

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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

**MOTION RECORD OF THE COURT-APPOINTED
RECEIVER, KSV RESTRUCTURING INC.**

(Motion returnable October 2, 2020)

VOLUME 1 OF 2

September 23, 2020

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**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

ECN FINANCIAL INC.

Applicant

- and -

**2345760 ONTARIO INC., RANDO DRUGS LTD., 2275518 ONTARIO INC., FAMILY HEALTH
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GRACE DIENA**

Respondents

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TAB 1

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

**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., 2527475 ONTARIO INC. and
GRACE DIENA**

Respondents

NOTICE OF MOTION
(returnable October 2, 2020)

KSV Restructuring Inc. ("**KSV**") in its capacity as the Court-appointed receiver (in such capacity, the "**Receiver**") of the property, assets and undertaking of 2345760 Ontario Inc. ("**2345**"), Rando Drugs Ltd. ("**Rando**"), 2275518 Ontario Inc., M. Blacher Drugs Ltd., 2501380 Ontario Inc., 2527218 Ontario Inc., Dumopharm Inc., 2527475 Ontario Inc. (collectively, the "**Company**") and Grace Diena ("**Diena**" and together with the Company, the "**Respondents**"), will make a motion to a judge of the Commercial List of the Superior Court of Justice on **Friday, October 2, 2020** at 2:00 p.m. or as soon thereafter as the motion can be heard.

THE PROPOSED METHOD OF HEARING: The motion is to be heard via zoom videoconference.

THE MOTION IS FOR ORDERS:

1. Approving the sponsorship agreement dated September 16, 2020 (the "**Sponsorship Agreement**") between the Receiver and 2775506 Ontario Inc. (the "**Sponsor**");
2. 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;

3. 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;
4. Declaring that the Receiver’s Charge as defined in the Order of the Honourable Justice Hainey 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;
5. Sealing the confidential appendices to the Fourth Report of the Receiver dated September 23, 2020 (the “**Fourth Report**”) on the terms set out therein;
6. Approving the fees and disbursements of the Receiver and those of Goldman Sloan Nash & Haber LLP (“**GSNH**”), the Receiver’s counsel¹, as set out the Fee Affidavits (defined below) as attached to the Fourth Report; and
7. Approving the Fourth Report and the Receiver’s activities described therein.

THE GROUNDS FOR THE MOTION ARE:

Background

8. Pursuant to the Receivership Order, KSV was appointed Receiver of the property, assets and undertaking of the Company;
9. Pursuant to a further Order of the Honourable Justice Hainey made on February 26, 2020, the Receivership Order was expanded to appoint KSV as receiver, for limited purposes, of the assets of Grace Diena, the wife of Dani Diena, the principal of the Company;
10. The principal purpose of the receivership has been to sell the Respondent’s four pharmacy locations;

¹ Jennifer Stam, the Receiver’s lawyer at GSNH who has primary carriage of this mandate, recently moved to Norton Rose Fulbright Canada LLP and continues to represent the Receiver.

Rando Charter

11. 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**”) of the *Drug and Pharmacies Regulations Act* (Ontario) (“**Pharmacies Act**”), which allows Rando to own and operate pharmacies without it being majority owned by pharmacists.

12. Companies with Exemptions 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;

13. KSV marketed the “charter” of another affiliated company, Dedicated National Pharmacies Inc. (“**DNPI**”) as part of the sale process conducted in the summer of 2019;

The Sponsorship Agreement

14. The Receiver has now agreed on the terms of the Sponsorship Agreement with the Sponsor;

15. Pursuant to the Sponsorship Agreement, the Sponsor has agreed to provide a capitalization amount (the “**Capitalization Amount**”) to sponsor a Proposal which will see a pool of funds made available for distribution to Rando’s unsecured creditors with the balance payable (net of costs) to ECN Financial Inc. (“**ECN**”), the Respondents’ principal secured creditor, a compromise of claims against Rando and provides a corporate reorganization of Rando;

16. In summary, upon implementation:

- a) all claims against Rando would be released, including the claims of ECN;
- b) the Sponsor would receive newly issued shares (the “**New Common Shares**”) of Rando free and clear of all encumbrances;
- c) the shares of Rando would be diluted such that the shares of Rando outstanding immediately prior to the issuance of the New Common Shares (the “**Existing Common Shares**”) will become a fraction of a share and thereafter eliminated by virtue of the articles of amendment; and

d) distributions would be made to Rando's creditors;

17. The Sponsorship Agreement is subject to several conditions including approval of this Authorization Order, ensuring there are no remaining assets or employees of Rando, the successful approval of the Proposal and approval of the reorganization;

18. Although the transactions contemplated by the Sponsorship Agreement are not a sale of the Existing Shares, the Receiver has conducted extensive diligence as to the ownership of the Existing Shares;

19. Mr. Diena has alleged the Existing Shares are owned by the Grace Family Trust (the "Trust");

20. The preponderance of evidence, including the documentary evidence provided by Mr. Diena and his counsel, suggest the Existing Shares are owned by 2345, one of the Respondents, and not the Trust;

21. The transaction contemplated by the Sponsorship Agreement and the Proposal will facilitate a sale of the Rando charter for the benefit of Rando's creditors;

22. The Capitalization Amount is commercially reasonable and reflective of the value of the charter based on the marketing process conducted in the pre-receivership sale process for the DNPI charter and the offer contemplated in an asset purchase agreement with 2258156 Ontario Inc. ("**2258**"), the purchaser of two of Rando's pharmacies;

23. ECN supports the transaction;

24. Absent the Sponsorship Agreement and the Proposal, there would be no recoveries for unsecured creditors; and

25. The Receiver is of the view that a further marketing of the charter is unlikely to result in a superior transaction, particularly given the complexity, time, effort and costs incurred negotiating this transaction, first with 2258 and then with the Sponsor;

Sealing

26. The Receiver recommends that expressions of interest received for the DNPI charter and the unredacted version of the Sponsorship Agreement be filed with the Court on a confidential basis and remain sealed pending a further Order of the court;

27. The redactions in the Sponsorship Agreement are limited to the capitalization amount and therefore no parties are prejudiced by the sealing request;

28. A complete copy of the Sponsorship Agreement will be made available to Rando's creditors upon the filing of the Proposal;

Activities and Fees

29. The fees of the Receiver as more particularly set out in the affidavit of Mitch Vininsky sworn September 23, 2020 (the "**Vininsky Affidavit**") for the period December 1, 2019 to July 31, 2020 total \$430,724, excluding disbursements and HST;

30. The fees of GSNH as more particularly set out in the affidavit of Jennifer Stam sworn September 23, 2020 (the "**Stam Affidavit**" and together with the Vininsky Affidavit, the "**Fee Affidavits**") for the period between November 29, 2019 to August 11, 2020 total \$157,271, excluding disbursements and HST;

31. The fees incurred by the Receiver and GSNH are reflective of the complications associated with this receivership that were unforeseen prior to the commencement of these proceedings, including, among other things, those related to the misrepresentations by Mr. Diena concerning numerous aspects of Rando's business and operations, including the leases for Pharmacy East and Pharmacy West (as defined in the Fourth Report) and the ownership of several entities;

32. The Receiver has not charged a significant portion of its fees on this mandate. The Receiver reserves the right to seek approval of these fees at a later time if recoveries improve;

33. The Receiver's activities as set out in the Fourth Report are lawful and proper and are consistent with its mandate as Receiver as contemplated by the Receivership Order;

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

- a) The Fourth Report;
- b) The Fee Affidavits; and
- c) Such further and other evidence as counsel may advise and this Honourable Court may permit.

September 23, 2020

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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

NOTICE OF MOTION
(returnable October 2, 2020)

NORTON ROSE FULBRIGHT CANADA LLP
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TAB 2

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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

**FOURTH REPORT OF KSV RESTRUCTURING INC. AS RECEIVER OF
THE ASSETS, UNDERTAKINGS AND PROPERTIES
OF RANDO DRUGS LTD. AND RELATED COMPANIES**

September 23, 2020



**Fourth Report of
KSV Restructuring Inc.
as Receiver of the
assets, undertakings and properties of
Rando Drugs Ltd.
and Related Companies**

September 23, 2020

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COURT FILE NO.: CV-19-00632106-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

FOURTH REPORT OF KSV RESTRUCTURING INC.
AS RECEIVER OF THE ASSETS, UNDERTAKINGS AND PROPERTIES OF
RANDO DRUGS LTD. AND RELATED COMPANIES

SEPTEMBER 23, 2020

1.0 Introduction

1. This report (the "Report") is filed by KSV Restructuring Inc.¹ ("KSV") in its capacity as receiver (the "Receiver") of the assets, undertakings and properties (the "Property") of 2345760 Ontario Inc. ("2345"), Rando Drugs Ltd. ("Rando"), 2275518 Ontario Inc. ("2275"), M. Blacher Drugs Ltd.² ("Blacher"), 2501380 Ontario Inc. ("2501"), 2527218 Ontario Inc. ("2527218"), Dumopharm Inc. ("Dumopharm") and 2527475 Ontario Inc. ("2527475") (collectively, the "Company"), and of Grace Diena, the spouse of Dani Diena, the Company's principal³.
2. Pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the "Court") made on December 4, 2019 (the "Receivership Order"), KSV was appointed Receiver. A copy of the Receivership Order is attached as Appendix "A".

¹ Effective August 31, 2020, KSV Kofman Inc. changed its name to KSV Restructuring Inc.

² Now known as Family Health Pharmacy West Inc. This should not be confused with Family Health Pharmacy West, which is an unincorporated division of Rando.

³ Ms. Diena was added to the Receivership Order pursuant to a Court order dated February 26, 2020.

3. The principal purpose of the receivership proceedings is to allow the Company's four pharmacies (the "Pharmacies") (which are believed to be owned by Rando) and its physiotherapy clinic (which is believed to be owned by 2275 and operates as "Abira") to continue to operate while the Receiver works to complete a sale of some or all of these businesses on a going-concern basis.
4. A further purpose of these proceedings is to realize on Rando's "charter", which is the principal focus of this Report.

1.1 Purposes of this Report

1. The purposes of this Report are to:
 - a) provide background information regarding the Company;
 - b) summarize the terms of a sponsorship agreement dated September 16, 2020 (the "Sponsorship Agreement") between the Receiver and 2775506 Ontario Inc. (the "Sponsor") pursuant to which the Receiver, on behalf of Rando, intends to file a Proposal with the Official Receiver under Section 62 of the *Bankruptcy and Insolvency Act* ("BIA") (the "Proposal");
 - c) summarize the Receiver's fees and disbursements and those of Goldman Sloan Nash & Haber LLP ("GSNH"), the Receiver's counsel⁴, from the commencement of these proceedings to July 31, 2020;
 - d) provide the Receiver's rationale for sealing certain confidential information, including the capitalization amount under the Sponsorship Agreement;
 - e) recommend that the Court issue orders:
 - i. approving the Sponsorship Agreement;
 - ii. 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 connection with the Sponsorship Agreement, the Proposal and the reorganization contemplated thereunder;
 - iii. authorizing the Receiver to make and file a Proposal on behalf of Rando and permitting KSV to act as Proposal Trustee upon the filing of the Proposal;
 - iv. declaring that the Receiver's Charge (as defined in 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;

⁴ Jennifer Stam, the Receiver's lawyer at GSNH who has primary carriage of this mandate, recently moved to Norton Rose Fulbright Canada LLP and continues to represent the Receiver.

- v. sealing the confidential appendices to this Report on the terms set out below;
- vi. approving the fees and disbursements of the Receiver and GSNH as set out in Section 6; and
- vii. approving this Report and the Receiver's activities described herein.

1.2 Restrictions

1. In preparing this Report, the Receiver has relied upon unaudited financial information prepared by the Company's representatives, the books and records of the Company and discussions with the Company's representatives, particularly Mr. Diena, the President of the Company. The Receiver has not audited, reviewed or otherwise verified the accuracy or completeness of the information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the *Chartered Professional Accountants Canada Handbook*.
2. The Receiver expresses no opinion or other form of assurance with respect to the financial information presented in this Report or relied upon by the Receiver in preparing this Report. Any party wishing to place reliance on the Company's financial information should perform its own due diligence and any reliance placed by any party on the information presented herein shall not be sufficient for any purpose whatsoever. The Receiver accepts no reliance to any party based on the information in this Report.

2.0 Background

1. As of the date of the Receivership Order, 2345 was indebted to ECN Financial Inc. ("ECN"), the Company's principal secured creditor, in the amount of approximately \$4.1 million (the "ECN Facility"), plus interest, fees and costs which continue to accrue. Each of Rando, 2275, Blacher, 2501, 2527218, Dumopharm, 2527475 and Ms. Diena are secured guarantors of 2345's indebtedness under the ECN Facility.
2. As at the date of the Receivership Order, the Company owned and operated the following pharmacies in Southwestern Ontario under the PharmaChoice banner:
 - a) 6720 Hawthorne Drive, Windsor ("Pharmacy East");
 - b) 1604 Tecumseh Road West, Windsor ("Pharmacy West");
 - c) 785 Tecumseh Road, Unit #16, Walpole Island ("Walpole"); and
 - d) 3A-1275 Walker Road, Windsor ("Novacare").
3. Each pharmacy operates as a separate division of Rando.
4. Mr. Diena is the President of Rando and every other Company subject to the Receivership Order. Mr. Diena has been an undischarged bankrupt since October 18, 2012. Mr. Diena's Licensed Insolvency Trustee, MSI Spergel Inc., has not taken any positions within these receivership proceedings.

5. Of the remaining borrowers and guarantors under the ECN Facility, the only other business is carried on by Abira. The Toronto-Dominion Bank (“TD”) and ECN are secured creditors of Abira. Pursuant to a priorities agreement dated March 4, 2016 between TD and ECN, TD’s security interest appears to have priority over ECN’s security interest. Abira’s indebtedness to TD totalled approximately \$980,000 at the commencement of the receivership proceedings.
6. Additional information about the Company is provided in KSV’s report to Court as proposed receiver dated December 3, 2019 (the “Pre-Filing Report”). A copy of the Pre-Filing Report is provided in Appendix “B”, without appendices.
7. The Court materials filed in these proceedings are available on the Receiver’s website at <https://www.ksvadvisory.com/insolvency-cases/case/rando-drugs-ltd>.

3.0 Sale Process

1. Prior to the commencement of the receivership, KSV was retained to, and had conducted, an extensive refinancing and sale process (“RSP”).
2. Information regarding the RSP was provided in Section 3 of the Receiver’s Second Report to Court dated February 19, 2020 (“Second Report”) and Third Report to Court dated August 27, 2020 (“Third Report”). Copies of the Second Report and Third Report are provided in Appendices “C” and “D”, respectively, without appendices.
3. Pursuant to Orders dated February 26, 2020 (the “Sale Approval Orders”), the Court approved an asset purchase agreement between the Receiver and 2258156 Ontario Inc. (“2258”) dated December 18, 2019 (the “Original APA”), as amended on January 31, 2020 and March 13, 2020 (the “Amendments” and together with the Original APA, the “2258 APA”). The 2258 APA contemplated a sale by the Receiver to 2258 of all four of the Pharmacies. The 2258 APA allocated a separate value to each of the Pharmacies, as well as to Rando’s charter⁵. Pursuant to the 2258 APA, 2258 was prepared to close on the different locations and the charter at different times and none of the transactions was contingent on the other.
4. The Sale Approval Orders approved the sale of the Novacare and Walpole locations to 2258. The transactions for those locations were completed on April 24 and 25, 2020, respectively, for combined proceeds of approximately \$1.8 million, including inventory.
5. For the reasons discussed in the Third Report, 2258 was unable to purchase Pharmacy East and Pharmacy West.

⁵ See Section 4 below for a description of the Charter.

6. As a result, on September 3, 2020, the Receiver sought approval for a sale of Pharmacy East and Pharmacy West pursuant to an agreement of purchase and sale between the Receiver and Sri Etikala and Jasmeet Chawla, in trust for a corporation to be incorporated (being 2769630 Ontario Limited and 2769637 Ontario Limited, as designated by Messrs. Etikala and Chawla, the “Purchasers”) dated July 24, 2020 (the “E/W Transaction”). This transaction is yet to close. Closing will be scheduled once the E/W Transaction is approved by the Ontario College of Pharmacists and the Purchasers arrange billing privileges with the Ontario Drug Benefit Plan.

4.0 Rando Charter⁶

1. 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”) of the *Drug and Pharmacies Regulations Act* (Ontario) (“Pharmacies Act”), which allows Rando to own and operate pharmacies without it being majority owned by pharmacists.
2. Companies with Exemptions 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.
3. Once the E/W Transaction is completed, the most significant remaining asset of the Company will be the Rando “Charter”.
4. At the request of Mr. Diena, as part of the RSP, KSV marketed another charter company, being Dedicated National Pharmacies Inc. (“DNPI”). According to Jerome Stanleigh, counsel to the Dianas, DNPI, which is also subject to the Exemption, is owned by the Grace Family Trust (the “Trust”). The Receiver has not yet satisfied itself as to the ownership of DNPI.
5. A schedule comparing the expressions of interest received by KSV for the DNPI charter is included in Confidential Appendix “1”. At the direction of Mr. Diena, the opportunity to acquire the Rando charter was not included in the RSP; however, the value of the Rando charter was established when KSV marketed the DNPI charter in the RSP.
6. As set out above, 2258 originally agreed to purchase the Charter as part of the 2258 APA. Negotiations had substantially advanced, but on the eve of signing, 2258 indicated it was not prepared to move forward. The Receiver was introduced to the Sponsor through a third party representing the Sponsor who contacted the Receiver around the time that 2258 advised it was not prepared to move forward. The discussions with the Sponsor resulted in the transaction contemplated by the Sponsorship Agreement.
7. Pursuant to the Sponsorship Agreement, the Sponsor has agreed to sponsor a Proposal which will see a pool of funds made available for distribution to Rando’s unsecured creditors with the balance payable to ECN (net of costs), a compromise of claims against Rando and a corporate reorganization of Rando.

⁶ Defined terms in this section have the meanings ascribed to them in the Sponsorship Agreement.

8. In summary, upon implementation:
 - a) all claims against Rando would be released, including the claims of ECN;
 - b) the Sponsor would receive newly issued shares (the “New Common Shares”) of Rando free and clear of all encumbrances;
 - c) the shares of Rando would be diluted such that the shares of Rando outstanding immediately prior to the issuance of the New Common Shares (the “Existing Common Shares”) will become a fraction of a share and thereafter eliminated by virtue of the articles of amendment; and
 - d) distributions would be made to Rando’s creditors.
9. A redacted copy of the Sponsorship Agreement is provided in Appendix “E” and an unredacted copy is provided in Confidential Appendix “2”. The terms of the Proposal will be the subject of a further report to the creditors of Rando and the Court.

4.1 Sponsorship Agreement⁷

1. Pursuant to the Sponsorship Agreement, the Sponsor is to provide the Receiver with capital (the “Capitalization Amount”) as a subscription for New Common Shares of Rando in accordance with the Subscription Agreement. The key terms of the Sponsorship Agreement are:
 - a) The Capitalization Amount. This is to be used as follows:
 - i. The Proposal Amount, being the portion of the Capitalization Amount to be transferred to the Proposal Trustee to fund distributions to ordinary creditors and other amounts payable under the Proposal as determined by the Proposal Trustee and approved by the Sponsor, subject to the consent of ECN; and
 - ii. The balance, to be distributed to ECN after deducting the fees and disbursements of KSV as Receiver and Proposal Trustee, including those of its legal counsel (the “ECN Distribution Amount”).
 - b) Deposit. The Sponsor paid a deposit to the Receiver. The amount of the deposit has been redacted but is included in Confidential Appendix “2”. The balance of the Capitalization Amount is to be paid two Business Days prior to the Reorganization Implementation Date.

⁷ Capitalized terms used in this section and not otherwise defined have the meaning given to them in the Sponsorship Agreement. The summary provided in this section is for information purposes only. Readers are encouraged to refer to the Sponsorship Agreement for complete terms and conditions.

- c) Reorganization. At the Reorganization Implementation Time, and as further set out in Article 7 of the Sponsorship Agreement:
- i. any Common Shares of Rando held in treasury by Rando and any Existing Share Options and any agreements relating thereto shall be cancelled and shall be deemed to be cancelled;
 - ii. any existing shareholder agreements shall and shall be deemed to be cancelled and terminated;
 - iii. all Affected Claims under the Proposal shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred with recourse solely limited as may be provided for in the Proposal;
 - iv. a filed copy of the Certificate and Articles of Amendment shall be issued by the Director (as defined in the OBCA) and any and all share certificates representing the Shares held by an Existing Equity Holder, including, without limitation, the Shareholder, shall be deemed to be cancelled without payment of any compensation or consideration of any nature or kind whatsoever therefor and shall be marked cancelled;
 - v. a Subscription Agreement shall be executed and delivered by the Receiver, on behalf of Rando, and the Sponsor, and the Capitalization Amount may be released and used in accordance with the Sponsorship Agreement and the Proposal as provided for in Article 3.02 of the Sponsorship Agreement;
 - vi. the Proposal Trustee shall give to the Sponsor the certificate in accordance with Section 65.3 of the BIA, and the releases and injunctions referred to in Article 7 of the Proposal shall become effective;
 - vii. a directors' resolution of Rando (by the Receiver) shall be executed and delivered ratifying and approving the Subscription Agreement, a specimen share certificate for the Common Shares and all required updates and filings to Rando's corporate records;
 - viii. a new share certificate representing the New Common Shares shall be executed and delivered by Rando to the Sponsor (or as it may direct in writing) as fully paid and non-assessable shares in the capital of Rando, free and clear of any and all Encumbrances of any nature or kind whatsoever; and
 - ix. the Receiver shall deliver to the Sponsor, all of the Books and Records to the extent in the possession or control of the Receiver, provided that the Receiver shall be permitted to make copies and to retain accounting records and books and records required by Applicable Law to be retained by the Receiver, provided that all original documents shall be retained by Rando and delivered to the Sponsor.

- d) Directors. The Sponsor is to nominate new member(s) to Rando's board of directors provided that such nominations shall comply with Section 142(1) of the Pharmacies Act. The name or names of the new nominee(s) shall be inserted in Rando's Articles of Amendment.
- e) Conditions. The obligation of the Sponsor to complete the Reorganization contemplated by the Sponsorship Agreement is subject to the following conditions:
- i. by no later than October 15, 2020, the Sponsor shall have satisfied itself that the Company has been since a date prior to 1954 a corporation permitted by the Ontario College of Pharmacists to operate pursuant to the exemption under Section 142(4) of the Pharmacies Act;
 - ii. the Sponsor is satisfied, acting reasonably, that the New Common Shares are free and clear of any and all Encumbrances other than any Encumbrances which may be permitted under the Proposal; and
 - iii. Rando continues to be on the Reorganization Implementation Date a corporation permitted by the Ontario College of Pharmacists to operate pursuant to the exemption under Section 142(4) of the Pharmacies Act.

Implementation of the Reorganization contemplated by the Sponsorship Agreement is conditional on, among other things, the following:

- i. the Court shall have granted an Order:
 - appointing KSV as the proposal trustee for the purposes of the Proposal;
 - confirmation that the Receiver's Charge (as defined in the Receivership Order) applies to the Administration Fees and Expenses;
 - approving the Sponsorship Agreement; and
 - authorizing the Receiver to enter into the Sponsorship Agreement and take all steps necessary to give effect to the transactions contemplated by the Sponsorship Agreement, including executing any and all documents necessary on behalf of Rando or its board of directors;
- ii. the Proposal shall have been approved by the Required Majority at the Meeting;
- iii. the Court shall have granted the Proposal Approval Order and the Reorganization Approval Order;

- iv. the Receiver shall have sold or otherwise disposed of all of Rando's remaining Property, if any, including, without limitation, all issued and outstanding shares and other securities of any subsidiary, or of any entity, owned by Rando⁸;
- v. Rando shall have no remaining employees;
- vi. ECN shall have agreed to release its claims against Rando upon receipt of the ECN Distribution Amount and shall have provided a release and discharge agreement effective upon receipt of the ECN Distribution Amount;
- vii. the Capitalization Amount shall have been received by the Receiver;
- viii. the members of the new board of directors shall have been selected in accordance with Section 4.03 of the Sponsorship Agreement; and
- ix. the Articles of Amendment shall have been deposited and filed in the record books in Rando's record office maintained pursuant to the *Business Corporations Act* (Ontario).

4.2 Proposal

1. The terms of the Proposal are still being finalized. Currently, it is contemplated that the key terms of the proposal will include the below. The final Proposal will be addressed in a subsequent report and subject to a further motion.
 - a) Class. For the purpose of voting on the Proposal, there is one class of Ordinary Creditors. Based on information provided by Rando to the Receiver, the claims are approximately \$300,000, excluding any litigation claims.
 - b) Crown and Preferred Claims. These claims, if any, will be paid in full by the Proposal Trustee within the time to be specified within the Proposal.
 - c) Preferences and Transfers at Undervalue. Sections 95 to 101 of the BIA and any provincial statute related to preferences, fraudulent conveyances, transfers at undervalue or the like do not apply to the Proposal. Accordingly, the Proposal Trustee intends to perform a review of bank statements and cancelled cheques in the year preceding the Proposal and report on the result to Rando's creditors.
 - d) Releases. The Proposal provides for broad releases against Rando, its employees, contractors and its Director (which is an individual not related to the Dianas) other than, among others:
 - i. Any Affected Claim against any of the other Respondents or the Non-Released Persons; and

⁸ There is a 2013 reference in Rando's minute book to a wholly-owned subsidiary of Rando Drugs, being 813866 Ontario Limited. Mr. Diena has advised the Receiver that Rando has no subsidiaries and he is reviewing records in storage to confirm the ownership of this entity.

- ii. Any Claim of ECN.
 - e) Events of Default. Other than a default under the Sponsorship Agreement, the non-payment of amounts in respect of preferred and ordinary claims (as set out in Article 3) within ten (10) Business Days of the date on which such payment is due will constitute an event of default for the purposes of Section 62.1 of the BIA and under the Proposal.
2. The Proposal would be filed after the E/W Transaction is completed. Court approval of the Proposal would be sought after the creditors' meeting is held.

