

*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-

2503338 ONTARIO INC., 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., 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

**MOTION RECORD**

November 24, 2020

**MILLER THOMSON LLP**

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40 King Street West, Suite 5800  
Toronto, ON Canada M5H 3S1

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Lawyers for the Applicants

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## SERVICE LIST

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<b>AND TO:</b>	<b>WEISZ FELL KOUR LLP</b> 100 King Street West Suite 5600 Toronto, ON M5X 1C9	<b>Caitlin Fell</b> Tel: 416.613.8282 Email: cfell@wfkllaw.ca
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<b>AND TO:</b>	<b>TORKIN MANES LLP</b> 151 Yonge Street, Suite 1500 Toronto ON M5C 2W7  <i>Lawyers for Kohl &amp; Frisch Limited</i>	<b>Stewart Thom</b> Tel: 416.777.5197 Email: sthom@torkinmanes.com

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<b>AND TO:</b>	<b>DIEP NGUYEN</b>  Tel: +1 (416) 414-5254 <a href="mailto:diepn1951@gmail.com">diepn1951@gmail.com</a>	
<b>AND TO:</b>	<b>GAMAL FARID GERGES</b>  14774 Woodbine Avenue Gormley, ON L0H 1G0	
<b>AND TO:</b>	<b>SELVIA GERGES</b>  14774 Woodbine Avenue Gormley, ON L0H 1G0	
<b>AND TO:</b>	<b>SALLY G. GERGES</b>  14774 Woodbine Avenue	

	Gormley, ON L0H 1G0	
<b>AND TO:</b>	<b>CHUN-HO CHAN</b>  2 Scott Brown Street Markham, ON L6E 1V9	
<b>AND TO:</b>	<b>SAMIR SHENODA</b>  1543 Morse Place Milton, ON L9T 5V4	
<b>AND TO:</b>	<b>SANDRA YOUSSEF</b>  676 Sheppard Avenue East Suite #703 North York, ON M2K 1B7	

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HOLDINGS INC.

Respondents

APPLICATION UNDER SUBSECTION 243(1) 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. C-43, AS AMENDED

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4	Draft Amending Order
5	Consent to Amend Pleadings (by all existing AND added parties)

# TAB 1

*ONTARIO*  
SUPERIOR COURT OF JUSTICE -  
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**NOTICE OF MOTION**

**(Re: Add and Remove Respondent – Returnable November 25, 2020)**

The Applicants will make a motion, on consent, for an Order seeking the relief set out herein to a Judge of the Ontario Superior Court of Justice (Commercial List), at a chambers appointment on Wednesday, November 25, 2020, at 11:00 a.m. or as soon after that time as the motion can be heard, by video conference due to the COVID-19 pandemic.



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

**THE MOTION IS FOR:**

1. An Order, effective *nunc pro tunc* to November 5, 2020 (*i.e.*, the date of the issuance of the Notice of Application in these proceedings):
  - (a) removing 2503338 Ontario Inc. as a Respondent in these proceedings;
  - (b) adding Bless Hui Pharma Inc. as a Respondent in these proceedings; and
  - (c) amending and restating the Title of Proceedings accordingly; and
2. Such further and other relief as this Honourable Court may deem just.

**THE GROUNDS FOR THIS MOTION ARE:**

- (a) The grounds set out in the Hopkinson Affidavit and the Supplemental Affidavit (each as defined below);
- (b) The Respondents and Bless Hui Pharma have consented to this motion;
- (c) Rules 2.03, 3.02, 26, and 37 of the Ontario *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended;
- (d) Section 106 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43 as amended; and
- (e) Such further and other grounds as counsel may advise and this Court may permit.

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

- (a) the Affidavit of Edward Hopkinson sworn October 30, 2020 (“**Hopkinson Affidavit**”);
- (b) Supplemental Affidavit of Edward Hopkinson sworn November 24, 2020 (“**Supplemental Affidavit**”); and
- (c) such further and other evidence as counsel may advise and this Honourable Court may permit.

**Date:** November 24, 2020

**MILLER THOMSON LLP**  
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P.O. Box 1011  
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Lawyers for the Applicants

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sthom@torkinmanes.com

**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

**NOTICE OF MOTION**

**MILLER THOMSON LLP**

Scotia Plaza

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P.O. Box 1011

Toronto, ON Canada M5H 3S1

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Lawyers for the Applicants

# TAB 2

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

*ONTARIO*  
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*ACT*, R.S.O. 1990, C. C-43, AS AMENDED



## AFFIDAVIT OF EDWARD HOPKINSON

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

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

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

3. I swear this affidavit as a supplement (this “**Supplemental Affidavit**”) to my affidavit sworn October 31, 2020 (the “**Hopkinson Affidavit**”). Unless otherwise stated, capitalized terms used in this Supplemental Affidavit are defined in the Hopkinson Affidavit.

4. The Hopkinson Affidavit is sworn in support of an application for an order, among other things, appointing Spergel as Receiver of all of Property of the Debtors pursuant to section 243(1) of the *BIA* and section 101 of the *CJA*.

5. This Supplemental Affidavit is sworn in connection with an Order made on consent to add Bless Hui Pharma Inc. (“**Bless Hui**” or “**Debtor 21**”) as a respondent to this Application. Bless Hui is being included on consent by all parties. A copy of the consent can be found at Tab 4 of the Amended Application Record.

6. Bless Hui is an Ontario corporation. A corporate profile report is attached at **Exhibit “A”**.

7. On the corporate profile report, Bless Hui’s officer and director is Diep Nguyen. Mr. Nguyen is also a guarantor of several of the Loans. In the course of the Lenders’ relationship, John Gerges held himself out as the representative of and with the authority to bind Bless Hui.

Along with Mr. Nguyen, John Gerges executed the applicable Loan and Security Documents on behalf of Bless Hui. By email dated November 19, 2020, Diep Nguyen confirmed to the Lenders that Mr. Gerges is the authorized representative with authority to bind Bless Hui.

8. Bless Hui is indebted to the Lenders under a promissory note dated March 28, 2017. Bless Hui granted a security interest in favour of the Lenders in all of its assets, property and undertaking as security for its obligations to the Lenders under a general security agreement dated March 28, 2017. A copy of the promissory note and general security agreement in respect of Bless Hui is attached as Exhibit “B”.

9. The Lenders registered a financing statement against Bless Hui pursuant to the *Personal Property Security Act* (Ontario) (the “PPSA”). A copy of the Enquiry Response Certificates for Bless Hui is attached as **Exhibit “C”**.

10. Bless Hui defaulted on its obligations to the Lenders.

11. On August 25, 2020, the Lenders demanded from Bless Hui payment of the Indebtedness owing to the Lenders at that time, totaling \$878,397.80. On that same date, the Lenders delivered to Bless Hui a Notice of Intention to Enforce Security under Section 244 of the BIA (the “NITES”). A copy of the demand letter and NITES is attached as **Exhibit “D”**.

12. Despite demand, the Indebtedness remains outstanding.

13. Bless Hui has consented to the appointment of a receiver.

SWORN BEFORE ME via video-conference with the deponent in the Town of Bryn Mawr, Pennsylvania, and the Commissioner in the City of Toronto, Ontario this 24 day of November, 2020

DocuSigned by:

*Asim Iqbal*

6F056F5F3BC8405...

A Commissioner for taking Affidavits (*or as may be*)

Asim Iqbal

DocuSigned by:

*EDWARD HUI*  
EDWARD HUI  
1F437A73DB884D4...

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

# TAB A

This is **Exhibit “A”** referred to in the Affidavit  
of TED (EDWARD) HOPKINSON and SWORN  
BEFORE ME via video-conference with the deponent  
in the City of Bryn Mawr, in the State of  
Pennsylvania, United States of America, and the  
Commissioner in the City of Toronto, Ontario  
this 24th day of November, 2020

DocuSigned by:

*Asim Iqbal*

6F056F5F3BC8405...

A Commissioner for Taking Affidavits

Ontario Corp Number	Corporation Name	Incorporation Date
2540591	BLESS HUI PHARMA INC.	2016/10/11
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
Registered Office Address	Date Amalgamated	Amalgamation Ind.
	NOT APPLICABLE	NOT APPLICABLE
280 SPADINA AVE Q	New Amal. Number	Notice Date
TORONTO	NOT APPLICABLE	NOT APPLICABLE
ONTARIO		Letter Date
CANADA M5T 3A5		NOT APPLICABLE
Mailing Address	Revival Date	Continuation Date
	NOT APPLICABLE	NOT APPLICABLE
280 SPADINA AVENUE	Transferred Out Date	Cancel/Inactive Date
Suite # Q	NOT APPLICABLE	NOT APPLICABLE
TORONTO	EP Licence Eff.Date	EP Licence Term.Date
ONTARIO	NOT APPLICABLE	NOT APPLICABLE
CANADA M5T 3A5	Date Commenced in Ontario	Date Ceased in Ontario
	00001	00010
Activity Classification		
NOT AVAILABLE		

Request ID: 025252150  
Transaction ID: 77151334  
Category ID: UN/E

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2020/11/09  
Time Report Produced: 14:00:40  
Page: 2

# CORPORATION PROFILE REPORT

**Ontario Corp Number**

2540591

**Corporation Name**

BLESS HUI PHARMA INC.

**Corporate Name History**

BLESS HUI PHARMA INC.

**Effective Date**

2016/10/11

**Current Business Name(s) Exist:**

YES

**Expired Business Name(s) Exist:**

NO

**Administrator:  
Name (Individual / Corporation)**

DIEP  
NGUYEN

**Address**

2088 LAWRENCE AVENUE WEST

Suite # 309  
TORONTO  
ONTARIO  
CANADA M9N 3Z9

**Date Began**

2016/10/11

**First Director**

NOT APPLICABLE

**Designation**

DIRECTOR

**Officer Type****Resident Canadian**

Y

Request ID: 025252150 Province of Ontario  
Transaction ID: 77151334 Ministry of Government Services  
Category ID: UN/E

Date Report Produced: 2020/11/09  
Time Report Produced: 14:00:40  
Page: 3

# CORPORATION PROFILE REPORT

<b>Ontario Corp Number</b>	<b>Corporation Name</b>
2540591	BLESS HUI PHARMA INC.

<b>Administrator: Name (Individual / Corporation)</b>	<b>Address</b>
DIEP NGUYEN	2088 LAWRENCE AVENUE WEST  <b>Suite # 309</b> TORONTO ONTARIO CANADA M9N 3Z9

<b>Date Began</b>	<b>First Director</b>	
2016/10/11	NOT APPLICABLE	
<b>Designation</b>	<b>Officer Type</b>	<b>Resident Canadian</b>
OFFICER	TREASURER	Y

<b>Administrator: Name (Individual / Corporation)</b>	<b>Address</b>
DIEP NGUYEN	2088 LAWRENCE AVENUE WEST  <b>Suite # 309</b> TORONTO ONTARIO CANADA M9N 3Z9

<b>Date Began</b>	<b>First Director</b>	
2020/02/28	NOT APPLICABLE	
<b>Designation</b>	<b>Officer Type</b>	<b>Resident Canadian</b>
OFFICER	PRESIDENT	



Request ID: 025252150  
Transaction ID: 77151334  
Category ID: UN/E

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2020/11/09  
Time Report Produced: 14:00:40  
Page: 4

## CORPORATION PROFILE REPORT

### Ontario Corp Number

2540591

### Corporation Name

BLESS HUI PHARMA INC.

### Administrator: Name (Individual / Corporation)

DIEP

NGUYEN

### Address

2088 LAWRENCE AVENUE WEST

Suite # 309  
TORONTO  
ONTARIO  
CANADA M9N 3Z9

### Date Began

2020/02/28

### First Director

NOT APPLICABLE

### Designation

OFFICER

### Officer Type

SECRETARY

### Resident Canadian

Request ID: 025252150  
Transaction ID: 77151334  
Category ID: UN/E

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2020/11/09  
Time Report Produced: 14:00:40  
Page: 5

# CORPORATION PROFILE REPORT

## Ontario Corp Number

2540591

## Corporation Name

BLESS HUI PHARMA INC.

## Last Document Recorded

Act/Code	Description	Form	Date
CIA	CHANGE NOTICE	1	2020/03/02 (ELECTRONIC FILING)

THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

The issuance of this report in electronic form is authorized by the Ministry of Government Services.

# TAB B

This is **Exhibit “B”** referred to in the Affidavit  
of TED (EDWARD) HOPKINSON and SWORN  
BEFORE ME via video-conference with the deponent  
in the City of Bryn Mawr, in the State of  
Pennsylvania, United States of America, and the  
Commissioner in the City of Toronto, Ontario  
this 24th day of November, 2020

DocuSigned by:

*Asim Iqbal*

6F056F5F3BC8405...

A Commissioner for Taking Affidavits

FIXED RATE PROMISSORY NOTE – VARIABLE PAYMENTS

MAR 28 2017

\$1,050,450.00

PRINCIPAL

CWB Maxium Financial Inc.

Suite #1 – 30 Vogell Road

Richmond Hill, Ontario

L4B 3K6

DATE

1. PROMISE TO PAY AND INTEREST

For value received, Bless Hui Pharma Inc. (referred to in this Promissory Note (the "Note") as "you", "your" and "yours") with offices located at 280 Spadina Ave., Toronto, ON M5T 0A1 promises to pay to CWB Maxium Financial Inc. and/or its successors and assigns (referred to in this Note as "we", "our", "ours" and "us"), the sum of One Million Fifty Thousand Four Hundred Fifty Dollars and Zero Cents (\$1,050,450.00) ("Principal") in lawful money of Canada, with Interest calculated and compounded monthly not in advance at 5.75% per annum ("Interest Rate") ("Interest") and interest on overdue interest at 18% per annum. In the event the Principal balance, if any, is not paid in full at maturity, Interest shall accrue on the outstanding Principal thereafter amount at the rate of 18% per annum until paid. Provided that if such rate of interest exceeds the maximum permitted by law, the interest on overdue interest shall be the maximum rate permitted by law.

