t) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations;
- (u) and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtors (or any one of them), and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

5. THIS COURT ORDERS that (i) the Debtors, (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order, including, but not limited to the Ontario College of Pharmacists, the Ministry of Health and Long-Term Care, the Ontario Drug Benefit Program and any insurance company (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

6. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any client records and prescription information ("**Client Records**"), books, documents, securities, contracts, orders, billing privileges, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtors (or any one of them), and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall, subject to Paragraph 7A herein, provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and

grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 6 or in paragraph 7 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6A. THIS COURT ORDERS that, should the Receiver deem it necessary to seek from any insurance company or its pharmacy benefits manager personal information regarding persons covered pursuant to benefit plans which might have had claims under such plans relating to the Debtors (or any one of them), such information shall be sought pursuant to a motion on notice to the insurance company and its pharmacy benefits manager. Such information shall only be released by the insurance company or its pharmacy benefits manager on the agreement of such insurance company or as provided in the Order so obtained.

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

6A. THIS COURT ORDERS that with respect to the Client Records, the Receiver shall: (i) take all steps reasonably necessary to maintain the integrity of the confidential aspects of the Client Records; (ii) if necessary, appoint a pharmacist licensed and qualified to practice in the Province of Ontario to act as custodian (the "Custodian") for the Client Records; (iii) not allow anyone other

than the Receiver or the Custodian to have access to the Client Records; and (iv) allow the Debtors (or any one of them) supervised access to the Client Records for any purposes required pursuant to the *Regulated Health Professions Act, 1991*, the *Pharmacy Act, 1991* or any other governing Ontario or Canadian statute that requires the Debtors (or any one of them), from time to time, to perform certain obligations.

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

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

11. THIS COURT ORDERS that all rights and remedies against the Debtors (or any one of them), the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and

suspension does not apply in respect of any “eligible financial contract” as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtors (or any one of them) to carry on any business which the Debtors is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtors (or any one of them) from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

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

RECEIVER TO HOLD FUNDS

14. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any

source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the Order Date or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the “**Post Receivership Accounts**”) and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

15. THIS COURT ORDERS that all employees of the Debtors (or any one of them) shall remain the employees of the Debtors (or any one of them) until such time as the Receiver, on the applicable Debtor’s (or Debtors’) behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

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

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

LIMITATION ON ENVIRONMENTAL LIABILITIES

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

LIMITATION ON THE RECEIVER’S LIABILITY

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

RECEIVER'S ACCOUNTS

20. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the “**Receiver’s Charge**”) on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver’s Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

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

FUNDING OF THE RECEIVERSHIP

23. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$450,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or

rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the “**Receiver’s Borrowings Charge**”) as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver’s Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

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

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

SERVICE AND NOTICE

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

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

ALLOCATION

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

GENERAL

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

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

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

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

the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

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

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

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

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that msi Spergel inc., the Receiver (the "**Receiver**") of the assets, undertakings and properties of Bless Hui Pharma Inc., JM Westview Pharma Inc., Maple Medi Pharma Inc., River Hill Pharmacy Ltd., SJ East Pharma Inc., St. Mary Theotokos Pharma Inc., Stoney Creek Pharma Inc., Toronto Apothecary Pharma Inc., Westway Holdings Inc. and Olde Walkerville Holdings Inc. (collectively the "**Debtors**") acquired for, or used in relation to businesses carried on by the Debtors, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the ___ day of _____, 2020 (the "**Order**") made in an action having Court file number CV-_____, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$_____, being part of the total principal sum of \$_____ which the Receiver is authorized to borrow under and pursuant to the Order.

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

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

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

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

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

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

DATED the ____ day of _____, 2020.

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

Per: _____

Name:

Title:

1951584 ONTARIO INC. et al.
Applicants

and

BLESS HUI PHARMA INC., et al.
Respondents

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

Proceeding commenced at Toronto

ORDER
(AMENDED AND RESTATED RECEIVERSHIP ORDER)

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Lawyers for the Applicants

Tab 3

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.

)

WEDNESDAY, THE

JUSTICE CAVANAGH

)

3rd DAY OF FEBRUARY, 2021

)

BETWEEN



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

Applicants

-and-

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

Respondents

AMENDED AND RESTATED RECEIVERSHIP ORDER
(Appointing Receiver)

THIS APPLICATION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “BIA”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the “CJA”) appointing msi Spergel inc. (“Spergel”) as receiver (in such capacity, the “Receiver”) without security, of all of the assets, undertakings and properties of each of the Respondents acquired for, or used in relation to businesses carried on by the Respondents, was heard this day by ZOOM video conference due to the COVID-19 pandemic.

ON READING the Order of this Court dated November 25, 2020, among other things, appointing Spergel as Receiver of the Debtors (as defined below) (the “**Receivership Order**”), the Amended and Restated Receivership Order dated December 7, 2020 amending and restating the Receivership Order, and by the Order of this Court dated January 8, 2021 and the Order of this Court dated January 26, 2021, among other things, authorizing the issuance of this Amended and Restated Receivership Order (as amended and restated, the “**Amended Receivership Order**”), the Affidavit of Edward Hopkinson sworn October 30, 2020, Supplemental Affidavit of Edward Hopkinson sworn November 24, 2020 and on being advised that the Debtors (as defined below) consent to this Order, and on hearing the submissions of counsel for the Applicants and the Debtors and the other Counsel listed on the Counsel Slip, no one else appearing although duly served according to the Affidavit of Service of Asim Iqbal sworn November 24, 2020; and

ON READING the Affidavit of Edward Hopkinson sworn October 30, 2020, Affidavit of Edward Hopkinson sworn January 24, 2021, the Supplemental Affidavit of Edward Hopkinson sworn January 29, 2021, the Reply Affidavit of Edward Hopkinson sworn February 1, 2021, the Report of msi Spergel inc. in its capacity as Proposed Receiver dated January 25, 2021, First Report of msi Spergel inc. in its capacity as Receiver SJ East Pharma Inc., JM Westview Pharma Inc. and others dated February 1, 2021, the Responding Motion Record of the Respondents and the Supplementary Responding Affidavit of Gamal Gerges sworn February 2, 2021, and on hearing the submissions of counsel for the Applicants and the Respondents and the other Counsel listed on the Counsel Slip, no one else appearing although duly served according to the Affidavit of Service of Asim Iqbal, sworn January 25, 2021, and on being advised that the Applicants and the Respondent consent to this Order;

INTERPRETATION

1. **THIS COURT ORDERS** that, in this Order, the term “**Order Date**” shall mean the following:

- (a) November 25, 2020, with respect to Bless Hui Pharma Inc., Maple Medi Pharma Inc., River Hill Pharmacy Ltd., St. Mary Theotokos Pharma Inc., Stoney Creek Pharma Inc., Toronto Apothecary Pharma Inc., Westway Holdings Inc., and Olde Walkerville Holdings Inc.;

- (b) January 26, 2021, with respect to JM Westview Pharma Inc. and SJ East Pharma Inc.; and
- (c) February 3rd, 2021, with respect to St. Mary Cooksville Pharma Inc., 4231 Sheppard Avenue East Inc., Jubilee Property Investors Inc., and JG Windsor Inc.