4.3 Ownership of Rando

1. In connection with the Sponsorship Agreement and the Proposal, the Receiver and its counsel conducted diligence on the current ownership of the existing shares of Rando. Mr. Diena and his counsel have consistently alleged that substantially all (99%) of Rando's shares are owned by the Trust and have been since 2013. However, as set out in the balance of this Section, the evidence received by the Receiver strongly indicates that Rando is owned by 2345, one of the respondents in this proceeding and a secured guarantor of the ECN debt.
2. In coming to its conclusion, the Receiver has relied heavily on the documentary evidence provided by Mr. Diena and Mr. Stanleigh. In July 2019, Mr. Diena provided the Receiver with a copy of Rando's electronic minute book. The same minute book was also provided to the Receiver by Mr. Diena's counsel, Mr. Stanleigh, on April 21, 2020 in response to the Receiver's information requests related to Rando.
3. Mr. Stanleigh advised that this minute book was created in 2018, as the previous minute book had been lost; it identifies 2345 as the sole shareholder of Rando. Mr. Stanleigh's April 21, 2020 letter and the minute book are attached as Appendix "F".
4. The Receiver notes in particular:
 - the summary page, which references that the 100 common shares issued by Rando, being 100% of Rando's share capital, are held by 2345;
 - a shareholder registry, which lists 2345 as the sole shareholder;
 - a declaration by Mr. Diena dated January 26, 2018 wherein he states that "2345760 Ontario Inc. is currently the sole shareholder of the Corporation [Rando]";
 - an affidavit sworn on January 26, 2018 by Mr. Diena wherein he states that 2345 is the registered and beneficial owner of Rando;
 - joint resolutions of the sole director and sole shareholder of Rando signed by Ms. Diena on behalf of 2345 as the sole shareholder of Rando dated January 26, 2018; and
 - a special resolution signed by Ms. Diena on behalf of 2345 as the sole shareholder of Rando dated January 26, 2018.

5. The foregoing supports the fact that 2345, not the Trust, owns the Rando shares and is completely inconsistent with the suggestion that the transfer of shares took place in 2013.
6. In addition to the minute book evidence, the Receiver has considered the following:
 - a) Third party evidence also reflects Rando's ownership by 2345, including the cover pages of Rando's insurance policy. Copies of the cover pages are provided in Appendix "G";
 - b) In the context of a transaction completed in July 2018, which the Receiver is presently reviewing, Ms. Diena signed a resolution on behalf of 2345 as the sole shareholder of Rando dated July 20, 2018, a copy of which is provided in Appendix "H";
 - c) Neither Mr. Stanleigh nor Mr. Diena have provided any documentation reflecting a transfer of Rando's ownership from 2345 to the Trust, nor any documentation reflecting the consideration paid by the Trust to 2345; and
 - d) The Receiver has not identified any information in Rando's books and records reflecting a conveyance from 2345 to the Trust.
7. The Receiver has also requested diligence information with respect to the business and assets of the Trust. If the Trust does, in fact, own the shares of Rando, they would normally be listed as an asset of the Trust within its business records. In a letter dated March 23, 2020, Mr. Stanleigh advised that the Trust has "no minute book, share registry, and no resolutions". Mr. Stanleigh's letter also includes an email from Marciano Beckenstein LLP, also counsel to the Dienas, indicating that "if no activity in the trust for the entire year...then cra (administratively) does not require tax return or financial statements to be filed by the trust for that year". Accordingly, documentation and evidence regarding assets owned by the Trust, if any, appears to be limited, at best. A copy of Mr. Stanleigh's March 23, 2020 letter is attached as Appendix "I".
8. The only documentation made available to the Receiver identifying the Trust as the owner of Rando is Rando's tax return for the year ended December 31, 2018, which refers to the Trust as owning 99% of Rando's shares.
9. On May 21, 2020, GSNH advised Mr. Stanleigh that based on all of the records provided to the Receiver, it is the Receiver's view that Rando is owned by 2345 and not the Trust (the "May 21st Letter"). A copy of the May 21st Letter is provided in Appendix "J". Mr. Stanleigh has not responded to the May 21st Letter.

4.4 Recommendation

1. Notwithstanding the foregoing, in the Receiver's opinion, the rationale for the Sponsorship Agreement and related transactions is to provide benefit to the creditors of Rando given the value of the corporate entity itself, and not any specific value tied to the Existing Shares. The preponderance of the evidence indicates that the Existing Shares are, in fact, owned by 2345 but they themselves are not being conveyed as part of the reorganization. As such, ownership is only one aspect of the recommendation for approval.
2. The Receiver recommends that the Court make an Order granting the relief summarized above for the following reasons:
 - a) the transaction contemplated by the Sponsorship Agreement and the Proposal will facilitate a sale of the Rando charter for the benefit of Rando's creditors;
 - b) the Capitalization Amount is commercially reasonable and reflective of the value of the charter based on the marketing process conducted in the RSP for the DNPI charter and the offer contemplated in the 2258 APA;
 - c) ECN supports the transaction;
 - d) absent the Sponsorship Agreement and the Proposal, there would be no recoveries for unsecured creditors; and
 - e) the Receiver is of the view that a further marketing of the charter is unlikely to result in a superior transaction, particularly given the complexity, time, effort and costs incurred negotiating this transaction, first with 2258 and then with the Sponsor.
3. If the Sponsorship Agreement is approved, the next step will be for the Receiver to finalize and file the Proposal and hold the creditors' meeting. If the requisite number of Rando's creditors vote to accept the Proposal then KSV, as Proposal Trustee, will bring a motion for approval of the Proposal and the reorganization, including the proposed Articles of Amendment, the distribution to ECN and discharge of the Receiver as it relates to Rando.

4.5 Sealing

1. The Receiver recommends that expressions of interest received for the DNPI charter and the unredacted version of the Sponsorship Agreement be filed with the Court on a confidential basis and remain sealed pending a further Order of the Court. The redactions in the Sponsorship Agreement are limited to the capitalization amount and therefore no parties are prejudiced by the sealing request. A complete copy of the Sponsorship Agreement will be made available to Rando's creditors upon the filing of the Proposal.

5.0 Receiver's Activities

1. In addition to the activities summarized in this Report, the Receiver's activities since the date of the Third Report have included:
 - Corresponding regularly with the pharmacists regarding the operation of the Pharmacies;
 - Dealing with the Company's vendors to, among other things, purchase inventory for the Company's pharmacies;
 - Corresponding with Mr. Diena regarding the operations of the Pharmacies;
 - Reviewing daily transaction reports provided by the Pharmacies;
 - Dealing with the bi-weekly payroll and contractor payments related to the Pharmacies;
 - Providing rolling weekly financial and reporting to ECN thereon;
 - Corresponding with Canada Revenue Agency regarding the Company's payroll and sales tax accounts;
 - Preparing information to file Rando's tax return to the date of the Proposal;
 - Corresponding with the Purchasers regarding the E/W Transaction;
 - Providing updates to ECN on, among other things, the status of these proceedings; and
 - Preparing this Report.

6.0 Professional Fees

1. The fees of the Receiver for the period December 1, 2019 to July 31, 2020 total \$430,724, excluding disbursements and HST. The fees of GSNH for the period December 1, 2019 to August 24, 2020 total \$157,271, excluding disbursements and HST. Fee affidavits and accompanying invoices in respect of the fees and disbursements of the Receiver and GSNH for these periods are attached as Appendices "K" and "L", respectively, to this Report.

2. The fees incurred by the Receiver and GSNH are reflective of the complications associated with this receivership that were unforeseen prior to the commencement of these proceedings, including, among other things, those related to the misrepresentations by Mr. Diena concerning numerous aspects of Rando's business and operations, including the leases for Pharmacy East and Pharmacy West and the ownership of several entities. The fees also include oversight of the Pharmacies, the challenges closing the E/W Transaction and the complex process to monetize the Exemption. Oversight of the Pharmacies was extensive in light of the Covid-19, including addressing staffing, supply and PPE issues.
3. The Receiver has not charged a significant portion of its fees on this mandate. The Receiver reserves the right to seek approval of these fees at a later time if recoveries improve.
4. The average hourly rate for the Receiver and GSNH for the referenced billing period was \$451 and \$431, respectively.
5. The Receiver is of the view that GSNH's hourly rates are consistent with or lower than the rates charged by other law firms practicing in the area of insolvency in the Toronto market, and that its fees are reasonable and appropriate in the circumstances⁹.

7.0 Conclusion and Recommendation

1. Based on the foregoing, the Receiver respectfully recommends that this Honourable Court make an order granting the relief detailed in Section 1.1(1)(e) of this Report.

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.,
SOLELY IN ITS CAPACITY AS RECEIVER OF
THE ASSETS, UNDERTAKINGS AND PROPERTIES OF
RANDO DRUGS LTD. AND RELATED COMPANIES
AND NOT IN ITS PERSONAL OR IN ANY OTHER CAPACITY**

⁹ Subsequent fee approval will include Norton Rose Fulbright Canada LLP, the firm which presently represents the Receiver.

Appendix “A”



Court File No. CV-19-00632106

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.)	WEDNESDAY, THE 4 TH
)	
JUSTICE HAINEY)	DAY OF DECEMBER, 2019

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. and 2527475 ONTARIO INC.

Respondents

ORDER
(appointing Receiver)

THIS APPLICATION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing KSV Kofman Inc. ("KSV") as receiver (in such capacity, the "Receiver") without security, of all of the assets, undertakings and properties of 2345760 Ontario Inc., ("234") Rando Drugs Ltd. ("Rando"), 2275518 Ontario Inc. ("227"), Family Health Pharmacy West Inc. Formerly known as M. Blacher Drugs Ltd. ("West Inc."), 2501380 Ontario Inc. ("250"), 2527218 Ontario Inc. ("25272"), Dumopharm Inc. ("Dumopharm") and 2527475 Ontario Inc. ("25274") (together, the



“Debtors”) acquired for, or used in relation to a business carried on by the Debtors, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Adam Flomen sworn December 3, 2019, the pre-filing report filed by KSV dated December 3, 2019 (the “**Report**”), and on hearing the submissions of counsel for the Applicant and the Respondent, and on reading the Consent executed by the Defendants to the appointment of a receiver, the Consent executed by KSV to act as the Receiver and the Affidavit of Service of Maureen McLaren sworn December 3, 2019,

SERVICE

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

APPOINTMENT

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

RECEIVER’S POWERS

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

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

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

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

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

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

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

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

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

5A. THIS COURT ORDERS that, should the Receiver deem it necessary to seek from any insurance company or its pharmacy benefits manager personal information regarding persons covered pursuant to benefit plans which might have had claims under such plans relating to the Debtors, such information shall be sought pursuant to a

motion on notice to the insurance company and its pharmacy benefits manager. Such information shall only be released by the insurance company or its pharmacy benefits manager on the agreement of such insurance company or as provided in the Order so obtained.

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

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

7. THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased

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

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

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

prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

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

RECEIVER TO HOLD FUNDS

13. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post

Receivership Accounts”) and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

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

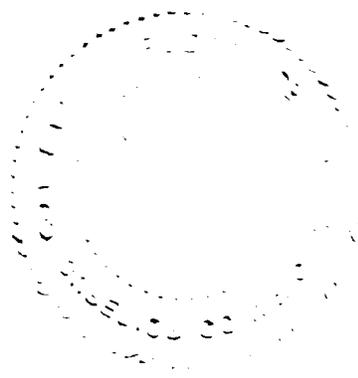
SALE PROCESS

14A. THIS COURT ORDERS that sale process as described in Section 5 of the Report (the “Sale Process”) be and is hereby approved provided that the approval of the Sale Process shall not preclude the Receiver from entering into one or more sale transactions without conducting the Sale Process.

14B. THIS COURT ORDERS that Confidential Appendix E to the Report be and is hereby sealed pending further Order of this Court.

PIPEDA

15. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a “Sale”). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such

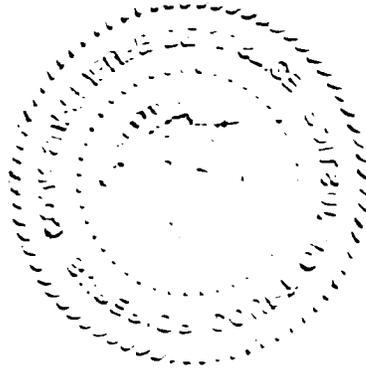


information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

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

LIMITATION ON ENVIRONMENTAL LIABILITIES

17. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other



contamination including, without limitation, the *Canadian Environmental Protection Act*, the Ontario *Environmental Protection Act*, the *Ontario Water Resources Act*, or the Ontario *Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

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

RECEIVER'S ACCOUNTS

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

20. THIS COURT ORDERS that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its



legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

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

FUNDING OF THE RECEIVERSHIP

22. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$250,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

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

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

SERVICE AND NOTICE

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

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

following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

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

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

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

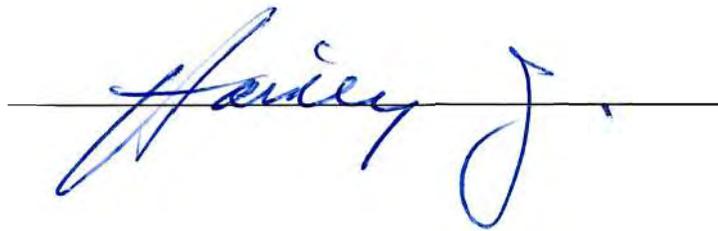
31. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized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

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

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

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



SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that KSV Kofman Inc., the Receiver (the "**Receiver**") of the assets, undertakings and properties 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. (collectively the "**Debtors**") acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the 4th day of December, 2019 (the "**Order**") made in an action having Court file number CV-19-00632106, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

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

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

- 2 -

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

DATED the ____ day of _____, 2019.

KSV Kofman Inc., solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per
:

Name:

Title:

ECN FINANCIAL INC.
Applicant

2345760 ONTARIO INC., et al.
Respondents

and

Court File No: CV-19-00632106

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

Proceeding commenced at Toronto

**ORDER
(APPOINTING RECEIVER)**

MILLER THOMSON LLP
Scotia Plaza
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P.O. Box 1011
Toronto, ON Canada M5H 3S1

Craig A. Mills LSUC#: 40947B
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Solicitors for the Applicant

Appendix “B”



**Report of
KSV Kofman Inc.
as Proposed Receiver of Rando Drugs Ltd.
and Related Companies**

December 3, 2019

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COURT FILE NO.: CV-19-00632106-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF s. 243 (1) of the *Bankruptcy and Insolvency Act*,
R.S.C. 1985, c. B-3, and s. 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43

BETWEEN:

ECN FINANCIAL INC.

APPLICANT

- AND -

2345760 ONTARIO INC., RANDO DRUGS LTD., GRACE DIENA, 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.

RESPONDENT

REPORT OF
KSV KOFMAN INC.
AS PROPOSED RECEIVER

DECEMBER 3, 2019

1.0 Introduction

1. This report (the "Report") is filed by KSV Kofman Inc. ("KSV") as proposed receiver and manager of the property, assets and undertaking of 2345760 Ontario Inc ("2345"), Rando Drugs Ltd. ("Rando"), 2275518 Ontario Inc. ("2275"), M. Blacher Drugs Ltd¹. ("Blacher"), 2501380 Ontario Inc. ("2501"), 2527218 Ontario Inc. ("2527218"), Dumopharm Inc. ("Dumopharm") and 2527475 Ontario Inc. ("2527475") (collectively, the "Company"). Although Grace Diena is listed as a respondent above, KSV understands no order is being sought against her at this time.

¹ Now known as Family Health Pharmacy West Inc. This should not be confused with Family Health Pharmacy West, which is an unincorporated division of Rando.

2. As of the date of this Report, 2345 was indebted to ECN Financial Inc. (“ECN”) in the amount of approximately \$4.1 million (the “ECN Facility”). Each of Rando, 2275, Blacher, 2501, 2527218, Dumopharm and 2527475 are secured guarantors of 2345’s indebtedness under the ECN Facility.
3. Of the borrowers and guarantors under the ECN Facility, the only business is carried on by Rando, which operates four pharmacies in Southwestern Ontario under the PharmaChoice banner (the “Pharmacies”). Each pharmacy is an unincorporated division of Rando.
4. On July 17, 2019, the Company and ECN entered into a Forbearance Agreement (the “Forbearance Agreement”). ECN’s application materials will provide further background about the events of default leading up to the entry into the Forbearance Agreement. Specifically, as it pertains to KSV, pursuant to the Forbearance Agreement:
 - a) the Company agreed to retain KSV Advisory Inc.² to act as its advisor (the “Advisor”) to conduct a refinancing and sale process for the Pharmacies (the “RSP”) [section 5.1(a)]. The Forbearance Agreement originally contemplated the retention of a different advisory firm; however, 2345 and ECN agreed to retain KSV for the mandate;
 - b) the Company agreed that KSV’s appointment as Advisor did not preclude it from being appointed as receiver [section 6.2(f)]; and
 - c) the Company consented to the appointment of a receiver which consent was to be held in escrow pending the termination of the Forbearance Agreement or an “intervening event” (as defined therein) [Section 3.2(c) and Schedule G].
5. The Company entered into an engagement letter with KSV dated July 31, 2019 (the “Engagement Letter”) appointing it as Advisor as contemplated by the Forbearance Agreement. Pursuant to Section 7 of the Engagement Letter, the Company specifically consented to KSV or its affiliates acting as a court-appointed officer in any formal insolvency proceeding involving the Company.
6. Copies of the Forbearance Agreement and the Engagement Letter are attached as Appendices “A” and “B” respectively.
7. The principal purpose of the receivership proceedings is to allow the Company’s business to continue to operate on a going-concern basis while a Court-supervised sale process for the Company’s business and assets is carried out by a receiver. In its role as Advisor, KSV has already conducted an extensive RSP with respect to the Pharmacies including preparing teaser letters, confidential information memoranda and the like.

² KSV Kofman Inc. carries out all of KSV’s formal insolvency appointments. Consulting services are provided by KSV Advisory Inc.

8. KSV has consented to act as receiver. A copy of KSV's consent is attached as Appendix "C". KSV is a trustee within the meaning of subsection 2(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "BIA"). KSV is not the auditor of the Company. KSV is not subject to any of the restrictions on who may be appointed as receiver set out in section 13.3 of the BIA.

1.1 Purposes of this Report

1. The purposes of this Report are to:
 - a) provide background information regarding the Company;
 - b) summarize the RSP carried out by KSV as Advisor;
 - c) summarize the proposed process pursuant to which the Company's business and assets would be marketed for sale by KSV, as receiver, during the receivership proceedings (the "Sale Process"); and
 - d) recommend that the Court issue an order, among other things:
 - i. appointing KSV as receiver and manager of the Company; and
 - ii. approving the Sale Process.

1.2 Restrictions

1. In preparing this Report, KSV has relied upon unaudited financial information prepared by the Company, the books and records of the Company and discussions with representatives of the Company. KSV has not performed an audit or other verification of such information. An examination of the Company's financial forecasts as outlined in the Chartered Professional Accountant Canada Handbook has not been performed. Future oriented financial information relied upon in this Report is based on the Company's representative's assumptions regarding future events; actual results achieved may vary from this information and these variations may be material. KSV accepts no reliance for any financial disclosure provided in this Report and any party interested in the Company is encouraged to perform its own due diligence.

2.0 Company Background

1. The Pharmacies (all of which are owned by Rando) are located in Southwestern, Ontario. Each pharmacy is a separate division of Rando. Dani Diena is the President of Rando and of every other Company subject to the Application. A corporate chart is provided in Appendix "D".
2. The Pharmacies are located at the following addresses:
 - a) Family Health Pharmacy West located at 1604 Tecumseh Road West, Windsor ("Pharmacy West");

- b) Family Health Pharmacy East located at 6720 Hawthorne Drive, Windsor (“Pharmacy East”);
 - c) Novacare Pharmacy located at 3A-1275 Walker Road, Windsor; and
 - d) Family Health Pharmacy Walpole located at 785 Tecumseh Road, Walpole Island.
2. The Pharmacies largely operate independently, with minimal support from Rando. Rando provides some administrative head office functions for the Pharmacies.
 3. Excluding Mr. Diena, Rando has approximately 19 employees and 11 contractors who work in the Pharmacies. The business is also supported by a controller who works at Rando’s head office in North York, Ontario. The controller is not exclusively dedicated to Rando’s business. Rando’s workforce is not unionized, and Rando does not provide a pension plan.

3.0 ECN and the Forbearance Agreement

1. ECN is the Company’s most significant secured creditor. As at the date of this Report, ECN was owed approximately \$4.1 million. The ECN application materials provide details concerning the defaults under the ECN Facility, the circumstances of the Forbearance Agreement and the subsequent defaults leading to this Application.
2. Pursuant to the Forbearance Agreement, the Company was required to retain an advisor to conduct a process that, by November 30, 2019, would result in either:
 - a) an executed and verifiable commitment letter for a refinancing of all the ECN debt with a transaction closing date on or before December 31, 2019; or
 - b) an executed and verifiable agreement of purchase and sale in respect of the Pharmacies in an amount sufficient to pay the ECN Facility in full, with a closing date on or before December 31, 2019.

4.0 RSP

1. KSV’s mandate, as detailed in the Engagement Letter, was as follows:
 - a) identifying prospective buyers, lenders and/or investors;
 - b) assisting in preparing financial information to support due diligence and drive value;
 - c) preparing marketing materials, in cooperation with the Company, including a teaser (high-level anonymous information), and Confidential Information Memorandum (“CIM”) (more in depth based on confidential information);
 - d) preparing instructions to potential interested parties regarding the process (including draft Asset Purchase Agreement (“APA”), sale approval order, etc., as determined to be appropriate in the circumstances);

- e) marketing the Pharmacies;
- f) maintaining the virtual data room (“VDR”), as populated with the assistance of the Company;
- g) reviewing, analyzing, and recommending offers received;
- h) assisting in negotiating, finalizing and closing an offer; and
- i) performing other services as may be informed by the RSP terms agreed between the Company and ECN pursuant to the Forbearance Agreement.

2. The table below summarizes the RSP timelines:

	Date
Commencement of RSP	August 22, 2019
Preliminary Letter of Intent (“LOI”) deadline	September 20, 2019
Final LOI deadline	October 4, 2019
Target closing date deadline	October 18, 2019

3. The Engagement Letter permits KSV to report directly to ECN and to act as a court officer in any formal insolvency proceedings involving the Company. At the introductory meeting between representatives of KSV (Robert Kofman and Eli Brenner) and Mr. Diena, Mr. Kofman made specific reference to these provisions of the Engagement Letter.
4. The details of the steps taken by KSV in the RSP are outlined on Confidential Appendix “1”. KSV believes that the information set out in the confidential appendix should be sealed pending the earlier of the negotiation of a successful sale transaction or further order of the Court as it could potentially prejudice subsequent negotiations or re-engagement with potential buyers.
5. On November 29, 2019, KSV learned that the landlord for Pharmacy East sent a letter to Mr. Diena dated September 25, 2019 purporting to terminate the lease for Pharmacy East effective November 30, 2019. The landlord has since extended the purported termination to December 31, 2019. If this lease is terminated, it will materially affect the value of any transaction for the Pharmacies. The landlord of Pharmacy East is also the landlord of Pharmacy West. KSV was extremely surprised that Mr. Diena did not disclose to it the purported Pharmacy East lease termination at the time it occurred given the materiality of this development on the RSP. If appointed receiver, KSV intends to engage with the Pharmacy East landlord immediately following its appointment.

5.0 Sale Process

1. If appointed Receiver, KSV intends to immediately re-engage with the parties that submitted offers in the RSP. If one or more of those parties continue to have an interest in the opportunity, KSV intends to attempt to complete a binding agreement of purchase and sale with one of those parties as soon as possible. KSV will also engage with parties who expressed an interest in the opportunity during the RSP but opted not to participate in it due to their concerns about the Company's management.
2. KSV intends to have all parties requiring further due diligence sign a new confidentiality agreement, even if it signed one during the RSP process.
3. If re-engaging with the interested parties from the RSP process does not generate, or appears that it will not generate, an acceptable transaction, KSV intends to launch a new sale process commencing forthwith with offers to be submitted on or about January 17, 2020. All new offers will be required to be submitted in the form of a standard asset purchase agreement which will be prepared by the Receiver and made available in the data room. Changes to the agreement will be required to be blacklined or otherwise clearly marked. The proposed timeline is provided in the table below.

Summary of Sale Process (To be commenced after re-engaging with RSP parties.)		
Milestone	Description of Activities	Timeline
<i>Phase 1 – Finalize materials</i>		
Update marketing materials	<ul style="list-style-type: none"> ➤ KSV to update Teaser, CIM, confidentiality agreement ("CA") and VDR used in the RSP. 	Week 1
<i>Phase 2 – Marketing</i>		
Stage 1	<ul style="list-style-type: none"> ➤ Mass market introduction, including: <ul style="list-style-type: none"> ➤ Teaser to be sent to identified prospects, including investors that own similar retail pharmacies; ➤ publication of the acquisition opportunity in <i>The Globe and Mail</i> (National Edition); ➤ telephone canvass of leading prospects; and ➤ meet with and interview bidders. 	Week of December 9 and December 16

Summary of Sale Process (To be commenced after re-engaging with RSP parties.)		
Milestone	Description of Activities	Timeline
Stage 2	<ul style="list-style-type: none"> ➤ KSV to provide detailed information to qualified prospects that sign the CA, including the CIM and access to the VDR; ➤ KSV to facilitate diligence by interested parties; ➤ KSV will prepare draft APA. 	Week of January 6
Stage 3	<ul style="list-style-type: none"> ➤ Prospective purchasers to submit APAs or other proposals. 	On or about January 17
<i>Phase 3 – Offer Review and Negotiations</i>		
	<ul style="list-style-type: none"> ➤ 2nd Round Bids and further bidding - Prospective purchasers may be asked to re-submit APAs on one or more occasions. 	Week of January 20
Selection of Successful Bids	<ul style="list-style-type: none"> ➤ Select successful bidder and finalize definitive documents. 	Week of January 20
Sale Approval Motion and Closing	<ul style="list-style-type: none"> ➤ Motion for sale approval and close transaction. 	Approximately mid-February, subject to delays resulting from regulatory approvals/consents

2. Additional attributes of the Sale Process include:
 - a) the business and assets will be marketed on an “as is, where is” basis;
 - b) KSV will have the right to reject all offers, including the highest offer; and
 - c) any transaction will be subject to Court-approval.