2. CALCULATION OF INTEREST AND REPAYMENT

Interest shall be computed from the day the Principal is advanced (the "Commencement Date"). Principal and Interest shall be paid on the 15<sup>th</sup> day of each and every month commencing on the 15<sup>th</sup> day of May 2017 and up to and including the 15<sup>th</sup> day of April 2022 ("Term Date") when the balance, if any, of the Principal and Interest shall be paid. Principal and Interest shall be repaid in 60 consecutive monthly instalments as set out in the Schedule of Instalments below (the "Instalments").

No. of Instalments	Date From (Inclusive)	Date To (Inclusive)	Amount of Each Instalment
60	May 15, 2017	April 15, 2022	\$11,545.24
1	April 15, 2022	April 15, 2022	\$600,789.84

Each Instalment under this Note shall be applied first in payment of interest and the balance, if any, shall be applied in reduction of Principal. Your obligations under this Note shall be absolute and unconditional and shall not be subject to any counter-claim, set-off or other claim whatsoever of yours against us.

3. ACCELERATION

In the event that (a) you default in making any payment when due hereunder or under any other agreement with us, (b) you fail to observe or perform any other covenant or obligation herein or in any other agreement with us, and such failure continues for seven days after the earlier of the day that you first have knowledge of such failure and the day on which we give you notice of such failure, (c) a default occurs under any agreement under which you have outstanding indebtedness or under which indebtedness is guaranteed by you, or any indebtedness of or guaranteed by you which is payable on demand is not paid on demand, (d) an order is made or a resolution passed for your winding-up or a notice of intention to make a proposal is filed or a proposal is made by you to your creditors under the *Bankruptcy and Insolvency Act* (the "Act") or a petition is filed by or against you or an authorized assignment is made by you under the Act or a receiver or agent is appointed with respect to you under any bankruptcy or insolvency legislation or by or on behalf of a secured creditor of yours or an application is made under the *Companies' Creditors' Arrangement Act* or any successor or similar legislation, (e) any circumstance changes or any event occurs which has or could have a material adverse effect on your financial condition, business, assets, properties or prospects, or (f) if you are a corporation, partnership or sole proprietorship, as the case may be, you permit any change of ownership or change your capital structure subsequent to the Commencement Date, you shall be required to pay us on demand, whereupon you shall immediately pay us, as a genuine pre-estimate of liquidated damages and not as a penalty, the present value of all Instalments required to be paid to and including the Term Date that have not been paid at the date of calculation (whether or not accrued or due and payable), discounted from the respective dates on which the Instalments would otherwise be payable to the date of calculation, at the lesser of (i) 3% per annum, compounded monthly or (ii) the then current yield prevailing for a Government of Canada bond with term remaining most closely approximating the period of time remaining hereunder at such time to the Term Date, and all other accrued and then unpaid interest.

4. NON-WAIVER

The extension of the time for making any payment which is due and payable under this Note at any time or times or the failure, delay or omission on our part to exercise or enforce any of our rights or remedies hereunder or under any instrument securing

payment of the indebtedness evidenced by this Note shall not constitute a waiver of our right to enforce such rights and remedies thereafter.

#### 5. INTEREST ACT

For the purposes hereof, whenever interest is calculated on the basis of a period other than a calendar year (the "Relevant Period"), each rate of interest determined pursuant to such calculation expressed as an annual rate for the purposes of the *Interest Act* (Canada) is equivalent to such rate as so determined multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by the number of days in the Relevant Period.

#### 6. OTHER INFORMATION

You will from time to time provide us with any information or document which we may reasonably request. You authorize us to conduct credit investigations and authorize us to release any credit information to credit reporting agencies and any of our assignees.

#### 7. NOTICE

Notice must be in writing. Any document in connection with this Note will be considered to have been delivered to or served upon, and received by, you or us upon the earlier of actual receipt by an employee or an officer of the receiving party and (if mailed and there has been no interruption of postal service) the expiry of 10 days after the date the document was posted by prepaid ordinary mail to the receiving party's address as set out on the first page of this Note (or such other address as the receiving party may have last notified the sender).

#### 8. LANGUAGE

It is your wish and ours that this Note and all related documents be drawn up and signed in English. C'est votre désir et le notre que le présent Contrat et tous documents s'y rapportant soient rédigés et signés en anglais.

#### 9. MISCELLANEOUS

(a) Time is of the essence in respect of this Note. (b) This Note will be governed by and construed in accordance with the laws of the province or territory where you are located. (c) This Note is the entire agreement between you and us with respect to the subject matter hereof and may be varied only by written documents signed by both parties. (d) If more than one person, firm, or corporate body signs this Note as the borrower, each is jointly and severally liable (which allows us, at our option, to require performance or payment of all obligations under this Note from any one of them or a portion from each). (e) A provision of this Note which is void or unenforceable in a jurisdiction is, as to that jurisdiction, ineffective to that extent without invalidating the remaining provisions. (f) You may not assign your rights and obligations under this Note, unless we give you our prior written approval. We may assign, in our sole discretion at any time, without your consent, our right, title and interest in this Note. You hereby consent to the delivery by us to any prospective assignee of such information concerning you as may be in our possession and requested by such assignee. Upon notice of an assignment you shall unconditionally pay to our assignee all instalment payments and other amounts due hereunder and shall not assert any defense against our assignee in any action for instalment payments or other amounts due and payable hereunder and you will not assert against our assignee any claim by way of abatement, defense, set-off, compensation or the like. (g) You agree to make payments under a pre-authorized payment plan which may be withdrawn on or about each instalment payment due date, including arrears or other penalties which may be withdrawn at any time without notice. (h) You hereby waive the benefits of division and discussion, demand and presentment for payment, notice of non-payment, protest and notice of protest of this Note. (i) You have received a copy of this Note.

Bless Hui Pharma Inc.

BY: 

Name: Diep N. Nguyen

Title: ~~President/Secretary~~/Treasurer

BY: 

Name: JOHN GERGES

Title: PRESIDENT



payment of the indebtedness evidenced by this Note shall not constitute a waiver of our right to enforce such rights and remedies thereafter.

#### 5. INTEREST ACT

For the purposes hereof, whenever interest is calculated on the basis of a period other than a calendar year (the "Relevant Period"), each rate of interest determined pursuant to such calculation expressed as an annual rate for the purposes of the *Interest Act* (Canada) is equivalent to such rate as so determined multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by the number of days in the Relevant Period.

#### 6. OTHER INFORMATION

You will from time to time provide us with any information or document which we may reasonably request. You authorize us to conduct credit investigations and authorize us to release any credit information to credit reporting agencies and any of our assignees.

#### 7. NOTICE

Notice must be in writing. Any document in connection with this Note will be considered to have been delivered to or served upon, and received by, you or us upon the earlier of actual receipt by an employee or an officer of the receiving party and (if mailed and there has been no interruption of postal service) the expiry of 10 days after the date the document was posted by prepaid ordinary mail to the receiving party's address as set out on the first page of this Note (or such other address as the receiving party may have last notified the sender).

#### 8. LANGUAGE

It is your wish and ours that this Note and all related documents be drawn up and signed in English. C'est votre désir et le notre que le présent Contrat et tous documents s'y rapportant soient rédigés et signés en anglais.

#### 9. MISCELLANEOUS

(a) Time is of the essence in respect of this Note. (b) This Note will be governed by and construed in accordance with the laws of the province or territory where you are located. (c) This Note is the entire agreement between you and us with respect to the subject matter hereof and may be varied only by written documents signed by both parties. (d) If more than one person, firm, or corporate body signs this Note as the borrower, each is jointly and severally liable (which allows us, at our option, to require performance or payment of all obligations under this Note from any one of them or a portion from each). (e) A provision of this Note which is void or unenforceable in a jurisdiction is, as to that jurisdiction, ineffective to that extent without invalidating the remaining provisions. (f) You may not assign your rights and obligations under this Note, unless we give you our prior written approval. We may assign, in our sole discretion at any time, without your consent, our right, title and interest in this Note. You hereby consent to the delivery by us to any prospective assignee of such information concerning you as may be in our possession and requested by such assignee. Upon notice of an assignment you shall unconditionally pay to our assignee all instalment payments and other amounts due hereunder and shall not assert any defense against our assignee in any action for instalment payments or other amounts due and payable hereunder and you will not assert against our assignee any claim by way of abatement, defense, set-off, compensation or the like. (g) You agree to make payments under a pre-authorized payment plan which may be withdrawn on or about each instalment payment due date, including arrears or other penalties which may be withdrawn at any time without notice. (h) You hereby waive the benefits of division and discussion, demand and presentment for payment, notice of non-payment, protest and notice of protest of this Note. (i) You have received a copy of this Note.

Bless Hui Pharma Inc.

BY: 

Name: Diep N. Nguyen

Title: President/Secretary/Treasurer

BY: 

Name: JOHN GERCES

Title: PRESIDENT

**AMENDING AGREEMENT**

**BETWEEN:**                    **Bless Hui Pharma Inc.**  
**280 Spadina Ave.,**  
**Toronto, On M5T 0A1**

(hereinafter called the "Borrower")

**AND**                            **CWB MAXIUM FINANCIAL INC.**  
**30 Vogell Rd, Unit #1**  
**Richmond Hill, ON**  
**L4B 3K6**

(hereinafter called "CWB Maxium")

**WHEREAS** the parties hereto have entered into Fixed Rate Promissory Note dated March 28, 2017 (the "Promissory Note") pursuant to which the CWB Maxium has provided certain financing, as set out therein, to the Borrower;

**AND WHEREAS** the parties have agreed to amend the payment stream on the Promissory Note to defer payments as set out in the Promissory Note as provided herein;

**NOW THEREFORE** for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree that the payment stream as set forth in the Promissory Note is hereby amended to the following:

**Revised Payment Stream:**

<b>No. of Instalments</b>	<b>Date From (inclusive)</b>	<b>Date To (inclusive)</b>	<b>Amount of Each Instalment</b>
35	May 15, 2017	March 15, 2020	\$11,545.24
3	April 15, 2020	June 15, 2020	\$0.00
22	July 15, 2020	April 15, 2022	\$11,545.24
1	April 15, 2022	April 15, 2022	\$639,451.10

Except as set out herein, all other terms and conditions of the Promissory Note shall remain in full force and effect.

**IN WITNESS WHEREOF** the parties hereto have executed this Amendment to the Promissory Note on the  
20th day of April ,2020.

**CWB MAXIUM FINANCIAL INC.**

By: \_\_\_\_\_

Name & Title: \_\_\_\_\_

**Bless Hui Pharma Inc.**

By:  \_\_\_\_\_

Name & Title: \_\_\_\_\_

By: \_\_\_\_\_

Name & Title: \_\_\_\_\_



**CWB Maxium Financial Inc.**

30 Vogell Road, Suite 1  
 Richmond Hill, Ontario L4B 3K6  
 cwbmaxium.com

**General Security Agreement**

Customer: **Bless Hui Pharma Inc.**

Date:

March 28, 2017

**SECURITY INTEREST**

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

**INDEBTEDNESS AND LIABILITY SECURED**

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

**1. DEFINITIONS OF COLLATERAL**

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

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

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

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

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

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

**2. ACCOUNTS**

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

**3. INVESTMENT PROPERTY**

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

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

**4. PROCEEDS**

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

**5. INCOME AND INTEREST ON INVESTMENT PROPERTY**

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

**6. COSTS AND EXPENSES**

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

**7. FREE AND CLEAR**

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

**8. INSURANCE**

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

**9. LOCATION OF COLLATERAL**

You will keep the Collateral at the location or locations set out on Schedule A. You will not remove the Collateral from this location (except in the ordinary course of your business) without

our prior written consent. If no location is set out on Schedule A, you will keep the Collateral at the address shown below your signature to this Agreement.

#### 10. LIMITATION ON OBLIGATIONS OF CWB MAXIMUM

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

#### 11. REPRESENTATIONS AND WARRANTIES

You hereby represent and warrant to us that:

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

#### 12. REPORTING

You will:

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

#### 13. POSITIVE COVENANTS

You agree to:

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

- (d) maintain, protect and preserve the Collateral in good repair and working condition;
- (e) provide such security as we may require;
- (f) continue to carry on, and maintain in good standing, the business being carried on by you at the date hereof;
- (g) permit us or our authorized representatives full and reasonable access to your premises, business, financial and computer records and allow the duplication or extraction of pertinent information therefrom;
- (h) notify us in writing at least 20 days prior to any change of your name; and
- (i) notify us in writing promptly of any significant loss of or damage to the Collateral; and
- (j) between Bless Hui Pharma Inc. and St. Mary Theotokos Pharma Inc., maintain a combined consolidated Debt Service Coverage Ratio ("DSC Ratio") of at least 1.25x, as at each fiscal year end (where "DSC Ratio" means the ratio of:
  - (a) as the numerator, the consolidated earnings before interest expenses and other bank charges, amortization and depreciation, any other non-cash expenses, any realized gains and/or losses from the sale of any investments, property or other assets, non-arm's length management fees and salaries paid to related parties and income taxes for the twelve-month period ending at the given fiscal year end, divided by:
  - (b) as the denominator, the aggregate sum of all bank charges and all principal and interest payments for all debt and capital lease obligations during the twelve-month period for the given fiscal year.)
 Bless Hui Pharma Inc. and St. Mary Theotokos Pharma Inc., also agree (i) to report the DSC Ratio and related calculations to us as part of the financial reporting required under clause 12 (a) and (ii) that all calculations in connection with the DSC Ratio shall be subject to our review, approval and adjustments acting in our sole discretion.

