

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE

MONDAY, THE 9th

JUSTICE HAINEY

DAY OF NOVEMBER, 2020

BETWEEN:

ECN FINANCIAL INC.

Applicant

- and -

**2345760 ONTARIO INC., RANDO DRUGS LTD., 2275518 ONTARIO INC., FAMILY HEALTH
PHARMACY WEST INC. formerly known as M. BLACHER DRUGS LTD., 2501380
ONTARIO INC., 2527218 ONTARIO INC., DUMOPHARM INC., 2527475 ONTARIO INC. and
GRACE DIENA**

Respondents

**ORDER
(Sponsorship Agreement Authorization Order)**

THIS MOTION, made by KSV Restructuring Inc. ("**KSV**") in its capacity as the Court-appointed receiver (in such capacity, the "**Receiver**") of the property, assets and undertaking of Rando Drugs Ltd. ("**Rando**"), 2345760 Ontario Inc. and the other Respondents listed above (collectively, the "**Debtors**") for orders, among other things:

- a) approving the sponsorship agreement dated September 16, 2020 (the "**Sponsorship Agreement**") between the Receiver and 2775506 Ontario Inc. (the "**Sponsor**");
- b) authorizing the Receiver to enter into the Sponsorship Agreement and take all steps necessary to give effect to the transactions contemplated by it, including executing any and all documents on behalf of Rando or its board of directors in furtherance of the Proposal;
- c) authorizing the Receiver to make and file a proposal (a "**Proposal**") pursuant to Sections 50 and 62 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3



(the “**BIA**”) on behalf of Rando and permitting KSV to act as proposal trustee (in such capacity, the “**Proposal Trustee**”) upon the filing of the Proposal;

- d) declaring that the Receiver’s Charge as defined in the order of the Ontario Superior Court of Justice (Commercial List) made on December 4, 2019 (the “**Receivership Order**”) applies to the fees and expenses of KSV in its capacity as Proposal Trustee, as well to the fees and expenses of the Proposal Trustee’s counsel; and
- e) sealing the confidential appendices to the Fourth Report pending further Order of the Court,

was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Receiver’s Motion Record, including the Notice of Motion, the Fourth Report of the Receiver dated September 23, 2020 (the “**Fourth Report**”), and on hearing the submissions of counsel for the Receiver and those other parties present, no one appearing for any other person on the service list, although properly served as appears from the Affidavit of Service of Gianni Bianchi sworn and filed on September 24, 2020:

NOTICE AND SERVICE

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

SPONSORSHIP AGREEMENT

- 2. **THIS COURT ORDERS** that the Sponsorship Agreement between the Receiver and the Sponsor is hereby approved.
- 3. **THIS COURT ORDERS** that the Receiver is hereby authorized to enter into the Sponsorship Agreement and take all steps necessary to give effect to the transactions and reorganization contemplated by it.
- 4. **THIS COURT ORDERS** that in addition to the powers and authorities provided to the Receiver in the BIA and the Receivership Order, the Receiver be and is hereby authorized to

execute any and all documents on behalf of Rando or its board of directors in furtherance of the Sponsorship Agreement, the Proposal and the reorganization contemplated thereunder.

5. **THIS COURT ORDERS** that the Receiver is hereby authorized to file a Proposal on behalf of Rando.

6. **THIS COURT ORDERS** that KSV shall be permitted to act as Proposal Trustee pursuant to the Proposal.

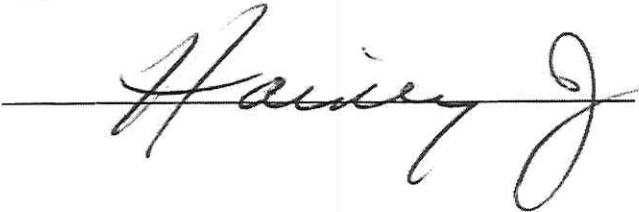
7. **THIS COURT ORDERS AND DECLARES** that the Receiver's Charge as defined in the order of the Receivership Order be and hereby applies to the fees and expenses of KSV in its capacity as Proposal Trustee including the fees and expenses of the Proposal Trustee's counsel.

SEALING

8. **THIS COURT ORDERS** the confidential appendices to the Fourth Report be and are hereby sealed pending further Order of the Court.


MISCELLANEOUS

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



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- 3 - PER / PAR: 

ECN FINANCIAL INC. and 2345760 ONTARIO INC., et al.
Applicant Respondents

Court File No.: CV-19-632106-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at TORONTO

**ORDER
(Sponsorship Agreement Authorization Order)**

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