

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

B E T W E E N :

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.
and 2527475 ONTARIO INC.

Respondents

- AND -

Estate File No. 31-2702401

**ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY & INSOLVENCY)**

IN THE MATTER OF THE PROPOSAL OF RANDO DRUGS LTD.,
OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO

**FACTUM OF THE RECEIVER AND PROPOSAL TRUSTEE,
KSV RESTRUCTURING INC.**

(Motion returnable February 19, 2021)

February 16, 2021

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Trustee, KSV Restructuring Inc.

TO: THE SERVICE LIST

PART I - INTRODUCTION

1. This factum is filed in support of certain of the relief sought by KSV Restructuring Inc. (“**KSV**”), in its capacities as:
 - (a) proposal trustee (in such capacity, the “**Proposal Trustee**”) of Rando Drugs Ltd. (“**Rando**” or the “**Company**”) in connection with the proposal proceedings bearing estate file number 31-2702401 (the “**Proposal Proceedings**”); and
 - (b) receiver of the property, assets and undertaking of the Respondents in the receivership proceedings (in such capacity, the “**Receiver**” and together with the Proposal Trustee, the “**Court Officer**”) bearing Court file number CV-19-632106-00CL (the “**Receivership Proceedings**”).
2. The Receiver and the Proposal Trustee have brought a motion seeking, among other things, approval of a Reorganization (defined below) in the context of the Proposal Proceedings and the Receivership Proceedings as well as approval of a BIA proposal in respect of the Company (the “**Proposal**”) filed by the Receiver with the Official Receiver on January 7, 2021 pursuant to Sections 50(1)(b) and 62(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”).¹
3. Approval by this Court of the Reorganization and Proposal will allow the Court Officer to move forward with the contemplated transactions that will allow for, among other things,
 - (a) The creation of a pool of \$125,000 for distribution to unsecured creditors of Rando who would otherwise not receive any distributions in the Receivership Proceedings; and

¹ *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3.

(b) Provide for the monetization and transfer of the final asset in the Receivership Proceedings, being the “charter” of Rando (discussed in greater detail below).

PART II - THE FACTS

4. Capitalized terms used herein and not otherwise defined have the meaning given to them in the Fifth Report to Court of the Receiver and the First Report to Court of the Proposal Trustee dated February 11, 2021.

Receivership Proceedings

5. Pursuant to an Order dated December 4, 2019 (the “**Receivership Order**”), the Court appointed KSV as the Receiver of the property, assets and undertaking of 2345760 Ontario Inc. (“**2345**”), Rando and the other Respondents.²

6. The principal purpose of the receivership proceeding has been to (a) allow the Company’s four pharmacies (the “**Pharmacies**”) to continue to operate while the Receiver conducted a sales process to realize upon Rando’s “Charter” and the Pharmacies; and (b) consider realization options for a physiotherapy clinic which was operated by one of the other Respondents.³

7. The Receiver marketed and sold the Pharmacies for combined sale proceeds of approximately \$2.2 million.⁴ The amount of the proceeds generated from the sale of the Pharmacies is significantly less than the outstanding amounts owing to ECN Financial Inc. (“**ECN**”), the Respondents’ senior secured creditor (other than with respect to

² Fifth Report to Court of the Receiver and the First Report to Court of the Proposal Trustee dated February 11, 2021 (as jointly prepared, the “**Fifth Report**”) at para. 1.0(1), Motion Record of the Receiver and the Proposal Trustee dated February 11, 2021 (“**MR**”), Tab 2, p. 17.

³ Fifth Report at para. 1.0(2), MR, Tab 2, p. 18.

⁴ Fifth Report at para. 2.0(5), MR, Tab 2, p. 20.

2275518 Ontario Inc.).⁵ ECN is expected to suffer a significant shortfall in respect of its outstanding debt even after accounting for the proceeds generated by the transactions contemplated by the Reorganization and the Proposal.

Rando Charter

8. As a company incorporated prior to or in 1954 that carried on the business of a pharmacy at that time, Rando falls within the exemption provided under Section 142(4) (the “**Exemption**” or “**Charter**”) of the *Drug and Pharmacies Regulations Act* (Ontario),⁶ which allows Rando to own and operate pharmacies without it being majority-owned by pharmacists.⁷
9. Companies with an Exemption are often referred to as having a “charter” or being a “charter company”. There is no formal charter document. Rather, it is the corporate entity itself that is entitled to the Exemption.⁸
10. The Charter is Rando’s only remaining asset.