3. KSV will also require flexibility in the timelines as regulatory approvals are required when selling pharmacies. KSV does not have the ability to control those timelines.

5.1 Sale Process Recommendation

1. KSV recommends that the Court issue an order approving the Sale Process for the following reasons:
 - a) KSV as Advisor has already conducted an extensive marketing of Rando's business and assets. Given the breadth of the RSP and the offers received, KSV is of the view that it may not be necessary to commence a fresh RSP. KSV only intends to conduct such a process if an acceptable transaction cannot be completed, or it appears that one may not be completed, from the bidders who participated in the RSP, or from the parties who were interested in the opportunity but opted not to participate;
 - b) the contemplated Sale Process, if required, is fair, open and transparent and will allow KSV to canvass the market broadly on an orderly basis in order to obtain the highest and best price;
 - c) there will be no delay commencing the Sale Process – KSV has significant knowledge from its role as Advisor and has already prepared marketing materials that can be quickly updated for a fresh RSP, if necessary;
 - d) the Sale Process is flexible and will allow KSV to establish procedures it believes necessary to maximize value; and
 - e) ECN supports the Sale Process.

6.0 Conclusion and Recommendation

1. Based on the foregoing, KSV respectfully recommends that the Court make an order granting the relief detailed in Section 1.1(1)(d) of this Report.

* * *

All of which is respectfully submitted,



**KSV KOFMAN INC.,
SOLELY IN ITS CAPACITY AS PROPOSED RECEIVER OF
THE PROPERTIES, ASSETS AND UNDERTAKINGS OF
RANDO DRUGS LTD. AND RELATED COMPANIES
AND NOT IN ITS PERSONAL OR IN ANY OTHER CAPACITY**

Appendix “C”



**Second Report of
KSV Kofman Inc.
as Receiver of
Rando Drugs Ltd.
and Related Companies**

February 19, 2020

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COURT FILE NO.: CV-19-00632106-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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. AND 2527475
ONTARIO INC.

RESPONDENTS

SECOND REPORT OF KSV KOFMAN INC.
AS RECEIVER OF THE ASSETS, PROPERTY AND UNDERTAKING OF
RANDO DRUGS LTD. AND RELATED COMPANIES

FEBRUARY 19, 2020

1.0 Introduction

1. This report (the "Report") is filed by KSV Kofman Inc. ("KSV") in its capacity as receiver (the "Receiver") of the property, assets and undertaking of 2345760 Ontario Inc ("2345"), Rando Drugs Ltd. ("Rando"), 2275518 Ontario Inc. ("2275"), M. Blacher Drugs Ltd.¹ ("Blacher"), 2501380 Ontario Inc. ("2501"), 2527218 Ontario Inc. ("2527218"), Dumopharm Inc. ("Dumopharm") and 2527475 Ontario Inc. ("2527475") (collectively, the "Company").
2. Pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the "Court") made on December 4, 2019 (the "Receivership Order"), KSV was appointed Receiver. A copy of the Receivership Order is attached as Appendix "A".
3. The principal purpose of the receivership proceedings is to allow the Company's four pharmacies (the "Pharmacies") (which are believed to be owned by Rando) and its physiotherapy clinic (which is believed to be owned by 2275 and operates as "Abira") to continue to operate while the Receiver works to complete a sale of some or all of these businesses on a going-concern basis.

¹ Now known as Family Health Pharmacy West Inc. This should not be confused with Family Health Pharmacy West, which is an unincorporated division of Rando.

1.1 Purposes of this Report

1. The purposes of this Report are to:
 - a) provide background information regarding the Company;
 - b) summarize the marketing process for the Pharmacies and the Court-approved process pursuant to which the opportunity to acquire the Pharmacies was carried out during these proceedings (the “Sale Process”);
 - c) summarize the terms of an asset purchase agreement dated December 18, 2019 (the “Original APA”), as amended on January 31, 2020 (the “Amendment” and together with the Original APA, the “APA”), between the Receiver and 2258156 Ontario Inc. (the “Purchaser”) for substantially all the business and assets of the Debtors²;
 - d) set out the reasons that the Receiver is only seeking approval at this time of the sale of the Company’s pharmacies located at 785 Tecumseh Road, Unit #16, Walpole Island (“Walpole”) and 3A-1275 Walker Road, Windsor (“Novacare”);
 - e) summarize the Receiver’s rationale for: i) seeking an assignment to the Purchaser of the lease held jointly by Dumopharm and CEDV Inc. (“CEDV”), a company not subject to these receivership proceedings but related to Rando’s principal; and ii) vesting out, on closing, any interest in respect of CEDV from the Novacare Lease (as defined in Section 4.1.1 below);
 - f) summarize certain of the buyer’s conditions which must be completed in order to close the sale of the pharmacies subject to the APA;
 - g) provide the Receiver’s rationale for sealing certain confidential information, including a portion of the APA that does not deal with the sale of the Pharmacies;
 - h) set out the reasons that ECN (as defined below) is seeking to expand the Receivership Order to include Grace Diena, the spouse of the Company’s principal; and
 - i) recommend that the Court issue an order:
 - i. approving the execution by the Receiver of the APA;
 - ii. approving only the portion of the transactions in the APA relating to Walpole and Novacare (the “Transactions”);
 - iii. assigning the Novacare Lease to the Purchaser free and clear of any interest of CEDV;

² “Debtors” as defined in the APA means Rando and Dumopharm.

- iv. authorizing the Receiver to enter into any other ancillary documents and agreements required to complete the Transactions;
- v. vesting the Debtors' right, title and interest in and to the Purchased Assets (as defined in the APA) in the Purchaser, free and clear of all liens, charges, security interests and encumbrances, other than the Permitted Encumbrances, for the Novacare and Walpole locations;
- vi. sealing the confidential appendices to this Report on the terms set out below;
- vii. expanding the Receivership Order to include Ms. Diena; and
- viii. approving this Report and the Receiver's activities described herein.

1.2 Restrictions

1. In preparing this Report, the Receiver has relied upon unaudited financial information prepared by the Company, the books and records of the Company and discussions with representatives of the Company. The Receiver has not audited, reviewed or otherwise verified the accuracy or completeness of the information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants Canada Handbook.
2. The Receiver expresses no opinion or other form of assurance with respect to the financial information presented in this Report or relied upon by KSV in preparing this Report. The Receiver accepts no reliance for any financial disclosure provided in this Report and any party interested in the Company is encouraged to perform its own due diligence.

2.0 Background

1. As of the date of the Receivership Order, 2345 was indebted to ECN Financial Inc. ("ECN") in the amount of approximately \$4.3 million (the "ECN Facility"), plus interest, fees and costs which continue to accrue. Each of Rando, 2275, Blacher, 2501, 2527218, Dumopharm and 2527475 are secured guarantors of 2345's indebtedness under the ECN Facility. As discussed in Section 5 below, Ms. Diena is also a secured guarantor although she presently is not subject to the Receivership Order.
2. The Company owns and operates the following four pharmacies in Southwestern Ontario under the PharmaChoice banner:
 - a) Family Health Pharmacy West, located at 1604 Tecumseh Road West, Windsor ("Family Health West");
 - b) Family Health Pharmacy East, located at 6720 Hawthorne Drive, Windsor ("Family Health East");

- c) Walpole; and
 - d) Novacare.
3. Each pharmacy operates as a separate division of Rando. Dani Diena is the President of Rando and every other Company subject to the Receivership Order. To the Receiver's knowledge, Mr. Diena is an undischarged bankrupt. Mr. Diena's trustee, MSI Spergel Inc. ("Spergel") has not contacted the Receiver since the commencement of these proceedings nor has it taken any positions within these receivership proceedings.
 4. Of the remaining borrowers and guarantors under the ECN Facility, the only other business is carried on by Abira. The Toronto-Dominion Bank ("TD") and ECN are secured creditors of Abira. Pursuant to a priorities agreement between TD and ECN dated March 4, 2016, Abira's indebtedness to TD appears to have priority over its indebtedness to ECN, which is pursuant to a secured guarantee. Abira's indebtedness to TD totalled approximately \$980,000 at the commencement of the receivership proceedings. The Abira business continues to operate.
 5. Additional information about the Company is provided in KSV's report to Court as proposed receiver dated December 3, 2019 (the "Pre-filing Report"). A copy of the Pre-filing Report is provided in Appendix "B", without appendices.
 6. The Court materials filed in these proceedings are available on the Receiver's website at <https://www.ksvadvisory.com/insolvency-cases/case/rando-drugs-ltd>.

3.0 Sale Process

1. As set out in Section 4 of the Pre-filing Report, KSV was retained by the Company on July 31, 2019 to conduct a refinancing and sale process ("RSP") for the Pharmacies. Several strong offers were submitted in that process. Details of the RSP and a summary of the offers received are provided in Confidential Appendix "1"³. At the time, KSV believed the strongest offer had been submitted by Bidder Two (as referenced in the confidential appendix). Ultimately, Mr. Diena chose to pursue the offer submitted by Bidder One, which was not recommended by KSV and never closed.
2. As set out in the Pre-Filing Report, given the wide canvassing and orderly marketing of the Company already performed by KSV under the RSP, the Receiver intended to re-approach the parties that submitted the best offers in the RSP. The Receiver intended to re-market the business and assets if parties did not express a continuing interest. The Court approved this approach pursuant to the Receivership Order.
3. Upon its appointment, the Receiver contacted the Purchaser. The Purchaser is referred to as "Bidder Two" in Confidential Appendix "1". As set out above, the Receiver believed Bidder Two's offer was the strongest submitted in the RSP.

³ This appendix was also included with the Pre-Filing Report.

4. The Purchaser advised the Receiver that it continued to have an interest; however, due to issues which came to light subsequent to the RSP that may affect a transaction, the Purchaser advised that it would only continue to have an interest at a lower price than its bid in the RSP. The Purchaser also advised that the structure of its bid would also have to reflect the risks in the transaction. Certain of the issues giving rise to these changes are discussed in Confidential Appendix “2”.
5. Notwithstanding the reduction in the value of the Purchaser’s offer, the Receiver believes that the Purchaser’s offer remained attractive for the following reasons:
 - a) it was not subject to a financing condition;
 - b) the Purchaser represented that it had completed substantially all its due diligence;
 - c) the principal of the Purchaser is an experienced pharmacist who operates multiple pharmacies;
 - d) the Purchaser is interested in all four Pharmacies and other assets;
 - e) the total value of the Purchaser’s offer exceeds the ECN debt; and
 - f) the issues which caused the Purchaser to reduce the value of its offer would also cause all other bidders to also reduce their offer.
6. The Receiver, with the assistance of its counsel, Goldman, Sloan, Nash and Haber LLP (“GSNH”), worked with the Purchaser and its counsel to finalize the terms of the Original APA. The offer was finalized and accepted on December 18, 2019.

4.0 The APA⁴

1. The APA is structured to allow the Receiver to close the sale of each Pharmacy individually. This structure was necessary as there are issues unique to the sale of each location.
2. The key terms of the APA include:
 - a) Purchaser: 2258156 Ontario Inc.
 - b) Purchase price: The purchase price and the allocation of the purchase price among the Pharmacies is included in Confidential Appendix “3”.

⁴ Defined terms in this section of the Report have the meanings provided to them in the APA.

- c) Deposit:
- i. The Purchaser will pay 10% of the Purchase Price (net of the Inventory Amount) (the “Initial Deposit”) upon the execution of the Original APA, to be held by the Receiver in trust until Closing. Upon closing, the Initial Deposit will be credited toward the Purchase Price. The Initial Deposit was provided to the Receiver on December 19, 2019;
 - ii. An additional sum of 5% of the Purchase Price (net of the Inventory Amount) (the “Additional Deposit”) was to be paid to the Receiver, in trust, upon the earlier of (a) January 31, 2020; and (b) obtaining Landlord Approval (discussed in paragraph “h” below). The deadline to pay the Additional Deposit was extended to March 13, 2020 pursuant to the Amendment.
- d) Assets to be purchased: All of the Debtors’ right, title and interest in and to substantially all of the business, assets and contracts of the Pharmacies, excluding accounts receivable, cash and cash equivalents, intercompany receivables, deposits, HST receivables, tax refunds, claims, insurance or insurance claims, and any contracts not specifically included in the Contracts.
- e) Inventory: The Purchaser shall pay the following amounts for Inventory upon completion of the sale of each Pharmacy:
- i. ●% of the cost for generic prescription drugs;
 - ii. ●% of the cost for brand name prescription drugs; and
 - iii. ●% of the cost for all over-the-counter medicine and sundry items.

A redacted version of the APA is provided in Appendix “C”. An unredacted version is provided in Confidential Appendix “3”. The above amounts are provided in the unredacted APA. The reasons for including certain information in confidential appendices are provided in Section 4.5 below.

The Receiver has also redacted certain sections of the APA which have nothing to do with the Transactions and for which approval is not being sought at this time.

- f) Assumed obligations: All obligations and liabilities of the Company under the Contracts and in respect of the Transferred Employees. Within ten (10) Business Days of the Purchaser advising the Receiver it has obtained a Landlord Approval for a Leased Location, the Purchaser shall provide a list to the Receiver of those employees of the Debtor at the Leased Location it wishes to offer employment. The employees who accept the Purchaser’s employment offer shall be referred to as the Transferred Employees.

- g) “As is, where is”: The agreement is consistent with standard insolvency transactions, i.e. to be completed on an “as is, where is” basis with minimal representations, warranties and conditions.
- h) Conditions in favour of the Purchaser: The following are the material conditions in favour of the Purchaser:
- i. Landlord Approval – pursuant to the Amendment, on or before March 13, 2020, the Purchaser will have obtained consents by the landlords of the Leased Locations to assignments of the applicable leases, including options to extend for up to 10 years⁵ or new leases for the Leased Locations. In the event that Landlord Approval is obtained for some of the Leased Locations but not all of the Leased Locations, the Parties may, but are not obligated to, close the sale of those Leased Locations for which the Landlord Approval has been received.
 - ii. Ontario College of Pharmacists (“OCP”) – on or before February 28, 2020, the Purchaser will have obtained a new certificate of accreditation by the OCP. Pursuant to the Amendment, this has been extended to April 17, 2020.
 - iii. Ontario Drug Benefit Plan (“ODB”) - on or before February 28, 2020, the Purchaser will have obtained new billing privileges for all Leased Locations under the ODB with the Ministry of Health (Ontario) and all third-party payors of the Leased Locations. Pursuant to the Amendment, this was extended to April 17, 2020; and
 - iv. Approval and Vesting Order – the obligations of the Receiver and Purchaser to complete the Transactions are subject to an order of the Court on or before March 13, 2020 approving the APA and the Transactions. Pursuant to the Amendment, this was extended to May 8, 2020.
3. As of the date of this Report, the Purchaser and the Walpole landlord are finalizing the terms of a new lease. The Receiver understands that the lease should be completed by the return of this motion.
4. As discussed in Section 4.1 below, Landlord approval has not been obtained for the Novacare location. This lease is to be assigned to the Purchaser.

⁵ Based on discussions with certain landlords, this term may need to be amended. The Purchaser has advised that there is some flexibility in this regard.

4.1 Novacare Lease

1. Rando occupies the Novacare pharmacy pursuant to a lease (together with all renewals, the “Novacare Lease”) between Dumopharm, a non-operating entity subject to the Receivership Order, and Walker Plaza 1200 Inc. (the “Novacare Landlord”). Pursuant to a co-tenancy agreement dated February 12, 2017, CEDV was added to the lease as a co-tenant. CEDV is believed to be owned or controlled by Mr. Diena.
2. A copy of the Novacare Lease (which is undated) is provided in Appendix “D”. The Novacare Lease expired on December 31, 2019 but was renewed by Rando prior to the receivership. The Novacare Landlord’s counsel has yet to provide a draft renewal but the assignment of the Novacare Lease would include all renewals including the current one. The Company provided the Receiver with an email confirming that it had exercised the renewal. The Company is continuing to occupy the Novacare premises.
3. Mr. Diena advised the Receiver that CEDV is an entity that financed certain leasehold improvements for the Novacare location with a loan from an entity other than ECN and that CEDV’s addition as a tenant to the lease was obtained in connection with this transaction. Mr. Diena has advised that CEDV has not and does not occupy that location and that the structure was purely financial in nature.
4. Shortly after entering into the Original APA, the Receiver reached out to the Novacare Landlord’s counsel, Gatti Law Professional Corporation (“Gatti”), to discuss assignment of the Novacare Lease to the Purchaser (or the entering into of a new lease). Gatti indicated that it was only prepared to enter into a new lease (or assignment) and deal with the Purchaser if the issues concerning CEDV were addressed with no doubt as to which entity (Dumopharm and/or CEDV) could deal with the Novacare Lease.
5. To provide such certainty to Gatti and in order to complete a transaction for the Novacare location, Mr. Diena provided a co-tenant acknowledgement on behalf of CEDV on January 11, 2020 (the “Co-tenancy Acknowledgement”), attached as Appendix “E”, that provides:

“the Co-tenant will consent to any lease assignment recommended by the Receiver as part of a transaction and release any rights it may have as a Co-tenant and/or allow its interest to be vested out by a vesting order”.
6. Gatti did not accept the Co-Tenancy Acknowledgment as sufficient evidence that it could discuss the lease assignment or new lease term with the Receiver and/or the Purchaser.
7. A summary of the Receiver’s and GSNH’s correspondence with the Novacare Landlord and Gatti is as follows:
 - a) on January 2, 2020, Gatti advised the Receiver and GSNH that CEDV’s interest in the Novacare lease restricts it from negotiating a new or assigned lease in favour of the Purchaser;

- b) on January 13, 2020, the Receiver and GSNH provided a copy of the Co-Tenancy Acknowledgement to Gatti;
 - c) on January 22, 2020, Gatti advised the Receiver that, notwithstanding the Co-Tenancy Acknowledgment, it would only commence discussions regarding the terms of a new lease after the Receiver obtains a Court order vesting out the interest of CEDV from the Novacare lease; and
 - d) on January 24, 2020, Gatti advised the Receiver and GSNH that until such time as the Novacare Landlord has full control of the lease, it will not enter any form of negotiation with the Purchaser.
8. A copy of the Receiver's correspondence with Gatti is provided in Appendix "F".
9. Given the above, the Receiver is seeking to assign the Company's existing Novacare Lease to the Purchaser. This is acceptable to the Purchaser. The Purchaser and the Novacare Landlord can negotiate a new lease thereafter if that is what they decide to do. The Receiver believes this assignment is appropriate for the following reasons:
- a) The Purchaser is a pharmacist operating approximately 30 locations, the majority of which have been operating for ten years and more;
 - b) The Purchaser satisfied due diligence performed by the Walpole landlord;
 - c) The Receiver has no reason to believe the Purchaser cannot or will not perform its obligations under the Novacare Lease;
 - d) Neither the Novacare Landlord nor Gatti have indicated they have any concerns with the Purchaser itself and in fact have indicated they are "happy" to discuss the Novacare location with the Purchaser once the certainty of the tenant/co-tenant arrangement is addressed;
 - e) There are no outstanding monetary defaults under the Novacare Lease of which the Receiver is aware; and
 - f) The assignment of the Novacare Lease is a key condition for that sale – without the Novacare Lease, the Transaction for that location will not close.

4.2 Family Health East and Family Health West Lease

- 1. The status of these leases is discussed in Confidential Appendix "2".

4.3 Regulatory Approval

- 1. The sale of any pharmacy in Ontario is conditional on obtaining approval from the OCP and the Ministry of Health, as described above in Section 4.

2. The Receiver has been advised that to obtain approval from the OCP, OCP requires evidence of a new lease, or an assignment of an existing lease. The application for such approval can therefore only be made if this Court approves the Transactions and the Purchaser secures leases for the Novacare and Walpole locations.
3. The Receiver understands that the OCP approval process takes approximately one month.

4.4 Notice to Stakeholders

1. In addition to the parties on the service list, the Receiver intends to provide notice of this motion to:
 - a) all landlords or landlord's counsel;
 - b) PharmaChoice – pursuant to various “membership agreements”, PharmaChoice has a contractual right of first refusal for the sale of the assets or shares of the Debtor. Mr. Diena has advised the Receiver that PharmaChoice has waived its right to exercise its right of first refusal;
 - c) Spergel; and
 - d) All personal property security registrants.

4.5 Recommendation

1. The Receiver recommends that this Court approve the Transactions for the following reasons:
 - a) as detailed in the Pre-filing Report, the RSP carried out by KSV in advance of these proceedings canvassed a large number of parties on an orderly basis over a significant period of time. The process identified several strong offers;
 - b) upon its appointment, the Receiver re-engaged with certain interested parties on the basis set out in the Pre-filing Report. In the Receiver's opinion, the Purchaser submitted the best offer in the RSP;
 - c) ECN, the Company's largest secured creditor, supports the Transactions;
 - d) the value of the offer is significant – the APA needs to be closed in stages due largely to issues related to the Company's leases;
 - e) the Purchaser's Principal is knowledgeable about the pharmacy business. The Receiver understands that he directly or indirectly owns approximately 30 pharmacies and medical centers;
 - f) the reduction in the value of the Transactions versus the offer submitted by the Purchaser in the RSP is justified due to the issues that have been identified since the completion of the RSP;

- g) the Transactions are expected to preserve employment for a substantial number of the Company's employees on terms similar to those currently in place;
 - h) completion of the sale of Walpole and Novacare will reduce receivership costs and professional fees and can be completed outside of the transactions for Family Health East and Family Health West; and
 - i) the Receiver does not believe that further time spent marketing the Company's business and assets will result in a superior transaction.
2. The Receiver also recommends that the Court issue an Order assigning the Novacare lease to the Purchaser as it is integral to completing the sale of that location.

4.6 Sealing

1. The Receiver recommends that the details regarding the marketing process undertaken by KSV in the RSP, the unredacted version of the APA and the confidential appendix related to the two other leases be filed with the Court on a confidential basis and remain sealed pending further order of the Court. The availability of this information to other parties may negatively impact any future sale process for the Company's business and assets if the transactions do not close. The information in the appendices also contains confidential information concerning certain of the Company's business and assets that are not related to the Transactions. The Receiver is concerned that if this information is made public at this time, that portion of the APA may be put at risk. The Receiver does not believe that any stakeholder will be prejudiced if the information is sealed.

5.0 Grace Diena

1. Ms. Diena is a secured guarantor of 2345's indebtedness under the ECN Facility.
2. Pursuant to a forbearance agreement dated July 17, 2019 (the "Forbearance Agreement"), Ms. Diena acknowledged, among other things, the Notices of Intention to Enforce Security issued by ECN pursuant to section 244 of the *Bankruptcy and Insolvency Act* and consented to the appointment of a receiver over the Company and herself. A copy of the Forbearance Agreement is provided in Appendix "G".
3. Ms. Diena is also a guarantor of Abira's indebtedness to TD, which is unsecured. Pursuant to a letter dated February 13, 2020, TD demanded repayment from Ms. Diena of the amounts owing by Abira.
4. ECN has advised the Receiver that it will be bringing a motion to expand the Receivership Order to include Ms. Diena for the purposes of, among other things:
 - seeking a stay of proceedings applying against her;
 - preventing her from disposing, selling or encumbering any of her assets;

- allowing the Receiver to investigate her financial situation, including the assets that she owns or owned, directly or indirectly⁶; and
 - authorizing the Receiver to register the Receivership Order on title to any real property that she owns.
5. If appointed over Ms. Diena, the Receiver would require that within ten business days she disclose all assets she owns and list any assets that she has disposed of within the last five years.
 6. The Receiver believes that the relief being sought by ECN is appropriate in light of Ms. Diena's secured guarantee of the amounts owing to ECN, as described in this Report. Accordingly, the Receiver recommends that this Court expand the Receivership Order to include Ms. Diena.

6.0 Receiver's Activities

1. In addition to the activities summarized in this Report, the Receiver's activities since commencement of these proceedings have included:
 - Attending at each of the Pharmacies and advising the pharmacists of the Receiver's appointment;
 - Meeting and corresponding regularly with Mr. Diena regarding the operations of the Pharmacies;
 - Corresponding on a near-daily basis with the pharmacists regarding the operation of the Pharmacies;
 - Dealing with the Company's vendors and arranging terms to, among other things, purchase inventory;
 - Assisting the Company to prepare a response to an examination conducted by the OCP;
 - Reviewing daily transaction reports provided by the Pharmacies;
 - Reviewing pharmacist scheduling at the Pharmacies;
 - Dealing with the bi-weekly payroll and contractor payments related to the Pharmacies;
 - Corresponding with the Company's insurance agent regarding the Company's policies;
 - Preparing rolling four-week projected cash flow forecasts;

⁶ This may include the Grace Family Trust (the "Trust"). The Receiver presently has limited information on the ownership and structure of the Trust, including the assets it holds and its beneficiaries.

- Comparing weekly budget-to-actual results;
- Corresponding with Canada Revenue Agency regarding the Company's payroll and sales tax accounts;
- Arranging for the Company's obsolete computers to be replaced at each of the Pharmacies;
- Assisting the Pharmacies to prepare job postings and deal with new hires;
- Attending at Abira's location;
- Reviewing historical financial information related to Abira;
- Meeting with Mr. Diena to discuss recent changes to Abira's business and the loss of certain contracts;
- Dealing with TD concerning the Abira business and receivership;
- Corresponding with the Ministry of Health (Ontario) regarding Abira's account and monthly payments subject to a garnishment order by a judgment creditor;
- Arranging for Abira's judgment creditor to pay to the Receiver certain amounts the judgement creditor received following the date of the Receivership Order;
- Providing updates to ECN on, among other things, the status of these proceedings;
- Preparing the Receiver's First Report dated January 16, 2020;
- Preparing the Receiver's Confidential Update dated January 30, 2020; and
- Preparing this Report.

7.0 Conclusion and Recommendation

1. Based on the foregoing, the Receiver respectfully recommends that this Honourable Court make an order granting the relief detailed in Section 1.1(1)(i) of this Report.

