

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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

B E T W E E N:

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

Applicants

- and -

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

Respondents

APPROVAL AND VESTING ORDER

THIS MOTION, made by msi Spergel Inc. in its capacity as the Court-appointed receiver (the “**Receiver**”) of the undertaking, property and assets of the Respondents, including Toronto Apothecary Pharma Inc. (the “**Debtor**”) for an order approving the sale transaction (the “**Transaction**”) contemplated by an agreement of purchase and sale (the “**Sale Agreement**”) between the Receiver as vendor and GSV Drugs Inc. as purchaser (the “**Purchaser**”) dated June 7, 2021 and appended to the Second Report of the Receiver dated

August 4, 2021 (the “**Second Report**”), and vesting in the Purchaser the Debtor’s right, title and interest in and to the assets described in the Sale Agreement (the “**Purchased Assets**”), was heard this day at 330 University Avenue, Toronto, Ontario, by videoconference due to the COVID-19 pandemic.

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

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

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

3. THIS COURT ORDERS AND DECLARES that upon the delivery of a Receiver’s certificate to the Purchaser substantially in the form attached as Schedule A hereto (the “**Receiver’s Certificate**”), all of the Debtor’s right, title and interest in and to the Purchased Assets described as such in the Sale Agreement shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise),

hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the “**Claims**”) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by orders of this court in this proceeding; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on Schedule B hereto, as the case may be (all of which are collectively referred to as the “**Encumbrances**”, which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule C) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

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

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

6. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver is authorized and permitted

to disclose and transfer to the Purchaser all human resources and payroll information in the Company's records pertaining to the Debtor's past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.

7. THIS COURT ORDERS that, notwithstanding:

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

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

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

Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

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



Schedule A – Form of Receiver’s Certificate

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

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

B E T W E E N:

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

Applicants

- and -

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

Respondents

RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to Orders of the Ontario Superior Court of Justice (the “**Court**”) dated November 25, 2020, January 26, 2021, February 3, 2021, and April 8, 2021, msi Spergel Inc. was appointed as the receiver (the “**Receiver**”) of the undertaking, property and assets of the Respondents, including Toronto Apothecary Pharma Inc. (the “**Debtor**”).

B. Pursuant to an Order of the Court dated August 12, 2021, the Court approved the agreement of purchase and sale made as of June 7, 2021 (the “**Sale Agreement**”) between the Receiver as vendor and GSV Drugs Inc. as purchaser (the “**Purchaser**”) and provided for the

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

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

THE RECEIVER CERTIFIES the following:

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

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

Per: _____
Name:
Title:

Schedule B – Specific Claims to be deleted and expunged from the Purchased Assets

- Any McKesson Canada Corporation security registered under *Personal Property Security Act* (Ontario) (“PPSA”) registration number 20171027 1027 1462 7422 and 20171027 1027 1462 7423.
- Any Kohl & Frisch Limited security registered under PPSA registration number 20160310 1623 1862 1545.
- Any Desante Financial Services Inc. security registered under PPSA registration number 20160211 1442 1530 3888 and 20160211 1442 1530 4092.
- Including any assignment, as the case may be.

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

(unaffected by the Vesting Order)

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

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

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
Proceeding commenced in TORONTO

APPROVAL AND VESTING ORDER
(Toronto Apothecary Pharma Inc. and GSV Drugs Inc.
transaction)

GOLDMAN SLOAN NASH & HABER LLP
480 University Avenue, Suite 1600
Toronto (ON) M5G 1V2

Brendan Bissell (LSO# 40354V)
Tel: (416) 597-6489
Email: bissell@gsnh.com

Joël Turgeon (LSO #80984R)
Tel: (416) 597-6486
Email: turgeon@gsnh.com

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