The Reorganization

11. In order to convey ownership of Rando to the Sponsor, the Receiver and 2775506 Ontario Inc. (the “**Sponsor**”) have entered into a sponsorship agreement dated as of September 16, 2020 (as amended, the “**Sponsorship Agreement**”) pursuant to which the Sponsor has agreed to sponsor a reorganization of the Rando shares (the “**Reorganization**”). As described in more detail below, once implemented, the Sponsor

⁵ Fifth Report at paras. 2.0(3) and (5), MR, Tab 2, p. 20.

⁶ *Drug and Pharmacies Regulations Act*, R.S.O. 1990, c. H.4, s. 142(4).

⁷ Fifth Report at para. 2.0(7), MR, Tab 2, p. 20.

⁸ Fifth Report at para. 2.0(8), MR, Tab 2, p. 21.

will become the sole shareholder of all of the then issued and outstanding shares of Rando. The Sponsorship Agreement was approved by the Court pursuant to an Order made on November 9, 2020 (“**November 9 Order**”).⁹

12. The Sponsorship Agreement sets out the terms of the proposed Reorganization – the material terms of the Reorganization are as follows:

(a) the Sponsor will provide the Receiver with a capital injection of \$1 million (the “**Capitalization Amount**”) as a subscription for newly issued shares (the “**New Common Shares**”), being 1,000,000 common shares to be issued from the capital of Rando.¹⁰

(b) Rando (by the Receiver) will file articles of reorganization which, among other things, will have the effect of:¹¹

(i) Changing the name of Rando to Phillios Drugs Limited;

(ii) Consolidating all the issued and outstanding shares of Rando on a basis of 1,000:1, resulting in the dilution of the shares of Rando outstanding immediately prior to the issuance of the New Common Shares to a fraction of a share; and

(iii) Declaring that no fractional common shares will be issued and where consolidation results in a shareholder holding a fraction of a share, a downward adjustment will be made.

⁹ Fifth Report at para. 4.0(1), MR, Tab 2, p. 22.

¹⁰ Fifth Report at para. 4.0(3), MR, Tab 2, p. 23.

¹¹ Fifth Report at para. 4.0(3), MR, Tab 2, p. 23.

13. Upon the completion of the Reorganization, the Sponsor will be entitled to derive the benefit of the Exemption as a charter company.

The Proposal¹²

14. Pursuant to the November 9 Order, the Receiver was authorized to file the Proposal.¹³ The Proposal is a key condition to the completion of the Reorganization as the Sponsor requires a company cleansed of its debt prior to subscribing for the New Common Shares.

15. The key terms of the Proposal are as follows:

- (a) Purpose: The overall purpose of the Proposal is to:

- (i) make a distribution to Ordinary Creditors, being holders of Claims other than Preferred Claims, Secured Claims and Unaffected Claims, from a pool of funds totalling \$125,000 (the “**Ordinary Creditors’ Pool**”); and
- (ii) obtain releases from creditors having Affected Claims.¹⁴

- (b) Classes of Creditors: For the purpose of the Proposal, there is only one class of creditors comprised of the Ordinary Creditors.¹⁵

¹² Unless otherwise defined herein, capitalized terms in this section have the meanings provided to them in the Proposal.

¹³ Fifth Report at para. 3.1(6), MR, Tab 2, p. 21.

¹⁴ Report to Creditors dated January 15, 2021 (“**Creditors Report**”) at para. 3.1(1), MR, Tab 2, Appendix “C”, p. 71.

¹⁵ Creditors Report at para. 3.2(1), MR, Tab 2, Appendix “C”, p. 71.