SERVICE

2. 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

3. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, Spergel is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of each of the Respondents, being 4231 Sheppard Avenue East Inc., Bless Hui Pharma Inc., JG Windsor Inc., JM Westview Pharma Inc., Jubilee Property Investments Inc., Maple Medi Pharma Inc., River Hill Pharmacy Ltd., SJ East Pharma Inc., St. Mary Cooksville Pharma Inc., St. Mary Theotokos Pharma Inc., Stoney Creek Pharma Inc., Toronto Apothecary Pharma Inc., Westway Holdings Inc., and Olde Walkerville Holdings Inc. (together, the “Debtors”) acquired for, or used in relation to a business carried on by each of the Debtors, including all proceeds thereof (collectively, the “Property”).

RECEIVER’S POWERS

4. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;

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

- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtors (or any one of them), the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,

- (i) without the approval of this Court in respect of any transaction not exceeding \$50,000.00, provided that the aggregate consideration for all such transactions does not exceed \$100,000.00; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act* shall not be required;

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to summarily dispose of Property that is perishable or likely to depreciate rapidly in value;
- (n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the

Receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

5. THIS COURT ORDERS that (i) the Debtors, (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental

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

6. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any client records and prescription information ("**Client Records**"), books, documents, securities, contracts, orders, billing privileges, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtors (or any one of them), and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall, subject to Paragraph 7A herein, provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 6 or in paragraph 7 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6A. THIS COURT ORDERS that, should the Receiver deem it necessary to seek from any insurance company or its pharmacy benefits manager personal information regarding persons covered pursuant to benefit plans which might have had claims under such plans relating to the Debtors (or any one of them), such information shall be sought pursuant to a motion on notice to the insurance company and its pharmacy benefits manager. Such information shall only be released by the insurance company or its pharmacy benefits manager on the agreement of such insurance company or as provided in the Order so obtained.

7. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give

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

7A. THIS COURT ORDERS that with respect to the Client Records, the Receiver shall: (i) take all steps reasonably necessary to maintain the integrity of the confidential aspects of the Client Records; (ii) if necessary, appoint a pharmacist licensed and qualified to practice in the Province of Ontario to act as custodian (the "Custodian") for the Client Records; (iii) not allow anyone other than the Receiver or the Custodian to have access to the Client Records; and (iv) allow the Debtors (or any one of them) supervised access to the Client Records for any purposes required pursuant to the *Regulated Health Professions Act, 1991*, the *Pharmacy Act, 1991* or any other governing Ontario or Canadian statute that requires the Debtors (or any one of them), from time to time, to perform certain obligations.

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

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

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

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

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

RECEIVER TO HOLD FUNDS

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

EMPLOYEES

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

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

PIPEDA

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

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

LIMITATION ON ENVIRONMENTAL LIABILITIES

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

LIMITATION ON THE RECEIVER’S LIABILITY

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

RECEIVER’S ACCOUNTS

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

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

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

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

FUNDING OF THE RECEIVERSHIP

23. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$600,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the “**Receiver’s Borrowings Charge**”) as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver’s Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

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

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

SERVICE AND NOTICE

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

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

ALLOCATION

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

GENERAL

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

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

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

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

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

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

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



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

FEB 05 2021

PER / PAR:



SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that msi Spergel inc., the Receiver (the "**Receiver**") of the assets, undertakings and properties of 4231 Sheppard Avenue East Inc., Bless Hui Pharma Inc., JG Windsor Inc., JM Westview Pharma Inc., Jubilee Property Investments Inc., Maple Medi Pharma Inc., River Hill Pharmacy Ltd., SJ East Pharma Inc., St. Mary Cooksville Pharma Inc., St. Mary Theotokos Pharma Inc., Stoney Creek Pharma Inc., Toronto Apothecary Pharma Inc., Westway Holdings Inc., and Olde Walkerville Holdings Inc. (collectively the "**Debtors**") acquired for, or used in relation to businesses carried on by the Debtors, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the ___ day of _____, 2021 (the "**Order**") made in an action having Court file number CV-_____, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$_____, being part of the total principal sum of \$_____ which the Receiver is authorized to borrow under and pursuant to the Order.

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

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

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.
6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.
7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of _____, 2021.

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

Per: _____

Name:

Title:

1951584 ONTARIO INC. et al.
Applicants

and

BLESS HUI PHARMA INC., et al.
Respondents

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

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

Proceeding commenced at Toronto

ORDER
(AMENDED AND RESTATED RECEIVERSHIP ORDER)

MILLER THOMSON LLP

Scotia Plaza
40 King Street West, Suite 5800
P.O. Box 1011
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Lawyers for the Applicants

Tab 4

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.

)

THURSDAY , THE 8th

JUSTICE CAVANAGH

)

DAY OF APRIL , 2021

)

BETWEEN

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

Applicants

-and-

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

Respondents

ORDER
(appointing Receiver)

THIS MOTION made by the Applicants 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 Abu Seifein Brimley Pharma Inc. acquired for, or used in relation to businesses carried on by Abu Seifein Brimley Pharma Inc., was heard this day by ZOOM video conference due to the COVID-19 pandemic.

ON READING the Order of this Court dated November 25, 2020, among other things, appointing Spergel as Receiver of certain of the Respondents (the “**Receivership Order**”) as amended and restated by the Amended and Restated Receivership Order dated February 3, 2021 (as may be further amended and restated from time to time, the “**Amended Receivership Order**”), the Order of this Court dated February 3, 2021 among other things, appointing Spergel as interim receiver of the assets, property and undertaking of Abu Seifein Brimley Pharma Inc. (the “**Interim Receivership Order**”), the Affidavit of Edward Hopkinson sworn October 30, 2020, the Supplemental Affidavit of Edward Hopkinson sworn November 24, 2020, the Affidavit of Edward Hopkinson sworn January 25, 2021, the Supplemental Affidavit of Edward Hopkinson sworn January 29, 2021, and the Affidavit of Edward Hopkinson sworn April 5, 2021 and on hearing the submissions of counsel for the Applicants and the Debtors and the other Counsel listed on the Counsel Slip, no one else appearing although duly served according to the Affidavit of Service of Shallon Garrafa sworn April 6, 2021.

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 Abu Seifein Brimley Pharma Inc. (“**Abu Seifein**”) acquired for, or used in relation to a business carried on by Abu Seifein, including all proceeds thereof (collectively, the “**Property**”).

3. For greater certainty, upon the appointment of Spergel as Receiver of the assets, property and undertaking of Abu Seifein pursuant to the terms of this Order, the Interim Receivership Order shall have no further force and effect. Spergel’s discharge as interim receiver of the assets, property and undertaking of Abu Seifein is confirmed.