#### 14. NEGATIVE COVENANTS

You will not:

- (a) create, incur, assume, or ~~suffer~~ to exist, any mortgage, deed of trust, pledge, lien, security interest, assignment, charge, or encumbrance (including without limitation, any conditional sale, or other title retention agreement, or finance lease) of any nature, upon or with respect to the Collateral, or sign or file under the *Personal Property Security Act* (Ontario) (the "PPSA") or similar registry system of any jurisdiction a financing statement which names you as a debtor, or sign any security agreement authorizing any secured party thereunder to file such financing statement creating a security interest in the Collateral;
- (b) if you are a corporation, a partnership or a sole proprietorship, as the case may be, permit any change of ownership or change your capital structure without our prior written consent, such consent not to be unreasonably withheld;
- (c) transfer your interest in any part of the Collateral not expressly permitted under this Agreement or change the location(s) of the Collateral without our prior written consent;
- (d) make any investment in or acquisition of, or provide any guarantee or other financial assistance to, any other business entity or person without our prior written consent; or
- (e) make any payments or distributions including but not limited to dividends, redemption or retraction payments or any other amounts in respect to any of your common shares, preferred shares or any other outstanding capital stock if there is an outstanding default or Event of Default, or any such payment causes a default or an Event of Default.

#### 15. DEFAULT

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

- (a) you or any other person liable for the Obligations is in default under any agreement relating to the Obligations or any part thereof;
- (b) you or any other person liable for the Obligations is in default under any other loan, debt or obligation owed to anyone else, subject to the passage of any applicable grace period;
- (c) you fail to perform any of the terms or conditions of this Agreement or any other agreement between you and us;
- (d) you become insolvent or bankrupt or make an assignment for the benefit of creditors or consent to the appointment of a trustee or receiver, or a trustee or receiver shall be appointed for you or for a substantial part of your property without your consent;
- (e) bankruptcy, reorganization or insolvency proceedings shall be instituted by or against you;
- (f) any statement made by you to induce us to extend credit to you was false in any material respect when made, or becomes false;
- (g) anyone takes possession of or applies to any court for possession of the Collateral, or anyone claims to have rights in the Collateral superior to our rights;
- (h) if you are an individual, you are declared incompetent by a court, or you die, or, if you are a partnership, a partner dies;

- (i) you pledge, encumber, mortgage or otherwise create or permit the continued existence of any lien or any other interest or claim including any proprietary or trust interest or encumbrance claimed by any third party with respect to any of the Collateral, except for any lien granted by you in our favour;
- (j) you incur any indebtedness for borrowed money (including, without limitation, by guaranteeing the obligations of others) outside of the ordinary course of business;
- (k) you fail to deliver to us on a timely basis the financial information required by any agreement between us; or
- (l) if in the event that the landlord exercises the demolition option contained in section 20.6 of the lease dated July 4<sup>th</sup>, 2011 and section 4 of the lease renewal dated July 5, 2016 then the entirety of the indebtedness secured hereunder shall become due and payable within 3 months of the lease termination date;
- (m) any other event occurs which causes us in good faith, to deem ourselves insecure, or to believe that the Collateral or any part thereof, or the value thereof, is or is about to be placed in jeopardy.

#### 16. REMEDIES

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

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

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

#### 17. POWER OF ATTORNEY

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

#### 18. NON WAIVER BY US

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

#### 19. DEALING WITH SECURITY INTEREST

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

#### 20. PAY ENCUMBRANCES

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

the highest rate per annum charged by us on the Obligations and shall be secured by this Agreement.

#### 21. PAYMENTS

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

#### 22. DEFINITIONS

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

#### 23. CONTINUING EFFECTIVENESS

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

#### 24. ACKNOWLEDGEMENT & WAIVER

You acknowledge receipt of a copy of this Agreement. You waive any right you may have to receive a copy of any financing statement, verification statement, or similar document we register or that we may receive by way of confirmation of a security registration in respect of this Agreement or any agreement amending, supplementing or replacing it.

#### 25. SUCCESSORS AND ASSIGNS

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

#### 26. NOTICES

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

#### 27. DISCHARGE

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

#### 28. ENTIRE AGREEMENT

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

#### 29. NO MERGER

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

#### 30. FURTHER ASSURANCES

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

#### 31. GOVERNING LAW

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

Bless Hui Pharma Inc.

BY:

Name: Diep N. Nguyen

Title: President/Secretary/Treasurer

Address: 280 Spadina Ave., Toronto, ON M5T 0A1

Security Agreement

BY:

Name: JOHN GERGIES

Title: PRESIDENT

# TAB C



This is **Exhibit “C”** referred to in the Affidavit  
of TED (EDWARD) HOPKINSON and SWORN  
BEFORE ME via video-conference with the deponent  
in the City of Bryn Mawr, in the State of  
Pennsylvania, United States of America, and the  
Commissioner in the City of Toronto, Ontario  
this 24th day of November, 2020

DocuSigned by:

*Asim Iqbal*

6F056F5F3BC8405...

A Commissioner for Taking Affidavits

PROVINCE OF ONTARIO  
MINISTRY OF GOVERNMENT SERVICES  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATE

RUN NUMBER : 314  
RUN DATE : 2020/11/09  
ID : 20201109140733.74

REPORT : PSSR060  
PAGE : 1  
( 5621)

THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE CENTRAL OFFICE  
OF THE PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM IN RESPECT OF THE FOLLOWING:

TYPE OF SEARCH : BUSINESS DEBTOR

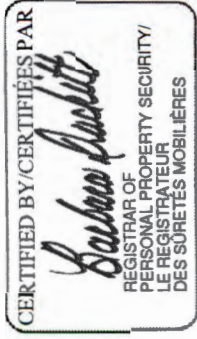
SEARCH CONDUCTED ON : BLESS HUI PHARMA INC.

FILE CURRENCY : 08NOV 2020

ENQUIRY NUMBER 20201109140733.74 CONTAINS 8 PAGE(S), 4 FAMILY(IES).

THE SEARCH RESULTS MAY INDICATE THAT THERE ARE SOME REGISTRATIONS WHICH SET OUT A BUSINESS DEBTOR NAME  
WHICH IS SIMILAR TO THE NAME IN WHICH YOUR ENQUIRY WAS MADE. IF YOU DETERMINE THAT THERE ARE OTHER  
SIMILAR BUSINESS DEBTOR NAMES, YOU MAY REQUEST THAT ADDITIONAL ENQUIRIES BE MADE AGAINST THOSE NAMES.

MILLER THOMSON LLP  
40 KING STREET WEST, SUITE 5800  
TORONTO ON M5H 3S1



(crtj5 06/2019)

CONTINUED...

2







PROVINCE OF ONTARIO  
MINISTRY OF GOVERNMENT SERVICES  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATEREPORT : PSSR060  
PAGE : 3  
( 5623)RUN NUMBER : 314  
RUN DATE : 2020/11/09  
ID : 20201109140733.74TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : BLESS HUI PHARMA INC.  
FILE CURRENCY : 08NOV 2020

## FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER  
73886497901 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION  
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD  
20180502 1146 1862 209002 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME  
03 NAME BUSINESS NAME HUI'S PHARMASAVE  
04 ADDRESS 280 SPADINA AVENUE TORONTO  
ONTARIO CORPORATION NO.  
ON M5T 0A105 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME  
06 NAME BUSINESS NAME  
07 ADDRESS  
ONTARIO CORPORATION NO.08 SECURED PARTY /  
09 LIEN CLAIMANT ADDRESS  
COLLATERAL CLASSIFICATION  
CONSUMER  
10 GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MOTOR VEHICLE AMOUNT DATE OF NO FIXED  
Maturity OR Maturity Date

V.I.N.

MODEL

YEAR MAKE

11 MOTOR  
12 VEHICLE13 GENERAL  
14 COLLATERAL  
15 DESCRIPTION16 REGISTERING  
17 AGENT

ADDRESS

\*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. \*\*\*

CONTINUED...

4

CERTIFIED BY/CERTIFIÉES PAR  
*Sabrina Pucillo*  
REGISTRAR OF  
PERSONAL PROPERTY SECURITY/  
LE REGISTREUR  
DES SURETÉS MOBILIÈRES  
(crl11u 06/2019)



PROVINCE OF ONTARIO  
MINISTRY OF GOVERNMENT SERVICES  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATE

REPORT : PSSR060  
PAGE : 4  
( 5624 )

RUN NUMBER : 314  
RUN DATE : 2020/11/09  
ID : 20201109140733.74

TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : BLESS HUI PHARMA INC.  
FILE CURRENCY : 08NOV 2020

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00	FILE NUMBER	725803335											
01	CATION FILING	01	PAGE NO.	01	TOTAL PAGES	001	MOTOR VEHICLE SCHEDULE	20170321 1708 1462 0920	REGISTERED UNDER	P	PPSA	REGISTRATION PERIOD	5
02	DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME								
03	BUSINESS NAME	BLESS HUI PHARMA INC.											
04	ADDRESS	Q-280 SPADINA AVE TORONTO											
05	DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME								
06	BUSINESS NAME												
07	ADDRESS												
08	SECURED PARTY / LIEN CHAIRMAN	MCKESSON CANADA CORPORATION											
09	ADDRESS	6355 VISCOUNT ROAD MISSISSAUGA ON L4V1W2											
10	COLLATERAL CLASSIFICATION												
	CONSUMER GOODS	INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED											
		MOTOR VEHICLE AMOUNT DATE OF MATURITY OR NO. FIXED											
11	MOTOR VEHICLE	YEAR	MAKE	MODEL	V.I.N.								
12	GENERAL COLLATERAL DESCRIPTION												
13	REGISTERING AGENT	MCKESSON CANADA CORPORATION - LEGAL DEPARTMENT											
14	ADDRESS	4705 DOBRIN ST. SAINT-LAURENT QC H4R2P7											
15		*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***											

CONTINUED... 5

CERTIFIED BY/CERTIFIÉES PAR  
*Sarah J. Daulton*  
REGISTRAR OF  
PERSONAL PROPERTY SECURITY/  
LE REGISTRATEUR  
DES SÛRETÉS MOBILIÈRES  
(en11u 06/2019)



PROVINCE OF ONTARIO  
MINISTRY OF GOVERNMENT SERVICES  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATEREPORT : PSSR060  
PAGE : 5  
( 5E25)RUN NUMBER : 314  
RUN DATE : 2020/11/09  
ID : 20201109140733.74TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : BLESS HUI PHARMA INC.  
FILE CURRENCY : 08NOV 2020

## FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00	FILE NUMBER 725803344				
01	CAUTION FILING 01	PAGE NO. OF PAGES 001	TOTAL REGISTRATION NUMBER 20170321 1708 1462 0921	REGISTERED UNDER P	REGISTRATION PERIOD PPSA 5
02	DEBTOR NAME BLESS HUI PHARMA INC.	DATE OF BIRTH	FIRST GIVEN NAME BLESS HUI PHARMA INC.	INITIAL	SURNAME
03	BUSINESS NAME Q-280 SPADINA AVE	ADDRESS	FIRST GIVEN NAME	INITIAL	SURNAME
04	DATE OF BIRTH	BUSINESS NAME	DATE OF BIRTH	INITIAL	SURNAME
05	DEBTOR NAME MCKESSON CANADA CORPORATION	ADDRESS	DATE OF BIRTH	INITIAL	SURNAME
06	BUSINESS NAME 6355 VISCOUNT ROAD	ADDRESS	DATE OF BIRTH	INITIAL	SURNAME
07	SECURED PARTY / MCKESSON CANADA CORPORATION	ADDRESS	DATE OF BIRTH	INITIAL	SURNAME
08	DEBTOR NAME MCKESSON CANADA CORPORATION	ADDRESS	DATE OF BIRTH	INITIAL	SURNAME
09	BUSINESS NAME 6355 VISCOUNT ROAD	ADDRESS	DATE OF BIRTH	INITIAL	SURNAME
10	COLLATERAL CLASSIFICATION CONSUMER	GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED	MOTOR VEHICLE AMOUNT	DATE OF MATURITY OR	NO FIXED DATE
11	YEAR MAKE	MODEL	V.I.N.		
12	MOTOR VEHICLE				
13	GENERAL COLLATERAL DESCRIPTION				
14	REGISTERING AGENT				
15	ADDRESS				
16	SAINT-LAURENT				
17	QC				

CONTINUED... 6

CERTIFIED BY / CERTIFIÉES PAR  
*Barbara Daulton*  
REGISTRAR OF  
PERSONAL PROPERTY SECURITY /  
LE REGISTREUR  
DES SURETES MOBILIERES  
(en) 11/06/2019



PROVINCE OF ONTARIO  
MINISTRY OF GOVERNMENT SERVICES  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATEREPORT : PSSR060  
PAGE : 6  
( 5626)RUN NUMBER : 314  
RUN DATE : 2020/11/09  
ID : 20201109140733.74TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : BLESS HUI PHARMA INC.  
FILE CURRENCY : 08NOV 2020

## FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER 724474737

01 CAUTION PAGE NO. OF PAGES 01 002  
FILING TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION  
NUMBER UNDER PERIOD  
20170131 1034 1529 8037 P PPSA 10

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME  
03 NAME BUSINESS NAME BLESS HUI PHARMA INC.  
04 ADDRESS 280 SPADINA AVENUE TORONTO ONTARIO CORPORATION NO. ON M5T 0A1

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME  
06 NAME BUSINESS NAME ST. MARY THEOTOKOS PHARMA INC.  
07 ADDRESS 300 B SPADINA AVENUE TORONTO ONTARIO CORPORATION NO. ON M5T 2E7

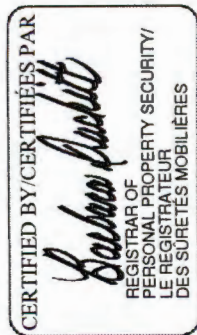
08 SECURED PARTY / CWB MAXIUM FINANCIAL INC.  
09 LIEN CLAIMANT ADDRESS 1 - 30 VOGELL ROAD RICHMOND HILL ON L4B 3K6

10 COLLATERAL CLASSIFICATION  
CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO FIXED  
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE  
X X X X X X

11 YEAR MAKE MODEL V.I.N.  
12 MOTOR VEHICLE

13 A SECURITY INTEREST IS TAKEN IN ALL OF THE DEBTOR'S PRESENT AND  
14 COLLATERAL AFTER ACQUIRED PERSONAL PROPERTY.  
15 DESCRIPTION

16 REGISTERING D+H LIMITED PARTNERSHIP  
17 AGENT ADDRESS SUITE 200, 4126 NORLAND AVENUE BURNABY BC V5G 3S8

\*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. \*\*\*  
CONTINUED... 7

(e/11u 06/2019)



PROVINCE OF ONTARIO  
MINISTRY OF GOVERNMENT SERVICES  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATEREPORT : PSSR060  
PAGE : 7  
( 5627)RUN NUMBER : 314  
RUN DATE : 2020/11/09  
ID : 20201109140733.74TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : BLESS HUI PHARMA INC.  
FILE CURRENCY : 08NOV 2020

## FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER  
724474737

01 CAUTION PAGE NO. OF PAGES TOTAL MOTOR VEHICLE REGISTRATION REGISTERED UNDER REGISTRATION PERIOD  
FILING 02 002 20170131 1034 1529 8037

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME SURNAM NGUYEN  
03 NAME 01JAN1951 DIEP N NGUYEN

04 ADDRESS 309-2088 LAWRENCE AVENUE W. NORTH YORK ONTARIO CORPORATION NO. M9N 3Z9

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME SURNAM NGUYEN  
06 NAME 01JAN1951 DIEP NGUYEN

07 ADDRESS 309-2088 LAWRENCE AVENUE W. NORTH YORK ONTARIO CORPORATION NO. M9N 3Z9

08 SECURED PARTY /  
09 LIEN CLAIMANT ADDRESS

10 COLLATERAL CLASSIFICATION  
CONSUMER INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MOTOR VEHICLE AMOUNT DATE OF MATURITY OR NO FIXED Maturity DATE

11 MOTOR YEAR MAKE MODEL V.I.N.  
12 VEHICLE

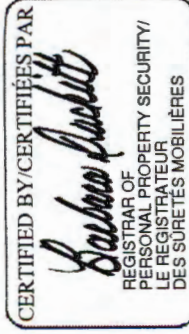
13 GENERAL COLLATERAL DESCRIPTION  
14 COLLATERAL  
15 DESCRIPTION

16 REGISTERING AGENT ADDRESS

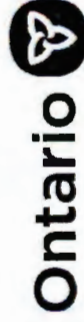
\*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. \*\*\*

8

CONTINUED...



(e/f) 06/2019





PROVINCE OF ONTARIO  
MINISTRY OF GOVERNMENT SERVICES  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATE

REPORT : PSSR060  
PAGE : 8  
( 5628 )

RUN NUMBER : 314  
RUN DATE : 2020/11/09  
ID : 202C1109140733.74

TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : BLESS HUI PHARMA INC.  
FILE CURRENCY : 08NOV 2020

INFORMATION RELATING TO THE REGISTRATIONS LISTED BELOW IS ATTACHED HERETO.

FILE NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER
738884979	20180502	1146	1862 2090
725803335	20170321	1708	1462 0920
725803344	20170321	1708	1462 0921
724414737	20170131	1034	1529 8037

4 REGISTRATION(S) ARE REPORTED IN THIS ENQUIRY RESPONSE.



# TAB D

This is **Exhibit “D”** referred to in the Affidavit  
of TED (EDWARD) HOPKINSON and SWORN  
BEFORE ME via video-conference with the deponent  
in the City of Bryn Mawr, in the State of  
Pennsylvania, United States of America, and the  
Commissioner in the City of Toronto, Ontario  
this 24th day of November, 2020

DocuSigned by:

*Asim Iqbal*

6F056F5F3BC8405...

A Commissioner for Taking Affidavits



MAXIMUM  
FINANCIAL

#297590

Registered Letter

Tuesday August 25<sup>th</sup>, 2020

Bless Hui Pharma Inc.  
Attention: Diep N. Nguyen and John Gerges  
280 Spadina Avenue  
Toronto, Ontario M5T 0A1

Sept 8  
Advised Ben.  
demand expired

part of  
John Gerges  
partial  
default

**WITHOUT PREJUDICE  
DEMAND PAYMENT - \$878,397.80**

Dear Sir:

Please be advised that you are in arrears in the amount of \$11,545.24 and are accordingly deemed to be in default. A copy of the Promissory Note and Amending Agreement are attached for your information.

We are now demanding payment in full in the amount of \$878,397.80 which represents the total amount owing for all contracts.

If payment in full has not been received by Friday September 4<sup>th</sup>, 2020 CWB Maximum Financial will have no other alternative than to proceed with collection, repossession of our equipment and the necessary legal action.

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

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

**TIME IS NOW OF THE ESSENCE. GOVERN YOURSELF ACCORDINGLY.**

Regards

Benjamin Wyatt  
Vice President - Portfolio  
Attachment



**REGISTERED  
DOMESTIC**  
CUSTOMER RECEIPT

**RECOMMANDÉ  
RÉGIME INTÉRIEUR**  
REÇU DU CLIENT



To / Destinataire  
Name / Nom: *Bless Hui Pharma*  
Address / Adresse: *280 Spadina*  
City / Prov. / Postal Code / Ville / Prov. / Code postal: *Toronto*

Declared / Valeur  
Value / déclarée: \$

33-086-564 (14-06)

*Demand*

FOR DELIVERY  
CONFIRMATION  
www.canadapost.ca  
or/ou  
www.postescanada.ca  
1 888 550-6333

CPC Tracking Number / Numéro de repérage de la SCP

**RN 293 737 710 CA**



FIXED RATE PROMISSORY NOTE – VARIABLE PAYMENTS

MAR 28 2017

\$1,050,450.00

PRINCIPAL

CWB Maxium Financial Inc.

Suite #1 – 30 Vogell Road

Richmond Hill, Ontario

L4B 3K6

DATE

1. PROMISE TO PAY AND INTEREST

For value received, Bless Hui Pharma Inc. (referred to in this Promissory Note (the "Note") as "you", "your" and "yours") with offices located at 280 Spadina Ave., Toronto, ON M5T 0A1 promises to pay to CWB Maxium Financial Inc. and/or its successors and assigns (referred to in this Note as "we", "our", "ours" and "us"), the sum of One Million Fifty Thousand Four Hundred Fifty Dollars and Zero Cents (\$1,050,450.00) ("Principal") in lawful money of Canada, with Interest calculated and compounded monthly not in advance at 5.75% per annum ("Interest Rate") ("Interest") and interest on overdue interest at 18% per annum. In the event the Principal balance, if any, is not paid in full at maturity, Interest shall accrue on the outstanding Principal thereafter amount at the rate of 18% per annum until paid. Provided that if such rate of interest exceeds the maximum permitted by law, the interest on overdue interest shall be the maximum rate permitted by law.

2. CALCULATION OF INTEREST AND REPAYMENT

Interest shall be computed from the day the Principal is advanced (the "Commencement Date"). Principal and Interest shall be paid on the 15<sup>th</sup> day of each and every month commencing on the 15<sup>th</sup> day of May 2017 and up to and including the 15<sup>th</sup> day of April 2022 ("Term Date") when the balance, if any, of the Principal and Interest shall be paid. Principal and Interest shall be repaid in 60 consecutive monthly instalments as set out in the Schedule of Instalments below (the "Instalments").

No. of Instalments	Date From (Inclusive)	Date To (Inclusive)	Amount of Each Instalment
60	May 15, 2017	April 15, 2022	\$11,545.24
1	April 15, 2022	April 15, 2022	\$600,789.84

Each Instalment under this Note shall be applied first in payment of interest and the balance, if any, shall be applied in reduction of Principal. Your obligations under this Note shall be absolute and unconditional and shall not be subject to any counter-claim, set-off or other claim whatsoever of yours against us.

3. ACCELERATION

In the event that (a) you default in making any payment when due hereunder or under any other agreement with us, (b) you fail to observe or perform any other covenant or obligation herein or in any other agreement with us, and such failure continues for seven days after the earlier of the day that you first have knowledge of such failure and the day on which we give you notice of such failure, (c) a default occurs under any agreement under which you have outstanding indebtedness or under which indebtedness is guaranteed by you, or any indebtedness of or guaranteed by you which is payable on demand is not paid on demand, (d) an order is made or a resolution passed for your winding-up or a notice of intention to make a proposal is filed or a proposal is made by you to your creditors under the *Bankruptcy and Insolvency Act* (the "Act") or a petition is filed by or against you or an authorized assignment is made by you under the Act or a receiver or agent is appointed with respect to you under any bankruptcy or insolvency legislation or by or on behalf of a secured creditor of yours or an application is made under the *Companies' Creditors' Arrangement Act* or any successor or similar legislation, (e) any circumstance changes or any event occurs which has or could have a material adverse effect on your financial condition, business, assets, properties or prospects, or (f) if you are a corporation, partnership or sole proprietorship, as the case may be, you permit any change of ownership or change your capital structure subsequent to the Commencement Date, you shall be required to pay us on demand, whereupon you shall immediately pay us, as a genuine pre-estimate of liquidated damages and not as a penalty, the present value of all instalments required to be paid to and including the Term Date that have not been paid at the date of calculation (whether or not accrued or due and payable), discounted from the respective dates on which the instalments would otherwise be payable to the date of calculation, at the lesser of (i) 3% per annum, compounded monthly or (ii) the then current yield prevailing for a Government of Canada bond with term remaining most closely approximating the period of time remaining hereunder at such time to the Term Date, and all other accrued and then unpaid interest.

4. NON-WAIVER

The extension of the time for making any payment which is due and payable under this Note at any time or times or the failure, delay or omission on our part to exercise or enforce any of our rights or remedies hereunder or under any instrument securing

payment of the indebtedness evidenced by this Note shall not constitute a waiver of our right to enforce such rights and remedies thereafter.

#### 5. INTEREST ACT

For the purposes hereof, whenever interest is calculated on the basis of a period other than a calendar year (the "Relevant Period"), each rate of interest determined pursuant to such calculation expressed as an annual rate for the purposes of the *Interest Act* (Canada) is equivalent to such rate as so determined multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by the number of days in the Relevant Period.

#### 6. OTHER INFORMATION

You will from time to time provide us with any information or document which we may reasonably request. You authorize us to conduct credit investigations and authorize us to release any credit information to credit reporting agencies and any of our assignees.

#### 7. NOTICE

Notice must be in writing. Any document in connection with this Note will be considered to have been delivered to or served upon, and received by, you or us upon the earlier of actual receipt by an employee or an officer of the receiving party and (if mailed and there has been no interruption of postal service) the expiry of 10 days after the date the document was posted by prepaid ordinary mail to the receiving party's address as set out on the first page of this Note (or such other address as the receiving party may have last notified the sender).

#### 8. LANGUAGE

It is your wish and ours that this Note and all related documents be drawn up and signed in English. C'est votre désir et le notre que le présent Contrat et tous documents s'y rapportant soient rédigés et signés en anglais.

#### 9. MISCELLANEOUS

(a) Time is of the essence in respect of this Note. (b) This Note will be governed by and construed in accordance with the laws of the province or territory where you are located. (c) This Note is the entire agreement between you and us with respect to the subject matter hereof and may be varied only by written documents signed by both parties. (d) If more than one person, firm, or corporate body signs this Note as the borrower, each is jointly and severally liable (which allows us, at our option, to require performance or payment of all obligations under this Note from any one of them or a portion from each). (e) A provision of this Note which is void or unenforceable in a jurisdiction is, as to that jurisdiction, ineffective to that extent without invalidating the remaining provisions. (f) You may not assign your rights and obligations under this Note, unless we give you our prior written approval. We may assign, in our sole discretion at any time, without your consent, our right, title and interest in this Note. You hereby consent to the delivery by us to any prospective assignee of such information concerning you as may be in our possession and requested by such assignee. Upon notice of an assignment you shall unconditionally pay to our assignee all instalment payments and other amounts due hereunder and shall not assert any defense against our assignee in any action for instalment payments or other amounts due and payable hereunder and you will not assert against our assignee any claim by way of abatement, defense, set-off, compensation or the like. (g) You agree to make payments under a pre-authorized payment plan which may be withdrawn on or about each instalment payment due date, including arrears or other penalties which may be withdrawn at any time without notice. (h) You hereby waive the benefits of division and discussion, demand and presentment for payment, notice of non-payment, protest and notice of protest of this Note. (i) You have received a copy of this Note.