(c) Treatment of Claims: 100% of the funds from the Ordinary Creditors' Pool will be distributed to the Ordinary Creditors on a pro rata basis in accordance with the proofs of claims that are filed by Ordinary Creditors and the BIA.¹⁶

(d) Dividend Amount: Based on the list of known creditors, amounts payable to Ordinary Creditors under the Proposal may be up to 47 cents on the dollar.¹⁷

(e) Releases: The Proposal provides for releases in favour of Rando, Rando's present and former employees and contractors and each of their respective financial advisors, legal counsel and agents.¹⁸

(f) Discharge of Claims: Effective on the Proposal Implementation Date, all Claims of Affected Creditors will be discharged, and Rando will be released from all Claims of Affected Creditors, other than the obligation to make payments set out in the Proposal.¹⁹

16. The meeting of creditors of the Company (the "**Meeting**") was held via videoconference on January 28, 2021. Notice of the Meeting was provided in accordance with Section 51(1) of the BIA to every known creditor affected by the Proposal and to the Official Receiver at least ten days before the Meeting.²⁰

17. The Ordinary Creditors voting on the Proposal voted in favour of the Proposal.²¹

¹⁶ Creditors Report at para. 3.3, MR, Tab 2, Appendix "C", p. 72.

¹⁷ Creditors Report at para. 3.5, MR, Tab 2, Appendix "C", p. 72.

¹⁸ Creditors Report at para. 3.7(1), MR, Tab 2, Appendix "C", p. 73.

¹⁹ Fifth Report at para. 3.1(5), MR, Tab 2, p. 21.

²⁰ Fifth Report at para. 3.2 and 3.3., MR, Tab 2, p. 22.

²¹ Fifth Report at para. 3.3, MR, Tab 2, p. 22.

PART III - ISSUES

18. The issues to be addressed in this factum are whether the Court should approve the Reorganization and whether the Court should approve the Proposal.

PART IV - LAW AND ANALYSIS

A. The Court Should Approve the Reorganization

The Court has the Jurisdiction to Approve the Reorganization

19. The Court clearly has the jurisdiction to approve the Reorganization. The Court has routinely approved reorganizations pursuant to Section 186 of the Ontario *Business Corporations Act* (the “**OBCA**”)²² in the context of sanctioning a plan under the *Companies’ Creditors Arrangement Act* (“**CCAA**”)²³ and has also approved reorganizations in the context of BIA proposals.²⁴
20. Specifically, Sections 59(4) of the BIA and 186 of the OBCA provide for the Court’s jurisdiction to approve corporate reorganizations pursuant to articles of reorganization:
- (a) Section 59(4) of the BIA provides that if the Court approves a proposal, it may also “order that the debtor’s constating instrument be amended in accordance with the proposal to reflect any change that may lawfully be made under federal or provincial law.”

²² *Business Corporations Act*, R.S.O. 1990, c. B.16.

²³ *Companies’ Creditors Arrangement Act*, R.S.C., 1985, c. C-36.

²⁴ See for example, *Nelson Financial Group Ltd. (Re)*, [2011 ONSC 2750](#) at para. 39. See also for reference, a copy of the [Order of the Court dated April 21, 2011](#), approving the company’s articles of reorganization pursuant to Section 186 of the OBCA.

(b) The applicable provincial law is Section 186 of the OBCA, pursuant to which the Court is authorized to order that a company amend its articles concurrently with the Court's approval of a proposal under the BIA or a plan under the CCAA.

The Court Should Approve the Reorganization

21. In this case, the Reorganization and the articles of reorganization related thereto should be approved by the Court for the following reasons:²⁵

(a) Pursuant to the November 9 Order, the Sponsorship Agreement was approved by the Court;

(b) Court approval of the Reorganization will facilitate the injection of the Capitalization Amount for the benefit of Rando's creditors, including the Ordinary Creditors' Pool to be distributed to the unsecured creditors pursuant to the Proposal;

(c) The obligation of the Sponsor to inject the Capitalization Amount and to complete the Reorganization is conditional upon, among other things, approval of the Reorganization by the Court;

(d) ECN will not recover the full amount of its outstanding secured debt even with the receipt of funds from the balance of the Capitalization Amount after deducting the Ordinary Creditors' Pool and professional fees and disbursements; and

(e) The existing holder of Rando's issued and outstanding shares is 2345, which shares have been pledged to ECN pursuant to its security.

²⁵ Fifth Report at paras. 4.0(6) and 4.1, MR, Tab 2, pp. 23-24.

22. Further, the powers and duties conferred upon the Receiver and the BIA provide it with wide powers to deal with the property of the Company. The implementation of the Reorganization as contemplated by the Sponsorship Agreement is consistent with the Receiver's mandate and will assist in the Receiver's mandated goal to maximize value for the benefit of creditors.