* * *

All of which is respectfully submitted,



**KSV KOFMAN INC.,
SOLELY IN ITS CAPACITY AS RECEIVER OF
THE PROPERTIES, ASSETS AND UNDERTAKINGS OF
RANDO DRUGS LTD. AND RELATED COMPANIES
AND NOT IN ITS PERSONAL OR IN ANY OTHER CAPACITY**

Appendix “D”



**Third Report of
KSV Kofman Inc.
as Receiver of the
assets, undertakings and properties of
Rando Drugs Ltd.
and Related Companies**

August 27, 2020

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Confidential Appendix

E/W APA (unredacted) 1

COURT FILE NO.: CV-19-00632106-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

THIRD REPORT OF KSV KOFMAN INC.
AS RECEIVER OF THE ASSETS, UNDERTAKINGS AND PROPERTIES OF
RANDO DRUGS LTD. AND RELATED COMPANIES

AUGUST 27, 2020

1.0 Introduction

1. This report (the "Report") is filed by KSV Kofman Inc. ("KSV") in its capacity as receiver (the "Receiver") of the assets, undertakings and properties (the "Property") of 2345760 Ontario Inc. ("2345"), Rando Drugs Ltd. ("Rando"), 2275518 Ontario Inc. ("2275"), M. Blacher Drugs Ltd.¹ ("Blacher"), 2501380 Ontario Inc. ("2501"), 2527218 Ontario Inc. ("2527218"), Dumopharm Inc. ("Dumopharm") and 2527475 Ontario Inc. ("2527475") (collectively, the "Company"), and of Grace Diena, the spouse of Dani Diena, the Company's principal².
2. Pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the "Court") made on December 4, 2019 (the "Receivership Order"), KSV was appointed Receiver. A copy of the Receivership Order is attached as Appendix "A".
3. The principal purpose of the receivership proceedings is to allow the Company's four pharmacies (the "Pharmacies") (which are believed to be owned by Rando) and its physiotherapy clinic (which is believed to be owned by 2275 and operates as "Abira") to continue to operate while the Receiver works to complete a sale of some or all of these businesses on a going-concern basis.

¹ Now known as Family Health Pharmacy West Inc. This should not be confused with Family Health Pharmacy West, which is an unincorporated division of Rando.

² Ms. Diena was added to the Receivership Order pursuant to a Court order dated February 26, 2020.

1.1 Purposes of this Report

1. The purposes of this Report are to:
 - a) provide background information regarding the Company;
 - b) provide an update on the marketing process for the Pharmacies and the Court-approved process pursuant to which the opportunity to acquire the Pharmacies was carried out during these proceedings (the “Sale Process”);
 - c) summarize a transaction for Family Health Pharmacy East, located at 6720 Hawthorne Drive, Windsor (“Pharmacy East”), and Family Health Pharmacy West, located at 1604 Tecumseh Road West, Windsor (“Pharmacy West”) pursuant to an agreement of purchase and sale (the “E/W APA”) between the Receiver and Sri Etikala and Jasmeet Chawla, in trust for a corporation to be incorporated (the “Purchasers”, being 2769630 Ontario Limited and 2769637 Ontario Limited, as designated by Messrs. Etikala and Chawla) dated July 24, 2020 (the “E/W Transaction”);
 - d) summarize the terms of the proposed settlement with the E/W Landlord (defined below);
 - e) summarize the opinion from Goldman Sloan Nash & Haber LLP (“GSNH”), the Receiver’s counsel³, regarding the security granted by the Company in favour of ECN Financial Inc. (“ECN”), the Company’s principal secured creditor;
 - f) summarize information provided to the Receiver from Ms. Diena, a secured guarantor of the Company’s indebtedness to ECN, regarding her financial affairs;
 - g) provide an update on Abira, including the reasons why the Receiver recommends that certain provisions of the Receivership Order be amended as it relates to Abira, including that the Receiver’s powers set out in paragraph 3 of the Receivership Order be limited to preparing and filing the tax return for the year ended December 31, 2019 and application for Scientific Research and Experimental Development (“SR&ED”) tax credits, and authorizing the Receiver to assign Abira into bankruptcy (the “Abira Order”);
 - h) provide the Receiver’s rationale for sealing certain confidential information, including the purchase price associated with the E/W Transaction;

³ Jennifer Stam, the Receiver’s lawyer at GSNH who has primary carriage of this mandate, recently moved to Norton Rose Fulbright Canada LLP and will continue to represent the Receiver.

- i) recommend that the Court issue orders:
 - i. approving the E/W Transaction;
 - ii. vesting the Company's right, title and interest in and to the Purchased Assets (as defined in the E/W APA) in the Purchasers, free and clear of all liens, charges, security interests and encumbrances, other than the Permitted Encumbrances;
 - iii. authorizing the Receiver to execute a settlement and related documents with the E/W Landlord (as defined below);
 - iv. authorizing and directing the Receiver to make distributions to ECN up to the balance owing to it, net of any reserve considered necessary by the Receiver to pay outstanding fees, costs and obligations related to these proceedings;
 - v. amending the Receivership Order as it relates to Abira, as set out in the Abira Order;
 - vi. sealing the confidential appendix to this Report on the terms set out below; and
 - vii. approving this Report and the Receiver's activities described herein.

1.2 Restrictions

1. In preparing this Report, the Receiver has relied upon unaudited financial information prepared by the Company's representatives, the books and records of the Company and discussions with the Company's representatives, particularly Mr. Diena, the President of the Company. The Receiver has not audited, reviewed or otherwise verified the accuracy or completeness of the information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the *Chartered Professional Accountants Canada Handbook*.
2. The Receiver expresses no opinion or other form of assurance with respect to the financial information presented in this Report or relied upon by the Receiver in preparing this Report. Any party wishing to place reliance on the Company's financial information should perform its own due diligence and any reliance placed by any party on the information presented herein shall not be sufficient for any purpose whatsoever. The Receiver accepts no reliance to any party based on the information in this Report.

2.0 Background

1. As of the date of the Receivership Order, 2345 was indebted to ECN in the amount of approximately \$4.1 million (the "ECN Facility"), plus interest, fees and costs which continue to accrue. Each of Rando, 2275, Blacher, 2501, 2527218, Dumopharm, 2527475 and Ms. Diena are secured guarantors of 2345's indebtedness under the ECN Facility.

2. As at the date of the Receivership Order, the Company owned and operated the following pharmacies in Southwestern Ontario under the PharmaChoice banner:
 - a) Pharmacy West;
 - b) Pharmacy East;
 - c) 785 Tecumseh Road, Unit #16, Walpole Island (“Walpole”); and
 - d) 3A-1275 Walker Road, Windsor (“Novacare”).
3. Each pharmacy operates as a separate division of Rando.
4. As set out in Section 3 below, the Walpole and Novacare pharmacies were sold in April 2020.
5. Mr. Diena is the President of Rando and every other Company subject to the Receivership Order. Mr. Diena has been an undischarged bankrupt since October 18, 2012. Mr. Diena’s Licensed Insolvency Trustee, MSI Spergel Inc., has not taken any positions within these receivership proceedings.
6. Of the remaining borrowers and guarantors under the ECN Facility, the only other business is carried on by Abira. The Toronto-Dominion Bank (“TD”) and ECN are secured creditors of Abira. Pursuant to a priorities agreement dated March 4, 2016 between TD and ECN, Abira’s indebtedness to TD appears to have priority over its indebtedness to ECN. Abira’s indebtedness to TD totalled approximately \$980,000 at the commencement of the receivership proceedings.
7. Additional information about the Company is provided in KSV’s report to Court as proposed receiver dated December 3, 2019 (the “Pre-Filing Report”). A copy of the Pre-Filing Report is provided in Appendix “B”, without appendices.
8. The Court materials filed in these proceedings are available on the Receiver’s website at <https://www.ksvadvisory.com/insolvency-cases/case/rando-drugs-ltd>.

3.0 Sale Process

1. Prior to the commencement of the receivership, KSV was retained to, and had conducted, an extensive refinancing and sale process (“RSP”). Several offers were submitted for the Pharmacies in the RSP; however, for reasons unknown to KSV at the time regarding, primarily, the status of the leases for Pharmacy East and Pharmacy West, none of the offers could be completed. ECN determined that it was necessary to place the Company in receivership when it became clear that a transaction for the Pharmacies would not be completed outside of a court supervised insolvency proceeding. The issues concerning the Pharmacy East and Pharmacy West leases are discussed below, including that they are the cornerstone to a transaction for those locations.
2. Information regarding the RSP was provided in Section 3 of the Receiver’s Second Report to Court dated February 19, 2020 (“Second Report”). A copy of the Second Report is provided in Appendix “C”, without appendices.

3. Pursuant to Orders dated February 26, 2020 (the “Sale Approval Orders”), the Court approved an asset purchase agreement between the Receiver and 2258156 Ontario Inc. (“2258”) dated December 18, 2019 (the “Original APA”), as amended on January 31, 2020 and March 13, 2020 (the “Amendments” and together with the Original APA, the “2258 APA”). The 2258 APA contemplated a sale by the Receiver to 2258 of all four of the Pharmacies. The 2258 APA allocated a separate value to each of the Pharmacies and the Company’s “charter⁴”, such that 2258 was prepared to close on the different locations and the charter at different times.
4. The Sale Approval Orders approved the sale of the Novacare and Walpole locations to 2258. For the reasons discussed in Section 3.1 below, the transactions contemplated in the 2258 APA related to Pharmacy East and Pharmacy West were deferred pending resolution of issues with the landlords of those locations, including the validity of the leases for Pharmacy East and Pharmacy West. A redacted copy of the 2258 APA is provided in Appendix “D”.
5. The transactions for the Novacare and Walpole locations were completed on April 24 and 25, 2020, respectively, for combined proceeds of approximately \$1.8 million, including inventory.
6. In Section 4.1 of the Second Report, the Receiver advised that the lease in respect of Novacare (the “Novacare Lease”) was held jointly by Dumopharm and CEDV Inc. (“CEDV”), a company not subject to these receivership proceedings but related to Mr. Diena. Pursuant to the Sale Approval Orders, the Court approved an assignment of the Novacare Lease to 2258 and vested out, on closing, any interest in respect of CEDV from the Novacare Lease. As part of the closings, 2258 advised the Receiver that it had entered into a new lease with the landlord of the Novacare location. Accordingly, the Novacare Lease was not assigned to 2258 and therefore the Receiver did not allocate any of the purchase price to it. Attached as Appendix “E” is a *Personal Property Security Act* (“PPSA”) search against CEDV with a file currency date of December 15, 2019 (“CEDV Search”). Based on the CEDV Search, the only party with a PPSA registration against CEDV is TD, which has been served with notice of this motion.
7. Similarly, 2139152 Ontario Inc. (“2139”), another company not subject to these receivership proceedings but related to Mr. Diena, was a co-tenant with Rando of the lease in respect of Walpole. On closing, 2258 entered into a new lease with the landlord of the Walpole location. As such, no proceeds were allocated to the Walpole lease. Attached as Appendix “F” is a PPSA search against 2139 with a file currency date of December 17, 2019 (“2139 Search”). Based on the 2139 Search, the only party with a PPSA registration against 2139 is TD.
8. On April 28, 2020, GSNH advised Jerome Stanleigh, counsel to Mr. Diena, that the Novacare and Walpole locations had been sold and that the interests of CEDV and 2139 had been vested out (“April 28th Email”). A copy of the April 28th Email is provided in Appendix “G”.

⁴ 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”) of the *Drug and Pharmacies Regulations Act* (Ontario) (“Pharmacies Act”), which allows it to own and operate pharmacies without it being majority owned by pharmacists.

3.1 Pharmacy East and Pharmacy West

1. Pharmacy East and Pharmacy West are located in medical buildings owned by certain of the doctors who practice in medical clinics located in the buildings. The name of the landlord is Chopra, Joshi, Karnik & Lamont Medicine Professional Corporation (the “E/W Landlord”).
2. The Receiver previously reported to the Court in its Second Report, on a confidential basis, about issues regarding the leases related to Pharmacy East and Pharmacy West and the Receiver’s dealings with the E/W Landlord.
3. The key issues regarding the leases are as follows:
 - a) according to the copy of the lease in the possession of the E/W Landlord, the Pharmacy East lease is “month-to-month” and the E/W Landlord provided a notice of termination to Rando effective December 31, 2019⁵. Mr. Diena initially advised KSV and ECN that the lease expires at the end of December 2024 pursuant to a lease extension dated December 31, 2015 (the “East Lease Extension”), which Mr. Diena provided to KSV; and
 - b) according to the copy of the lease in the possession of the E/W Landlord, the lease for Pharmacy West expires on December 1, 2021, whereas Mr. Diena provided KSV with a copy of a lease amendment (the “West Lease Amendment”) that has an expiry date of December 1, 2024 (the “West Expiry”).
4. Pharmacy East and Pharmacy West were marketed for sale by KSV in the RSP based on the leases provided by Mr. Diena to KSV.
5. Following the termination of the RSP, the Receiver had several discussions with the E/W Landlord and its counsel regarding the leases. The Receiver reviewed the leases for Pharmacy East and Pharmacy West that had been provided to it by the E/W Landlord and compared them to the copies that had been provided by Mr. Diena. Mr. Diena subsequently conceded to the Receiver that he believes the East Lease Extension was a forgery but has suggested, without support, that he was defrauded (as to the term of the lease) by a third party who had assisted in the purchase of that location from the prior owner of Pharmacy East.
6. With respect to the West Expiry, it appears that the page of the Pharmacy West lease that had the correct termination date was replaced with a page that extended the term to 2024. The E/W Landlord advised that its copy of the Pharmacy West lease has a different “version code” in the footer of the Receiver’s copy of the West Expiry than the one provided to the Receiver by Mr. Diena. Mr. Diena denies changing these pages.

⁵ Mr. Diena appears to have consented to this notice by signing it as of October 22, 2019, although he did not initially acknowledge to KSV that he had done so.

7. Based on, among other things, the issues concerning the validity and termination dates of the leases, the Receiver concluded that it would need to negotiate a consensual solution with the E/W Landlord for Pharmacy West and Pharmacy East if it intended to sell these pharmacies to 2258. Accordingly, with the consent of 2258 and ECN, the Receiver approached the E/W Landlord with an offer to lease the premises. The discussions with the E/W Landlord were protracted; however, the E/W Landlord ultimately advised the Receiver that it was not interested in the Receiver's offer, it preferred its own tenant for the two pharmacies and that it expected the Receiver to vacate Pharmacy East by June 30, 2020.
8. On March 24, 2020, counsel to the E/W Landlord purported to serve the Receiver with a Notice of Application returnable in the Windsor Court, to among other things, obtain declarations that the versions of the Pharmacy West and Pharmacy East leases provided by Mr. Diena to the Receiver were invalid (the "Application"). Subsequently, counsel to the E/W Landlord provided copies of affidavits sworn by representatives of the E/W Landlord in support of the Application. Attached as Appendix "H" is a copy of the Application.
9. The Receiver disputed the E/W Landlord's choice of venue and asserted the Application violated the stay in the receivership proceedings. The Application is still pending in Windsor, although the Receiver and E/W Landlord have resolved the issues in the Application and it will not proceed.
10. The evidence in the Application addresses the validity of the leases for Pharmacy East and Pharmacy West. The Receiver believes that the evidence in the Application (which primarily deals with the conduct of Mr. Diena as it relates to the Pharmacy East and Pharmacy West leases) is well supported and cannot be credibly refuted by the Receiver.
11. The inability to negotiate new leases for Pharmacy East and Pharmacy West limited the Receiver's options to sell Pharmacy East and Pharmacy West to 2258 and resulted in a material reduction in their selling prices. The proposed purchase prices in the 2258 APA assumed that the leases were valid, in good standing and could be extended for several more years.
12. As 2258 would not consider a transaction for the Pharmacy East and Pharmacy West businesses without lease extensions, the Receiver approached the Purchasers to determine if a transaction could be negotiated. The Receiver also considered selling the inventory and goodwill associated with these pharmacies (prescription lists, fixtures and furniture) in the event a deal could not be reached.
13. On July 24, 2020, the Receiver executed the E/W APA with the Purchasers, which is subject to Court approval.

4.0 The E/W Transaction⁶

1. The key terms of the E/W APA include:
 - a) Purchasers: 2769630 Ontario Limited and 2769637 Ontario Limited, as designated by Sri Etikala and Jasmeet Chawla.
 - b) Purchase price: The purchase price and the allocation of the purchase price among the two pharmacies is included in Confidential Appendix “1”.
 - c) Deposit: The Purchasers will pay 15% of the Purchase Price (the “Deposit”) upon the execution of the E/W APA, to be held by the Receiver in trust until Closing. Upon closing, the Deposit will be credited toward the Purchase Price. The Deposit was provided to the Receiver on July 30, 2020.
 - d) Assets to be purchased: All of the Company’s right, title and interest in and to substantially all of the business, assets and contracts of Pharmacy East and Pharmacy West, excluding accounts receivable, cash and cash equivalents, intercompany receivables, deposits, HST receivables, tax refunds, claims, insurance or insurance claims, and any contracts not specifically included in the Contracts.
 - e) Inventory: Inventory shall be calculated based on an inventory count one business day before the Closing Date. If the value of the Inventory deviates from the book values of the Inventory as of December 31, 2019 by more than 5%, the Purchase Price is to be adjusted on a dollar for dollar basis, either upwards or downwards, for that portion of the variance in excess of 5%. This adjustment provision excludes any inventory that is ordered prior to Closing but arrives after Closing as the Purchasers are to reimburse the Receiver on a dollar-for-dollar basis for such Inventory.
 - f) Assumed obligations: All obligations and liabilities of the Company under the Contracts and in respect of the Transferred Employees. Within at least two Business Days prior to the scheduled date for the hearing of this motion, the Purchasers are to provide to the Receiver a list of employees in respect of whom they will make offers of employment. The employees who accept the Purchasers’ employment offers shall be referred to as the Transferred Employees.
 - g) “As is, where is”: The agreement is consistent with standard insolvency transactions, i.e. to be completed on an “as is, where is” basis with minimal representations, warranties and conditions.

⁶ Defined terms in this section of the Report have the meanings provided to them in the APA.

- h) Conditions in favour of the Purchasers: The following are the material conditions in favour of the Purchasers:
- i. New lease agreements – on or before July 31, 2020,⁷ the Purchasers will have obtained new leases with the E/W Landlord. The Purchasers’ lawyers have confirmed this condition had been satisfied;
 - ii. Ontario College of Pharmacists (“OCP”) – on or prior to the Time of Closing, the Purchasers will have obtained a new certificate of accreditation by the OCP;
 - iii. Ontario Drug Benefit Plan (“ODB”) – on or prior to the Time of Closing, the Purchasers will have obtained new billing privileges for the two locations under the ODB with the Ministry of Health (Ontario) and all third-party payors of the two locations; and
 - iv. Approval and Vesting Order – the obligations of the Receiver and the Purchasers to complete the E/W Transaction are subject to an order of the Court on or before August 7, 2020 approving the E/W APA and the E/W Transaction. This date was subsequently amended to September 3, 2020.
2. A redacted version of the E/W APA is provided in Appendix “I”. An unredacted version is provided in Confidential Appendix “1”. The reasons for including certain information in the confidential appendix are provided in Section 4.3 below.

4.1 Recommendation

1. The Receiver recommends that this Court approve the E/W Transaction for the following reasons:
 - a) as detailed in the Pre-filing Report, the RSP carried out by KSV in advance of these proceedings canvassed a large number of parties over a significant period of time. The process identified several strong offers; however, those offers assumed the leases for Pharmacy East and Pharmacy West were in good standing and that a purchaser would be able to enter into lease extensions for several more years. The saleability and value of these pharmacies are directly tied to their leases;
 - b) upon its appointment, the Receiver engaged with the E/W Landlord and 2258, which submitted the best offer in the RSP. Despite significant efforts by the Receiver and 2258 to reach an agreement with the E/W Landlord, the E/W Landlord would not consent to lease extensions, nor to 2258 as its tenant. Therefore, the transaction contemplated by the 2258 APA could not be completed;

⁷ Extended from the original deadline of July 30, 2020 which was reflected in the E/W APA.

- c) the costs to litigate the status of the Pharmacy East and Pharmacy West leases with the E/W Landlord would be significant and, based on the diligence performed by the Receiver and the Receiver's review of the evidence in the Application, the Receiver is of the view that the E/W Landlord's allegations are credible and likely to succeed;
- d) the value of the E/W Transaction is significantly lower than the offer submitted by 2258 as the E/W Landlord is in a position to determine the tenant for Pharmacy East and Pharmacy West. Accordingly, the E/W Transaction is the only acceptable option available in the circumstances;
- e) ECN, the Company's largest secured creditor, supports the E/W Transaction, notwithstanding that it will incur a shortfall on its advances to the Company;
- f) the E/W Transaction is expected to preserve employment for a substantial number of the Company's employees on terms similar to those currently in place; and
- g) absent a transaction with the Purchasers, the Receiver would have been required to liquidate the inventory and fixed assets in Pharmacy East and Pharmacy West. The realizable value of the purchased assets in such a scenario is likely to have been less than the E/W Transaction.

4.2 E/W Landlord Settlement

1. As a result of the E/W Transaction, there is no need for the Application to proceed.
2. As such, the Receiver and the E/W Landlord have agreed to the terms of a settlement and mutual release, effective upon completion of the E/W Transaction. Attached as Appendix "J" is a copy of the proposed minutes of settlement with the E/W Landlord (the "Minutes of Settlement"). The settlement contemplates, among other things, that:
 - a) the Receiver will provide vacant possession of Pharmacy East and Pharmacy West and surrender the leases effective as of the closing date of the E/W Transaction;
 - b) The E/W Landlord shall have the Application dismissed without costs;
 - c) The Receiver will seek approval of the E/W Settlement from this Court (and shall not seek any costs against the E/W Landlord); and
 - d) the parties will enter into a surrender of lease and mutual release.
3. Execution of the settlement and the mutual release is a condition of the E/W Transaction for the E/W Landlord. Accordingly, the Receiver recommends that the Court authorize the Receiver to enter into the Minutes of Settlement substantially in the form attached to this Report.

4.3 Sealing

1. The Receiver recommends that the unredacted version of the E/W APA be filed with the Court on a confidential basis and remain sealed pending further order of the Court. The redactions to the E/W APA are restricted to the purchase price as well as personal and private employee information.

5.0 Distributions

1. ECN is the Company's principal secured creditor. As at December 4, 2019, ECN was owed approximately \$4.1 million by the Company, plus accrued interest, enforcement costs and disbursements, which continue to accrue. Since the date of the Receivership Order, the Receiver has also borrowed \$150,000 from ECN pursuant to a Receiver's Certificate.
2. GSNH has provided opinions on ECN's security over the Company and Ms. Diena. Subject to standard qualifications and assumptions contained therein, GSNH is of the opinion that ECN's security constitutes a valid and enforceable charge against the Company's and Ms. Diena's Property. A copy of the security opinions will be made available to the Court should it wish to review them.

5.1 Proposed Distribution

1. The Receiver recommends that the Court issue an order authorizing and directing the Receiver to make distributions to ECN up to the amount of the Company's indebtedness owing to it. A statement of receipts and disbursements from December 4, 2019 to August 11, 2020 ("Rando R&D") is provided in Appendix "K". The Rando R&D reflects that there is approximately \$1.4 million in the Receiver's account, before accrued costs.
2. Other than the Receiver's Charge, and the \$150,000 amount referenced above that was funded by ECN under a Receiver's Certificate, the Receiver is not aware of any claim against the Property that ranks or may rank in priority to ECN over the proceeds from the sale of the Company's pharmacies. Additionally:
 - all PPSA registrants will be provided notice of this motion;
 - CEDV's and 2139's counsel will be provided notice of this motion – as noted above, they have previously been advised that their interests were vested out; and
 - based on the timing of registration alone, there are no creditors with registrations against the Company (other than TD in respect of Abira) that rank, or appear to rank, in priority to ECN. None of the distributions in these proceedings relate to Abira's business or assets.

6.0 Grace Diena

1. Ms. Diena is a secured guarantor of 2345's indebtedness under the ECN Facility.
2. Pursuant to an Order dated February 26, 2020, the Receivership Order was expanded to include Ms. Diena for the purposes of, among other things:
 - seeking a stay of proceedings applying against her;
 - preventing her from disposing, selling or encumbering any of her assets;
 - allowing the Receiver to investigate her financial situation, including the assets that she owns or owned, directly or indirectly; and
 - authorizing the Receiver to register the Receivership Order on title to any real property that she owns.
3. By letter dated February 27, 2020, KSV advised Ms. Diena of its appointment as Receiver and requested that she provide the disclosures referenced in the expanded Receivership Order.
4. Both Mr. Diena and Mr. Stanleigh, who advised that he also represents Ms. Diena, provided the Receiver with information about Ms. Diena's assets and liabilities, including bank statements, credit card statements and tax returns. They also provided information on the Grace Family Trust (the "Trust"), including its Trust Indenture Agreement. According to Mr. Stanleigh, Ms. Diena is the sole Trustee of the Trust and all of Ms. Diena's assets were transferred to the Trust in 2013. According to Mr. Stanleigh, Ms. Diena has virtually no personal assets.
5. In a letter dated March 23, 2020, Mr. Stanleigh advised that the Trust has "no minute book, share registry, and no resolutions". Mr. Stanleigh's letter also includes an email from Marciano Beckenstein LLP, also counsel to the Dianas, indicating that "if no activity in the trust for the entire year...then cra (administratively) does not require tax return or financial statements to be filed by the trust for that year".
6. Mr. Stanleigh listed several companies which he claims are owned by the Trust, including Rando. Mr. Stanleigh has not provided sufficient evidence to confirm the ownership of Rando by the Trust and the Receiver believes the preponderance of the evidence reflects that Rando is owned by 2345, a receivership entity. This is not the subject of this Report. The Receiver expects to address this issue at a later motion in these proceedings.
7. Pursuant to a letter dated April 21, 2020, Mr. Stanleigh advised that certain companies owned by the Trust are inactive, including Dedicated National Pharmacy Inc. ("DNPI"), Premium Canadian Pharmacy, CEDV, 2139152 and three recently incorporated numbered companies. Copies of Mr. Stanleigh's letters dated March 23, 2020 and April 21, 2020 are provided in Appendix "L", without appendices.
8. The Receiver continues to review the information provided by Mr. Stanleigh, Mr. Diena and Ms. Diena, including the assets allegedly owned by the Trust. There are numerous inconsistencies. At this time, the Receiver has continued to reserve its rights with respect to further steps in respect of the receivership of Ms. Diena.