Bless Hui Pharma Inc.

BY: 

Name: Diep N. Nguyen

Title: ~~President/Secretary~~/Treasurer

BY: 

Name: JOHN GERGES

Title: PRESIDENT

payment of the indebtedness evidenced by this Note shall not constitute a waiver of our right to enforce such rights and remedies thereafter.

#### 5. INTEREST ACT

For the purposes hereof, whenever interest is calculated on the basis of a period other than a calendar year (the "Relevant Period"), each rate of interest determined pursuant to such calculation expressed as an annual rate for the purposes of the *Interest Act* (Canada) is equivalent to such rate as so determined multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by the number of days in the Relevant Period.

#### 6. OTHER INFORMATION

You will from time to time provide us with any information or document which we may reasonably request. You authorize us to conduct credit investigations and authorize us to release any credit information to credit reporting agencies and any of our assignees.

#### 7. NOTICE

Notice must be in writing. Any document in connection with this Note will be considered to have been delivered to or served upon, and received by, you or us upon the earlier of actual receipt by an employee or an officer of the receiving party and (if mailed and there has been no interruption of postal service) the expiry of 10 days after the date the document was posted by prepaid ordinary mail to the receiving party's address as set out on the first page of this Note (or such other address as the receiving party may have last notified the sender).

#### 8. LANGUAGE

It is your wish and ours that this Note and all related documents be drawn up and signed in English. C'est votre désir et le notre que le présent Contrat et tous documents s'y rapportant soient rédigés et signés en anglais.

#### 9. MISCELLANEOUS

(a) Time is of the essence in respect of this Note. (b) This Note will be governed by and construed in accordance with the laws of the province or territory where you are located. (c) This Note is the entire agreement between you and us with respect to the subject matter hereof and may be varied only by written documents signed by both parties. (d) If more than one person, firm, or corporate body signs this Note as the borrower, each is jointly and severally liable (which allows us, at our option, to require performance or payment of all obligations under this Note from any one of them or a portion from each). (e) A provision of this Note which is void or unenforceable in a jurisdiction is, as to that jurisdiction, ineffective to that extent without invalidating the remaining provisions. (f) You may not assign your rights and obligations under this Note, unless we give you our prior written approval. We may assign, in our sole discretion at any time, without your consent, our right, title and interest in this Note. You hereby consent to the delivery by us to any prospective assignee of such information concerning you as may be in our possession and requested by such assignee. Upon notice of an assignment you shall unconditionally pay to our assignee all instalment payments and other amounts due hereunder and shall not assert any defense against our assignee in any action for instalment payments or other amounts due and payable hereunder and you will not assert against our assignee any claim by way of abatement, defense, set-off, compensation or the like. (g) You agree to make payments under a pre-authorized payment plan which may be withdrawn on or about each instalment payment due date, including arrears or other penalties which may be withdrawn at any time without notice. (h) You hereby waive the benefits of division and discussion, demand and presentment for payment, notice of non-payment, protest and notice of protest of this Note. (i) You have received a copy of this Note.

Bless Hui Pharma Inc.

BY: 

Name: Diep N. Nguyen

Title: President/Secretary/Treasurer

BY: 

Name: JOHN GERCES

Title: PRESIDENT



**AMENDING AGREEMENT**

**BETWEEN:**                    **Bless Hui Pharma Inc.**  
**280 Spadina Ave.,**  
**Toronto, On M5T 0A1**

(hereinafter called the "Borrower")

**AND**                            **CWB MAXIUM FINANCIAL INC.**  
**30 Vogell Rd, Unit #1**  
**Richmond Hill, ON**  
**L4B 3K6**

(hereinafter called "CWB Maxium")

**WHEREAS** the parties hereto have entered into Fixed Rate Promissory Note dated March 28, 2017 (the "Promissory Note") pursuant to which the CWB Maxium has provided certain financing, as set out therein, to the Borrower;

**AND WHEREAS** the parties have agreed to amend the payment stream on the Promissory Note to defer payments as set out in the Promissory Note as provided herein;

**NOW THEREFORE** for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree that the payment stream as set forth in the Promissory Note is hereby amended to the following:

**Revised Payment Stream:**

No. of Instalments	Date From (inclusive)	Date To (inclusive)	Amount of Each Instalment
35	May 15, 2017	March 15, 2020	\$11,545.24
3	April 15, 2020	June 15, 2020	\$0.00
22	July 15, 2020	April 15, 2022	\$11,545.24
1	April 15, 2022	April 15, 2022	\$639,451.10

Except as set out herein, all other terms and conditions of the Promissory Note shall remain in full force and effect.

**IN WITNESS WHEREOF** the parties hereto have executed this Amendment to the Promissory Note on the  
 20th day of April ,2020.

**CWB MAXIUM FINANCIAL INC.**

By: \_\_\_\_\_

Name & Title: \_\_\_\_\_

**Bless Hui Pharma Inc.**

By:  \_\_\_\_\_

Name & Title: \_\_\_\_\_

By: \_\_\_\_\_

Name & Title: \_\_\_\_\_

FORM 86

NOTICE OF INTENTION TO ENFORCE A SECURITY  
(Rule 124)

TO: BLESS HUI PHARMA INC., an insolvent person

TAKE NOTICE THAT:

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

"As described in the attached Security Agreement"

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

3. The total amount of indebtedness secured by the security is \$878,397.80 together with interest and costs.



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

DATED at Toronto, this 25<sup>th</sup> day of August, 2020.

CWB MAXIUM FINANCIAL

Per: 

Benjamin Wyett  
Vice President - Portfolio

		REGISTERED DOMESTIC CUSTOMER RECEIPT	RECOMMANDE RÉGIME INTÉRIEUR REÇU DU CLIENT	
To / Destinataire Bless Hui Pharma		FOR DELIVERY CONFIRMATION www.canadapost.ca or/ou www.postesbmiada.ca		
Address / Adresse 280 Spadina		1 888 550-6333		
City / Prov. / Postal Code Toronto		CPC Tracking Number / Numéro de repérage de la SCP		
Declared Value / Valeur déclarée \$		RN 293 737 723 CA		
33-086-584 (14-06)		Enforce		

**CWB Maxium Financial Inc.**

30 Vogell Road, Suite 1  
 Richmond Hill, Ontario L4B 3K6  
 cwbmaxium.com

**General Security Agreement**

Customer: **Bless Hui Pharma Inc.**

Date: March 28, 2017

**SECURITY INTEREST**

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

**INDEBTEDNESS AND LIABILITY SECURED**

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

**1. DEFINITIONS OF COLLATERAL**

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

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

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

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

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

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

**2. ACCOUNTS**

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

**3. INVESTMENT PROPERTY**

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

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

**4. PROCEEDS**

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

**5. INCOME AND INTEREST ON INVESTMENT PROPERTY**

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

**6. COSTS AND EXPENSES**

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

**7. FREE AND CLEAR**

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

**8. INSURANCE**

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

**9. LOCATION OF COLLATERAL**

You will keep the Collateral at the location or locations set out on Schedule A. You will not remove the Collateral from this location (except in the ordinary course of your business) without

our prior written consent. If no location is set out on Schedule A, you will keep the Collateral at the address shown below your signature to this Agreement.

#### 10. LIMITATION ON OBLIGATIONS OF CWB MAXIMUM

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

#### 11. REPRESENTATIONS AND WARRANTIES

You hereby represent and warrant to us that:

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

#### 12. REPORTING

You will:

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

#### 13. POSITIVE COVENANTS

You agree to:

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

- (d) maintain, protect and preserve the Collateral in good repair and working condition;
- (e) provide such security as we may require;
- (f) continue to carry on, and maintain in good standing, the business being carried on by you at the date hereof;
- (g) permit us or our authorized representatives full and reasonable access to your premises, business, financial and computer records and allow the duplication or extraction of pertinent information therefrom;
- (h) notify us in writing at least 20 days prior to any change of your name; and
- (i) notify us in writing promptly of any significant loss of or damage to the Collateral; and
- (j) between Bless Hui Pharma Inc. and St. Mary Theotokos Pharma Inc., maintain a combined consolidated Debt Service Coverage Ratio ("DSC Ratio") of at least 1.25x, as at each fiscal year end (where "DSC Ratio" means the ratio of:
  - (a) as the numerator, the consolidated earnings before interest expenses and other bank charges, amortization and depreciation, any other non-cash expenses, any realized gains and/or losses from the sale of any investments, property or other assets, non-arm's length management fees and salaries paid to related parties and income taxes for the twelve-month period ending at the given fiscal year end, divided by:
  - (b) as the denominator, the aggregate sum of all bank charges and all principal and interest payments for all debt and capital lease obligations during the twelve-month period for the given fiscal year.)

Bless Hui Pharma Inc. and St. Mary Theotokos Pharma Inc., also agree (i) to report the DSC Ratio and related calculations to us as part of the financial reporting required under clause 12 (a) and (ii) that all calculations in connection with the DSC Ratio shall be subject to our review, approval and adjustments acting in our sole discretion.

#### 14. NEGATIVE COVENANTS

You will not:

- (a) create, incur, assume, or suffer to exist, any mortgage, deed of trust, pledge, lien, security interest, assignment, charge, or encumbrance (including without limitation, any conditional sale, or other title retention agreement, or finance lease) of any nature, upon or with respect to the Collateral, or sign or file under the *Personal Property Security Act* (Ontario) (the "PPSA") or similar registry system of any jurisdiction a financing statement which names you as a debtor, or sign any security agreement authorizing any secured party thereunder to file such financing statement creating a security interest in the Collateral;
- (b) if you are a corporation, a partnership or a sole proprietorship, as the case may be, permit any change of ownership or change your capital structure without our prior written consent, such consent not to be unreasonably withheld;
- (c) transfer your interest in any part of the Collateral not expressly permitted under this Agreement or change the location(s) of the Collateral without our prior written consent;
- (d) make any investment in or acquisition of, or provide any guarantee or other financial assistance to, any other business entity or person without our prior written consent; or
- (e) make any payments or distributions including but not limited to dividends, redemption or retraction payments or any other amounts in respect to any of your common shares, preferred shares or any other outstanding capital stock if there is an outstanding default or Event of Default, or any such payment causes a default or an Event of Default.

#### 15. DEFAULT

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

- (a) you or any other person liable for the Obligations is in default under any agreement relating to the Obligations or any part thereof;
- (b) you or any other person liable for the Obligations is in default under any other loan, debt or obligation owed to anyone else, subject to the passage of any applicable grace period;
- (c) you fail to perform any of the terms or conditions of this Agreement or any other agreement between you and us;
- (d) you become insolvent or bankrupt or make an assignment for the benefit of creditors or consent to the appointment of a trustee or receiver, or a trustee or receiver shall be appointed for you or for a substantial part of your property without your consent;
- (e) bankruptcy, reorganization or insolvency proceedings shall be instituted by or against you;
- (f) any statement made by you to induce us to extend credit to you was false in any material respect when made, or becomes false;
- (g) anyone takes possession of or applies to any court for possession of the Collateral, or anyone claims to have rights in the Collateral superior to our rights;
- (h) if you are an individual, you are declared incompetent by a court, or you die, or, if you are a partnership, a partner dies;



- (i) you pledge, encumber, mortgage or otherwise create or permit the continued existence of any lien or any other interest or claim including any proprietary or trust interest or encumbrance claimed by any third party with respect to any of the Collateral, except for any lien granted by you in our favour;
- (j) you incur any indebtedness for borrowed money (including, without limitation, by guaranteeing the obligations of others) outside of the ordinary course of business;
- (k) you fail to deliver to us on a timely basis the financial information required by any agreement between us; or
- (l) if in the event that the landlord exercises the demolition option contained in section 20.6 of the lease dated July 4<sup>th</sup>, 2011 and section 4 of the lease renewal dated July 5, 2016 then the entirety of the indebtedness secured hereunder shall become due and payable within 3 months of the lease termination date;
- (m) any other event occurs which causes us in good faith, to deem ourselves insecure, or to believe that the Collateral or any part thereof, or the value thereof, is or is about to be placed in jeopardy.

#### 16. REMEDIES

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

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

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

#### 17. POWER OF ATTORNEY

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

#### 18. NON WAIVER BY US

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

#### 19. DEALING WITH SECURITY INTEREST

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

#### 20. PAY ENCUMBRANCES

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

the highest rate per annum charged by us on the Obligations and shall be secured by this Agreement.

#### 21. PAYMENTS

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

#### 22. DEFINITIONS

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

#### 23. CONTINUING EFFECTIVENESS

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

#### 24. ACKNOWLEDGEMENT & WAIVER

You acknowledge receipt of a copy of this Agreement. You waive any right you may have to receive a copy of any financing statement, verification statement, or similar document we register or that we may receive by way of confirmation of a security registration in respect of this Agreement or any agreement amending, supplementing or replacing it.

#### 25. SUCCESSORS AND ASSIGNS

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

#### 26. NOTICES

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

#### 27. DISCHARGE

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

#### 28. ENTIRE AGREEMENT

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

#### 29. NO MERGER

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

#### 30. FURTHER ASSURANCES

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

#### 31. GOVERNING LAW

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

Bless Hui Pharma Inc.