B. The Court Should Approve the Proposal

The Receiver has the Power to File the Proposal

23. Section 50(1)(b) of the BIA specifically contemplates that a receiver may file a BIA proposal in respect of a debtor. Further, the November 9 Order specifically authorized and empowered the Receiver to file the Proposal.

The Court Should Approve the Proposal

24. The statutory authority for the Court to approve or refuse a proposal is found in Section 59(2) of the BIA.

25. Courts have applied the following factors when considering the approval of a proposal under Section 59(2):²⁶

- (a) whether the proposal is reasonable;
- (b) whether the proposal is calculated to benefit the general body of creditors;
- (c) whether the proposal meets the requirements of commercial morality and the integrity of the bankruptcy system; and
- (d) whether the proposal is made in good faith.

²⁶ *Kitchener Frame Ltd. (Re)*, [2012 ONSC 234](#) at paras. 19 and 22 ("**Kitchener Frame**").

26. In addition, Section 59(2) requires consideration of whether any offences mentioned in Sections 198 to 200 of the BIA have been committed by the Company.
27. While a Court is not bound to approve a proposal even though it has been approved by creditors and recommended by the trustee, it has been held that substantial deference should be afforded to the votes of the creditors and the views of the trustee.²⁷
28. In the current circumstances, the Proposal should be approved by the Court for the following reasons:
- (a) The Proposal provides an opportunity for recoveries of Rando's creditors which would otherwise not be available. In a bankruptcy of Rando, creditors would not have any recovery;
 - (b) 100% of the Ordinary Creditors voting at the Meeting voted in favour of the Proposal;
 - (c) The approval of the Proposal in order to release claims against Rando is a material condition of the Sponsorship Agreement;
 - (d) The Proposal is being made in good faith;
 - (e) The Receiver has clear authority to settle or otherwise compromise any indebtedness of the Company pursuant to, among other things, paragraph 3(g) of the Receivership Order; and
 - (f) The statutory requirements provided for pursuant to Section 59(2) of the BIA have been met.

²⁷ *Kitchener Frame* at para. 21.

PART V - ORDER REQUESTED

29. The Receiver and the Proposal Trustee respectively request the Orders substantially in the form filed with its motion record.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 16th day of February, 2021.

Norton Rose Fulbright
Canada LLP

SCHEDULE "A"
LIST OF AUTHORITIES

1. *Kitchener Frame Ltd. (Re)*, [2012 ONSC 234](#).
2. *Nelson Financial Group Ltd. (Re)*, [2011 ONSC 2750](#).

SCHEDULE "B"
RELEVANT STATUTES

1. *Bankruptcy And Insolvency Act*, R.S.C. 1985, c. B-3, as amended

Who may make a proposal

50 (1) Subject to subsection (1.1), a proposal may be made by

- (a)** an insolvent person;
- (b)** a receiver, within the meaning of subsection 243(2), but only in relation to an insolvent person;
- (c)** a liquidator of an insolvent person's property;
- (d)** a bankrupt; and
- (e)** a trustee of the estate of a bankrupt.

Calling of meeting of creditors

51 (1) The trustee shall call a meeting of the creditors, to be held within twenty-one days after the filing of the proposal with the official receiver under subsection 62(1), by sending in the prescribed manner to every known creditor and to the official receiver, at least ten days before the meeting,

- (a)** a notice of the date, time and place of the meeting;
- (b)** a condensed statement of the assets and liabilities;
- (c)** a list of the creditors with claims amounting to two hundred and fifty dollars or more and the amounts of their claims as known or shown by the debtor's books;
- (d)** a copy of the proposal;
- (e)** the prescribed forms, in blank, of
 - (i)** proof of claim,
 - (ii)** in the case of a secured creditor to whom the proposal was made, proof of secured claim, and
 - (iii)** proxy,if not already sent; and
- (f)** a voting letter as prescribed.

[...]

Court to hear report of trustee, etc.

59 (1) The court shall, before approving the proposal, hear a report of the trustee in the prescribed form respecting the terms thereof and the conduct of the debtor, and, in addition, shall hear the trustee, the debtor, the person making the proposal, any opposing, objecting or dissenting creditor and such further evidence as the court may require.