7.0 Rando Charter

1. Once the E/W Transaction is closed, the most significant remaining asset of the Company will be the Rando “Charter”.
2. As referenced in Section 3 of this Report, Rando falls within the exemption provided under Section 142(4) of the Pharmacies Act (the “Exemption”), which allows it to own and operate pharmacies without it being majority owned by pharmacists. DNPI is also subject to the Exemption.
3. Companies with Exemptions are often referred to as having a “Charter” or being a “Charter Company”. There is no formal “charter” document. Rather, the person who owns the shares of a Company that has an Exemption owns the charter.
4. At the request of Mr. Diena, KSV marketed the DNPI charter as part of the RSP. Several offers were made for the DNPI charter. Mr. Diena did not pursue those offers. At the direction of Mr. Diena, the opportunity to acquire the Rando charter was not included in the RSP.
5. Subsequent to the commencement of the receivership proceedings, 2258 advised the Receiver that it was interested in acquiring Rando’s charter. Accordingly, Section 3 of the 2258 APA provides for a binding offer by 2258 to acquire the Rando Exemption to be implemented through a proposal or other form of restructuring so that the shares could be transferred free and clear of liabilities. The Receiver is currently holding a deposit from 2258 in respect of the Rando Exemption pursuant to the terms of the 2258 APA.
6. Negotiations with 2258 on the terms of a proposal sponsorship agreement were significantly advanced, but on the eve of signing, 2258 indicated it was not prepared to move forward. The Receiver has taken the view the deposit from 2258 has been forfeited. This matter may be the subject of a further motion.
7. The Receiver continues to engage in discussions with interested parties to monetize Rando’s charter. As set out above, the Receiver also continues to look into the ownership of DNPI. In the event that it is determined the DNPI shares are rightfully owned by the Company or Ms. Diena, the Receiver will also look to monetize those shares.

8.0 Abira

1. Abira operated a physiotherapy clinic from leased premises located at 4256 Bathurst Street, Suite 200, Toronto. The premises were also Rando’s head office. The Receiver understands that the tenant is another company owned, directly or indirectly, by Mr. Diena.
2. Abira’s principal source of revenue is funding under an agreement (the “MOH Agreement”) with the Minister of Health and Long-term Care (“MOH”). Monthly payments pursuant to the MOH Agreement are approximately \$12,000.

3. During the receivership proceedings, Abira's business generated monthly losses of approximately \$9,000, before professional costs. In January, 2020, Mr. Diena provided funding of \$26,000 to the Receiver on an unsecured basis so that the business could continue to operate during the receivership period.
4. The Abira business was suspended in mid-March, 2020 following guidance from the Ontario Physiotherapy Association related to Covid-19. Due to the losses generated by Abira, its lack of funding, and safety concerns related to the treatment of patients, the clinic has not reopened nor has rent been paid since that time.
5. The Receiver has engaged extensively with TD and Mr. Diena regarding Abira's business during these proceedings.
6. Pursuant to letters dated June 24 and 26, 2020 to TD and to the Receiver, Mr. Stanleigh suggested that, among other things, there is significant value to Abira, including claims for SR&ED tax credits. Mr. Stanleigh also requested that Mr. Diena be authorized to sign a two-year renewal of the MOH Agreement on behalf of Abira as the MOH Agreement expired on March 31, 2020. Copies of Mr. Stanleigh's letters are provided in Appendix "M".
7. The Receiver responded to Mr. Stanleigh pursuant to a letter dated June 30, 2020, a copy of which is provided in Appendix "N". The Receiver corrected inaccuracies in Mr. Stanleigh's letters, authorized Mr. Diena to sign the MOH Agreement and advised, among other things, that it would not consent to a resumption of Abira's operations unless the Receiver is prefunded for operating costs. On June 30, 2020, Mr. Diena signed the MOH Agreement but has not provided the funding required by the Receiver to restart Abira's operations. Accordingly, Abira is not presently operating.
8. A statement of receipts and disbursements related to Abira to August 11, 2020 ("Abira R&D") is provided in Appendix "O". As reflected in the Abira R&D, the Receiver held \$60,000 in its account⁸. Of the total balance in the account, \$49,000 reflects a payment received from the MOH on August 7, 2020. The Receiver understands that this payment was released pursuant to the MOH Agreement in respect of patient discharges recorded after the clinic was closed.
9. The Receiver has consulted with TD regarding the use of a portion of the funds on hand to file Abira's tax return for the year ended December 31, 2019 and to apply for a SR&ED refund. TD has consented for the Receiver to do so. TD has also requested that the Receiver seek Court approval to assign Abira into bankruptcy in due course.
10. It is the Receiver's view that the realizable value of Abira's business is presently nominal, other than, perhaps, the SR&ED refund. Absent funding from Mr. Diena, no funds are available to resume operations or to market it for sale. Mr. Diena has advised the Receiver that he may be able to return Abira to profitability if the receivership is terminated. The Receiver suggested that Mr. Diena and TD discuss whether there is an interest in continuing Abira and the terms to do so.

⁸ An invoice by the Receiver for \$12,000 was rendered and paid subsequent to the date of the Abira R&D.

8.1 Recommendation

1. The Receiver recommends that:
 - a) the scope of its powers set out in paragraph 3 of the Receivership Order be limited to the preparation and filing of the tax return for the year ended December 31, 2019 and application for the SR&ED tax credits; and
 - b) the Receiver be authorized and empowered but not obligated to file an assignment in bankruptcy on behalf of Abira.

9.0 Receiver's Activities

1. In addition to the activities summarized in this Report, the Receiver's activities since commencement of these proceedings have included:
 - Attending at each of the Pharmacies periodically and advising the pharmacists of the Receiver's appointment;
 - Meeting and/or corresponding regularly with Mr. Diena regarding the operations of the Pharmacies;
 - Corresponding regularly with the pharmacists regarding the operation of the Pharmacies;
 - Dealing with the Company's vendors and arranging terms to, among other things, purchase inventory for the Company's pharmacies;
 - Assisting the Company to prepare a response to an examination conducted by the OCP;
 - Reviewing daily transaction reports provided by the Pharmacies;
 - Reviewing pharmacist scheduling at the Pharmacies;
 - Dealing with the bi-weekly payroll and contractor payments related to the Pharmacies;
 - Corresponding with the Company's insurance agent to arrange coverage during these proceedings;
 - Providing rolling weekly financial and reporting to ECN thereon;
 - Corresponding with Canada Revenue Agency regarding the Company's payroll and sales tax accounts;
 - Arranging for the Company's obsolete computers to be replaced at each of the Pharmacies;
 - Assisting the Pharmacies to prepare job postings and dealing with new hires;

- Responding to a claim from Almas Mahmood, a former purchaser of the Pharmacies, for the return of a deposit;
- Assisting the Pharmacies to purchase personal protective equipment and modify their premises in the context of the Covid-19 pandemic;
- Reviewing information related to an agreement to lease entered into by Rando (“Second East Location”) prior to commencement of these proceedings;
- Dealing with the landlord’s counsel of the Second East Location and arranging terms for month-to-month occupancy of that location;
- Reviewing Rando’s historical financial statements and its fiscal 2018 tax return;
- Preparing and filing Rando’s fiscal 2019 tax return;
- Attending at Abira’s premises;
- Reviewing historical financial information related to Abira;
- Meeting with Mr. Diena to discuss recent changes to Abira’s business and the loss of certain contracts;
- Dealing with TD concerning the Abira business and receivership;
- Corresponding with the Ministry of Health (Ontario) regarding Abira’s account and monthly payments subject to a garnishment order by a judgment creditor;
- Arranging for a judgement creditor of Abira to pay to the Receiver certain amounts the judgement creditor received following the date of the Receivership Order as such payments were subject to the stay of proceedings;
- Providing updates to ECN on, among other things, the status of these proceedings;
- Preparing the Receiver’s First Report to Court dated January 16, 2020;
- Preparing the Receiver’s Confidential Update dated January 30, 2020;
- Preparing the Second Report; and
- Preparing this Report.

10.0 Conclusion and Recommendation

1. Based on the foregoing, the Receiver respectfully recommends that this Honourable Court make an order granting the relief detailed in Section 1.1(1)(i) of this Report.

* * *

All of which is respectfully submitted,

A handwritten signature in blue ink that reads "KSV Kofman Inc." in a cursive, slightly slanted font.

**KSV KOFMAN INC.,
SOLELY IN ITS CAPACITY AS RECEIVER OF
THE ASSETS, UNDERTAKINGS AND PROPERTIES OF
RANDO DRUGS LTD. AND RELATED COMPANIES
AND NOT IN ITS PERSONAL OR IN ANY OTHER CAPACITY**

Appendix “E”

SPONSORSHIP AGREEMENT

THIS PROPOSAL SPONSORSHIP AGREEMENT (“PSA”) is made as of the 16th day of September 2020 (the “**Effective Date**”).

B E T W E E N :

KSV RESTRUCTURING INC., solely in its capacity as receiver of the property, assets and undertaking of Rando Drugs Ltd., 2345760 Ontario Inc., and related companies and not in its personal capacity

(the “**Receiver**”)

- and -

2775506 ONTARIO INC., a corporation existing under the laws of Ontario

(the “**Sponsor**”)

RECITALS:

- A. On December 4, 2019, the Court granted an order (the “**Receivership Order**”) appointing KSV Kofman Inc. as the Receiver of the property, assets and undertaking (the “**Property**”) of, among others, Rando Drugs Ltd. (the “**Company**”) and various related entities including the Shareholder (as hereinafter defined).
- B. Pursuant to the Receivership Order, the Receiver was authorized to conduct a sale process for the Property.
- C. The Company is a company incorporated under the laws of the Province of Ontario pursuant to the OBCA (as hereinafter defined) on October 29, 1951 and entitled by the Ontario College of Pharmacists to continue to so operate from and after the Effective pursuant to the exemption under Section 142(4) of the *Drug and Pharmacies Regulation Act*, R.S.O. 1990, chapter H.4 (the right and entitlement of the Company to continue to so operate pursuant to this exemption is hereinafter referred to as the “**Charter**”).
- D. The Sponsor wishes to acquire the Company and Charter.
- E. The Sponsor has agreed to purchase newly issued Common Shares of the Company in accordance with and subject to the provisions of this PSA provided that such Common Shares are issued to the Sponsor free and clear of any and all Encumbrances (as hereinafter defined).

- F. Pursuant to Section 50(1) of the BIA, a receiver is entitled to file a proposal on behalf of the Company.
- G. The Receiver intends to file the Proposal to give effect to a distribution of certain funds to unsecured creditors of the Company and to effect a release of any and all Affected Claims including all Claims (as hereinafter defined) in respect of equity ownership in and to the Company;
- H. The Receiver, without investigation, is not aware of any Claims that may be asserted against the Company that are of the types enumerated under Section 178(1) of the BIA; and,
- I. The Receiver and the Sponsor have agreed to the terms of the Reorganization as set out herein.

THEREFORE, in consideration of the promises, mutual covenants and agreements contained in this PSA, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Parties (as defined below), the Parties hereby agree as follows:

ARTICLE 1 - INTERPRETATION

1.01 Definitions

In this PSA, the following terms have the following meanings:

- (a) “**Affected Claims**” means all Claims against the Company to be affected under the Proposal;
- (b) “**Applicable Law**” means, with respect to any Person, property, transaction, event or other matter, any Law relating or applicable to such Person, property, transaction, event or other matter, including, where appropriate, any interpretation of the law (or any part) by any Person, court or tribunal having jurisdiction over it, or charged with its administration or interpretation;
- (c) “**Articles of Amendment**” means the articles of amendment of the Company to be filed in furtherance of the Reorganization on the Reorganization Implementation Date pursuant to, among other things, Section 186 of the OBCA in a form to be agreed to by the Sponsor and the Receiver acting reasonably, pursuant to which the name of the Company shall be amended to “Phillios Drugs Limited” or such other name as may be determined by the Sponsor, all issued and outstanding shares in the capital of the Company shall be consolidated such that each holder of Existing Shares shall receive 0.1 of a Common Share in the capital of the Company, and any fractional shares shall be cancelled without any repayment of capital thereof or compensation therefor;
- (d) “**Authorization Order**” has the meaning given to it in Section 6.033 hereof;
- (e) “**BIA**” means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended;

- (f) “**Books and Records**” means any and all books and records of, and relating to, the Company in the possession and control of the Company or the Receiver to the extent such books and records were not otherwise previously sold by the Receiver, and the Corporate Records, whether in written or electronic form;
- (g) “**Business Day**” means any day other than a Saturday or a Sunday or a day observed as a holiday under the laws of the Province of Ontario or the federal laws of Canada applicable therein;
- (h) “**Capitalization Amount**” has the meaning given to it in Section 3.01;
- (i) “**Certificate and Articles of Amendment**” means the Articles of Amendment filed with the Director appointed under the OBCA;
- (j) “**Charter**” has the meaning given to it in Recital C;
- (k) “**Claim**” or “**Claims**” means any claim against the Company and includes any indebtedness, liability, action, cause of action, suit, debt, due, account, bond, covenant, contract, counterclaim, demand, claim, right and obligation of any nature whatsoever of the Company to any person, whether liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known or unknown, by guarantee, by surety or otherwise and whether or not such right is executory in nature, including, without limitation, the right or ability of any person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action whether existing at present or commenced in the future;
- (l) “**Common Shares**” means the common shares of the Company;
- (m) “**Company**” has the meaning given to it in Recital A;
- (n) “**Communication**” means any notice, demand, request, consent, approval or other communication which is required or permitted by this PSA to be given or made by a Party.
- (o) “**Confidentiality Agreement**” means that certain confidentiality agreement entered between an affiliate of the Sponsor and the Receiver dated as of the 29th day of August, 2020.
- (p) “**Corporate Records**” means the corporate records of the Company, including (i) all articles and other constating documents and bylaws, (ii) all minutes of meetings and resolutions of shareholders and directors (and any committees), and (iii) the share certificate books, securities register, register of transfers and registers of directors and officers;
- (q) “**Court**” means the Ontario Superior Court of Justice (Commercial List);
- (r) “**Court Officer**” means KSV in its capacities as Receiver and Proposal Trustee;

- (s) **“Deposit”** means the deposit paid to the Receiver by the Sponsor as set out in Section 3.01(a);
- (t) **“ECN”** means ECN Financial Inc.;
- (u) **“ECN Distribution Amount”** has the meaning given to it in Section 3.02(b);
- (v) **“Effective Date”** means the effective date of this PSA being the date first set out above;
- (w) **“Encumbrance”** means any lien, mortgage, charge, hypothec, pledge, security interest, or other financial or monetary claim, assignment, option, warrant, lease, sublease, right to possession, trust or deemed trust (whether contractual, statutory or otherwise arising), adverse claim or joint ownership interest, grant of any exclusive licence, levy, execution, encumbrance, Claim, right or restriction which affect, by way of a conflicting ownership interest or otherwise, the right, title and/or interest in or to any particular property, or any rights and/or privileges capable of becoming any of the foregoing, whether or not same have attached, been perfected, registered or filed or secured, unsecured or otherwise;
- (x) **“Existing Common Shares”** means the 100 issued and outstanding Common Shares in the capital of the Company listed on the Company’s share register as being issued to the Shareholder;
- (y) **“Existing Equity Holders”** means any Person holding any Shares that are issued and outstanding immediately prior to the Reorganization Implementation Time, including any and all legal, registered and/or beneficial holders of such Shares;
- (z) **“Existing Share Options”** means any and all issued and outstanding options or other convertible securities of the Company entitling the holder thereof upon exercise or conversion to any Share or Shares existing immediately prior to the Reorganization Implementation Time whether known or unknown, listed on the registers of the Company, evidenced by certificates or agreements or otherwise;
- (aa) **“Existing Shares”** means any and all issued and outstanding Shares of the Company including Existing Common Shares, whether known or unknown, listed on the share register, evidenced by share certificates or otherwise;
- (bb) **“Governmental Entity”** means any government, regulatory authority, governmental department, agency, commission, bureau, official, minister, Crown corporation, court, board, tribunal or dispute settlement panel or other law, rule or regulation-making organization or entity: (a) having or purporting to have jurisdiction on behalf of any nation, province, territory or state or any other geographic or political subdivision of any of them; or (b) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power;
- (cc) **“KSV”** means KSV Restructuring Inc. (formerly KSV Kofman Inc.);
- (dd) **“Law”** means any law, statute, order, decree, consent decree, judgment, rule, regulation, ordinance or other pronouncement having the effect of law, whether in Canada or any

- other country, or any domestic or foreign state, county, province, city or other political subdivision or of any Governmental Entity;
- (ee) “**New Common Shares**” means the 1,000,000 Common Shares to be issued from the capital of the Company to the Sponsor pursuant to the Subscription Agreement;
 - (ff) “**OBCA**” means the *Ontario Business Corporations Act*, R.S.O. 1990, c. B. 16;
 - (gg) “**Outside Date**” means December 15, 2020, or such other date as the Receiver and Sponsor may mutually agree in writing;
 - (hh) “**Parties**” means the Receiver and the Sponsor;
 - (ii) “**Person**” means any individual, corporation, firm, limited or unlimited liability company, general or limited partnership, association (incorporated or unincorporated), trust, unincorporated organization, joint venture, trade union, government authority or any agency, regulatory body or officer thereof or any other entity, wherever situate or domiciled, and whether or not having legal status;
 - (jj) “**Property**” has the meaning given to it in Recital A;
 - (kk) “**Proposal**” means a proposal to be filed pursuant to Section 50 of the BIA on such terms as the Court Officer and Sponsor may agree;
 - (ll) “**Proposal Amount**” means the portion of the Capitalization Amount to be transferred to the Proposal Trustee for funding under the Proposal which amount shall be determined by the Proposal Trustee and approved by the Sponsor, acting reasonably and subject to the consent of ECN;
 - (mm) “**Proposal Approval Order**” means the Order of the Court approving the Proposal on the terms and as provided for in the Proposal satisfactory to the Sponsor, acting reasonably;
 - (nn) “**Proposal Trustee**” means KSV in its capacity as proposal trustee;
 - (oo) “**PSA**” means this proposal sponsorship agreement, together with any schedules and exhibits attached hereto and all amendments made hereto and thereto by written agreement among the Parties hereto;
 - (pp) “**Receiver**” has the meaning given to it in the introduction;
 - (qq) “**Receivership Proceedings**” means the receivership proceedings pursuant to the Receivership Order;
 - (rr) “**Receivership Order**” has the meaning given to it in Recital A;
 - (ss) “**Reorganization**” has the meaning given to in Section 2.01;
 - (tt) “**Reorganization Approval Order**” has the meaning given to it in Section 6.04 hereof;
 - (uu) “**Reorganization Implementation Date**” means the date on which the Reorganization is implemented pursuant to Section 7.01 hereof;

- (vv) “**Reorganization Implementation Documents**” means the Articles of Amendment, Subscription Agreement and any other documents required to complete the Reorganization;
- (ww) “**Reorganization Implementation Time**” means 12:01 am on the Reorganization Implementation Date (or such other time as the Court Officer and the Sponsor may mutually designate);
- (xx) “**Shareholder**” means the current sole shareholder of the Company as at the Effective Date, being 2345760 Ontario Inc.;
- (yy) “**Shares**” means all of the issued and outstanding shares of the Company;
- (zz) “**Sponsor**” has the meaning given to it in the introduction;
- (aaa) “**Sponsor Default**” has the meaning given to it in Section 8.01;
- (bbb) “**Subscription Agreement**” means the agreement between the Company and the Sponsor whereby the Sponsor subscribes for the New Common Shares in a form agreed on by the Receiver and the Sponsor, acting reasonably.

1.02 Headings

The division of this PSA, into parts, paragraphs and subparagraphs, and the insertion of headings, is for convenience only and is not to affect the construction or interpretation of this PSA.

1.03 Business Days

In the event that any date on which any action is required to be taken hereunder is not a Business Day, such action will be required to be taken on the next succeeding day that is a Business Day.

ARTICLE 2– TRANSACTIONS

2.01 Reorganization

Subject to the terms and conditions set out herein, the Receiver and the Sponsor covenant and agree to undertake the following steps (the “**Reorganization**”):

- (a) Implement the terms of this PSA providing for the injection of Capitalization Amount by way of subscription by the Sponsor for New Common Shares of the Company to be used to compromise and repay certain debts of the Company in accordance with the terms of this PSA and the Proposal;
- (b) Seek approval of the Court of the Authorization Order;
- (c) Develop and seek creditor and Court approval of the Proposal;
- (d) Seek approval of the Court of the Reorganization Approval Order and the Proposal Approval Order; and

- (e) Implement the Reorganization Implementation Date transactions set out in Section 7.01 and the release of all Affected Claims and any Claims of ECN against the Company and New Common Shares.

ARTICLE 3– CAPITALIZATION AND USE OF FUNDS

3.01 Delivery of Capitalization Amount

The Sponsor agrees to pay to the Receiver \$ [REDACTED] (the “**Capitalization Amount**”) in consideration and full satisfaction of a subscription for the New Common Shares of the Company in accordance with the provisions of the Subscription Agreement. The Capitalization Amount shall be paid to and held by the Receiver in trust in accordance with the provisions of this PSA, as follows:

- (a) Upon execution of this PSA, \$ [REDACTED] as an initial deposit (the “**Deposit**”) by electronic wire transfer, receipt of which is hereby acknowledged by the Receiver; and
- (b) balance to be paid by Sponsor by electronic wire transfer to Receiver in trust 2 Business Days prior to the Reorganization Implementation Date; and
- (c) the Capitalization Amount shall be held in trust by the Receiver until the Reorganization Implementation Time at which point it shall be released and used solely and strictly in accordance with the terms of this PSA and the Proposal.

3.02 Use of Funds

The Capitalization Amount shall be disbursed by the Receiver in accordance with provisions of ARTICLE 7 hereof and used solely and strictly as follows:

- (a) The Proposal Amount will be transferred to the Proposal Trustee to fund a pool for distribution to unsecured creditors of the Company under the Proposal and other amounts payable under the Proposal; and
- (b) The balance will be distributed to ECN after deduction of the Court Officer’s fees and disbursements (including those of its legal counsel) (the “**ECN Distribution Amount**”).

The time and method for transfer of the Capitalization Amount set out in Section 3.02(a) and (b) above shall be in accordance with ARTICLE 7 hereof.

ARTICLE 4- REORGANIZATION OF THE COMPANY

4.01 Reorganized Company

Effective as at the Reorganization Implementation Time, and at the time and method set out in ARTICLE 7 below:

- (a) The Company (by the Receiver) shall deliver a Certificate and Articles of Amendment issued by the Director (as defined in the OBCA) as of the time on the Reorganization Implementation Date specified in Section 7.01(a)(vi) below.
- (b) The Company (by the Receiver) shall deliver to the Sponsor a share certificate representing New Common Shares of the Company in accordance with the Subscription Agreement, free and clear of any and all Encumbrances.

4.02 Fractional Interests

In accordance with the Articles of Amendment, no fractional Shares shall be allocated or issued under this PSA, and any fractional share interests shall not entitle the owner thereof to vote, or to any rights of a shareholder of the Company, and shall be cancelled without consideration or compensation of any nature or kind whatsoever to the holder(s) thereof in accordance therewith effective as at the Reorganization Implementation Time.

4.03 New Board

The Sponsor shall nominate and elect new member(s) to the board of directors of the Company provided that such nominations shall be in compliance with Section 142(1) of the *Drug and Pharmacies Regulation Act*, R.S.O. 1990, chapter H.4. The name or names of the new nominee(s) shall be inserted in the Articles of Amendment of the Company.

ARTICLE 5- CORPORATE AUTHORIZATION

5.01 Corporate Authorizations

The adoption, execution, delivery, implementation and consummation of all matters contemplated under this PSA involving corporate action of the Company will occur and be effective as of the Reorganization Implementation Date, and will be authorized and approved under this PSA and by the Court, where appropriate, as part of the Authorization Order, Proposal Approval Order and the Reorganization Approval Order (including, without limitation, authorizing the Receiver to take all steps in the Reorganization on behalf of the Company and the board of directors as necessary or appropriate), in all respects and for all purposes without any requirement of further action by any shareholders, directors or officers of the Company. All necessary approvals to take actions shall be deemed to have been obtained from the directors or the shareholders of the Company, as applicable, including the deemed passing by any class of shareholders of any resolution or special resolution and no shareholders' agreement or agreement between a shareholder and another Person limiting in any way the right to vote shares held by such shareholder or shareholders with respect to any of the steps contemplated by this PSA shall be deemed to be effective and no such agreement shall have any force or effect.

ARTICLE 6 – CONDITIONS PRECEDENT

6.01 Conditions to Reorganization

The implementation of the Reorganization contemplated by this PSA shall be conditional upon the fulfillment, satisfaction or waiver by both the Sponsor and the Receiver of the following conditions, which are for the mutual benefit of the Sponsor and the Receiver:

- (a) the Court shall have granted the Authorization Order, the operation and effect of which shall not have been stayed, reversed or amended, in the event of an appeal or application for leave to appeal, final determination shall have been made by the applicable appellate court;
- (b) the Proposal shall have been approved by the required majority at the meeting of creditors both as contemplated by the BIA and the Proposal;
- (c) the Court shall have granted the Proposal Approval Order and the Reorganization Approval Order, the operation and effect of which shall not have been stayed, reversed or amended, and the time to appeal or seek leave to appeal shall have expired, or in the event of an appeal or application for leave to appeal, final determination shall have been made by the applicable appellate court;
- (d) the Receiver shall have sold or otherwise disposed of all of the remaining Property of the Company, if any, including, without limitation, all issued and outstanding shares and other securities of any subsidiary, or of any entity, owned by the Company;
- (e) the Company shall have no remaining employees;
- (f) ECN shall have agreed to release its Claims against the Company and New Common Shares effective upon the release to it of the ECN Distribution Amount and shall have provided a full and final release and discharge agreement, satisfactory to the Sponsor acting reasonably, to become effective immediately upon release of the ECN Distribution Amount;
- (g) no Applicable Law shall have been passed and become effective, the effect of which makes the consummation of this PSA or any provision of it illegal or otherwise prohibited in whole or part;
- (h) all necessary judicial consents and any other necessary or desirable third-party consents, if any, to deliver and implement all matters related to this PSA shall have been obtained;
- (i) all documents necessary to give effect to all material provisions of this PSA (including the Proposal Approval Order, the Articles of Amendment, the cancellation of the Existing Shares without payment of any compensation or consideration and the issuance of the New Common Shares to be issued under the Proposal to the Sponsor free and clear of any and all Encumbrances) shall have been executed and/or delivered by all relevant Persons;

- (j) all required stakeholder, regulatory and Court approvals, consents, waivers and filings shall have been obtained or made, as applicable, and, in the case of waiting or suspensory periods, such waiting or suspensory periods shall have expired or been terminated;
- (k) the Receiver shall deliver to the Sponsor a certificate of status with respect to the Company issued by the Director (as defined in the OBCA);
- (l) the Capitalization Amount shall have been received by the Receiver;
- (m) the members of the new board of directors of the Company shall have been selected in accordance with Section 4.03 of this PSA (and the existing board of directors and existing officers shall have resigned or deemed under the Reorganization Approval Order to have resigned or removed by Court order);
- (n) the Articles of Amendment shall have been issued by the Director (as that term is defined in the OBCA) and filed in the record books in the Company's record office maintained pursuant to the OBCA;
- (o) a share certificate representing the New Common Shares of the Company shall have been issued to the Sponsor (or as it may otherwise direct in writing) in accordance with the Subscription Agreement; and
- (p) the Reorganization Implementation Date occurs on or before the Outside Date.