RECEIVER'S POWERS

4. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of Abu Seifein, 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 Abu Seifein;
- (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 Abu Seifein or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to Abu Seifein and to exercise all remedies of Abu Seifein in collecting such monies, including, without limitation, to enforce any security held by Abu Seifein;
- (g) to settle, extend or compromise any indebtedness owing to Abu Seifein;

- (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 Abu Seifein 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 Abu Seifein, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$50,000.00, provided that the aggregate consideration for all such transactions does not exceed \$100,000.00; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act* shall not be required;

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to summarily dispose of Property that is perishable or likely to depreciate rapidly in value;

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

5. THIS COURT ORDERS that (i) Abu Seifein, (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order, including, but not limited to the Ontario College of Pharmacists, the Ministry of Health and Long-Term Care, the Ontario Drug Benefit Program and any insurance company (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

6. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any client records and prescription information ("**Client Records**"), books, documents, securities, contracts, orders, billing privileges, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of Abu Seifein, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall, subject to Paragraph 7A herein, provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 6 or in paragraph 7 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6A. THIS COURT ORDERS that, should the Receiver deem it necessary to seek from any insurance company or its pharmacy benefits manager personal information regarding persons covered pursuant to benefit plans which might have had claims under such plans relating to Abu Seifein, such information shall be sought pursuant to a motion on notice to the insurance company and its pharmacy benefits manager. Such information shall only be released by the insurance

company or its pharmacy benefits manager on the agreement of such insurance company or as provided in the Order so obtained.

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

6A. THIS COURT ORDERS that with respect to the Client Records, the Receiver shall: (i) take all steps reasonably necessary to maintain the integrity of the confidential aspects of the Client Records; (ii) if necessary, appoint a pharmacist licensed and qualified to practice in the Province of Ontario to act as custodian (the “Custodian”) for the Client Records; (iii) not allow anyone other than the Receiver or the Custodian to have access to the Client Records; and (iv) allow Abu Seifein 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 Abu Seifein, from time to time, to perform certain obligations.

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

secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

11. THIS COURT ORDERS that all rights and remedies Abu Seifein, 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 Abu Seifein to carry on any business which Abu Seifein is not lawfully entitled to carry on, (ii) exempt the Receiver or Abu Seifein from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

13. THIS COURT ORDERS that all Persons having oral or written agreements with Abu Seifein 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 Abu Seifein 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 Abu Seifein's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the Order Date are paid by the Receiver in accordance with normal payment practices of Abu Seifein or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

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

EMPLOYEES

15. THIS COURT ORDERS that all employees of Abu Seifein shall remain the employees of Abu Seifein until such time as the Receiver, on Abu Seifein'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

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

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

LIMITATION ON ENVIRONMENTAL LIABILITIES

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

LIMITATION ON THE RECEIVER’S LIABILITY

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

RECEIVER’S ACCOUNTS

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

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

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

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

FUNDING OF THE RECEIVERSHIP

23. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$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.

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

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

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

SERVICE AND NOTICE

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

28. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission Abu Seifein’s creditors or other interested parties at their respective addresses as last shown on the records of Abu Seifein 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

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

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

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

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

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

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

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

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that msi Spergel inc., the Receiver (the "**Receiver**") of the assets, undertakings and properties of Abu Seifein Brimley Pharma Inc ("**Abu Seifein**"). acquired for, or used in relation to businesses carried on by Abu Seifein, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the ___ day of _____, 2021 (the "**Order**") made in an action having Court file number CV-20-00650853-00CL has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the 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 _____, 2021.

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

Per: _____

Name:

Title:

1951584 ONTARIO INC. et al.
Applicants

and

BLESS HUI PHARMA INC., et al.
Respondents

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

Proceeding commenced at Toronto

ORDER
(APPOINTING RECEIVER)

MILLER THOMSON LLP
Scotia Plaza
40 King Street West, Suite 5800
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Toronto, ON Canada M5H 3S1

Asim Iqbal, LSO#: 61884B
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Lawyers for the Applicants

Tab 5

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.

)

TUESDAY, THE 7th

JUSTICE CAVANAGH

)

DAY OF SEPTEMBER, 2021

)

BETWEEN



CWB MAXIUM FINANCIAL INC.

Applicant

- and -

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

Respondents

ORDER
(appointing Receiver: Sigma Healthcare Inc.)

THIS MOTION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**") appointing msi Spergel inc. ("**Spergel**") as receiver and manager (in such capacities, the "**Receiver**") without security, of all of the assets, undertakings and properties of **Sigma Healthcare Inc.** (the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, was heard this day by video conference.

ON READING the Affidavit of Edward Hopkinson sworn August 3, 2021, 2021 and the Supplemental Affidavit of Edward Hopkinson sworn August 6, 2021, and on hearing the submissions of counsel for the Applicant, counsel for the Debtor and counsel for Spergel in its capacity as Interim Receiver of the Debtor and the parties listed on the Counsel Slip, no one other party attending although duly served as appears from the affidavit of service of Shallon Garrafa sworn August 30, 2021 and on reading the consent of Spergel to act as the Receiver,

SERVICE

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

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, Spergel is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "**Property**").

RECEIVER'S POWERS

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

and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the 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 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 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 \$50,000.00, provided that the aggregate consideration for all such transactions does not exceed \$100,000.00; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act* shall not be required;

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to summarily dispose of Property that is perishable or likely to depreciate rapidly in value;
- (n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the Receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (q) to enter into agreements with any licensed insolvency 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;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have;
- (s) to inquire into and report to the Applicants and the Court on the financial condition of each the Debtor and the Property;
- (t) to file an assignment in bankruptcy on behalf of the Debtor;
- (u) 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 their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order, including, but not limited to the Ontario College of Pharmacists, the Ministry of Health and Long-Term Care, the Ontario Drug Benefit Program and any insurance company (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any client records and prescription information ("**Client Records**"), books, documents, securities, contracts, orders, billing privileges, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall, subject to Paragraph 6A herein, provide to the 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 Debtor, such information shall be sought pursuant to a motion on notice to the insurance company and its pharmacy benefits manager. Such information shall only be released by the insurance company or its pharmacy benefits manager on the agreement of such insurance company or as provided in the Order so obtained.

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

6A. THIS COURT ORDERS that with respect to the Client Records, the Receiver shall: (i) take all steps reasonably necessary to maintain the integrity of the confidential aspects of the Client Records; (ii) if necessary, appoint a pharmacist licensed and qualified to practice in the Province of Ontario to act as custodian (the "Custodian") for the Client Records; (iii) not allow anyone other than the Receiver or the Custodian to have access to the Client Records; and (iv) allow the 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.

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 of 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, claims processing services, payment processing services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the 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 each 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.

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 (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 of 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 (including, for greater certainty, fees and disbursements incurred by Spergel in its capacity as Interim Receiver of the Debtor) 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 \$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.

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

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

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

Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

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

27. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the 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

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 Debtor.

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 Applicant shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's 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 Applicant are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other

correspondence, by forwarding true copies thereof by electronic message to the Debtor's creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

35. THIS IS TO CERTIFY that msi Spergel inc., the receiver (the "Receiver") of the assets, undertakings and properties of **Sigma Healthcare Inc.** 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 7th day of September, 2021 (the "Order") made in an action having Court file number CV-20-00650853-00CL, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$_____, being part of the total principal sum of \$_____ which the Receiver is authorized to borrow under and pursuant to the Order.

36. 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.

37. 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.

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

39. 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.

40. 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.