Court may refuse to approve the proposal

(2) Where the court is of the opinion that the terms of the proposal are not reasonable or are not calculated to benefit the general body of creditors, the court shall refuse to approve the proposal, and the court may refuse to approve the proposal whenever it is established that the debtor has committed any one of the offences mentioned in sections 198 to 200.

Reasonable security

(3) Where any of the facts mentioned in section 173 are proved against the debtor, the court shall refuse to approve the proposal unless it provides reasonable security for the payment of not less than fifty cents on the dollar on all the unsecured claims provable against the debtor's estate or such percentage thereof as the court may direct.

Court may order amendment

(4) If a court approves a proposal, it may order that the debtor's constating instrument be amended in accordance with the proposal to reflect any change that may lawfully be made under federal or provincial law.

[...]

Filing of proposal

62 (1) If a proposal is made in respect of an insolvent person, the trustee shall file with the official receiver a copy of the proposal and the prescribed statement of affairs.

[...]

Bankruptcy offences

198 (1) Any bankrupt who

(a) makes any fraudulent disposition of the bankrupt's property before or after the date of the initial bankruptcy event,

(b) refuses or neglects to answer fully and truthfully all proper questions put to the bankrupt at any examination held pursuant to this Act,

(c) makes a false entry or knowingly makes a material omission in a statement or accounting,

(d) after or within one year immediately preceding the date of the initial bankruptcy event, conceals, destroys, mutilates, falsifies, makes an omission in or disposes of, or is privy to the concealment, destruction, mutilation, falsification, omission from or disposition of, a book or document affecting or relating to the bankrupt's property or affairs, unless the bankrupt had no intent to conceal the state of the bankrupt's affairs,

(e) after or within one year immediately preceding the date of the initial bankruptcy event, obtains any credit or any property by false representations made by the bankrupt or made by any other person to the bankrupt's knowledge,

(f) after or within one year immediately preceding the date of the initial bankruptcy event, fraudulently conceals or removes any property of a value of fifty dollars or more or any debt due to or from the bankrupt, or

(g) after or within one year immediately preceding the date of the initial bankruptcy event, hypothecates, pawns, pledges or disposes of any property that the bankrupt has obtained on credit and has not paid for, unless in the case of a trader the hypothecation, pawning, pledging or disposing is in the ordinary way of trade and unless the bankrupt had no intent to defraud,

is guilty of an offence and is liable, on summary conviction, to a fine not exceeding five thousand dollars or to imprisonment for a term not exceeding one year or to both, or on conviction on indictment, to a fine not exceeding ten thousand dollars or to imprisonment for a term not exceeding three years, or to both.

Failure to comply with duties

(2) A bankrupt who, without reasonable cause, fails to comply with an order of the court made under section 68 or to do any of the things required of the bankrupt under section 158 is guilty of an offence and is liable

(a) on summary conviction, to a fine not exceeding five thousand dollars or to imprisonment for a term not exceeding one year, or to both; or

(b) on conviction on indictment, to a fine not exceeding ten thousand dollars or to imprisonment for a term not exceeding three years, or to both.

Failure to disclose fact of being undischarged

199 An undischarged bankrupt who

(a) engages in any trade or business without disclosing to all persons with whom the undischarged bankrupt enters into any business transaction that the undischarged bankrupt is an undischarged bankrupt, or

(b) obtains credit to a total of \$1,000 or more from any person or persons without informing them that the undischarged bankrupt is an undischarged bankrupt,

is guilty of an offence punishable on summary conviction and is liable to a fine not exceeding five thousand dollars or to imprisonment for a term not exceeding one year, or to both.

Bankrupt failing to keep proper books of account

200 (1) Any person becoming bankrupt or making a proposal who has on any previous occasion been bankrupt or made a proposal to the person's creditors is guilty of an offence punishable on summary conviction and is liable to a fine not exceeding five thousand dollars or to imprisonment for a term not exceeding one year, or to both, if

(a) being engaged in any trade or business, at any time within the period beginning on the day that is two years before the date of the initial bankruptcy event and ending on the date of the bankruptcy, both dates included, that person has not kept and preserved proper books of account; or

(b) within the period mentioned in paragraph (a), that person conceals, destroys, mutilates, falsifies or disposes of, or is privy to the concealment, destruction, mutilation, falsification or disposition of, any book or document affecting or relating to the person's property or affairs, unless the person had no intent to conceal the state of the person's affairs.