BY:

Name: Diep N. Nguyen

Title: President/Secretary/Treasurer

Address: 280 Spadina Ave., Toronto, ON M5T 0A1

Security Agreement

BY:

Name: JOHN GERGIES

Title: PRESIDENT





## Registered Letter

Tuesday August 25<sup>th</sup>, 2020

Diep Nguyen  
 Personal and Confidential  
 309 – 2088 Lawrence Avenue, West  
 North York, Ontario M9N 3Z9

**RE: Bless Hui Pharma Inc.**  
**Amount: \$878,397.80**

Dear Sir:

Please be advised that the subject Bless Hui Pharma Inc. are in arrears in the amount of \$11,575.24 and are accordingly deemed to be in default. A Demand for payment was issued to Bless Hui Pharma Inc. on August 25<sup>th</sup>, 2020. A personal Guarantee was executed by you on March 28<sup>th</sup>, 2017 to support the outstanding debt of Bless Hui Pharma Inc. a copy of which is herewith attached for your information.

We are now demanding payment in full in the amount of \$878,397.80 which represents the total amount owing for all contracts.

If payment in full has not been received by Friday September 4<sup>th</sup>, 2020 CWB Maxium Financial will have no other alternative than to proceed with the necessary legal action.

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

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

**TIME IS NOW OF THE ESSENCE. GOVERN YOURSELF ACCORDINGLY.**

Regards

Benjamin Wyatt  
 Vice President - Portfolio  
 Attachments



**REGISTERED  
 DOMESTIC**  
 CUSTOMER RECEIPT

**RECOMMANDÉ  
 RÉGIME INTÉRIEUR**  
 REÇU DU CLIENT



To / Destinataire		FOR DELIVERY CONFIRMATION / CONFIRMATION DE LA LIVRAISON	
Name / Nom	Diep Nguyen	See / canadapost.ca or/ou	www.postescanada.ca
Address / Adresse	309-2088 Lawrence Ave W	1 888 550-6333	
City / Prov. / Postal Code	North York	CPC Tracking Number / Numéro de suivi de la BCP	
Declared Value / Valeur déclarée	\$ Guarantee / Bless Hui Pharma	RN 293 737 737 CA	

CWB Maxium Financial Services Inc.  
Guaranteee

# 1. CUSTOMER GUARANTEED

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

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

**Bless Hui Pharma Inc.**

# 2. OBLIGATIONS GUARANTEED

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

# 3. THE NATURE OF YOUR LIABILITY

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

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

# 4. CWB MAXIMUM NOT LIABLE

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

# 5. TERMINATING FURTHER LIABILITY

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

# 6. NO SETOFF OR COUNTERCLAIM

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

# 7. REINSTATEMENT

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

# 8. APPLICATION OF MONEYS RECEIVED

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

# 9. EXHAUSTING RECOURSE

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

# 10. INDEMNITY

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

# 11. POSTPONED SUBROGATION

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

# 12. COSTS AND EXPENSES

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

# 13. ASSIGNMENT AND POSTPONEMENT OF CLAIMS

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

# 14. CONSENT TO DISCLOSE INFORMATION

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

# 15. ASSIGNMENT OF OBLIGATIONS

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

# 16. GOVERNING LAW

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

# 17. GENERAL

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

# 18. FURTHER ASSURANCES

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

# 19. DEFINITIONS

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

Dated this 28 day of March 2017

IN WITNESS WHEREOF:

BY:

Name:

Guaranteee

BY:

Diep N. Nguyen

**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

**AFFIDAVIT**

**MILLER THOMSON LLP**

Scotia Plaza

40 King Street West, Suite 5800

P.O. Box 1011

Toronto, ON Canada M5H 3S1

Jeffrey C. Carhart, LSO#: 40947B

Email: jcarhart@millerthomson.com

Asim Iqbal, LSO#: 61884B

Email: aiqbal@millerthomson.com

Tamie Dolny, LSO#: 77958U

Email: tdolny@millerthomson.com

Lawyers for the Applicants

# TAB 3

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-

2503338 ONTARIO INC., 4231 SHEPPARD AVENUE EAST INC., 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., 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

APPLICATION UNDER SUBSECTION 243(1) 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. C-43, AS AMENDED

## **AFFIDAVIT OF EDWARD HOPKINSON**

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

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

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

3. This Affidavit is sworn in support of an application for an order in the form attached at Tab 3 of the Application Record, among other things, appointing msi Spergel Inc. (“**Spergel**” or the “**Receiver**”) as receiver and manager of all of the assets, undertakings, and properties (collectively, the “**Property**”) of the Respondents (also sometimes hereinafter referred to collectively as the “**Debtors**” and individually as a “**Debtor**”) pursuant to section 243(1) of the *Bankruptcy and Insolvency Act* (Canada) 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 PARTIES**

#### *The Lender*

4. The Lender is a financial institution offering a broad range of financial services to a variety of industries, including pharmacies. In or around March of 2016, Canadian Western Bank Group announced the completion of its acquisition of the business of Maxium Financial Inc. and Desante

Financial Services Inc. (collectively, the “**Maxium Group**”). The Maxium Group now operates collectively as “CWB Maxium Financial Inc.”

### *The Debtors*

5. Each of the Debtors owns or operates a pharmacy, or owns the real estate on which a pharmacy is or was located. According to the Lender’s records, below are each of the Debtors and their respective directors, officers and shareholders:

<b>Entity</b>	<b>Directors</b>	<b>Officers</b>	<b>Shareholders</b>
1. 4231 Sheppard Avenue East Inc. (“ <b>Debtor 1</b> ”)	John Gerges - Director	John Gerges – President, Secretary, Treasurer	100% John Gerges
2. Bless Jimmy’s Pharma Inc. (“ <b>Debtor 2</b> ”)	John Gerges - Director	John Gerges- President Gamal Gerges- Secretary Xuzan Nana - Treasurer	51% John Gerges 19% Gamal Gerges 10% Selvia Gerges 10% Sally Gerges 10% Suzan Nana
3. Bless Pharma Inc. (“ <b>Debtor 3</b> ”)	John Gerges – Director	John Gerges – President, Secretary, Treasurer	51% John Gerges 49% Gamal Gerges
4. JG Windsor Inc. (“ <b>Debtor 4</b> ”)	John Gerges – Director	John Gerges – President, Secretary, Treasurer	100% John Gerges
5. Jimmy’s Group Investors Inc. (“ <b>Debtor 5</b> ”)	Gamal Gerges - Director	Gamal Gerges – President Sally Gerges – Treasurer Selvia Gerges – Secretary	51% John Gerges 19% Gamal Gerges 10% Selvia Gerges 10% Sally Gerges 10% Suzan Nana
6. JM Westview Pharma Inc. (“ <b>Debtor 6</b> ”)	Diep Nguyen - Director	Diep Nguyen – President, Secretary, Treasurer	100% John Gerges
7. Jubilee Property Investments Inc. (“ <b>Debtor 7</b> ”)	John Gerges - Director	John Gerges – President, Secretary, Treasurer	100% John Gerges
8. Maple Medi Pharma Inc. (“ <b>Debtor 8</b> ”)	Chun-Ho Chan – Director	Chun-Ho Chan – President, Secretary, Treasurer	90% John Gerges 10% Chun-Ho Chan
9. River Hill Pharmacy Ltd. (“ <b>Debtor 9</b> ”) <sup>1</sup>	Diep Nguyen – Director	Diep Nguyen – President, Secretary, Treasurer	100% John Gerges

<sup>1</sup> The Lender entered into the promissory note in respect of the loan to Debtor 9 with Bless River Pharma Inc., a predecessor by amalgamation of Debtor 9.



Entity	Directors	Officers	Shareholders
10. S&J Property Investors Inc. ( <b>“Debtor 10”</b> )	Gamal Gerges – Director	Gamal Gerges – President, Secretary, Treasurer	51% John Gerges 49% Gamal Gerges
11. SJ Colborne Pharma Inc. ( <b>“Debtor 11”</b> )	Samir Shenoda – Director	Samir Shenoda – President, Treasurer, Secretary	50% John Gerges 50% Samir Shenoda
12. Toronto Apothecary Pharma Inc. ( <b>“Debtor 12”</b> )	Diep Nguyen – Director	Diep Nguyen – President, Secretary, Treasurer	100% John Gerges
13. Toronto Surrey Pharma Inc. ( <b>“Debtor 13”</b> ) <sup>2</sup>	John Gerges – Director Diep Nguyen – Director	Diep Nguyen – President, Secretary, Treasurer	100% John Gerges
14. Westway Holdings Inc. ( <b>“Debtor 14”</b> ) <sup>3</sup>	Ramapathy Ramachandran – Director	N/A	95% John Gerges 5% Ramapathy Ramachandran
15. Resident Medical Group Inc. ( <b>“Debtor 15”</b> )	Linh Tran – Director	Selvia Gerges – President, Secretary, Treasurer	50% Selvia Gerges 50% Sally Gerges
16. Stoney Creek Pharma Inc. ( <b>“Debtor 16”</b> )	Diep Nguyen – Director	Diep Nguyen – Treasurer, President, Secretary	100% - Diep Nguyen
17. SJ East Pharma Inc. ( <b>“Debtor 17”</b> )	Diep Nguyen – Director	Diep Nguyen – President, Secretary, Treasurer	100% - Diep Nguyen
18. Abu Seifein Brimley Pharma Inc. ( <b>“Debtor 18”</b> )	Sandra Yousef – Director	Sandra Yousef – President, Secretary, Treasurer	100% - Sandra Yousef
19. St. Mary Theotokos Pharma Inc. ( <b>“Debtor 19”</b> )	John Gerges – Director Diep Nguyen - Director	John Gerges – President, Secretary Diep Nguyen - Treasurer	100% Diep Nguyen
20. Olde Walkerville Holdings Inc. ( <b>“Debtor 20”</b> )	Ramachandran Ramapathy – Director	Ramachandran Ramapathy – President, Secretary, Treasurer	90% - Ramachandran Ramapathy <sup>4</sup>

<sup>2</sup> A Guarantee in favour of the Lender for Debtor 13 is from its predecessor entity Surrey Drug Mart Ltd.

<sup>3</sup> A Guarantee in favour of the Lender for Debtor 14 is from its predecessor entity St. Marina and St. Abraam Ltd.

<sup>4</sup> The shareholdings of Debtor 20 are unclear, but the Lender’s records show that Ramachandran Ramapathy holds at least 90% of the shares.



6. John Gerges is one or more of the following in connection with Debtors 1 – 19:

- (a) a director (for Debtors 1 – 4, 7, 13 and 19);
- (b) an officer (for Debtors 1 – 4, 7 and 19);
- (c) a sole or significant (50% or more) shareholder (for Debtors 1 – 14); or
- (d) a Guarantor (as defined below) (for Debtors 1 – 16 and 18 – 19).

7. I have been further advised by Ramachandran Ramapathy, the sole director of Debtor 20, that John Gerges acts as a representative for Debtor 20 and is authorized to communicate to the Lender on behalf of Debtor 20.

8. Copies of corporate profile reports of the Debtors are attached as **Exhibit A**.

9. The individuals and corporations listed below provided guarantees in respect of the Loans pursuant to unlimited guarantees (the “**Guarantors**”). The specifics of which Loans are guaranteed by each of the Guarantors is set out in paragraph 11 below:

- (a) The corporate Guarantors are:
  - (i) 2503338 Ontario Inc. (“**250**”) (John Gerges is the sole director and officer of 250);
  - (ii) St. Mary Cooksville Pharma Inc. (“**SMCPI**”) (Sandra Youssef is the sole director and officer; according to the Lender’s records, 100% of the shares of SMCPI is held by Sandra Youssef);
  - (iii) Debtors 1 - 3;
  - (iv) Debtor 5;
  - (v) Debtors 12 – 13; and
  - (vi) Debtor 15.

(b) The personal Guarantors are:

- (i) John Gerges;
- (ii) Sandra Youssef (“**Sandra Youssef**”);
- (iii) Gamal F. Gerges (“**Gamal Gerges**”);
- (iv) Selvia G. Gerges (“**Selvia Gerges**”);
- (v) Sally Gerges (“**Sally Gerges**”);
- (vi) Chun-Ho Chan (“**Chun-Ho Chan**”);
- (vii) Samir Shenoda (“**Samir Shenoda**”);
- (viii) Ramachandran Ramapathy (“**Ramachandran Ramapathy**”);
- (ix) Diep Nguyen (“**Diep Nguyen**”); and
- (x) Chin-To Yuen (“**Chin-To Yuen**”).