41. 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:

CWB MAXIUM FINANCIAL INC.
Applicants

and

4231 SHEPPARD AVENUE EAST INC. et al.
Respondents

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

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

Proceeding commenced at Toronto

ORDER

MILLER THOMSON LLP

Scotia Plaza
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Lawyers for the Applicants

Tab 6

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.)	THURSDAY, THE 12TH
)	
JUSTICE PATTILLO)	DAY OF AUGUST, 2021

B E T W E E N:

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

Applicants

- and –

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

Respondents

ORDER

THIS MOTION, made by msi Spergel Inc. in its capacity as the Court-appointed receiver (the “**Receiver**”) of the undertaking, property and assets of the Respondents for an order (a) approving the First Report of the Receiver dated February 1, 2021 (the “**First Report**”) and the Second Report of the Receiver dated August 4, 2021 (the “**Second Report**”) including the Receiver’s activities described therein and the Receiver’s statements of receipts and

disbursements for each of the Respondents, appended to the Second Report, (b) approving the fees and disbursements of the Receiver, and (c) sealing Confidential Appendices 1-11 to the Receiver's Second Report was heard this day at 330 University Avenue, Toronto, by videoconference by reason of the COVID-19 pandemic.

ON READING the Second Report and on hearing the submissions of counsel for the Receiver and such other counsel present as may be indicated on the counsel slip, no one appearing for any other person on the service list, although properly served as appears from the affidavit of service, filed:

I. SERVICE

1. THIS COURT ORDERS that the time for service of the motion record in respect of this motion and the Second Report is hereby abridged and validated so that the motion is properly returnable today, and that further service thereof is hereby dispensed with.

II. APPROVAL OF RECEIVER'S REPORTS, ACTIVITIES AND FEES

2. THIS COURT ORDERS that the First Report and the Second Report, including the statements of receipts and disbursements for each of the Respondents appended to the Second Report, as well as the activities described therein, be and are hereby approved, provided, however, that only (i) the Receiver and (ii) msi Spergel Inc. in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

3. THIS COURT ORDERS that the fees, costs and expenses of the Receiver, as set out in the fee affidavit of Mukul Manchanda sworn August 4, 2021 appended to the Second Report, be and hereby are approved.

III. SEALING

4. THIS COURT ORDERS that Confidential Appendices 1-11 to the Second Report are sealed from the public record until the earlier of the filing of the Receiver's Certificate (as defined in the applicable approval and vesting order) for the closing on the applicable transaction, or further court order.

IV. MISCELLANEOUS

5. 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.

6. THIS COURT ORDERS that this order is effective as of its date and does not need to be issued and entered.



1951584 ONTARIO INC. (formerly DESANTE FINANCIAL SERVICES INC.) and CWB MAXIUM FINANCIAL INC., Applicants, and 4231 SHEPPARD AVENUE EAST INC., ABU SEIFEIN BRIMLEY PHARMA INC., BLESS HUI PHARMA INC., JG WINDSOR INC., JM WESTVIEW PHARMA INC., JUBILEE PROPERTY INVESTMENTS INC., MAPLE MEDI PHARMA INC., RIVER HILL PHARMACY LTD., SJ EAST PHARMA INC., ST. MARY COOKSVILLE PHARMA INC., ST. MARY THEOTOKOS PHARMA INC., STONEY CREEK PHARMA INC., TORONTO APOTHECARY PHARMA INC., WESTWAY HOLDINGS INC. and OLDE WALKERVILLE HOLDINGS INC., Respondents

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
Proceeding commenced in TORONTO

ORDER

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Lawyers for msi Spergel Inc. in its capacity as
court-appointed receiver of the Respondents

Tab 7

PHARMACY PURCHASE AGREEMENT

BLESS HUI PHARMA INC., O/A HUI'S GLOBAL HEALTH PHARMACY

THIS AGREEMENT is made as of the 14th day of June, 2021.

BETWEEN:

MSI SPERGEL INC., solely in its capacity as court-appointed Receiver of all of the property and assets of Bless Hui Pharma Inc., o/a Hui's Global Health Pharmacy (the "**Company**") and not in any other capacity and with no personal or corporate liability

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

OF THE FIRST PART

- and -

Raouf Basilious in trust for a company to be incorporated

(hereinafter called the "**Purchaser**")

OF THE SECOND PART

RECITALS:

Whereas:

- A. Pursuant to the Order of the Honourable Justice Cavanagh of the Ontario Superior Court of Justice (Commercial List) in Court File No. CV-20-00650853-00CL (the "**Proceedings**"), dated November 25, 2020 as amended and re-stated by a further Order of the Court dated February 3, 2021 (the "**Appointment Order**"), the Vendor was appointed as Receiver of all the assets, property and undertaking (the "**Assets**") of the Company
- B. Pursuant to the Appointment Order, the Vendor is authorized to sell the Assets and apply for an order of the Court approving the sale of the Assets and vesting title to the Assets in the Purchaser.
- C. Subject to an order being issued by the Court approving the sale of the Purchased Assets (defined herein) and pursuant to the terms of this Agreement, the Purchaser has offered to purchase the Purchased Assets and the Vendor has accepted such an offer on the terms and conditions contained herein.

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

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement:

“Agreement” means this asset purchase agreement resulting from the acceptance, by the Vendor, of the offer provided for in Section **Error! Reference source not found.** and all Schedules attached hereto and the terms “hereof” and “hereto” refer to this Agreement as a whole and references to “Section” and “subsection” mean the relevant section or subsection of this Agreement unless the context specifically indicates otherwise;

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

“Appointment Order” means the order of the Honourable Justice Cavanagh of the Ontario Superior Court of Justice dated November 25, 2020, appointing the Vendor as Receiver of all of the assets, property and undertaking of the Company, including the Purchased Assets, pursuant to section 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended and section 101 of the *Courts of Justice Act*, R.S.O., 1990, c.C43, as amended (the **“CJA”**)

“Approval Order” means an order or orders of the Court in a form substantially in accordance with Schedule A authorizing and approving the Transaction contemplated under this Agreement (and which Order may, at the option of the Vendor, be combined, in one Order, with the Vesting Order);

“Assets” has the meaning given in recital A;

“BIA” means the *Bankruptcy and Insolvency Act* of Canada as the same may be amended from time to time;

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

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

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

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

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

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

“College” means the Ontario College of Pharmacists;

“Company” has the meaning given in the listing of the Parties of the First Part;

“Contracts” means the full benefit and advantage of all contracts, agreements and entitlements of the Company relating to the Business [other than the interest of any of the Company in any of the Accounts Receivable, the Inventory, the Fixed Assets, the Equipment Leases, the Goodwill, the Records, Intellectual Property, and/or the leasehold interest of the Company in the Premises];

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

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

“Deposit” has the meaning set out in Section 2.3;

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

“Excluded Assets” means (i) any Assets not specifically included as part of the Purchased Assets, and (ii) for greater certainty, includes the Real Property, bank accounts of the Company, cash on hand or cash equivalents at Closing;

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

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

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

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

“Intellectual Property” means all of the patents, trade names, trademarks and other intellectual property and the Goodwill appurtenant thereto to the extent same comprises property of the Company included in the Purchased Assets as of the Closing Date, any and all other patents, trade names, trademarks and other intellectual property and the goodwill appurtenant thereto together with all documents, drawings, and technical data in the possession of the Vendor;

“Inventory” means – subject to the reconciliation provisions hereof (including Section 5.3) - all inventories of every kind and nature and wheresoever situated of our relating to the Business including, but not limited to , pharmaceuticals, over-the-counter medications, front-of-counter sundries, tobacco products but does not, if applicable, include lottery tickets or related products.

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

“Lease” means the lease between the Vendor and the landlord of the Premises, which is occupied by the Company pursuant to the lease disclosed to the Purchaser in the data room for the sale process;

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

“Listing Broker” means Maged Bebawy or another representative of REMAX West Realty Inc.