6.02 Conditions in favour of the Sponsor

The obligation of the Sponsor to complete the Reorganization contemplated by this PSA shall be conditional upon the fulfillment, satisfaction or waiver by the Sponsor of the following conditions:

- (a) by no later than October 15, 2020, the Sponsor shall have satisfied itself, in its sole and unfettered discretion, that the Company has been since a date prior to 1954 a corporation permitted by the Ontario College of Pharmacists to operate pursuant to the exemption under Section 142(4) of the *Drug and Pharmacies Regulation Act*, R.S.O. 1990, chapter H.4;
- (b) the Sponsor is satisfied, acting reasonably, that the New Common Shares are free and clear of any and all Encumbrances; and,
- (c) the Company continues to be on the Reorganization Implementation Date a corporation permitted by the Ontario College of Pharmacists to operate pursuant to the exemption under Section 142(4) of the *Drug and Pharmacies Regulation Act*, R.S.O. 1990, chapter H.4.

The foregoing conditions are for the exclusive benefit of the Sponsor. Any condition may be waived by the Sponsor in whole or in part. Any such waiver will be binding on the Sponsor only if made in writing.

6.03 Authorization Order

Subject to Court availability, within 10 Business Days of the execution of this PSA, the Receiver shall bring a motion within the Receivership Proceedings seeking an order (the “**Authorization Order**”) for, among other things:

- (a) Permitting KSV to act as the proposal trustee for the purposes of the Proposal;
- (b) Application of the Receiver’s Charge (as defined in the Receivership Order) to the Administration Fees and Expenses;
- (c) Approval of this PSA;
- (d) Authorization of the Receiver to enter into the PSA and take all steps necessary to give effect to the transactions contemplated by the PSA including executing any and all documents necessary on behalf of the Company or its board of directors.

6.04 Reorganization Approval Order

The Receiver shall bring a motion within the Receivership Proceedings and the Proposal Proceedings returnable on the same date as the Proposal Approval Motion seeking an order (the “**Reorganization Approval Order**”), in form and content agreeable to the Sponsor, for, among other things:

- (a) Declaring that the Reorganization constitutes a reorganization within the meaning of Section 186(1) of the *Business Corporations Act*, R.S.O. 1990, c. B.16, as amended;
- (b) Approval of the Reorganization and all of the Reorganization Implementation Documents;
- (c) Approval of the Articles of Amendment including all changes to the name and share structure of the Company and removal (or resignation) of all existing officers and directors of the Company and appointment of new directors contemplated thereby in accordance with Section 59(4) of the BIA;
- (d) Approval of the ECN Distribution Amount;
- (e) Discharge of KSV as the Receiver of the Company and termination of the Receivership Proceedings as it relates to the Company to be effective upon Reorganization Implementation Date; and
- (f) Such other relief as may be necessary to complete the Reorganization and related transactions.

6.05 Waiver of Conditions

A Party for whose benefit a condition is inserted may (but shall not be obligated to) at any time and from time to time waive the fulfillment or satisfaction, in whole or in part, of the conditions set out herein, to the extent and on such terms as such Parties may agree to, provided however, that the conditions set out in Sections 6.01(b) and (c) cannot be waived.

6.06 Outside Date and Return of Deposit

In the event that the Reorganization and related transactions are not completed as a result of one or more of the conditions not being fulfilled, satisfied or waived (a) on or prior to October 15, 2020 with respect to the condition set out in Section 6.02(b); and (b) on or prior to the Outside Date with respect to all other conditions, then the Party for whose benefit a condition is inserted may, on written notice to the other Party, at any time after the applicable deadline, elect to terminate this PSA and the Deposit shall be returned to the Sponsor without interest or deduction, and all further obligations of the Parties hereunder shall terminate and this PSA shall become null and void and of no further force and effect. Notwithstanding the forgoing, the right to terminate this PSA under this Section 6.06 shall not be available to a Party whose default, breach or failure to fulfill any covenant or agreement under this PSA has been the cause of, or resulted in the failure of, the Reorganization and related transactions to be completed on or prior to the Outside Date.

ARTICLE 7 - IMPLEMENTATION

7.01 Implementation Date Transactions

Commencing at the Reorganization Implementation Time, on a date to be agreed upon by the Receiver, the Court Officer and the Sponsor, the following events or actions will occur, or be deemed to have occurred and be taken and effected, in the following order in five minute intervals and at the times set out in this Section 7.01 (or at such other times, intervals, or order as the Court Officer and the Sponsor may agree), without any further act or formality required on the part of any Person, except as may be expressly provided herein:

- (a) The following shall occur concurrently:
 - (i) any Common Shares of the Company held in treasury by the Company shall be cancelled and shall be deemed to be cancelled without payment of any compensation or consideration of any nature or kind whatsoever therefor;
 - (ii) any Existing Share Options and any agreements relating thereto shall be deemed to be cancelled and terminated without any payment or compensation of any nature or kind whatsoever therefor and shall cease to be of any further force or effect;
 - (iii) any existing shareholder agreements shall and shall be deemed to be cancelled and terminated without any payment or compensation of any nature or kind whatsoever therefor and shall cease to be of any further force or effect;

- (iv) all Affected Claims under the Proposal shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred with recourse solely limited as may be provided for in the Proposal;
 - (v) Any Existing Shares other than the Existing Common Shares shall be deemed cancelled and terminated without any payment or compensation of any nature or kind whatsoever therefor; and
 - (vi) A filed copy of the Certificate and Articles of Amendment shall be issued by the Director (as defined in the OBCA) and any and all share certificates representing the Shares held by an Existing Equity Holder, including, without limitation, the Shareholder, shall be deemed to be cancelled without payment of any compensation or consideration of any nature or kind whatsoever therefor and shall be marked cancelled;
- (b) The Subscription Agreement shall be executed and delivered by the Company (by the Receiver) and the Sponsor, and the Capitalization Amount may be released and used in accordance with this PSA and the Proposal as provided for in Article 3.02;
 - (c) The Proposal Trustee shall give the certificate in accordance with Section 65.3 of the BIA to the Sponsor, and the releases and injunctions referred to in Article 7 of the Proposal shall become effective;
 - (d) A directors' resolution of the Company (by the Receiver) shall be executed and delivered ratifying and approving the Subscription Agreement, a specimen share certificate for the Common Shares and all required updates and filings to the Company's corporate records;
 - (e) A new share certificate representing the New Common Shares shall be executed and delivered by the Company to the Sponsor (or as it may direct in writing) as fully paid and non-assessable shares in the capital of the Company, free and clear of any and all Encumbrances of any nature or kind whatsoever; and,
 - (f) the Receiver shall deliver to the Sponsor, all of the Books and Records to the extent in the possession or control of the Receiver, provided that the Receiver shall be permitted to make copies and to retain accounting records and books and records required by Applicable Law to be retained by the Receiver, provided further that all original documents shall be retained by the Company and delivered to the Sponsor.

ARTICLE 8- SPONSOR EVENTS OF DEFAULT

8.01 Sponsor Defaults

The following shall constitute events of default of the Sponsor (each a “**Sponsor Default**”) under this PSA:

- (a) Failure of the Sponsor to execute and deliver to the Receiver any of the Reorganization Implementation Documents in form and content agreed to by the Sponsor under the provisions of this PSA that are required to be signed by the Sponsor or its nominees within the timeframes contemplated by this PSA ;
- (b) Failure of the Sponsor to pay the Capitalization Amount as set out herein unless such failure is remedied within two (2) Business Days of the Sponsor’s receipt of written notice of the default, or such other time as the Sponsor and Receiver may mutually agree in writing; and
- (c) Any breach by the Sponsor of any of the material terms of this PSA unless such breach is remedied by the Sponsor within ten (10) Business Days of the Sponsor’s receipt of written notice of such breach, or such other time as the Sponsor and Receiver may mutually agree in writing.

8.02 Remedies

In the event of a Sponsor Default which is not remedied within the time provided for in Section 8.01 above, the Receiver shall be entitled to terminate this PSA by written notice to the Sponsor and the Deposit will be forfeited to the Receiver on account of its liquidated damages in full and final satisfaction thereof, and all further obligations of the Sponsor hereunder shall terminate and this PSA shall become null and void and of no further force and effect. In all other circumstances, the provisions of Section 6.06 above shall apply.

ARTICLE 9- MISCELLANEOUS

9.01 Confidentiality

This PSA and all information exchanged between the Receiver and the Sponsor in connection with this PSA, the Reorganization and the Proposal will be considered Information pursuant to the Confidentiality Agreement and shall not be disclosed by either Party except as contemplated under the Confidentiality Agreement. Any publicity relating to this PSA and the Reorganization and the manner of releasing any information will be mutually agreed upon by the Receiver and the Sponsor, both Parties acting reasonably provided that the Receiver shall be entitled to disclose information, in its discretion, regarding the PSA and the Reorganization in connection with seeking the Authorization Order and the Reorganization Approval Order.

9.02 Costs and Expenses

Except as otherwise specified in this PSA, all costs and expenses (including the fees and disbursements of accountants, legal counsel and other professional advisers) incurred in connection with this PSA and the transactions contemplated herein are to be paid by the Party incurring those costs and expenses.

9.03 Time of Essence

Time is of the essence in all respects of this PSA.

9.04 Notices

Any Communication must be in writing and either:

- 1.1.1 personally delivered;
- 1.1.2 sent by prepaid registered mail; or
- 1.1.3 sent by email or functionally equivalent electronic means of communication, charges (if any) prepaid.

Any Communication must be sent to the intended recipient at its address as follows:

to the Receiver at:

KSV Restructuring Inc. in its capacity as receiver of
the property, assets and undertaking of
Rando Drugs Ltd., et. al.
150 King Street West
Suite 2308, Box 42
Toronto, Ontario, M5H 1J9

Attention: Bobby Kofman/Mitch Vininsky
Email: bkofman@ksvadvisory.com/ mvininsky@ksvadvisory.com

with a copy to:

Norton Rose Fulbright Canada LLP
222 Bay Street, Suite 3000
Toronto, ON M5K 1E7

Attention: Jennifer Stam
Email: jennifer.stam@nortonrosefulbright.com

to the Sponsor at:

c/o WeirFoulds LLP
66 Wellington Street West, Suite 4100
P.O. Box 35, TD Bank Tower

Toronto, Ontario M5K 1B7

Attention: Steven Rukavina/Philip Cho
Email: rukavina@weirfoulds.com/pcho@weirfoulds.com

or at any other address that any Party may from time to time advise the other by Communication given in accordance with this Section 9.04. Any Communication delivered to the Party to whom it is addressed will be deemed to have been given and received on the day it is delivered at that Party's address, provided that if that day is not a Business Day then the Communication will be deemed to have been given and received on the next Business Day. Any Communication transmitted by PDF or other form of electronic communication will be deemed to have been given and received on the day on which it was transmitted (but if the Communication is transmitted on a day which is not a Business Day or after 3:00 p.m. (local time in the City of Toronto, Province of Ontario), the Communication will be deemed to have been received on the next Business Day). Any Communication given by registered mail will be deemed to have been received on the fifth (5th) Business Day after which it is so mailed. If a strike or lockout of postal employees is then in effect, or generally known to be impending, every Communication must be effected by personal delivery or by PDF or other form of electronic communication.

9.05 Further Assurances

Each Party will, at the requesting Party's cost, execute and deliver all further agreements and documents and provide all further assurances as may be reasonably required by the other Party to give effect to this PSA and, without limiting the generality of the foregoing, will do or cause to be done all acts and things, execute and deliver or cause to be executed and delivered all agreements and documents and provide all assurances, undertakings and information as may be required from time to time by all regulatory or governmental bodies.

9.06 Amendment and Waiver

No supplement, modification, amendment, waiver, discharge or termination of this PSA is binding unless it is executed in writing by the Party to be bound. No waiver of, failure to exercise or delay in exercising, any provision of this PSA constitutes a waiver of any other provision (whether or not similar) nor does such waiver constitute a continuing waiver unless otherwise expressly provided.

9.07 Submission to Jurisdiction

Without prejudice to the ability of any Party to enforce this PSA in any other proper jurisdiction, each of the Parties irrevocably submits and attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario to determine all issues, whether at law or in equity arising from this PSA. To the extent permitted by applicable law, each of the Parties irrevocably waives any objection (including any claim of inconvenient forum) that it may now or hereafter have to the venue of any legal proceeding arising out of or relating to this PSA in the courts of that Province or that the subject matter of this PSA may not be enforced in the courts and irrevocably agrees not to seek, and waives any right to, judicial review by any court which may be called upon to enforce the judgment of the courts referred to in this Section 9.07, of the substantive merits of any such suit, action or proceeding. To the extent a Party has or hereafter may acquire any

immunity from jurisdiction of any court or from any legal process (whether through service or notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) with respect to itself or its property, that Party irrevocably waives that immunity in respect of its obligations under this PSA.

9.08 Capacity of Receiver

The Sponsor acknowledges and agrees that the Receiver is entering into this PSA solely in its capacity as court-appointed receiver pursuant to the Receivership Order and not in its personal capacity and in no circumstance shall have any personal liability hereunder.

9.09 Assignment and Enurement

Neither this PSA nor any right or obligation under this PSA may be assigned by either Party without the prior consent of the other Party, not to be unreasonably withheld or delayed, provided that the Sponsor shall be entitled to provide written direction that title to New Common Shares be issued to any other Person. This PSA enures to the benefit of and is binding upon the Parties and their respective successors and permitted assigns.

9.10 Severability

Each provision of this PSA is distinct and severable. If any provision of this PSA, in whole or in part, is or becomes illegal, invalid or unenforceable in any jurisdiction by a court of competent jurisdiction, the illegality, invalidity or unenforceability of that provision will not affect: the legality, validity or enforceability of the remaining provisions of this PSA; or the legality, validity or enforceability of that provision in any other jurisdiction.

9.11 Counterparts

This PSA may be executed and delivered by the Parties in one or more counterparts, each of which will be an original, and each of which may be delivered by facsimile, e-mail or other functionally equivalent electronic means of transmission, and those counterparts will together constitute one and the same instrument.

Dated effective as of the Effective Date.

**RANDO DRUGS LTD.,
by KSV RESTRUCTURING INC., receiver
of the property, assets and undertaking of
the Company and the Shareholder**



Per: _____

Name:

Title:

2775506 ONTARIO INC.

Per: _____

Name:

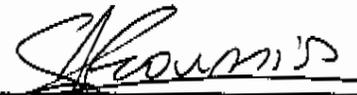
Title:

Dated effective as of the Effective Date.

RANDO DRUGS LTD.,
by **KSV RESTRUCTURING INC.**, receiver
of the property, assets and undertaking of
the Company and the Shareholder

Per: _____
Name:
Title:

2775506 ONTARIO INC.

Per: 
Name: SPURGEON GOUSSARD
Title: PRESIDENT

Appendix “F”

JEROME H. STANLEIGH

BARRISTER & SOLICITOR

5255 Yonge Street, Suite 800
 Toronto, ON, M2N 6P4
 tel. 416-924-0151
 fax. 416-924-2887
jerome.lawoffice@stanleigh.com

April 21, 2020

Jennifer Stam

Goldman Sloan Nash & Haber LLP
 480 University Avenue, Suite 1600
 Toronto, ON
 M5G 1V2

e-mail: stam@gsnh.com

fax: 416 597 3370

VIA PUROLATOR

Dear Ms. Stam,

Re: Grace Family Trust

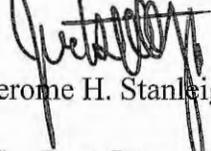
Further to your request, my client has given over to me the following documentation:

1. Rando Drugs was incorporated in 1951 and its minute book does not exist. The Dianas retained counsel to create a minute book for Rando Drugs last year. The particulars are attached.
2. I am attaching, in an accordion file, the Articles of Incorporation for Dedicated National Pharmacy Inc. (DNPI). This company was incorporated in 1953. The minute books were created and spanned 3 separate parts or documents. The first 2 sections have been found, but the 3rd part has been lost. The Dianas are attempting to contact previous counsel to see whether or not it can be found.
3. Premium Canadian Pharmacy was incorporated in 2012. Problems with the FDA forced Dani Diena and his partner to shut down operations. The Grace Family Trust (GFT) became the new owners in 2015. The Premium Canadian Pharmacy business, because of COVID-19, is no longer viable and will be shut down shortly. Mr. Diena thinks that there was never a minute book created. Mr. Diena is contacting Mr. Barry Lerner, the incorporator, to see whether or not he retained the minute book.
4. The corporations CEDV In.c and 2139152 Ontario Inc. were incorporated for the sole purpose of borrowing money from TD Bank. These 2 corporations were named on the leases for Walpole and NovaCare. These companies have no business as separate corporate entities except for the loans from TD Bank. There are no minute books existing for these 2 corporations.

The GFT now has recently incorporated three (3) Ontario numbered corporations, namely 2728778 Ontario Inc., 2673520 Ontario Inc., and 2729124 Ontario Ltd. These corporate entities do not carry on any business activities at the present time.

I would appreciate the return of the original DNPI documentation enclosed once you have satisfied your needs concerning the same and taken photocopies.

Yours truly,



Jerome H. Stanleigh

Cc: Dani Diena

RANDO DRUGS LTD.

Corporate Information Summary

as at January 26, 2017

LAW FIRM INFORMATION

Law Firm:	Marciano Beckenstein LLP
Tel:	905-760-8773
Fax:	905-669-7416
Personnel:	Domenic Marciano solicitor Yoland Jeffers clerk

GENERAL INFORMATION

File No.:	16-8211
Record No.:	1592
Accounting No.:	16-8211
File Opening Date:	March 8, 2016
Date of Incorporation:	October 29, 1951
Legal Structure:	Private Corporation
Governing Jurisdiction:	Ontario
Ontario Corporation No.:	65016
Nature of Business:	Holding Company for Pharmacies
Contract Signing Authority:	(i) any two officers of the Corporation, or (ii) by any two directors of the Corporation, or (iii) if there exists at any time only one director of the Corporation, then by the director of the Corporation, alone
Unanimous Shareholder Agreement:	No
Any Other Shareholder Agreement:	No

STATUS AND RECORDS

Is corporation active?	Yes
Keep annual resolutions current?	Y/n
Last annual meeting/resolutions:	December 31, 2014
Are signatures outstanding?	No
Minute Book- held by law firm?	Yes at our office
Minute Book- box number:	1592

ADDRESSES AND CONTACT INFORMATION

Contact:	Daniel Diena
Telephone (Reg'd Office):	416-402-2767
Fax (Reg'd Office):	
E-mail Address:	ddiena@abira.ca

ADDRESSES AND CONTACT INFORMATION

Registered Office Address:	4256 Bathurst Street, Suite 200 Toronto, ON M3H 5Y8 in the City of Toronto in the Province of Ontario
Mailing Address:	4256 Bathurst Street, Suite 200 Toronto, ON M3H 5Y8
Principal Place of Business:	Tel: Fax:

BANK INFORMATION

Bank:	
Address:	
Contact:	
Phone:	
Fax:	
Cheque Signing:	

ACCOUNTING INFORMATION

Fiscal Year End:	December 31st
Last Annual Return Filed:	December 31, 2016
Audit Exempt?	Yes
Name of Accountants:	Bench & Donath
Address:	970 Lawrence Avenue West North York, ON M6A 3B6
Contact:	
Phone:	416-784-4194
Fax:	

DIRECTORS

Fixed or Range:	a range with a minimum of one (1) and a maximum of ten (10)		
No. Comprising Board:	1		
Quorum:	where there are one to three directors, all directors must be present at any meeting of directors to constitute a quorum. Where there are more than three directors a majority of the number of directors constitutes a quorum at any meeting of directors.		
Does Chairman have casting vote?	No		
Name	Cdn Res.	Elected	Address
Pruthak Desal	yes	May 28 17	1545 Ouellette Avenue, Suite 902 Windsor, ON N8X 1K6

OFFICERS

Name	Office	Appointed	Address
Daniel Dlena	President	Mar 25 13	14 Northmount Avenue Toronto, ON M3H 1N4
Daniel Dlena	Secretary	Mar 25 13	14 Northmount Avenue Toronto, ON M3H 1N4

AUTHORIZED CAPITAL

Class of Shares	Description
Preference	3,900 non-voting Preference shares with a par value of \$10.00;
Common	1,000 Common shares.

SHAREHOLDERS/ISSUED CAPITAL

Quorum:	the holders of a majority of shares entitled to vote at a meeting of shareholders
Does Chairman have casting vote?	No
Name of Shareholder	No. of Shares
100 COMMON SHARES issued as follows:	
2345760 Ontario Inc.	100

REGISTRATIONS & FILINGS

Category (& Remarks/Details)	Name	Jurisdiction	Expiry
MASTER BUSINESS LICENCE 200 - 4256 Bathurst Street Toronto, Ontario M3H 5Y8	Family Health Pharmacy	Ontario	Aug 31, 2021
MASTER BUSINESS LICENCE 6720 Hawthorne Drive Windsor, Ontario N8T 1J9	Family Health Pharmacy East		Feb. 5, 2023
MASTER BUSINESS LICENCE 16-785 Tecumseh Road Walpole Island, Ontario N8A 4K9	Family Health Pharmacy Walpole		Feb. 5, 2023
MASTER BUSINESS LICENCE 3 - 1275 Walker Road Windsor, Ontario N8Y 4X9	Family Health Pharmacy Novacare		Feb. 5, 2023
MASTER BUSINESS LICENCE 1804 Tecumseh Road West Windsor, Ontario N9B 1T8	Family Health Pharmacy West		Feb. 5, 2023
MASTER BUSINESS LICENCE 200 - 4256 Bathurst Street Toronto, Ontario M3H 5Y8	Parkway Pharmacy		Apr. 8 2023

PRINCIPALS

Legend: C = Current F = Former
 I = Incorporator S = Shareholder W = Warrant
 O = Officer EC = Employee/Consultant AI = Accredited Investor
 CW = Committee Member

Name	I	D	O	S	C M	M	EC	AI	Contact
2345760 Ontario Inc.				C					
Desai, Pruthak		C							
Dlena, Daniel			C						
Simone, John		x							

Current Principals – Additional Information

2345760 Ontario Inc.	
Signer Name(s):	Grace Dlena
Registered Office:	4256 Bathurst Street, Suite 200, Toronto, Ontario M3H 5Y8
Mailing:	4256 Bathurst Street, Suite 200, Toronto, Ontario M3H 5Y8
Contact:	Dani Dlena
Misc.:	Corporation / resident / Dani
Pruthak Desai	
Residence:	1545 Ouellette Avenue, Suite 902, Windsor, Ontario N8X 1K6
Misc.:	Male / resident
Daniel Dlena	
Residence:	14 Northmount Avenue, Toronto, Ontario M3H 1N4
Misc.:	Male / resident

6. The amendment has been duly authorized as required by sections 168 and 170 (as applicable) of the *Business Corporations Act*.
La modification a été dûment autorisée conformément aux articles 168 et 170 (selon le cas) de la *Loi sur les sociétés par actions*.
7. The resolution authorizing the amendment was approved by the shareholders/directors (as applicable) of the corporation on
Les actionnaires ou les administrateurs (selon le cas) de la société ont approuvé la résolution autorisant la modification le

2018/01/26

(Year, Month, Day)
(année, mois, jour)

These articles are signed in duplicate.
Les présents statuts sont signés en double exemplaire.

RANDO DRUGS LTD.

(Print name of corporation from Article 1 on page 1)
(Veuillez écrire le nom de la société de l'article un à la page une).

By/
Par :



(Signature)
(Signature)

PRESIDENT

(Description of Office)
(Fonction)

Ministre du Commerce
et des Relations
Industrielles

Ministère de
la Consommation
et du Commerce

Ontario Corporation Number
Numéro de la compagnie en Ontario

65016

CERTIFICATE
This is to certify that these
articles are effective on

CERTIFICAT
Certifie que les présents
statuts ont pris en vigueur le

JULY 14 JUILLET, 1987

[Signature]

Director
Companies Branch

Le Directeur
Direction des Compagnies

TRANS
CODE
C
18

**ARTICLES OF AMENDMENT
STATUTS DE MODIFICATION**

Form 3
Business
Corporations
Act
1982
Formule
des sociétés
de 1982
Loi sur
les sociétés

1. The present name of the corporation is: *Dénomination sociale actuelle de la compagnie:*

J	A	C	K	A	D	A	M	L	D	R	U	G	S	L	I	M	I	T	E	D
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

2. The name of the corporation is changed to (if applicable): *Nouvelle dénomination sociale de la compagnie (s'il y a lieu):*

R	A	N	D	O	D	R	U	G	S	L	T	D
---	---	---	---	---	---	---	---	---	---	---	---	---

3. Date of incorporation/amalgamation: *Date de la constitution ou de la fusion:*

29th day of October, 1951

(Day, Month, Year)
(jour, mois, année)

4. The articles of the corporation are amended as follows: *Les statuts de la compagnie sont modifiés de la façon suivante:*

The Articles of Incorporation of the Corporation be amended to change the name of the Corporation to Rando Drugs Ltd.

REGISTRATION
FEE \$5.00
STAMP
FEE \$5.00
TOTAL
\$10.00

5. The amendment has been duly authorized as required by Sections 167 and 169 (as applicable) of the Business Corporations Act.