10. Copies of the guarantees executed by the Guarantors are attached as **Exhibit B**.

## **THE LOANS**

11. Between 2015 and 2019, the Lender extended the following loans to the Debtors, which are evidenced by promissory notes in favour of the Lender (the “**Loans**”). The table below sets out the Debtor, the Guarantors and the principal amount of each of the Loans. The aggregate principal

amount of approximately \$25,907,513.06, plus unpaid and accruing interest, costs and fees until the date of repayment is outstanding under the Loans:

<b>EXECUTION DATE(S)</b>	<b>LENDER</b>	<b>DEBTOR</b>	<b>CORPORATE GUARANTORS</b>	<b>PERSONAL GUARANTOR</b>	<b>ORIGINAL LOAN PRINCIPAL AMOUNT</b>
October 21, 2019	CWB	Debtor 1	Debtor 15	John Gerges	\$260,450.00
March 15, 2015	195	Debtor 2	Debtor 5, Debtor 3	John Gerges, Selvia Gerges and Gamal Gerges	\$750,450.00
June 3, 2019	CWB	Debtor 3	Debtor 10, Debtor 12	John Gerges and Gamal Gerges	\$518,331.96
May 27, 2015	CWB	Debtor 4	Bless JG Pharma Inc. <sup>5</sup>	John Gerges	\$410,847.50
March 15, 2015	195	Debtor 5	Debtor 2, Debtor 3	John Gerges, Selvia Gerges and Gamal Gerges	\$475,450.00
August 2, 2018	CWB	Debtor 6	N/A	John Gerges	\$762,022.01
November 5, 2017	CWB	Debtor 7	Debtor 15, Debtor 3	Selvia Gerges, Sally Gerges and John Gerges	\$300,450.00
May 25, 2018	CWB	Debtor 8	Debtor 3	John Gerges and Chun-Ho Chan	\$1,590,450.00
August 28, 2015	CWB	Debtor 9	N/A	John Gerges	\$150,000.00
August 28, 2015	CWB	Debtor 9	N/A	John Gerges	\$953,597.50
June 3, 2019	CWB	Debtor 10	Debtor 3	John Gerges and Gamal Gerges	\$497,064.09
December 24, 2019	CWB	Debtor 11	N/A	Samir Shenoda and John Gerges	\$3,075,450.00
March 11, 2016	CWB	Debtor 12	250, Debtor 13, Debtor 3	John Gerges	\$720,450.00
March 30, 2016	CWB	Debtor 13	Debtor 12, Surrey Drug Mart Ltd. <sup>6</sup>	John Gerges	\$950,450.00
January 22, 2018	CWB	Debtor 14	St. Marina & St. Abraam Ltd. <sup>7</sup>	Ramachandra Ramapathy and John Gerges	\$900,450.00
February 26, 2016	CWB	Debtor 15	Debtor 1, Debtor 3, Debtor 10	Sally Gerges, Selvia Gerges and John Gerges	\$730,450.00

<sup>5</sup> Bless JG Pharma Inc. is not a respondent to this application.

<sup>6</sup> Surrey Drug Mart Ltd. is a predecessor entity of Debtor 13.

<sup>7</sup> St. Marina & St. Abraam Ltd. is a predecessor entity of Debtor 14.

EXECUTION DATE(S)	LENDER	DEBTOR	CORPORATE GUARANTORS	PERSONAL GUARANTOR	ORIGINAL LOAN PRINCIPAL AMOUNT
March 2, 2017	CWB	Debtor 15	Debtor 1, Debtor 3, Debtor 10	Sally Gerges, Selvia Gerges and John Gerges	\$1,050,450.00
September 30, 2017	CWB	Debtor 15	Debtor 1, Debtor 3, Debtor 10	Sally Gerges, Selvia Gerges and John Gerges	\$1,800,450.00
August 18, 2016	CWB	Debtor 16	N/A	Diep Nguyen and John Gerges	\$1,725,450.00
July 25, 2017	CWB	Debtor 17	Debtor 16	Diep Nguyen	\$2,465,450.00
April 11, 2019	CWB	Debtor 18	SMCPI	John Gerges and Sandra Youssef	\$1,780,450.00
August 18, 2016	CWB	Debtor 19	N/A	Diep Nguyen and John Gerges	\$1,300,450.00
October 22, 2018	CWB	Debtor 20	N/A	Ramachandran Ramapathy and Chin-To Yuen	\$2,738,450.00
<b>TOTAL</b>					<b>\$25,907,513.06</b>

12. As security for the Debtors' respective obligations to the Lender, each of the Debtors granted a security interest in all of its assets, property, and undertaking pursuant to a general security agreement (collectively, the "**General Security Agreements**"). It is a term of each of the General Security Agreements that the Lender is entitled to appoint a receiver upon the occurrence of an event of default thereunder.

13. As additional security, the following Debtors granted charges in favour of the Lender against certain owned real property as described below (collectively the "**Mortgages**" and individually a "**Mortgage**"):

- (a) Debtor 1 granted a mortgage in favour of the Lender in the principal amount of \$400,000 against the real property municipally known as 4231 Sheppard Avenue East, Unit 41, Toronto, Ontario;
- (b) Debtor 4 granted a mortgage in favour of the Lender in the principal amount of \$410,000, against the real property municipally known as 2780 Totten Street, Windsor, Ontario;

- (c) Debtor 5 granted a mortgage in favour of the Lender in the principal amount of \$1,350,000.00 against the real property municipally known as 255 Broadview Avenue, Toronto, Ontario;
- (d) Debtor 7 granted a mortgage in favour of the Lender in the principal amount of \$399,000 against the real property municipally known as 280 West Beaver Creek Road, Unit 11, Richmond Hill, Ontario; and
- (e) Debtor 10 granted a mortgage in favour of the Lender in the principal amount of \$1,400,450 against the real property municipally known as 721 Gerrard St. E. Toronto.

14. Copies of the promissory notes evidencing the Loans, the General Security Agreements and the Mortgages are attached as **Exhibit C** (collectively, the “**Loan and Security Documents**”).

15. It is a term of each of the promissory notes signed by the Debtors that upon the occurrence of any of the following events, the Lender is entitled to demand repayment of the indebtedness owing by such Debtor:

- (a) a default in making any payment when due under the applicable promissory note or any other agreement between the applicable Debtor and the Lender;
- (b) a default occurs under any agreement under which indebtedness is owing or guaranteed by the Debtor; or
- (c) any circumstance changes or any event occurs which has or could have a material adverse effect on the Debtor’s financial condition, business, assets, properties or prospects.

16. The Lender registered a financing statement against each of the Debtors pursuant to the *Personal Property Security Act* (Ontario) (the “**PPSA**”). Copies of the Enquiry Response Certificates for each of the Debtors (the “**PPSA Searches**”) are attached as **Exhibit D**.

17. The PPSA Searches of certain of the Debtors<sup>8</sup> indicate that there are registrations prior in time to the Lender's registration in favour of McKesson Canada Corporation and/or Kohl & Frisch Limited. My understanding is that these two companies are suppliers of pharmaceutical drugs, and they typically hold security in the inventory that they supply to pharmacies.

## DEBTORS IN DEFAULT OF LOAN AND SECURITY DOCUMENTS

### *Criminal Charges*

18. The Lender was aware that, in and around September of 2015, John Gerges had been subject to professional misconduct proceedings by the Ontario College of Pharmacists (the "**College**") for what, in the Lender's view, were relatively minor infractions. In connection with the 2015 infractions, a discipline committee of the College imposed an order against John Gerges which, among other things, included a reprimand, a suspension for five (5) months and certain conditions and limitations on John Gerges' certificate of registration as a pharmacist (the "**Discipline Order**"). A copy of the Discipline Order is attached hereto at **Exhibit E**.

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

20. In addition to John Gerges' arrest, the York Regional Police also recovered more than \$500,000 in opioid pills, an illegal handgun, and \$200,000 in cash during their investigation. News articles published by the Canadian Broadcasting Corporation, the Windsor Star, the Toronto City News, Newstalk 1010 and the Toronto Sun between January 22, 2020 and January 23, 2020, detailing the overall investigation, John Gerges' Criminal Charges and John Gerges' alleged involvement in the opioid trafficking ring, are attached as **Exhibit F**.

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<sup>8</sup> Debtors 2 – 3, 8 – 9, 11 – 12, 14 – 17 and 19 – 20.

21. Sandra Youssef was also charged in the investigation with possession for the purpose of trafficking a Schedule 1 substance and possession of a forged document with intent. Ms. Youssef is married to John Gerges and is a Guarantor to certain of the Loans (as detailed above).

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

23. Given the nature of the Debtors’ business, the Lender determined that the magnitude and significance of the Criminal Charges constituted a default under the terms of the Loan and Security Documents as a material adverse effect.

24. The Lender, through its counsel, sent a default letter to Debtors 1 – 14 and each applicable Guarantor on March 3, 2020 (collectively, the “**Default Letters**”). A copy of each of the Default Letters is attached as **Exhibit G**. The Default Letters were hand delivered through a process server.

25. Following the issuance of the Default Letters, until the Lender’s decision to seek the appointment of a Receiver, the Lender continued to work with the Debtors to address the Lender’s concerns. Of primary concern to the Lender was John Gerges’ involvement with the Debtors, given the Criminal Charges.

26. As is further described below, the Lender worked with John Gerges and Debtors 1 – 19 to address the Lender’s concerns through a series of divestiture transactions whereby John Gerges’ interest would be transferred to related and unrelated third parties acceptable to, among other, the Lender.

## ***Failed Attempts at Consensual Resolution***

### *First Divestiture Program*

27. In and around April 1, 2020, Debtors 1 – 19 sought the Lender’s consent for a plan (the “**First Divestiture Program**”) to divest John Gerges’ interest in certain of Debtors 1 – 19 to a third party that was known and acceptable to the Lender. The Lender was agreeable to the First Divestiture Program and obtained credit approval for a series of transactions that formed part of the First Divestiture Program. However, certain of Debtors 1 – 19 later advised the Lender that the First Divestiture Program was no longer viable as the third party purchaser no longer wished to pursue it.

### *Second Divestiture Program*

28. After the First Divestiture Program failed, in and around early June of 2020, Debtors 1 – 19 sought the Lender’s consent for a proposal that included a sale of the shares held by John Gerges to a number of third parties (the “**Second Divestiture Program**”). The Lender, in consultation with Spergel, expended significant time and resources to evaluate the transactions comprising the Second Divestiture Program.

29. As part of its due diligence, the Lender identified certain adverse impacts on the Lender’s security position that would result from the Second Divestiture Program. John Gerges proposed to provide the Lender additional collateral, being the pledge of the shares of an asset owned by a certain pharmacy entity, known as a “pre-1954 Charter Pharmacy.”<sup>9</sup> At the time of the proposal, I believed John Gerges had authority to propose the “pre-1954 Charter Pharmacy” as additional collateral to support the applicable Loans.

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<sup>9</sup> Under section 142(1) of the *Drug and Pharmacies Regulation Act* (Ontario), R.S.O. 1990 (the “**DPRA**”), pharmacies must be owned and operated by a pharmacist or a corporation where the majority of the directors of the corporation are pharmacists unless the pharmacy is a “pre-1954 Charter Pharmacy”. Pursuant to section 142(4) of the DPRA, a “pre-1954 Charter Pharmacy” has the benefit of not being required to have the majority of its shares owned by a pharmacist or in the name of a pharmacy health profession corporation that is registered with the Ontario College of Pharmacists. I understand that a “pre-1954 Chart Pharmacy” has significant enhanced value due to these benefits.



30. In light of the additional collateral, the Lender was agreeable to the Second Divestiture Program. The Lender prepared a draft agreement in connection with the Second Divestiture Program, which was sent to counsel for Debtors 1 – 19 on or about July 16, 2020.

31. The Lender approached the conclusion of a potential agreement with Debtors 1 – 19 in the summer of 2020. However, the Lender was later informed that John Gerges did not own the pre-1954 Charter Pharmacy that he initially proposed as additional collateral, and that the collateral was no longer available.

32. Despite this setback and the time and resources the Lender expended based on John Gerges' earlier representations, the Lender continued to work with John Gerges and Debtors 1 – 19 to consensually address the Lender's concerns.

33. In subsequent discussions, John Gerges then proposed certain real estate as additional collateral to cover the potential shortfall in exchange for the Lender's consent to the Second Divestiture Program. The Lender was agreeable to the replacement real estate collateral and again pursued a formal agreement. Similar to the pre-1954 Charter Pharmacy, after the Lender expended time and resources, the Lender was informed that the additional real estate collateral was also no longer available.

34. Despite months of efforts, no significant process toward a viable agreement was made. The Lender had experienced a pattern of behavior where representations or proposals are made by John Gerges to address the Lender's concerns only for the Lender to be later told that such proposal is no longer available.

*Demand Letters and Engagement of Spergel*

35. The Lender, through its counsel, demanded repayment of all of the indebtedness owing by Debtors 1 – 19 and the applicable Guarantors on or about the following dates:

- (a) **August 7, 2020:** Debtors 1 – 14;
- (b) **August 24, 2020:** Debtors 15 – 17; and

(c) **September 3, 2020:** Debtor 18 and Debtor 19.

36. On or about August 17, 2020, the Lender issued a letter to Debtor 20 and the applicable Guarantors declaring the occurrence of an event of default for failing to make a required payment and demanding repayment of the indebtedness (and with the above correspondence, the “**Demand Letters**”).

37. In conjunction with each of the Demand Letters, the Lender issued Notices of Intention to Enforce Security under Section 244 of the BIA (the “**NITES**”). Copies of the Demand Letters and NITES issued to each of the Debtors are attached as **Exhibit H**.

38. The Demand Letters issued on August 7, 2020 in respect of Debtor 6, Debtor 12 and Debtor 9 referenced additional defaults arising from the termination of a certain Telus Provider Agreement (as defined below).

39. Following the Demand Letters, the Lender, with the consent of Debtors 1 – 19, engaged Spergel to review and report on the financial and operational performance of Debtors 1 – 19 and to evaluate the Lender’s security position.

40. Through the engagement of Spergel, among other things, the Lender became aware of the termination of additional Telus Provider Agreements and the Insurance Defaults (defined and described below). Spergel has also liaised with Debtors 1 - 19 and assisted the Lender in evaluating the different options John Gerges presented to the Lender. To date, all of the options presented later became unavailable or were terminated by third parties.

#### ***Termination of Telus Provider Agreements***

41. The operating Debtors have provider agreements with TELUS Health Inc. (“**Telus Provider Agreements**”). The Lender has significant experience providing financial services to pharmacies and, in the Lender’s view, the Telus Provider Agreement is a material contract.