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

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

“Permitted Encumbrances” shall mean those encumbrances listed in the Approval and Vesting Order attached as Schedule “A”

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

“Premises” means the premises as listed in Schedule B;

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

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

“Related Person” has the meaning in the *Bankruptcy and Insolvency Act*, 1985, c. B-3, as amended;

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

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

“Vesting Order” means an order or orders of the Court in a form substantially in accordance with Schedule A ordering that the right, title and interest of the Company in the Purchased Assets be vested in the Purchaser free and clear of any right, title or interest of Claims and Encumbrances, except for Permitted Encumbrances.

1.2 Statutes

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

1.3 Headings

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

1.4 Number and Gender

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

1.5 Entire Agreement

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

1.6 Amendment

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

1.7 Waiver of Rights

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

1.8 Schedules

The following Schedules form part of this Agreement:

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

1.9 Applicable Law

This Agreement shall be governed by, and interpreted and enforced in accordance with, the laws in force in Ontario (excluding any conflict of laws, rule or principle which might refer such interpretation to the laws of another jurisdiction). Each Party irrevocably submits to the exclusive jurisdiction of the Court with respect to any matter arising hereunder or related hereto.

1.10 Currency

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

1.11 Third Party Beneficiaries

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

ARTICLE 2 PURCHASE AND SALE

2.1 Purchase and Sale of Purchased Assets

- (a) The Vendor shall sell, assign and transfer to the Purchaser and the Purchaser shall purchase the Purchased Assets on the Closing Date pursuant to the Vesting Order and the Purchaser shall pay the Purchase Price on the Closing Date, subject to the terms and conditions contained in this Agreement.

- (b) The Purchaser hereby acknowledges to and in favour of the Vendor that the Purchaser has conducted its own investigations and inspections of the Purchased Assets and that the Purchaser is responsible to conduct its own inspections and investigations of all matters and things connected with or in any way related to the Purchased Assets, that the Purchaser has satisfied itself with respect to the Purchased Assets and all matters and things connected with or in any way related to the Purchased Assets, that the Purchaser has relied entirely upon its own investigation and inspections in entering into this Agreement, that the Purchaser is purchasing the Purchased Assets on an "as is, where is" basis as at the Closing Date, that the Purchaser will accept the Purchased Assets in their state, condition and location on Closing and that the Purchaser hereby acknowledges that the Vendor has made no representations, warranties, statements or promises, including as to the compliance with any Applicable Laws affecting the Transaction, save and except as are expressly contained in this Agreement. Without limiting the generality of the foregoing, any and all conditions, warranties and representations expressed or implied pursuant to the *Sale of Goods Act* (Ontario) do not apply to the sale of the Purchased Assets and have been waived by the Purchaser. Except as expressly set out in this Agreement, no adjustment shall be allowed to the Purchaser for any changes in condition, quality or quantity of the Purchased Assets to and including the Closing Date. Except as specifically contemplated and provided for in this Agreement, the Purchaser acknowledges that the Vendor is not required to inspect or count, or provide any inspection or counting, of the Purchased Assets or any parts thereof and the Purchaser shall be deemed, at its own expense, to have relied entirely upon its own inspection and investigation of the Purchased Assets. Nothing contained herein shall require the Vendor, following Closing, to take possession of, protect, preserve, or otherwise safeguard any Purchased Assets.
- (c) The Purchaser acknowledges and agrees that any and all information relating to the Purchased Assets (including any environmental report(s), if any, or any information memorandum given by the Vendor, the Company, or any other person to the Purchaser) was delivered to the Purchaser solely for the Purchaser's convenience and there is no representation or warranty of any kind whatsoever made by the Vendor nor the Company or any other person with respect to the accuracy or completeness of any such information.

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

- (d) The Purchaser acknowledges that it shall be the Purchaser's sole responsibility to obtain, at its own expense, and the Purchaser shall use its best efforts to obtain, any consents, approvals or any further documentation or assurances which may be required to be obtained by Purchaser (but not the Company or Vendor) to carry out the terms of this Agreement. Notwithstanding the foregoing, the

Vendor agrees to do such acts and shall execute such further documents, conveyances, deeds, assignments, transfers and the like, and will cause the doing of such acts and will cause the execution of such further documents as are within its power and as the Purchaser may reasonably request be done and or executed, in order to carry out the terms of this Agreement, but in so doing, shall not be required to incur any expense or liability (except as the Vendor in its absolute discretion sees fit).

- (e) The Purchaser shall assume, at its own cost, complete responsibility for compliance with all Applicable Laws in connection with the Purchased Assets, or the use thereof by the Purchaser, after the Closing Date.
- (f) The Purchaser shall be responsible for making all necessary arrangements for continued occupation of the Premises as assignee pursuant to the Lease.

2.2 Purchase Price & Purchased Assets

The Purchase Price for the Purchased Assets (save and except inventory as defined herein) as apportioned by the Purchaser on Appendix C (not including all applicable taxes, for which the Purchaser shall also be liable in accordance with Section 2.5) shall be [REDACTED]

2.3 Payment of Purchase Price

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

- (a) [REDACTED] shall be paid by wire transfer, delivery of certified funds or bank draft payable to the Vendor “in Trust”, with the submission of this Agreement by the Purchaser to the Vendor and held by the Vendor as a deposit (the “**Deposit**”) which shall be dealt with in accordance with Section 2.4; and
- (b) the balance of the Purchase Price together with the amount of the agreed inventory valuation shall be delivered to the Vendor at Closing payable in cash, by delivery of a certified cheque or bank draft or by wire transfer.

2.4 Deposit

- (a) The Deposit shall be paid and held in escrow by the Vendor, until the Closing Time, at which time the Deposit shall be applied on account of the Purchase Price or as otherwise provided for in this Agreement.
- (b) If this Agreement:

- (i) is terminated or the Closing otherwise fails to occur for any reason other than a breach by the Purchaser of its obligations under this Agreement, then the Purchaser shall be entitled to the return of the Deposit without interest within five (5) Business Days and the Purchaser shall have no recourse against the Receiver and this Agreement shall become null and void;
- (ii) is terminated or the Closing otherwise fails to occur as a result of the breach of the Purchaser of its obligations under this Agreement, then the Vendor shall be entitled to retain the Deposit as liquidated damages, and shall be entitled to pursue all of its other rights and remedies against the Purchaser.

2.5 Taxes

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

2.6 Time and Place of Closing

The Closing shall take place on the Closing Date at the offices of the solicitors for the Vendor or as may otherwise be agreed between the Parties in writing.

2.7 The Closing

2.7.1 Vendor’s Deliveries

At Closing, the Vendor shall:

- (a) Upon the delivery of all of the Purchaser’s Deliveries as set out in Article 2.7.2, execute and deliver to the Purchaser the Receiver’s Certificate in the form appended as Schedule “A” to the Vesting Order;
- (b) deliver to the Purchaser the Approval Order and the Vesting Order;

- (c) deliver to the Purchaser a certificate dated as of the Closing Date, confirming that all of the representations and warranties of the Vendor contained in this Agreement are true as of the Closing Date, with the same effect as though made on and as of the Closing Date;
- (d) execute and deliver to the Purchaser a bill of sale in respect of the Purchased Assets on the terms contained herein, if requested; and
- (e) execute and deliver or cause to be executed and delivered such other documents, instruments or certificates as contemplated by this Agreement.