Proper books of account defined

(2) For the purposes of this section, a debtor shall be deemed not to have kept proper books of account if he has not kept such books or accounts as are necessary to exhibit or explain his transactions and financial position in his trade or business, including a book or books containing entries from day to day in sufficient detail of all cash received and cash paid, and, where the trade or business has involved dealings in goods, also accounts of all goods sold and purchased, and statements of annual and other stock-takings.

2. Business Corporations Act, R.S.O. 1990, c. B.16

Reorganization

186 (1) In this section,

"reorganization" means a court order made under section 248, an order made under the *Bankruptcy and Insolvency Act* (Canada) or an order made under the *Companies Creditors Arrangement Act* (Canada) approving a proposal. 2000, c. 26, Sched. B, s. 3 (9).

Articles amended

(2) If a corporation is subject to a reorganization, its articles may be amended by the order to effect any change that might lawfully be made by an amendment under section 168. R.S.O. 1990, c. B.16, s. 186 (2).

Auxiliary powers of court

(3) Where a reorganization is made, the court making the order may also,

(a) authorize the issue of debt obligations of the corporation, whether or not convertible into shares of any class or having attached any rights or options to acquire shares of any class, and fix the terms thereof; and

(b) appoint directors in place of or in addition to all or any of the directors then in office. R.S.O. 1990, c. B.16, s. 186 (3).

Articles of reorganization

(4) After a reorganization has been made, articles of reorganization in prescribed form shall be sent to the Director. R.S.O. 1990, c. B.16, s. 186 (4).

Note: On a day to be named by proclamation of the Lieutenant Governor, subsection 186 (4) of the Act is repealed and the following substituted: (See: 2017, c. 20, Sched. 6, s. 25)

Articles of reorganization

(4) After a reorganization has been made, articles of reorganization and any other required documents and information shall be sent to the Director. 2017, c. 20, Sched. 6, s. 25.

Certificate

(5) Upon receipt of articles of reorganization, the Director shall endorse thereon in accordance with section 273 a certificate which shall constitute the certificate of amendment and the articles are amended accordingly. R.S.O. 1990, c. B.16, s. 186 (5).

Note: On a day to be named by proclamation of the Lieutenant Governor, subsection 186 (5) of the Act is repealed and the following substituted: (See: 2017, c. 20, Sched. 6, s. 25)

Certificate

(5) Upon receipt of articles of reorganization and any other required documents and information, the Director shall endorse the articles, in accordance with section 273, with a certificate which shall constitute the certificate of amendment, and the articles are amended accordingly. 2017, c. 20, Sched. 6, s. 25.

No dissent

(6) A shareholder is not entitled to dissent under section 185 if an amendment to the articles is effected under this section. R.S.O. 1990, c. B.16, s. 186 (6).

3. *Drug and Pharmacies Regulation Act, R.S.O. 1990, c. H.4*

Operation of pharmacies by corporation

142 (1) No corporation shall own or operate a pharmacy unless the majority of the directors of the corporation are pharmacists. R.S.O. 1990, c. H.4, s. 142 (1).

Same

(2) No corporation shall own or operate a pharmacy unless a majority of each class of shares of the corporation is owned by and registered in the name of pharmacists or in the name of health profession corporations each of which holds a valid certificate of authorization issued by the College. 2000, c. 42, Sched., s. 13; 2007, c. 10, Sched. L, s. 7.

Application of subs. (2)

(3) For the purposes of subsection (2), shares registered in the name of the personal representative of a deceased pharmacist shall, for a period not exceeding four years, be considered to be registered in the name of a pharmacist. R.S.O. 1990, c. H.4, s. 142 (3).

Idem

(4) Subsection (2) does not apply to any corporation operating a pharmacy on the 14th day of May, 1954. R.S.O. 1990, c. H.4, s. 142 (4).

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

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

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OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO

Estate File No.: 31-2702401

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Proceeding commenced at **TORONTO**

**FACTUM OF THE RECEIVER AND
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(Motion returnable February 19, 2021)

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