Le modification a été dûment autorisée conformément à l'article 167 et, s'il y a lieu, à l'article 169 de la Loi sur les compagnies.

6. The resolution authorizing the amendment was approved by the shareholders/directors (as applicable) of the corporation on

Les actionnaires ou les administrateurs (le cas échéant) de la compagnie ont approuvé la résolution autorisant la modification

7th day of July, 1987

(Day, Month, Year)
(jour, mois, année)

These articles are signed in duplicate.

Les présents statuts sont signés en double exemplaire.

JACK ADAM DRUGS DOMINION LIMITED

(Name of Corporation)
(Dénomination sociale de la compagnie)

By/Par:

Donna Ranko
(Signature)
(Signature)

SECRETARY

(Description of Office)
(Fonction)

October 29, 1951

Jack Adam Drugs
Limited
(Private Company)

Recording Officer

P R O V I N C E O F O N T A R I O

BY THE HONOURABLE

G E O R G E A R T H U R W E I S H ,
PROVINCIAL SECRETARY

TO ALL TO WHOM THESE PRESENTS SHALL COME

G R E E T I N G ;

W H E R E A S The Companies Act provides that with the exceptions therein mentioned the Lieutenant-Governor may by Letters Patent create and constitute bodies corporate and politic for any of the purposes to which the authority of the Legislature of Ontario extends;

AND WHEREAS by the said Act it is further provided that the Provincial Secretary may under the Seal of his office, have, use, exercise, and enjoy any power, right, or authority conferred by the said Act on the Lieutenant-Governor;

AND WHEREAS by their Petition in that behalf the persons herein mentioned have prayed for Letters Patent constituting them a body corporate and politic for the due carrying out of the undertaking hereinafter set forth;

AND WHEREAS it has been made to appear that the said persons have complied with the conditions precedent to the grant of the desired Letters Patent and that the said undertaking is within the scope of the said Act;

NOW THEREFORE KNOW YE that under the authority of the hereinbefore in part recited Act I DO BY THESE LETTERS PATENT CONSTITUTE the Persons hereinafter named that is to say:

John Borden Hamilton, one of His Majesty's Counsel learned in the law; and George Garren M. I. M. P. r. i. z. e. and John Douglas Adam, Pharmacists; all of the City of Toronto, in the County of York and Province of Ontario; and any others who have become subscribers to the memorandum of agreement of the Company, and persons who hereafter become shareholders therein, a corporation under the name of

Jack Adam Drugs Limited

for the following purposes and objects, that is to say:

Subject to the provisions of The Pharmacy Act:

- (a) TO carry on the trade of chemists, druggists and apothecaries and importers and manufacturers of and traders in medicinal and pharmaceutical preparations;
- (b) TO produce, manufacture, purchase, sell, import, export or otherwise acquire, deal in and with, utilize and dispose of, either at wholesale or retail, drugs and medicines of all kinds, physicians', hospital and sickroom supplies, soaps, perfumes, toilet articles and fancy goods, snuff, leaf tobacco, cigars, cheroots, cigarettes and all other forms of tobacco, proprietary articles and druggists' sundries, petroleum and all other mineral, animal or vegetable oils, paints, pigments, shellacs and varnishes, chemicals of every character, chemical, electrical, surgical and scientific apparatus and equipment, rubber, rubber goods and all articles containing rubber in any form, crockery,

china, pottery, glassware, metalware and hardware, paper, bagging, bags, boxes, cases, cans, jars and other receptacles and materials from which the same are or may be made and their ingredients;

(c) TO manufacture, import, export, buy, sell and deal in goods, wares and merchandises of all kinds and, without limiting the generality of the foregoing, to manufacture, compound, refine, purchase and sell chemicals, dye stuffs, cements, minerals, superphosphates, soap, fertilizers, paints, varnishes, pigments, polishes, stains, oils, acids, alcohols, coal, coke, coal-tar, coal-tar products and derivatives, peat, peat products, rubber, rubber goods and products, medicines, pharmaceutical supplies, chemical and medicinal preparations, articles and compounds, separately or in combination and under all conditions and at all stages of preparation and manufacture; and

(d) TO manufacture, buy, sell and deal in foods, food preparations, beverages, candy and confectionery;

THE CAPITAL of the Company to be divided into Three Thousand Nine Hundred 5% non-cumulative redeemable preference shares of the par value of Ten dollars each and One Thousand common shares without any nominal or par value; provided, however, that the aggregate consideration for the issue of the said shares without any nominal or par value shall not exceed in amount or value the sum of One Thousand dollars or such greater amount as the board of directors of the Company may deem expedient on payment to the Provincial Treasurer of the fees payable on such greater amount and the issuance by the Provincial Secretary of a certificate of such payment;

THE HEAD OFFICE of the Company to be situate at the said City of Toronto; and

THE PROVINCIAL DIRECTORS of the Company to be John Borden
Hamilton, George Carmel Mainprize and John Douglas Adams, herein-
before mentioned;

AND IT IS HEREBY ORDAINED AND DECLARED that the said Company
shall be a PRIVATE COMPANY and that the following provisions
shall apply thereto: (1) The right to transfer shares of the
capital stock of the Company shall be restricted in that no
transfer of any share shall be effective unless and until
approved by resolution of the board of directors; provided
that no such consent shall be required in the case of a trans-
mission from a deceased shareholder to his executors or
administrators; (2) The number of shareholders of the Company
(exclusive of persons who are in the employment of the Company)
is hereby limited to fifty, two or more persons holding one
or more shares jointly being counted as a single shareholder;
and (3) Any invitation to the public to subscribe for any shares,
debentures or debenture stock of the Company is hereby prohibited;

AND IT IS HEREBY FURTHER ORDAINED AND DECLARED THAT THE SAID 5%
non-cumulative redeemable preference shares and the said common
shares shall respectively carry and be subject to the preferences,
priorities, rights, privileges, limitations and conditions here-
inafter set forth, that is to say:

(1) The holders of preference shares shall have the right to
receive and the Company shall pay thereon, out of the moneys
of the Company properly applicable to the payment of dividends,
fixed non-cumulative cash dividends at the rate of five per
centum (5%) per annum, payable half-yearly in each year as the

board of directors may determine on the amounts from time to time paid up thereon; such dividends shall be paid by warrant or cheque on the Company's bankers payable at par at any branch thereof in Canada; the holders of preference shares shall not be entitled to any dividends other than or in excess of the cash dividends hereinbefore provided for; if in any calendar year the board of directors in its discretion shall not declare the said dividend or any part thereof on the said preference shares for such calendar year, then the rights of the holders of the said preference shares for such calendar year shall be forever extinguished;

(2) No dividends shall at any time be declared or paid on or set apart for the common shares or any part thereof or for any shares of the Company junior to the preference shares unless all dividends as declared on the preference shares then issued and outstanding shall have been paid;

(3) In the event of the liquidation, bankruptcy, dissolution, winding up or return to the shareholders, whether voluntarily or involuntarily, of the assets of the Company and the distribution among the shareholders of all assets of the Company remaining after payment of creditors the holders of preference shares shall have the right to repayment of the amount paid on such shares, together with all declared and unpaid preferential dividends, before the holders of any of the common shares or other junior shares of the Company shall be entitled to repayment of the amounts or any part thereof paid up on such common shares or to participate in the assets of the Company, but the holders of the said preference shares shall not have any right to any further participation in the assets of the Company and all the remaining assets of the Company shall belong to and be distributable among the holders of the common or other junior shares

for the time being in the capital stock of the Company in accordance with the provisions applicable thereto;

(4) The Company may at any time or times purchase for cancellation the whole or any part of the preference shares outstanding at the lowest price at which in the opinion of the board of directors such shares are obtainable but such price shall not exceed one hundred and ten per centum (110%) of the par value of the shares, and costs of purchase for cancellation; from and after the date of purchase for cancellation of any preference shares under the provisions of this paragraph contained, the preference shares so purchased shall be deemed to be redeemed and shall be cancelled; provided, however, that where less than the entire issue is to be purchased for cancellation an opportunity shall be given to each shareholder to tender, and further provided that in the event of the shares tendered at the lowest price being in excess of the number which the Company is prepared to purchase for cancellation the shares to be purchased shall be selected pro rata according to the holdings of the shareholders who so tender;

(5) Upon giving notice as hereinafter provided the Company at the option of the directors may at any time and without the consent of the owners or holders thereof redeem the whole or from time to time any part of the then outstanding preference shares on payment for each share to be redeemed of one hundred and ten per centum (110%) of the par value thereof, together with all unpaid declared preferential dividends; if less than the whole amount of the preference shares shall be so redeemed, the shares to be redeemed shall be selected by lot in such manner as the board of directors may determine;

(6) Except in the case of preference shares purchased under the provisions of paragraph (4) hereof, the Company shall give at least thirty (30) days' notice in writing to the person

who, at the date of giving such notice, is the registered holder of preference shares to be redeemed of the intention of the Company to redeem preference shares held by such registered holder; such notice shall be given by post in a prepaid letter addressed to the last address of each shareholder as it appears on the books of the Company or, in the event of the address of any shareholder not so appearing, then to the last known address of such shareholder; such notice shall set out the number of preference shares held by the person to whom it is addressed which are to be redeemed and the redemption price; such notice shall set out the date on which redemption is to take place and on and after the date so specified for redemption the Company shall pay the redemption price to or to the order of the registered holder or holders of the preference shares to be redeemed on presentation and surrender at the head office of the Company, or at any other place designated by such notice, of the certificates for the preference shares so called for redemption; the certificates for such shares shall thereupon be cancelled and the redemption of the shares represented thereby shall thereupon be completed; if a part only of the shares represented by any certificate be redeemed a new certificate for the balance shall be issued; from and after the date specified in any such notice the preference shares called for redemption shall cease to be entitled to dividends and the holder thereof shall not be entitled to any rights in respect thereof except that of receiving the redemption price unless payment of the redemption price shall not be made by the Company on the presentation and surrender of the certificate in accordance with the foregoing provisions;

(7) Should the holders of any preference shares so called for redemption fail to present the certificates representing such shares within ten (10) days after the date specified for

redemption the Company shall have the right to deposit the redemption price of such shares to a special account in any bank in Canada to provide for the payment thereof, without interest, to the holder of such shares upon surrender of the certificate representing the same and upon such deposit such shares shall, so far as liability of the Company is concerned, be taken to be redeemed and cancelled; after the Company has made a deposit as aforesaid with respect to any shares, the rights of the holders of such shares as against the Company shall be limited to receiving the redemption price so deposited;

(d) The Company shall not, so long as any of the preference shares remain outstanding, except with the consent and approval of the holders of at least sixty-six and two-thirds per centum (66 $\frac{2}{3}$ %) in value of the said preference shares then outstanding, given at a meeting specially called for the purpose, create any mortgage, lien or encumbrance of any kind on any part of the real estate, machinery equipment or fixed assets of the Company or cause or suffer any lien in the nature of a mortgage to be placed thereon or authorize or issue any bonds, debentures, debenture stock or other evidence of indebtedness secured thereon; provided, however, that this restriction shall not be deemed to prevent nor shall it operate to prevent the giving of purchase money mortgages or other purchase money liens on property real or personal to be hereafter acquired by the Company, nor the acquisition of property real or personal subject to mortgages, liens or encumbrances thereon then existing and nothing in this paragraph shall in any way hinder or prevent the Company from borrowing money for the purpose of the Company from any bank or banks from time to time and from giving to such bank or banks security for the money so borrowed under the provisions of the Bank Act;

(9) The holders of the said preference shares shall not have the right to vote at any meeting of the shareholders of the Company nor shall such preference shares qualify any person to be a director of the Company unless the Company has failed to pay the dividend thereon for a period of two (2) years, whereupon the holders of preference shares shall until dividends aggregating five per centum (5%) per annum have been paid on the preference shares for two consecutive years be entitled to one vote per share at all meetings of shareholders; the holders of the preference shares shall, however, be entitled to notice of any meeting of the shareholders convened for the purpose of considering and authorizing the dissolution of the Company or the sale of its undertaking or a substantial part thereof; and

(10) The Company may from time to time pass a by-law authorizing an application for Supplementary Letters Patent to change, alter or modify the terms and conditions attaching to the said preference shares or to create other preference shares ranking in priority to or pari passu with the preference shares hereby created; but no such application for Supplementary Letters Patent for such purpose shall be made without the consent, in addition to any consent required by the provisions of The Companies Act, of the holders of at least sixty-six and two-thirds per centum (66 2/3%) of the outstanding preference shares;

AND IT IS HEREBY FURTHER ORDERED AND DECLARED:

(1) THAT the directors may decline to register a transfer of

shares belonging to a shareholder who is indebted to the Company;

(2) THAT, if the by-laws of the Company so provide, it shall not be necessary for a majority of the directors to constitute a quorum of the board; PROVIDED, however, that the number necessary to constitute a quorum shall be two-fifths thereof or such greater proportionate number as may be fixed by by-law; and

(3) THAT the Company may hold meetings of its directors and the executive committee (if any) at any place, either within or without the Province of Ontario, and meetings of its shareholders at any place within the Province of Ontario;

AND THE COMPANY IS HEREBY AUTHORIZED to pay a commission to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares in the Company or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares in the Company; PROVIDED, however,

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LAST TM UPDATE DATE - 870427 LAST APPL NO. REC'D - 580594

BY-LAW NO. 8

A by-law relating generally to the conduct of the business and affairs of

RANDO DRUGS LTD.

(herein called the "Corporation")

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BE IT ENACTED as a by-law of the Corporation as follows:

1. **INTERPRETATION**

- 1.01 (1) In this by-law and all other by-laws and resolutions of the Corporation, unless the context otherwise requires:
- (a) "Act" means the *Business Corporations Act* (Ontario) together with the Regulations made pursuant thereto and any statute or regulations that may be substituted therefor, as amended from time to time;
 - (b) "articles" means the articles of incorporation of the Corporation as amended or restated from time to time;
 - (c) "board" means the board of directors of the Corporation;
 - (d) "by-laws" means this by-law and all other by-laws of the Corporation as amended from time to time, and from time to time in force and effect;
 - (e) "Corporation" means this Corporation;

- (f) "meeting of shareholders" means any meeting of shareholders, whether annual or special; and "special meeting of shareholders" means a special meeting of all shareholders entitled to vote at an annual meeting of shareholders and a meeting of any class or classes of shareholders entitled to vote on the question at issue;
 - (g) "person" includes an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, and a natural person in his capacity as trustee, executor, administrator, or other legal representative;
 - (h) "recorded address" means, in the case of a shareholder, his address as recorded in the shareholders' register; and, in the case of joint shareholders, the address appearing in the shareholders' register in respect of such joint holding or the first address so appearing if there are more than one; and, in the case of a director, officer, auditor or member of a committee of the board, his latest address recorded in the records of the Corporation; and
 - (i) "unanimous shareholder agreement" shall have the meaning ascribed to such term under the Act.
- (2) Subject to the foregoing, the words and expressions herein contained shall have the same meaning as corresponding words and expressions in the Act.

1.02 Interpretation - In this by-law where the context requires, words importing the singular include the plural and vice versa and words importing gender include the masculine, feminine and neuter genders.

1.03 Save as aforesaid, all the words and terms appearing in this by-law shall have the same definitions and application as in the Act.

2. GENERAL

2.01 Registered Office – The Corporation may by resolution of the directors change the location of its registered office within the municipality or geographic township specified in the Articles.

2.02 Corporate Seal – The Corporation may have a corporate seal, which shall be adopted and may be changed by resolution of the directors.

2.03 Execution of Documents

(1) Instruments in writing requiring execution by the Corporation may be signed on behalf of the Corporation by (i) any two officers of the Corporation, or (ii) by any two directors of the Corporation, or (iii) if there exists at any time only one director of the Corporation, then by the director of the Corporation, alone, and all instruments in writing so signed shall be binding upon the Corporation without any further authorization or formality. Notwithstanding the foregoing, the board may from time to time by resolution appoint any officer or officers or any other person or persons on behalf of the Corporation either to sign instruments in writing generally or to sign specific instruments in writing.

(2) The corporate seal of the Corporation (if any) may be affixed to instruments in writing signed as aforesaid by any person authorized to sign the same or at the direction of any such person.

(3) The term "instruments in writing" as used herein shall include deeds, contracts, mortgages, hypothecs, charges, conveyances, transfers and assignments of property, real or personal, immovable or movable, agreements, releases, receipts and discharges for the payment of money or other obligations, cheques, promissory notes, drafts, acceptances, bills of exchange and orders for the payment of money, conveyances, transfers and assignment of shares, instruments of proxy, powers of attorney, stocks, bonds, debentures or other securities or any paper writings.

(4) Subject to the provisions of Section 2.04, the signature or signatures of an officer or director, person or persons appointed as aforesaid by resolution of the directors, may, if specifically authorized by resolution of the directors, be printed, engraved, lithographed or otherwise mechanically reproduced upon all instruments in writing executed or issued by or on behalf of the Corporation and all instruments in writing on which the signature or signatures of any of the foregoing officers, directors or persons shall be so reproduced, by authorization of a resolution of the directors, shall be deemed to have been manually signed by such officers or persons whose signature or signatures is or are so reproduced and shall be as valid as if they had been signed manually and notwithstanding that the officers, directors or persons whose signature or signatures is or are so reproduced may have ceased to hold office at the date of delivery or issue of such instruments in writing.

2.04 Resolutions in Writing

- (1) A resolution in writing, signed by all the directors entitled to vote on that resolution at a meeting of directors or a committee of directors, is as valid as if it had been passed at a meeting of directors or such committee of directors.
- (2) Subject to the Act, a resolution in writing signed by all the shareholders entitled to vote on that resolution at a meeting of shareholders is as valid as if it had been passed at a meeting of the shareholders.
- (3) Where the corporation has only one shareholder, or only one holder of any class of shares, the shareholder present in person or by proxy constitutes a meeting.

3. DIRECTORS

3.01 Powers - Subject to any unanimous shareholder agreement, the business and affairs of the Corporation shall be managed or supervised by a board of directors. Until changed in accordance with the Act, the board shall consist of not fewer than the minimum number and not more than the maximum number of directors provided for in the articles.

3.02 Resident Canadians - Except where the Corporation is a non-resident Corporation, a majority of the directors shall be resident Canadians but where the Corporation has only one or two directors, that director or one of the two directors, as the case may be, shall be a resident Canadian.

3.03 Qualifications - No person shall be qualified for election as a director if he is less than 18 years of age; if he is of unsound mind and has been so found by a court in Canada or elsewhere; if he is not an individual; or if he has the status of a bankrupt.

3.04 Election and Term - The election of directors shall take place at the first meeting of shareholders and at each succeeding annual meeting at which an election of directors is required. The directors shall hold office for an expressly stated term, which shall expire not later than the close of the third annual meeting of shareholders following the election. A director not elected for an expressly stated term ceases to hold office at the close of the first annual meeting of shareholders following his election. Incumbent directors, if

qualified, shall be eligible for re-election. If an election of directors is not held at the proper time, the incumbent directors shall continue in office until their successors are elected.

3.05 Resignation - A director who is not named in the articles may resign from office upon giving a written resignation to the Corporation and such resignation becomes effective when received by the Corporation or at the time specified in the resignation, whichever is later. A director named in the articles shall not be permitted to resign his office unless at the time the resignation is to become effective a successor is elected or appointed.

3.06 Removal - Subject to the provisions of the Act, the shareholders may, by ordinary resolution passed at a meeting of shareholders, remove any director or directors from office before the expiration of his or their respective terms and may, by a majority of the votes cast at the meeting, elect any person in his place for the remainder of his term.

3.07 Vacation of Office - A director ceases to hold office when he dies, resigns, is removed from office by the shareholders, or becomes disqualified to serve as a director.

3.08 Vacancies - Subject to the provisions of the Act, where a vacancy occurs on the board, a quorum of the directors then in office may appoint a person to fill the vacancy for the remainder of the term. If there is not a quorum of directors or if there has been a failure to elect the number of directors required by the articles or in the case of a variable board as required by special resolution, the directors then in office shall forthwith call a special meeting of shareholders to fill the vacancy and, if they fail to call a meeting or if there are no directors then in office, the meeting may be called by any shareholder.

4. MEETINGS OF DIRECTORS

4.01 Place of Meetings - Meetings of the board may be held at any place within or outside Ontario and it shall not be necessary that, in any financial year of the Corporation, a majority of the meetings of the board be held at a place within Canada.

4.02 Meetings by Telephone - Where all the directors present at or participating in the meeting have consented thereto, any director may participate in a meeting of the board or of a committee of the board by means of conference telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously and a

director participating in such a meeting by such means is deemed for the purposes of the Act and these by-laws to be present at the meeting. If a majority of the directors participating in such a meeting are then in Canada, the meeting shall be deemed to have been held in Canada.

4.03 Calling of Meetings - Meetings of the board shall be held from time to time at such place, at such time and on such day as the president or a vice-president who is a director or any two directors may determine, and the secretary shall call meetings when directed or authorized by the president or by a vice-president who is a director or by any two directors. Notice of every meeting so called shall be given to each director not less than 48 hours (excluding any part of a Sunday and of a holiday as defined by the Interpretation Act (Ontario)) before the time when the meeting is to be held, except that no notice of meeting shall be necessary if all the directors are present or if those absent have waived notice of or otherwise signified their consent to the holding of such meeting. A notice of a meeting of directors need not specify the purpose of or the business to be transacted at the meeting except where the Act requires such purpose or business to be specified.

4.04 Regular Meetings - The board may appoint a day or days in any month or months for regular meetings at a place and hour to be named. A copy of any resolution of the board fixing the place and time of regular meetings of the board shall be sent to each director forthwith after being passed, but no other notice shall be required for any such regular meetings except where the Act requires the purpose thereof or the business to be transacted thereat to be specified.

4.05 First Meeting of New Board - Each newly elected board may without notice hold its first meeting immediately following a meeting of shareholders at which such board is elected, provided that a quorum of directors is present.

4.06 Quorum - Where the Corporation has anywhere from one to three directors, all directors must be present at any meeting of directors to constitute a quorum. Subject to the articles or by-laws of the Corporation, where the Corporation has more than three directors, a majority of the number of directors constitutes a quorum at any meeting of directors.

4.07 Resident Canadians - Directors shall not transact business at a meeting of the board unless a majority of the directors present are resident Canadians or, where the Corporation has fewer than three directors, one of the directors present is a resident Canadian. However, directors may transact business at a meeting of the board where a majority of resident Canadian directors is not present if

- (a) a resident Canadian director who is unable to be present approves in writing or by telephone or other communications facilities the business transacted at the meeting; and
- (b) a majority of resident Canadian directors would have been present had the director been present at the meeting.

4.08 Chairman - The chairman of any meeting of the board shall be the first mentioned of such of the following officers as have been appointed and who is a director and is present at the meeting:

- (a) Chairman of the Board;
- (b) President; or
- (c) a Vice-President.

If no such officer is present, the directors present shall choose one of their number to be chairman.

4.09 Votes to Govern - At all meetings of the board, every question shall be decided by a majority of the votes cast on the question.

4.10 Casting Vote - In the case of an equality of votes on any question at a meeting of the board, the chairman of the meeting **shall not** be entitled to a second or casting vote.

4.11 Disclosure of Interests in Contracts - Every director or officer of the Corporation who is a party to a material contract or transaction or proposed material contract or transaction with the Corporation, or is a director or officer of or has a material interest in any person who is a party to a material contract or transaction or proposed material contract or transaction with the Corporation, shall disclose in writing to the Corporation or request to have entered in the minutes of the meeting of directors the nature and extent of his interest at the time and in the manner required by the Act. Any such contract or proposed contract shall be referred to the board or shareholders for approval even if such contract is one that in the ordinary course of the Corporation's business would not require approval by the board or the shareholders, and a director interested in a contract so referred to the board shall not vote on any resolution to approve the same except as provided by the Act.

4.12 Resolution in Lieu of Meeting - A resolution in writing, signed by all the directors entitled to vote on that resolution at a meeting of directors or committee of directors, is as valid as if it had been passed at a meeting of directors or committee of directors. A copy of every such resolution shall be kept with the minutes of the proceedings of the directors or committee of directors.

4.13 Delegation - Directors may appoint from their number a managing director who is a resident Canadian or a committee of directors and delegate to such managing director or committee any of the

powers of the directors. If the directors appoint a committee of directors, a majority of the members of the committee must be resident Canadians. Unless otherwise determined by the board and subject to the Act, each committee shall have the power to fix its quorum at not less than a majority of its members, to elect its chairman and to regulate its procedure.

5. REMUNERATION AND INDEMNIFICATION

5.01 Remuneration - Subject to the provisions of the Act, the articles, and the by-laws of the Corporation or any unanimous shareholder agreement, the board may fix the remuneration of the directors. Nothing contained herein shall preclude any director from serving the Corporation in any other capacity and receiving remuneration therefor. In addition, directors shall be paid such sums in respect of their out-of-pocket expenses incurred in attending board, committee or shareholders' meetings or otherwise in respect of the performance by them of their duties as the board may from time to time determine.

5.02 Limitation of Liability - Every director and officer of the Corporation, in exercising his powers and discharging his duties, shall act honestly and in good faith with a view to the best interests of the Corporation, and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Subject to the foregoing, no director or officer shall be liable for the acts, receipts, neglects or defaults of any other director or officer or employee, or for joining in any receipt or other act for conformity, or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired for or on behalf of the Corporation, or for the insufficiency or deficiency of any security in or upon which any of the monies of the Corporation shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious acts of any person with whom any of the monies, securities or effects of the Corporation shall be deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss, damage or misfortune whatever, which shall happen in the execution of the duties of his office or in relation thereto, unless the same are occasioned by his own willful neglect or default; provided that nothing herein shall relieve any director or officer from the duty to act in accordance with the Act or from liability for any breach thereof.

5.03 Indemnity of Directors and Officers - Subject to the provisions of the Act, the Corporation shall indemnify a director or officer of the Corporation, a former director or officer of the Corporation, or a person who acts or acted at the Corporation's request as a director or officer of a body corporate of which the Corporation is or was a shareholder or creditor, and his heirs and legal representatives, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably

incurred by him in respect of any civil, criminal or administrative action or proceeding to which he is made a party by reason of being or having been a director or officer of such Corporation or body corporate if

- (a) he acted honestly and in good faith with a view to the best interests of the Corporation; and
- (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he had reasonable grounds for believing that his conduct was lawful.