2.7.2 Purchaser's Deliveries

At Closing, the Purchaser shall:

- (a) deliver payment of the balance of the Purchase Price in accordance with Article 2;
- (b) execute and deliver or cause to be executed and delivered such other documents, instruments or certificates as the Vendor may reasonably request.
- (c) deliver to the Vendor an acknowledgement dated as of the Closing Date, that each of the conditions precedent in this Agreement in favour of the Purchaser have been fulfilled, performed or waived by the Purchaser as of the Closing Date;
- (d) execute and deliver or cause to be executed and delivered such other documents, instruments or certificates as contemplated by this Agreement.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of the Vendor

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

- (a) The Vendor has been appointed Receiver of the Company pursuant to the Appointment Order.
- (b) The Vendor has done no act to dispose of or encumber any of the Purchased Assets.

3.2 Representations and Warranties of the Purchaser

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

- (a) The Purchaser is a corporation duly incorporated, organized, and validly existing under the laws of its jurisdiction of incorporation. No proceedings have been taken or authorized by the Purchaser or, to the best of the Purchaser's knowledge, by any other Person, with respect to the bankruptcy, insolvency, liquidation, dissolution or winding up of the Purchaser.
- (b) The Purchaser has all necessary power and capacity to execute and deliver, and to observe and perform its covenants and obligations under, this Agreement and the Closing Documents to which it is a party. The Purchaser has taken all corporate action necessary to authorize the execution and delivery of, and the observance and performance of, its covenants and obligations under this Agreement and the Closing Documents to which it is or shall be a party.
- (c) This Agreement has been, and each Closing Document to which the Purchaser is a party will on Closing be, duly executed and delivered by the Purchaser, and this Agreement constitutes, and each Closing Document to which the Purchaser is a party will, on Closing, constitute, a valid and binding obligation of the Purchaser enforceable against the Purchaser in accordance with its terms.
- (d) The Purchaser is in good standing with the College and with the Ontario Ministry of Health.
- (e) The Purchaser is not a non-Canadian within the meaning of the *Investment Canada Act* (Canada).

3.3 Interpretation

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

3.4 Commission

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

3.5 Survival of Representations and Warranties

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

ARTICLE 4 CONDITIONS PRECEDENT

4.1 Conditions of Closing

Either the Purchaser or the Vendor shall be obliged to complete the Closing only if each of the conditions precedent set out below in Sections 4.1.1 through 4.1.10 inclusive, has been satisfied in full at or before the Closing Time.

4.1.1 Accuracy of Representations and Performance of Covenants

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

4.1.2 Litigation

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

4.1.4 Receipt of Closing Documentation

All documentation relating to the sale and purchase of the Purchased Assets and such other Closing Documents relating to the due authorization and completion of the sale and purchase and all actions and proceedings taken on or prior to the Closing in connection with the performance by the Purchaser and the Vendor of their obligations under this Agreement shall be satisfactory to each of the Purchaser, the Vendor and

their respective counsel, as applicable. Each of the Purchaser and the Vendor shall have received copies of the Closing Documents and all such documentation or other evidence as it may reasonably request in order to establish the consummation of the transactions contemplated hereby and the taking of all corporate proceedings in connection therewith in form (as to certification and otherwise) and substance satisfactory to each of the Purchaser, the Vendor and their respective counsel.

4.1.5 Orders

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

4.1.6 No Removal of Purchased Assets

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

4.1.7 Cancellation of Insurance

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

4.1.8 Assignment of the Lease

If consent to assignment by the Vendor is required under the Lease, (i) the landlord under the Lease shall have consented to the assignment of the Lease by the Vendor to the Purchaser, or (ii) the Vendor shall have obtained an Order authorizing and compelling such assignment.

4.1.9 Registration

The Purchaser shall have obtained the appropriate registrations with the Ontario Drug Plan and the College within 30 days of the date of this Agreement.

4.1.10 Financing

The obligation of the Purchaser to complete the purchase of the Purchased Assets hereunder shall be subject to the fulfillment of the following condition until fourteen

(14) business days following execution by both parties (which is hereby acknowledged to be inserted for the exclusive benefit of the Purchaser and may be waived by it in whole or in part).

Upon the Purchaser arranging financing for this purchase on terms and conditions acceptable to the Purchaser in his sole discretion;

4.2 Waiver

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

4.3 Failure to Satisfy Conditions

If any condition set forth in Article 4 is not satisfied at the Closing Time, the Party entitled to the benefit of such condition (the “**First Party**”) may terminate this Agreement by notice in writing to the other Party and in such event the Parties shall be released from all obligations hereunder and all deposit monies shall be returned to the Purchaser forthwith without deduction

ARTICLE 5

5.1 Access

The Vendor agrees to allow the Purchaser and the Purchaser’s authorized representatives accompanied by the Listing Broker, as defined herein, access to the Purchased Assets on two occasions prior to closing during normal business hours to inspect the Purchased Assets and make arrangements for closing. The Purchaser covenants and agrees to (i) repair or pay the cost of repair of any damage occasioned during and resulting from the inspection of the Purchased Assets conducted by the Purchaser or its authorized representatives, as outlined above and to return the Purchased Assets to the condition they were in prior to such inspections; and (ii) indemnify and save the Vendor harmless from and against all losses, costs, claims, third party claims, damages, expenses (including legal costs as between a solicitor and its own client) which the Vendor may suffer as a result of the inspection of the Purchased Assets conducted by the Purchaser or its authorized representatives, as outlined above or as a result of any unauthorized tests or inspections by a Government Authority. The provisions of this Section 5.1 shall survive Closing or other termination of this Agreement, notwithstanding any other provisions hereof.

5.2 Non-Disclosure of Transaction

The Purchaser agrees that it will not and will cause its officers, directors, employees, representatives and advisors not to, disclose or permit to be disclosed to any Person, any information relating to the Purchase Price or any of the other terms of this Agreement until after closing, other than to the equity holders of the Purchaser and

Persons solicited by the Purchaser to provide financing in connection with the Transaction (and the Purchaser shall ensure, for the benefit of the Vendor, that such parties shall treat all such information in the strictest confidence and the Purchaser shall indemnify the Vendor in that regard).

5.3 Inventory

The Purchaser agrees that the value of the inventory to be paid over and above the purchase price shall be determined pursuant to an inventory count by a third party consultant as existing on the day prior to the Closing Date ("**Inventory Valuation**"), which shall be provided by the Vendor to the Purchaser on the day of Closing. It is expressly acknowledged and agreed that:

(a) both the Vendor and the Purchaser are entitled to observe the Inventory Valuation, but any costs incurred in so doing are for each Party's own account;

(b) the parties agree that the cost of the Inventory Valuation shall be borne by the parties equally;

(c) the Purchaser's share of the cost of the inventory count shall be added to the amount to be paid pursuant to the Inventory Valuation;

(d) the inventory count shall take place the night before the Closing Date;

(e) The value of the inventory shall be determined as follows: (i) all Non ODB generic name inventory to be discounted by 50% off cost price and brand name Inventory at 4% off cost price; (ii) store front inventory to be valued at 35% off the retail price; (iii) all over the counter inventory to be valued at 35% off retail price; (iv) Home Health Care inventory, if any, to be discounted at 50% off the retail price (v) any inventory stock with an expiry date of 90 days or less and any obsolete or damaged inventory shall be valued at nil; and (vi) all other inventory to be calculated at cost price; and

(f) the sales of Inventory on the Closing Date shall be for the account of the Purchaser provided the Closing has occurred.