42. A Telus Provider Agreement allows a pharmacist to electronically process payments with the applicable insurance company when filling prescriptions. Without a Telus Provider Agreement,

patients are required to pay the full amount of a prescription and seek reimbursement from the applicable insurance providers including Canada Life, Sun Life Financial, Equitable Life, and several other prominent insurance carriers. In plain terms, if a pharmacy loses a Telus Provider Agreement, it loses the ability to attract customers who have insurance coverage with the insurers in question.

43. Since the Criminal Charges, TELUS Health Inc. has terminated the Telus Provider Agreements of 8 Debtors out of the 19 Debtors, being Debtor 6, Debtor 9, Debtor 12, Debtor 14 and Debtors 16 - 19.

44. By written correspondence on August 7, 2020, August 24, 2020, September 3, 2020 and October 15, 2020, the Lender notified the applicable Debtors that the termination of the Telus Provider Agreements constituted a material adverse effect and a default under the terms of the applicable Loan and Security Documents.

45. In light of the Criminal Charges and other disciplinary proceedings of the College as referenced in this Affidavit, I believe that, without the benefit of a stay of proceedings, the Debtors' remaining Telus Provider Agreements are at risk of termination.

### ***Insurance Defaults***

46. On or about September 30, 2020, the Lender was informed by its insurance administrator that the liability insurance policies of certain of the Debtors were cancelled – namely Debtors 1, 8, and 12 to 18. Such Debtors continued to operate despite the cancelled policies of liability insurance. A failure to maintain adequate insurance is an event of default under the General Security Agreements. At the time such Debtors were extended credit by the Lender, such Debtors had adequate liability insurance.

47. This was the first time I became aware of the Insurance Defaults. Upon further internal investigation, I then learned that the previous insurance administrator for the Lender had been informed by the applicable Debtors' insurance company that the insurance policies of each of Debtors 1 – 5, 8, and 12 – 19 had been cancelled (the “**Insurance Defaults**”). Through inadvertence, this communication was not the subject of further action by the Lender at that time.

48. Immediately upon becoming aware of the lack of insurance, I informed my counsel of the Insurance Defaults and a letter was sent to the relevant Debtors on October 14, 2020 declaring a further default under the Loan and Security Documents. I note that under the terms of the relevant promissory notes, any failure, delay or omission on the Lender's part to enforce any rights or remedies thereunder shall not be a waiver of such rights or remedies.

49. On or about October 6, 2020, counsel for the Lender advised counsel for the Debtors that the above Insurance Defaults had occurred. A copy of correspondence enclosing details of the defaults committed by the Debtors is attached hereto, with highlights demarcating the references to the Insurance Defaults, at **Exhibit I**.

50. To date, John Gerges has yet to provide valid insurance policies to cure the Insurance Defaults.

### ***Payment Defaults***

51. In addition to the defaults described above, since the issuance of the Demand Letters, 15 out of the 20 Debtors have defaulted in making payments under the applicable promissory notes when due (collectively, the "**Payment Defaults**").

52. Below is a summary of the Payment Defaults:

<b>Debtor</b>	<b>Default</b>
Debtor 1	Failure to make installment payment due and payable in August 2020.
Debtor 3	Failure to make installment payment due and payable in September 2020.
Debtor 4	Failure to make installment payment due and payable in August 2020.
Debtor 6	Failed to make installment payment due and payable in August 2020, September 2020 and October, 2020.
Debtor 8	Failure to make installment payment due and payable in August 2020 and October 2020.
Debtor 9	Failed to make installment payment due and payable in August 2020, September 2020 and October 2020.
Debtor 12	Failure to make installment payment due and payable in August 2020.
Debtor 13	Failure to make installment payment due and payable in August 2020 and October 2020.
Debtor 14	Failed to make installment payment due and payable in August 2020, September 2020 and October 2020.
Debtor 15	Failed to make installment payment due and payable in August 2020, September 2020 and October 2020.

<b>Debtor</b>	<b>Default</b>
Debtor 16	Failure to make installment payment due and payable in August 2020 and October 2020.
Debtor 17	Failure to make installment payment due and payable in August 2020 and October 2020.
Debtor 18	Failure to make installment payment due and payable in August 2020 and October 2020.
Debtor 19	Failed to make installment payment due and payable in August 2020, September 2020 and October 2020.
Debtor 20	Failed to make installment payment due and payable in August 2020, September 2020 and October 2020.

53. On October 6, 2020, counsel for the Lender wrote to counsel for the Debtors advising of the occurrence of the Payment Defaults. A copy of correspondence enclosing details of the Payment Defaults for Debtors 1 - 19, with highlights demarcating the references to the Payment Defaults, is attached hereto at **Exhibit J**.

54. As noted above, Debtor 20 was notified by the Lender of its Payment Default in the demand letter sent by the Lender on or about August 17, 2020.

#### ***Summary of Defaults and Demands***

55. On or about October 15, 2020, as further communication of the events of default, counsel for the Lender sent counsel for the Debtors a comprehensive memo setting out in detail, among other things, the known events of default committed by Debtors 1 – 19. A copy of the memorandum sent by the Lender’s counsel to the Debtors’ co-counsel is attached as **Exhibit K**.

#### **ADDITIONAL CONSIDERATIONS**

56. Since the Default Letters, additional troubling events have occurred and further information has come to the Lender’s attention, which further described below.

#### ***Professional Misconduct***

57. Aside from the Criminal Charges, the College commenced new disciplinary proceedings against John Gerges on or about April 28, 2020, alleging that John Gerges, while engaged at Totten

Pharmacy in Windsor, Ontario, Jimmy's Pharmacy in Toronto, Ontario, and Pacific Pharmacy in Toronto, Ontario, committed professional misconduct by, among other things, submitting charges for drugs that were never dispensed, falsifying pharmacy records, forging prescriptions using a stolen prescription pad, failing to keep records of certain identified drugs, and submitting charges for 755 claims of drugs/products/fees in excess of allowable amounts. These disciplinary proceedings are attached as **Exhibit E**.

58. The Lender became aware of the College's new disciplinary proceedings against John Gerges following the issuance of the Default Letters. In the Lender's view, such professional misconduct – even absent the Criminal Charges – is a material adverse effect constituting a default under the Loan and Security Documents.

#### ***Failure of Second Divestiture Program***

59. Notwithstanding the Debtors' inability to post suitable additional collateral in connection with the Second Divestiture Program, the Lender continued to work with the Debtors to evaluate transactions presented by the Debtors to the Lender. In and around September 24, 2020, the Lender approved financing for new buyers of Debtor 9 and Debtor 12. However, on October 26, 2020, I was advised by Mukul Manchanda, Partner at Spergel that the transactions being evaluated by the Lender were terminated because the buyers learned that TELUS Health Inc. had extended a waiting period to reapply for a provider number from one to two years.

#### **DEBTORS' OBLIGATIONS**

60. A table setting out the specific amounts owing by each applicable Debtor as set out in the Demand Letters is as follows:

<b>Entity</b>	<b>Amount Owing</b>
Debtor 1	288,388.58
Debtor 2	432,937.01
Debtor 3	537,611.52
Debtor 4	250,875.52
Debtor 5	409,927.30
Debtor 6	603,330.23

<b>Entity</b>	<b>Amount Owning</b>
Debtor 7	276,545.36
Debtor 8	1,576,548.17
Debtor 9	605,048.87
Debtor 9	11,861.35
Debtor 10	548,827.08
Debtor 11	3,643,675.16
Debtor 12	499,313.04
Debtor 13	658,489.94
Debtor 14	853,131.97
Debtor 15	506,352.43
Debtor 15	865,677.73
Debtor 15	1,635,600.58
Debtor 16	1,312,250.32
Debtor 17	2,182,814.37
Debtor 18	1,893,573.95
Debtor 19	987,178.95
Debtor 20	2,908,586.50
<b>TOTAL</b>	<b>23,488,545.93</b>

## **APPOINTMENT OF A RECEIVER**

61. The Debtors have defaulted under the terms of each of their respective Loan and Security Documents.

62. The Lender has demanded from each Debtor repayment of the applicable amount of the Indebtedness owing by such Debtor. The Lender has issued NITES against each of the Debtors. The 10-day notice period has expired. To date, the Lender's demand for repayment remains unsatisfied and no consensual resolution has been achieved since the initial Default Letters that were sent in March, 2020.

63. Certain of the Debtors have lost their relevant Telus Agreements. Certain of the Debtors are operating without insurance. 14 of Debtors have not made payments under the Loans as they become due and payable. In the Lender's view, the Lender's collateral is at risk.

64. The Lender has lost confidence in the Debtors' ability to protect the Lender's collateral and address the Lender's concerns.




65. In the Lender's view, the Lender has witnessed a gradual deterioration of the Lender's business, eroding the Lender's security.

66. The Lender is entitled to appoint a receiver under the General Security Agreements signed by the Debtors.

67. Spergel has consented to act as Receiver.

SWORN BEFORE ME via video-conference with the deponent in the Town of Bryn Mawr, Pennsylvania, and the Commissioner in the City of Toronto, Ontario this 30<sup>th</sup> day of October, 2020

DocuSigned by:  
  
 A4011B3271544AF...

A Commissioner for taking Affidavits (*or as may be*)

Tamie Dolny

DocuSigned by:  
  
 1F437A73DB884D4...

Edward Hopkinson

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

**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

**AFFIDAVIT**

**MILLER THOMSON LLP**

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Lawyers for the Applicants

# TAB 4

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

THE HONOURABLE MR.	)	WEDNESDAY, THE
	)	
JUSTICE CAVANAGH	)	25 <sup>th</sup> 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**  
**(Add and Remove Respondent)**

THIS MOTION made by the Applicants for an Order granting leave, *nunc pro tunc*, to (a) remove 2503338 ONTARIO INC. as a Respondent, (b) add Bless Hui Pharma Inc. as a Respondent to this proceeding, and (c) amend the title of proceedings accordingly, was heard this day by judicial videoconference via Zoom at Toronto, Ontario due to the COVID-19 crisis.

ON READING the Affidavit of Edward Hopkinson sworn October 30, 2020, the Supplemental Affidavit of Edward Hopkinson sworn November 24, 2020 and on being advised

that the Respondents and Bless Hui Pharma Inc. have consented 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 Shallon Garrafa, sworn November 24, 2020;

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.

2. THIS COURT ORDERS that leave is granted, effective *nunc pro tunc* to the date of the issuance of the Notice of Application (October 5, 2020), removing 2503338 Ontario Inc. as a Respondent in these proceedings.

3. THIS COURT ORDERS that leave is granted, effective *nunc pro tunc* to the date of the issuance of the Notice of Application (October 5, 2020), adding Bless Hui Pharma Inc. as a Respondent in these proceedings.

4. THIS COURT ORDERS that the Title of Proceedings is amended and restated, as set out below, effective *nunc pro tunc* to October 5, 2020:

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

**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**  
(**ADDING AND REMOVING RESPONDENTS *NUNC PRO  
TUNC***)

**MILLER THOMSON LLP**

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Lawyers for the Applicants

# TAB 5



*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-

~~2503338 ONTARIO INC.~~, 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., 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

**CONSENT FOR AMENDMENT TO PLEADINGS**

**THE RESPONDENTS** consent to the sought amendment of the Notice of Application and the Application Record of this Application in accordance with Rule 26.02(b) of the *Rules of Civil Procedure*.

**THE PARTIES HEREBY CERTIFY**, that they are not under any legal disability, as defined by Rule 1.03 of the *Rules of Civil Procedure*, and accordingly the amendments being sought do not affect the rights of any person under a disability.

*[Signatures to follow on next page]*



Date: November 24th, 2020

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**MILLER THOMSON LLP**  
Lawyers for the applicants



Date: November 23, 2020

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**DLA PIPER LLP**  
Lawyers for certain of the respondents

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-

~~2503338 ONTARIO INC.~~, 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., 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

**CONSENT FOR AMENDMENT TO PLEADINGS**

**BLESS HUI PHARMA INC.** consents to the sought amendment of the Notice of Application and the Application Record of this Application in accordance with Rule 26.02(b) of the Rules of Civil Procedure.

**THE PARTIES HEREBY CERTIFY**, that they are not under any legal disability, as defined by Rule 1.03 of the Rules of Civil Procedure, and accordingly the amendments being sought do not affect the rights of any person under a disability.

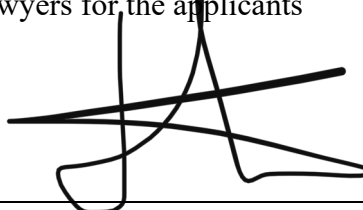
*[Signatures to follow on next page]*

Date: November 24th , 2020



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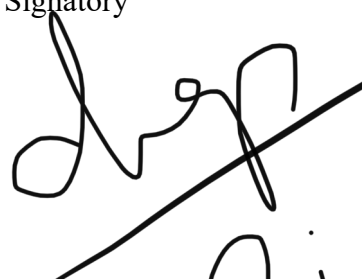
**MILLER THOMSON LLP**  
Lawyers for the applicants



Date: November 24th, 2020

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**BLESS HUI PHARMA INC.**  
John Gerges,  
Authorized Signatory



Piep  
Nguyen

**1951584 ONTARIO INC. et al.**  
Applicants

and **2503338 ONTARIO INC. et al.**  
Respondents

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

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

Proceeding commenced at [Toronto](#)

**CONSENT FOR AMENDMENT TO  
PLEADINGS**

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Lawyers for the Applicants

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Applicants

and **2503338 ONTARIO INC. et al.**  
Respondents

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

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

Proceeding commenced at [Toronto](#)

**MOTION RECORD**

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