5.4 Computers

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

5.5 Risk of Loss

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

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

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

5.6 Records

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

ARTICLE 6 GENERAL

6.1 Expenses

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

6.2 Time

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

6.3 Notices

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

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

MSI SPERGEL INC., in its capacity as the Court appointed Receiver of
all of the property and assets of Bless Hui Pharma Inc.
200-505 Consumers Road, Toronto, ON M2J 4V8
Attention: Philip H. Gennis
Tel.: 416-498-4325
Fax: 416-498-4325
Email: pgennis@spergel.ca

and with a further copy to its counsel at:

Goldman, Spring, Nash and Haber (Brendan Bissell)
480 University Avenue, Suite 1600
Toronto, ON M5G1V2
Attention: Brendan Bissell
Tel: (416) 597-6489
Fax: (416) 597-9922
Email: bissell@gsnh.com

(b) In the case of the Purchaser:

Raouf Basilious
5 Heathmont Crt
Richmond Hill,
Ontario
L4E 1C2

Attention: _____
Tel.: 416-270-7793 _____
Fax: _____
Email: ~~spvg@on ja hn bj@on~~ _____

and with a further copy to its counsel at:

GGD Law Professional Corporation
100-100 Cowdray Court
Toronto
Ontario
M1S 5C8

Attention: Isaac Grubner _____
Tel.: 416-292-0414 _____
Fax: 416-292-4508 _____
Email: igrubner@gglawyers.ca and gnglawservices@gmail.com _____

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

6.4 Public Announcements / Confidentiality of Agreement

Before the Closing Date, the Purchaser shall make no public statement or issue any press release concerning the transactions contemplated by this Agreement except as may be necessary to comply with the requirements of all Applicable Law. If any such public statement or release is so required, the Purchaser shall consult with the other Parties prior to making such statement or release, and the Parties shall use all reasonable efforts, acting in good faith, to agree upon a text for such statement or release which is satisfactory to all Parties. The Parties expressly acknowledge and agree that this Agreement shall not become public until after Closing.

6.5 Assignment

- (a) The Purchaser shall have the right to assign this Agreement to a company to be incorporated without the Vendor's consent, within 7 days of acceptance of this Agreement and upon such assignment the original purchaser shall be relieved of all liability hereunder. The Purchaser may not further assign any or all rights or benefits under this Agreement to any Person without the Vendor's written consent which consent shall be in the Vendor's sole discretion. If the Purchaser wishes to assign this agreement after the grant of the Vesting Order and the Vendor consents in its sole discretion, the Purchaser shall pay all of the costs incurred by the Vendor on a solicitor and its own client scale in connection with all proceedings to amend the Approval and Vesting Order or otherwise provide for vesting in the assignee.
- (b) Except as provided in Section 6.5(a), no assignment of benefits or arrangement for substituted performance by one Party shall be of any effect.
- (c) This Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors (including any successor by reason of amalgamation or statutory arrangement of any Party) and permitted assigns.

6.6 Further Assurances

Each Party shall do such acts and shall execute such further documents, conveyances, deeds, assignments, transfers and the like, and will cause the doing of

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

6.7 Remedies Cumulative

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

6.8 Counterparts

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

IN WITNESS WHEREOF this Agreement has been executed by the as of the date first indicated.

Per:



Name: Raouf Basilio in trust for
a company to be
incorporated

IN WITNESS WHEREOF this Agreement has been executed by the Vendor as of the date first indicated.

MSI SPERGEL INC., solely in its capacity as
the Court appointed Receiver of
Bless Hui Pharma Inc., o/a Hui's
Global Health Pharmacy
and not in any other capacity and
with no personal or corporate
liability

Per:



Name: Mukul Manchanda, CPA, CIRP, LIT

Title: Managing Partner

I/We have the authority to bind the
corporation

SCHEDULE A

Approval and Vesting Order

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE)	WEEKDAY, THE #
)	
JUSTICE)	DAY OF MONTH, 2021

B E T W E E N:

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

Applicants

- and –

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

Respondents

APPROVAL AND VESTING ORDER

THIS MOTION, made by msi Spergel Inc. in its capacity as the Court-appointed receiver (the “**Receiver**”) of the undertaking, property and assets of the Respondents, including Bless Hui Pharma Inc. (the “**Debtor**”) for an order approving the sale transaction (the “**Transaction**”) contemplated by an agreement of purchase and sale (the “**Sale Agreement**”) between the Receiver and • (the “**Purchaser**”) dated • and appended to the • Report of the Receiver dated • (the “**• Report**”), and vesting in the Purchaser the Debtor’s right, title and interest in and to the assets described in the Sale Agreement (the “**Purchased Assets**”), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Report and on hearing the submissions of counsel for the Receiver, and counsel for • , no one appearing for any other person on the service list, although properly served as appears from the affidavit of service, filed:

1. THIS COURT ORDERS that the time for service of the motion record in respect of this motion and the • Report is hereby abridged and validated so that the motion is properly returnable today, and that further service thereof is hereby dispensed with.

2. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver, in its capacity as such or on behalf of the Debtor, as the case may be, is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

3. THIS COURT ORDERS AND DECLARES that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "**Receiver's Certificate**"), all of the Debtor's right, title and interest in and to the Purchased Assets described as such in the Sale Agreement shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by orders of this court in this proceeding; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on Schedule B hereto, as the case may be (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule C) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

4. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

5. THIS COURT ORDERS AND DIRECTS the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

6. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Company's records pertaining to the Debtor's past and current employees, including personal information of those employees listed on Schedule • to the Sale Agreement. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.

7. THIS COURT ORDERS that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtor;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent

preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

8. THIS COURT ORDERS AND DECLARES that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

9. 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.

10. THIS COURT ORDERS that this order is effective as of its date and does not need to be issued and entered.

Schedule A – Form of Receiver’s Certificate

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

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

B E T W E E N:

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

Applicants

- and –

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

Respondents

RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable • of the Ontario Superior Court of Justice (the “**Court**”) dated •, msi Spergel Inc. was appointed as the receiver (the “**Receiver**”) of the undertaking, property and assets of the Respondents, including Bless Hui Pharma Inc. (the “**Debtor**”).

B. Pursuant to an Order of the Court dated •, the Court approved the agreement of purchase and sale made as of • (the “**Sale Agreement**”) between the Receiver, the Debtor and • (the “**Purchaser**”) and provided for the vesting in the Purchaser of the Debtor’s right, title and

interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in section • of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in section • of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at _____ on _____ .

msi Spergel Inc., in its capacity as Receiver of the undertaking, property and assets of Bless Hui Pharma Inc., and not in its personal capacity

Per: _____
Name:
Title:

Schedule B – Specific Claims to be deleted and expunged from the Purchased Assets (non-limitative)

- Any Kohl & Frisch Limited security registered under *Personal Property Security Act* (Ontario) (“PPSA”) registration number 20180502 1146 1862 2090.
- Any McKesson Canada Corporation security registered under PPSA registration number 20170321 1708 1462 0920 and 20170321 1708 1462 0921.
- Any CWB Maxium Financial Inc. security registered under PPSA registration number 20170131 1034 1529 8037.
- Including any assignment, as the case may be.

**Schedule C – Permitted Encumbrances, Easements and Restrictive Covenants
related to the Purchased Assets**

(unaffected by the Vesting Order)

- Assumed Contracts (as defined in the Sale Agreement, as the case may be).



SCHEDULE B

Addresses of Premises

Q-280 Spadina Avenue, Toronto, Ontario

SCHEDULE C

PURCHASE PRICE ALLOCATION

Bless Hui Pharma Inc.- Prescriptions and Goodwill	
Bless Hui Pharma Inc.- Fixtures and Equipment	

Tab 8



dedicated to your success

Suite 1600 | 480 University Avenue | Toronto ON | M5G 1V2

Direct [416 597 6489](tel:4165976489) | Fax [416 597 3370](tel:4165973370) | Mobile: [416 992 4979](tel:4169924979) | www.gsnh.com

Assistant | Karen Jones | [416 597 9922 ext. 101](tel:4165979922) | jones@gsnh.com

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From: Brendan Bissell

Sent: September 9, 2021 4:50 PM

To: Goldstein Grubner <gnglawservices@gmail.com>; Rachelle Moncur <moncur@gsnh.com>; Isaac Grubner <igrubner@gglawyers.ca>; Philip Gennis <pgennis@spergel.ca>

Subject: RE: Purchase of Bless Hui

Importance: High

Marsha: We have made arrangements to get the signed assignment of lease document released by the landlord tomorrow morning. We will get it to you as soon as we have it.

In the interim, Phil Gennis advises that he has been contacted by the principals of the purchaser about what they perceive as an impediment to closing (namely, the departure of the current DM at the pharmacy).

Could you and/or Isaac please contact me right away to discuss this new issue? It would be unfortunate if this were to become a problem for closing, particularly when (without prejudice to the Receiver's legal position) there seem to be some other practical ways to address this from the purchaser's point of view.

Regards,

R. Brendan Bissell



dedicated to your success

Suite 1600 | 480 University Avenue | Toronto ON | M5G 1V2

Direct [416 597 6489](tel:4165976489) | Fax [416 597 3370](tel:4165973370) | Mobile: [416 992 4979](tel:4169924979) | www.gsnh.com

Assistant | Karen Jones | [416 597 9922 ext. 101](tel:4165979922) | jones@gsnh.com

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From: Goldstein Grubner <gnglawservices@gmail.com>

Sent: September 9, 2021 12:06 PM

To: Brendan Bissell <bissell@gsnh.com>; Rachelle Moncur <moncur@gsnh.com>; Isaac Grubner <igrubner@gglawyers.ca>; Philip Gennis <pgennis@spergel.ca>

Subject: Purchase of Bless Hui

Good day:

Tab 9

Philip Gennis

From: Brendan Bissell <bissell@gsnh.com>
Sent: September 9, 2021 5:12 PM
To: Goldstein Grubner; Rachelle Moncur; Isaac Grubner; Philip Gennis
Subject: RE: Purchase of Bless Hui

Importance: High

Marsha & Isaac: Further to my email below, I am advised by my client that the representatives of the purchaser left the Bless Hui location while the inventory count is in process.

Please be advised that their decision to leave in no way invalidates the inventory count, as the sale agreement in this case solely provides that the vendor and purchaser "are entitled to observe" it (see s. 5.3(a) of that agreement).

The inventory count is continuing, and the position of the Receiver as vendor is that this agreement is closing tomorrow, and that the Receiver is ready, willing and able to do so.

Regards,

R. Brendan Bissell



Suite 1600 | 480 University Avenue | Toronto ON | M5G 1V2

Direct [416 597 6489](tel:4165976489) | Fax [416 597 3370](tel:4165973370) | Mobile: [416 992 4979](tel:4169924979) | www.gsnh.com

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From: Brendan Bissell
Sent: September 9, 2021 4:50 PM
To: Goldstein Grubner <gnglawservices@gmail.com>; Rachelle Moncur <moncur@gsnh.com>; Isaac Grubner <igrubner@gglawyers.ca>; Philip Gennis <pgennis@spergel.ca>
Subject: RE: Purchase of Bless Hui
Importance: High

Marsha: We have made arrangements to get the signed assignment of lease document released by the landlord tomorrow morning. We will get it to you as soon as we have it.

In the interim, Phil Gennis advises that he has been contacted by the principals of the purchaser about what they perceive as an impediment to closing (namely, the departure of the current DM at the pharmacy).

Could you and/or Isaac please contact me right away to discuss this new issue? It would be unfortunate if this were to become a problem for closing, particularly when (without prejudice to the Receiver's legal position) there seem to be some other practical ways to address this from the purchaser's point of view.

Regards,

Tab 10

Philip Gennis

From: Brendan Bissell <bissell@gsnh.com>
Sent: September 10, 2021 11:18 AM
To: Isaac Grubner; Goldstein Grubner; Philip Gennis; Mukul Manchanda; Rachelle Moncur; Joel Turgeon
Subject: RE: Purchase of Bless Hui

Isaac & Marsha: Thank you for our call last night. Given that it may have been on a without prejudice basis, I will not recount its contents here.

The closing of the purchase by your clients of the Bless Hui pharmacy is scheduled for today. To elaborate on what I set out below, your clients have raised the concern with the Receiver about the pending departure of the current designated manager (DM) at the pharmacy. Your clients have suggested that this is a basis for them not to close.

It is the Receiver's position that the presence or absence of the DM (or any other person currently working at the pharmacy) after closing is not a condition of closing. The agreement in fact has no terms whatsoever about current staff continuing on at the pharmacy or in any other respect. This is because, as Mr. Gennis of the Receiver advised when Marsha, he and I spoke on August 18, the Receiver terminates all the current staff at closing.

The Receiver is ready, willing and able to close today. Absent any further agreement, closing must happen today or else your clients will be in breach of the agreement and the Receiver will treat the deposit as forfeit and will further reserve its right to pursue your clients for any shortfall on the price when the assets are sold to another buyer.

Without prejudice to that position, however, the Receiver is prepared to offer some accommodation to your clients. Namely, the Receiver is prepared to extend the closing in this matter for a further two weeks in order to allow your clients time to secure a DM for the pharmacy, but this would be on condition that your clients pay for 100% of the cost of a new inventory count to be conducted the evening before closing. This is because the inventory count that the parties were to share 50/50 was already taken last night and will have been wasted if closing is extended. Adjustments remain as at closing, so that would be as of Sept. 24 under this offer.

Please let me know if your clients wish to extend closing on that basis. Unless and until they do, closing remains today and time remains of the essence.

Regards,

R. Brendan Bissell



Suite 1600 | 480 University Avenue | Toronto ON | M5G 1V2

Direct [416 597 6489](tel:4165976489) | Fax [416 597 3370](tel:4165973370) | Mobile: [416 992 4979](tel:4169924979) | www.gsnh.com

Assistant | Karen Jones | [416 597 9922 ext. 101](tel:4165979922) | jones@gsnh.com

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From: Brendan Bissell
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