5.04 Insurance - Subject to the limitations contained in the Act, the Corporation may purchase and maintain such insurance for the benefit of its directors and officers as such, as the board may from time to time determine.

6. OFFICERS

6.01 Appointment - Subject to the provisions of the Act, the articles or any unanimous shareholder agreement, the board may from time to time appoint a president, one or more vice-presidents (to which title may be added words indicating seniority or function), a secretary, a treasurer and such other officers as the board may determine, including one or more assistants to any of the officers so appointed. The board may specify the duties of and, in accordance with this by-law and subject to the provisions of the Act, delegate to such officers powers to manage the business and affairs of the Corporation. Save for the chairman of the board and the managing director, an officer may but need not be a director and one person may hold more than one office.

6.02 Term, Remuneration and Removal - The terms of employment and remuneration of all officers elected or appointed by the board (including the president) shall be determined from time to time by resolution of the board. The fact that any officer or employee is a director or shareholder of the Corporation shall not disqualify him from receiving such remuneration as may be determined. All officers, in the absence of agreement to the contrary, shall be subject to removal by resolution of the board at any time with or without cause.

6.03 Chairman of the Board - The board may from time to time also appoint a chairman of the board who shall be a director. If appointed, the board may assign to him any of the powers and duties that are by any provisions of this by-law capable of being assigned to the president; and he shall, subject to the provisions of the Act, have such other powers and duties as the board may specify. During the absence or disability of the chairman of the board, his duties shall be performed and his powers exercised by the president.

6.04 Managing Director - The board may from time to time appoint a managing director who shall be a resident Canadian and a director. If appointed, he shall be the chief executive officer and, subject to the authority of the board, shall have general supervision of the business and affairs of the Corporation; and he shall, subject to the provisions of the Act, have such other powers and duties as the board may specify. During the absence or disability of the president, or if no president has been appointed, the managing director shall also have the powers and duties of that office.

6.05 President - The board may from time to time appoint a president. The president shall be the chief operating officer of the Corporation and, if no managing director has been appointed, and subject to the authority of the board, shall have the general supervision of the business and affairs of the Corporation and he shall have such other powers and duties as the board may specify. During the absence or disability of the managing director, or if no managing director has been appointed, the president shall also have the powers and the duties of that office.

6.06 Vice-President - The board may from time to time appoint one or more vice-presidents. A vice-president so appointed shall have such powers and such duties as the board or the chief executive officer may prescribe.

6.07 Secretary - The board may from time to time appoint a secretary. The secretary shall attend all meetings of the directors, shareholders and committees of the board and shall enter or cause to be entered in books kept for that purpose, minutes of all proceedings at such meetings; he shall give, or cause to be given, when instructed, notices required to be given to shareholders, directors, auditors and members of committees; he shall be the custodian of the stamp or mechanical device generally used for affixing the corporate seal of the Corporation and of all books, papers, records, documents and other instruments belonging to the Corporation; and he shall perform such other duties as may from time to time be prescribed by the board.

6.08 Treasurer - The board may from time to time appoint a treasurer. The treasurer shall keep, or cause to be kept, proper accounting records as required by the Act; he shall deposit, or cause to be deposited, all monies received by the Corporation in the Corporation's bank account; he shall, under the direction of the board, supervise the safekeeping of securities and the disbursement of the funds of the Corporation; he shall render to the board, whenever required, an account of all his transactions as treasurer and of the financial position of the Corporation; and he shall perform such other duties as may from time to time be prescribed by the board.

6.09 Other Officers - The duties of all other officers of the Corporation shall be such as the terms of their engagement call for or the board requires of them. Any of the powers and duties of an officer to whom an assistant has been appointed may be exercised and performed by such assistant, unless the board otherwise directs.

6.10 Variation of Duties - From time to time and subject to the provisions of the Act, the board may vary, add to or limit the powers and duties of any officer.

6.11 Agents and Attorneys - The board shall have power from time to time to appoint agents or attorneys for the Corporation in or outside of Ontario with such powers of management or otherwise (including the power to sub-delegate) as may be thought fit.

6.12 Fidelity Bonds - The board may require such officers, employees and agents of the Corporation, as it deems advisable, to furnish bonds for the faithful performance of their duties, in such form and with such surety as the board may from time to time prescribe.

6.13 Conflict of Interest - An officer shall disclose his interest in any material contract or transaction or proposed material contract or transaction with the Corporation in accordance with Section 4.11 herein.

7. MEETINGS OF SHAREHOLDERS

7.01 Annual Meetings - Subject to Section 7.17 herein, the directors shall call the first annual meeting of shareholders not later than eighteen months after the Corporation comes into existence and, subsequently, not later than fifteen months after holding the last preceding annual meeting. The annual meeting of shareholders of the Corporation shall be held at such time and on such day in each year as the board may from time to time determine, for the purposes of receiving the reports and statements required by the Act to be laid before the annual meeting, electing directors, appointing auditors and fixing or authorizing the board to fix their remuneration, and for the transaction of such other business as may properly be brought before the meeting.

7.02 Special Meetings - The board may at any time call a special meeting of shareholders for the transaction of any business which may properly be brought before such meeting of shareholders. All business transacted at an annual meeting of shareholders, except consideration of the financial statements,

auditor's report, election of directors and reappointment of the incumbent auditor, is deemed to be special business.

7.03 Place of Meetings - Meetings of shareholders shall be held at the registered office of the Corporation, or at such other place within or outside of Ontario as the board from time to time determines.

7.04 Notice of Meetings - Notice of the time and place of each meeting of shareholders shall be sent not less than 10 days and not more than 50 days before the date of the meeting to the auditor of the Corporation, to each director, and to each person whose name appears on the records of the Corporation at the close of business on the day next preceding the giving of the notice as a shareholder entitled to vote at the meeting. Notice of a special meeting of shareholders shall state:

- (a) the nature of the business to be transacted at the meeting in sufficient detail to permit the shareholders to form a reasoned judgment thereon; and
- (b) the text of any special resolution or by-law to be submitted to the meeting.

A shareholder and any other person entitled to attend a meeting of shareholders may in any manner and at any time waive notice of or otherwise consent to a meeting of shareholders.

7.05 Persons Entitled To Be Present - The only persons entitled to attend a meeting of shareholders shall be those entitled to vote thereat, the directors and the auditor of the Corporation and others who although not entitled to vote are entitled or required under any provision of the Act or by-laws of the Corporation to be present at the meeting. Any other persons may be admitted only on the invitation of the chairman of the meeting or with the consent of the meeting.

7.06 Quorum - Subject to the provisions of the Act, the holders of a majority of the shares entitled to vote at a meeting of shareholders present in person or by proxy constitute a quorum for the transaction of business at any meeting of shareholders.

7.07 One-Shareholder Meeting - If the Corporation has only one shareholder, or only one holder of any class or series of shares, the shareholder present in person or by proxy constitutes a meeting.

7.08 Right to Vote - At any meeting of shareholders, unless the articles otherwise provide, each share of the Corporation entitles the holder thereof to one vote at a meeting of shareholders, subject to the provisions of the Act.

7.09 Joint Shareholders - Where two or more persons hold the same share or shares jointly, any one of such persons present at a meeting of shareholders may in the absence of the other vote the shares but, if two or more of such persons who are present in person or by proxy, vote, they shall vote as one on the shares jointly held by them.

7.10 Proxies - Every shareholder entitled to vote at a meeting of shareholders may, by means of a proxy, appoint a proxy holder or one or more alternate proxy holders who are not required to be shareholders to attend and act at the meeting in the manner and to the extent authorized by the proxy and with the authority conferred by the proxy. A proxy shall be in writing and executed by the shareholder or by his attorney authorized in writing and shall conform with the requirements of the Act. The board may by resolution fix a time not exceeding 48 hours, excluding Saturdays and holidays, preceding any meeting or adjourned meeting of shareholders, before which time proxies to be used at that meeting must be deposited with the Corporation or an agent thereof, and any period of time so fixed shall be specified in the notice calling the meeting. A proxy shall be acted upon only if, prior to the time so specified, it shall have been deposited with the Corporation or an agent thereof specified in such notice or, where no time is specified in such notice, the proxy has been received by the secretary of the Corporation or by the chairman of the meeting or any adjournment thereof prior to the time of voting.

7.11 Scrutineers - At each meeting of shareholders one or more scrutineers may be appointed by a resolution of the meeting or by the chairman with the consent of the meeting to serve at the meeting. Such scrutineers need not be shareholders of the Corporation.

7.12 Chairman - The shareholders may, at the beginning of any meeting of the shareholders, appoint a chairman of such meeting from any shareholder present at that meeting.

7.13 Votes to Govern - Subject to the provisions of the Act, the articles and the by-laws of the Corporation or any unanimous shareholder agreement, all questions proposed for the consideration of the shareholders at a meeting shall be decided by a majority of the votes cast thereon. In case of an equality of votes either on a show of hands or on a poll, the chairman of the meeting *shall not* be entitled to a second or casting vote.

7.14 Show of Hands - Subject to the provisions of the Act, at all meetings of shareholders every question shall be decided by a show of hands unless a ballot thereon be required by the chairman or be demanded by a shareholder or proxyholder present and entitled to vote. Upon a show of hands, every person present and

entitled to vote has one vote regardless of the number of shares he represents. After a show of hands has been taken upon any question, the chairman may require, or any shareholder or proxyholder present and entitled to vote may demand, a ballot thereon. Whenever a vote by show of hands shall have been taken upon a question, unless a ballot thereon be so required or demanded, a declaration by the chairman that the vote upon the question has been carried or carried by a particular majority or not carried and an entry to that effect in the minutes of the meeting shall be prima facie evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the question. The result of the vote so taken and declared shall be the decision of the Corporation on the question. A demand for a ballot may be withdrawn at any time prior to the taking of the ballot.

7.15 Ballots - If a ballot is required by the chairman of the meeting or is demanded and the demand is not withdrawn, a ballot upon the question shall be taken in such manner as the chairman of the meeting directs.

7.16 Adjournment - The chairman of a meeting of shareholders may, with the consent of the meeting and subject to such conditions as the meeting may decide, adjourn the meeting from time to time and from place to place.

7.17 Resolution in Lieu of Meeting - Except where a written statement with respect to the subject matter of the resolution is submitted by a director or the auditors in accordance with the Act,

- (a) a resolution in writing signed by all the shareholders entitled to vote on that resolution at a meeting of shareholders is as valid as if it had been passed at a meeting of the shareholders; and
- (b) a resolution in writing dealing with any matter required by the Act to be dealt with at a meeting of shareholders, and signed by all the shareholders entitled to vote at that meeting, satisfies all the requirements of the Act relating to that meeting of shareholders.

8. SHARES

8.01 Allotment - Subject to the provisions of the Act, the articles and any unanimous shareholder agreement, the board may from time to time allot or grant options to purchase the whole or any part of the authorized and unissued shares of the Corporation at such time and to such persons and for such consideration as the board shall determine, provided that no share shall be issued until it is fully paid as provided by the Act.

8.02 Lien for Indebtedness - Subject to the provisions of the Act, the Corporation shall have a lien on shares registered in the name of a shareholder indebted to the Corporation. Such lien may be enforced, subject to any other provision of the articles and to any unanimous shareholder agreement, by the sale of the shares thereby affected or by any other action, suit, remedy or proceeding authorized or permitted by law or by equity and, pending such enforcement, the Corporation may refuse to register a transfer of the whole or any part of such shares.

8.03 Share Certificates - Every holder of one or more shares of the Corporation is entitled, at his option, to a share certificate, or to a non-transferable written acknowledgment of his right to obtain a share certificate, stating the number and class or a series of shares held by him as shown on the records of the Corporation. Share certificates and acknowledgments of a shareholder's right to a share certificate shall be in such form as the board shall from time to time approve. Any share certificate shall be signed in accordance with Section 2.03 herein and need not be under the corporate seal.

8.04 Replacement of Share Certificates - Subject to the provisions of the Act, the directors may by resolution prescribe, either generally or in a particular case, the conditions upon which a new share certificate may be issued to replace a share certificate which has been defaced, lost, stolen or destroyed.

8.05 Transfer Agent and Registrar - The board may from time to time appoint a registrar to maintain the securities register and a transfer agent to maintain the register of transfers and may also appoint one or more branch registrars to maintain branch security registers and one or more branch transfer agents to maintain branch registers of transfers, but one person may be appointed both registrar and transfer agent. The board may at any time terminate any such appointment.

8.06 Joint Shareholders - If two or more persons are registered as joint holders of any share, the Corporation shall not be bound to issue more than one certificate in respect thereof, and delivery of such certificate to one of such persons shall be sufficient delivery to all of them. Any one of such persons may give effectual receipts for the certificate issued in respect thereof or for any dividends, bonus, return of capital or other money payable or warrant issuable in respect of such share.

9. DIVIDENDS

9.01 Declaration - Subject to the provisions of the Act, the articles and to any unanimous shareholder agreement, the board may declare and the Corporation may pay dividends to the shareholders according to their respective rights and interests in the Corporation. Dividends may be paid by issuing fully paid shares of the Corporation or options or rights to acquire fully paid shares of the Corporation or, subject to the provisions of the Act, may be paid in money or property.

9.02 Payment - A dividend payable in cash shall be paid by cheque drawn on the Corporation's bankers or one of them to the order of each registered holder of shares of the class in respect of which it has been declared, and mailed by ordinary mail postage prepaid to such registered holder at his recorded address, unless such holder otherwise directs. In the case of joint holders, the cheque shall, unless such joint holders otherwise direct, be made payable to the order of all of such joint holders and mailed to them at their recorded addresses. The mailing of such cheque as aforesaid shall satisfy and discharge all liability for the dividend to the extent of the sum represented thereby plus the amount of any tax which the Corporation is required to and does withhold, unless such cheque be not paid on due presentation.

9.03 Non-Receipt of Cheque - In the event of the non-receipt of any cheque for a dividend by the person to whom it is so sent as aforesaid, the Corporation shall issue to such person a replacement cheque for a like amount on such terms as to indemnity, reimbursement of expenses and evidence of non-receipt and of title as the board may from time to time prescribe, whether generally or in a particular case.

10. FINANCIAL YEAR

10.01 Financial Year - The financial year of the Corporation shall end on the 31st day of December in each year, until changed by a resolution of the board.

11. NOTICES

11.01 Method of Giving Notice - Any notice, communication or other document required by the Act, the regulations, the articles or the by-laws to be given by the Corporation to a shareholder, director, officer, or auditor or member of a committee of the board of the Corporation under any provision of the Act, the articles or by-laws or otherwise shall be sufficiently given if delivered personally to the person to whom it is to be given or if delivered to his recorded address or if mailed to him at his recorded address by prepaid

ordinary mail or if sent to him at his recorded address by any means of any prepaid transmitted or recorded communication. A notice so delivered shall be deemed to have been given when it is delivered personally or delivered to the recorded address as aforesaid; a notice so mailed shall be deemed to have been received on the fifth day after mailing; and a notice so sent by any means of transmitted or recorded communication shall be deemed to have been given when dispatched or delivered to the appropriate communication company or agency or its representative for dispatch. The secretary may change or cause to be changed the recorded address of any shareholder, director, officer or auditor of the Corporation in accordance with any information believed by him to be reliable. The recorded address of a director shall be his latest address as shown in the records of the Corporation or in the most recent notice filed under the Corporations Information Act (Ontario), whichever is the more current.

11.02 Computation of Time - In computing the date when notice must be given under any provision requiring a specified number of days' notice of any meeting or other event, "day" means a clear day and a period of days shall be deemed to commence on the day following the event that began the period and shall be deemed to terminate at midnight of the last day of the period except that if the last day of the period falls on a Sunday or holiday the period shall terminate at midnight of the day next following that is not a Sunday or holiday.

11.03 Omissions and Errors - The accidental omission to give any notice to any shareholder, director, officer or auditor, or the non-receipt of any notice by any shareholder, director, officer or auditor or any error in any notice not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded thereon.

11.04 Notice to Joint Shareholders - All notices with respect to any shares registered in more than one name may, if more than one address appears on the records of the Corporation in respect of such joint holding, be given to such joint shareholders at the first address so appearing, and notice so given shall be sufficient notice to all the holders of such shares.

11.05 Persons Entitled by Death or Operation of Law - Every person who by operation of law, by transfer or the death of a shareholder or otherwise becomes entitled to shares is bound by every notice in respect of such shares which has been duly given to the registered holder from whom he derives title prior to his name and address being entered on the records of the Corporation (whether such notice was given before or after the happening of the event upon which he become so entitled) and prior to his furnishing to the Corporation the proof of authority or evidence of his entitlement prescribed by the Act.

11.06 Waiver of Notice - Any shareholder (or his duly appointed proxy), director, officer or auditor may waive any notice or abridge the time required for any notice required to be given under any provision of the Act, the articles or by-laws of the Corporation or otherwise, and such waiver or abridgement, whether given before or after the meeting or other event of which notice is required to be given, shall cure any default in the giving or in the time of such notice, as the case may be. Any such waiver or abridgement shall be in writing except a waiver of notice of a meeting of shareholders or of the board or a committee of the board which may be given in any manner.

11.07 Signatures to Notices - The signatures to any notice to be given by the Corporation may be written, stamped, typewritten or printed or partly written, stamped, typewritten or printed.

12. CORPORATE RECORDS AND INFORMATION

12.01 Keeping of Corporate Records

(1) The Corporation shall prepare and maintain, at its registered office or at such other place designated by the directors:

- (a) the Articles and the by-laws and all amendments thereto, and a copy of any unanimous shareholder agreement known to the directors;
- (b) minutes of meetings and resolutions of shareholders;
- (c) a register of directors in which are set out the names and residence addresses, including the street and number, if any, of all persons who are or have been directors with the several dates on which each became or ceased to be a director;
- (d) a securities register in which are recorded the securities issued by the Corporation in registered form, showing with respect to each class or series of securities
 - (i) the names, alphabetically arranged, of persons who,
 - (A) are or have been within six years registered as shareholder and the address, including the street and number, if any, of every such person while a holder, and the number and class of shares registered in the name of such holder,

(B) are or have been within six years registered as holders of debt obligations of the Corporation and the address, including the street and number, if any, of every such person while a holder, and the class or series and principal amount of the debt obligations registered in the name of such holder, and

(ii) the date and particulars of the issue of each security and warrant.

(2) In addition to the records described in subsection (1) of this section, the Corporation shall prepare and maintain adequate accounting records and records containing minutes of meetings and resolutions of the directors and any committee. The records described in this subsection shall be kept at the registered head office of the Corporation or at such other place in Ontario as is designated by the directors and shall be open to examination by any director during normal business hours of the Corporation.

(3) The Corporation shall also cause to be kept a register of transfers in which all transfers of securities issued by the Corporation in registered form and the date and other particulars of each transfer shall be set out.

13. EFFECTIVE DATE

13.01 Effective Date - This by-law shall come into force when enacted by the sole director, subject to the provisions of the Act.

14. REPEAL

14.01 Repeal - Upon this by-law coming into force, all previous by-laws of the Corporation are repealed provided that such repeal shall not affect the previous operation of such by-law so repealed or affect the validity of any act done or right, privilege, obligation or liability acquired or incurred under the validity of any contract or agreement made pursuant to any such by-law prior to its repeal.

Resolved that the foregoing by-law is hereby enacted by the sole director of the Corporation, pursuant to the *Business Corporations Act* (Ontario) as evidenced by the respective signature hereto of the sole director.

MADE AS OF THE 26 day of January, 2018.
EFFECTIVE AS OF THE 6th day of March, 2013.

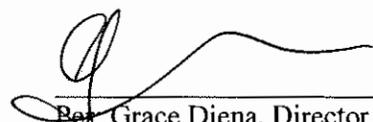


PRUTHAK DESAI

In lieu of confirmation at a general meeting of the shareholders, the undersigned, being the sole shareholder of the Corporation, hereby confirms in writing the above by-law in accordance with the *Business Corporations Act* (Ontario).

MADE AS OF THE 26 day of January, 2018.
EFFECTIVE AS OF THE 6th day of March, 2013.

2345760 ONTARIO INC.



Per. Grace Diena, Director
I have authority to bind the Corporation

BY-LAW NO. 9

A by-law respecting the borrowing of money,
the issuing of securities and the securing of liabilities by

RANDO DRUGS LTD.

(herein called the "Corporation")

BE IT ENACTED as a by-law of the Corporation as follows:

1. Borrowing Powers - Without limiting the borrowing powers of the Corporation as set forth in the Act, the board may, subject to the articles and any unanimous shareholder agreement, from time to time, on behalf of the Corporation, without the authorization of the shareholders:

- a) borrow money on the credit of the Corporation;
- b) issue, re-issue, sell or pledge debt obligations of the Corporation, whether secured or unsecured;
- c) subject to the Act, give a guarantee on behalf of the Corporation to secure performance of an obligation of any person; and
- d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation, owned or subsequently acquired, to secure any obligation of the Corporation.

2. Delegation of Powers - Subject to the Act, the articles, the by-laws and any unanimous shareholder agreement, the board may, from time to time, delegate any or all of the powers hereinbefore specified, to a director, a committee of directors or one or more officers of the Corporation.

The foregoing by-law is hereby enacted by the sole director of the Corporation as evidenced by the signature hereto of the sole director of the Corporation in accordance with the provisions of section 129(1) of the *Business Corporations Act* (Ontario).

MADE AS OF THE 26th day of January, 2018.
EFFECTIVE AS OF THE 6th day of March, 2013.

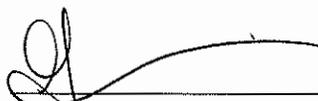


PRUTHAK DESAI

In lieu of confirmation at a general meeting of the sole shareholder, the foregoing by-law is hereby confirmed by the sole shareholder of the Corporation entitled to vote at a meeting of shareholders in accordance with the provisions of section 104(1) of the *Business Corporations Act* (Ontario).

MADE AS OF THE 26th day of January, 2018.
EFFECTIVE AS OF THE 6th day of March, 2013.

2345760 ONTARIO INC.



Per: Grace Diena, Director
I have authority to bind the Corporation

C65016

CERTIFIED COPY OF SPECIAL

BY-LAW NO. 4

BE IT ENACTED as a special by-law of the Corporation that the number of Directors of the Board of Directors of JACK ADAM DRUGS LIMITED be and it hereby is decreased from three to two.

APR 18 1972 2270726 000.005.00

CERTIFIED to be a true copy of Special By-law No. 4 authorizing the decrease in the number of the Board of Directors of the Corporation from three to two, passed by the Board of Directors of the Corporation pursuant to Section 23 (1) of The Business Corporations Act, 1970, the 1st day of December, 1972, and confirmed by the Shareholders of the Corporation pursuant to Section 23 (2) of The Business Corporations Act, 1970, the 1st day of December, 1972.

DATED the 1st day of December, 1972.

[Signature]
SECRETARY

FILED
[Signature]
1972

FOR INFORMATION

065016

CERTIFIED COPY OF SPECIAL
BY-LAW NO. 7 OF
JACK ADAM DRUGS LIMITED

BE IT ENACTED as a special by-law of the Corporation
that the number of Directors of the Board of Directors of
JACK ADAM DRUGS LIMITED, be and it hereby is changed from two
to one.

CERTIFIED to be a true copy of Special By-Law passed
by the Board of Directors and confirmed by the Shareholders
of the Corporation on the 26th day of May, 1976.

DATED the 26th day of May, 1976.

[Signature]
SECRETARY

FOR [unclear]

RESOLUTION OF THE SHAREHOLDERS

OF

JACK ADAM DRUGS LIMITED

BE IT RESOLVED THAT:

1. The resolution of the directors of the Corporation authorizing the change of name of the Corporation to Rando Drugs ~~Inc.~~^{Ltd.} be and the same is hereby approved.

The foregoing resolution is hereby consented to by the sole shareholder of the Corporation as evidenced by his signature hereto pursuant to the provisions of The Business Corporations Act, 1982.

DATED this 8th day of January, 1987.


DOMENIC RANDO

RESOLUTION OF THE SOLE SHAREHOLDER

OF

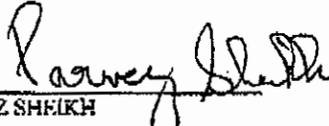
RANDO DRUGS LTD.

APPOINTMENT OF DIRECTOR

BE IT RESOLVED

that JOHN SIMONE be and is hereby appointed Director of the Corporation, until his successors are appointed or elected.

THE FOREGOING RESOLUTION is hereby passed by and consented to by the signature of the Shareholder of the Corporation, this 17th day of March, 2007.



ARVEZ SHEIKH
March 17th, 2007

CONSENT AND ACKNOWLEDGEMENT

TO: RANDO DRUGS LTD. (the "Corporation")

AND TO: THE SHAREHOLDER THEREOF

The undersigned hereby:

- (1) consents to act as a director of the Corporation, such consent to continue in effect from time to time until a date upon which the undersigned gives written notice to the Corporation revoking such consent or ceases to be a director of the Corporation;
- (2) acknowledges and declares that the undersigned
 - (i) is a Canadian citizen ordinarily resident in Canada; or
 - (ii) is a Canadian citizen not ordinarily resident in Canada who is a member of a prescribed class of persons; or
 - (iii) is a permanent resident within the meaning of the *Immigration and Refugee Protection Act* (Canada) and ordinarily resident in Canada;
- (3) undertakes to advise the Corporation in writing of any change in such citizenship or residence forthwith after such change;
- (4) acknowledges that the Corporation will rely upon such information; and
- (5) consents to the holding of any meeting of the directors of the Corporation by means of such telephone, electronic or other communication facilities, as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously and to hear each other.

Director's Address 431 Leffler Drive, R.R.#1
Tecumseh, Ontario
N8N 4Y2

MADE AS OF the 17th day of March, 2007.



JOHN SIMONE

SHARE PURCHASE AGREEMENT

THIS AGREEMENT is made on February 15, 2013

BETWEEN:

2345760 ONTARIO INC. a corporation
incorporated under the laws of Ontario

(hereinafter the "**Purchaser**")

- and -

PARVEZ SHEIKH, of the City of Windsor

(hereinafter the "**Vendor**")

- and -

RANDO DRUGS LTD., a Corporation
incorporated under the laws of Ontario

(hereinafter the "**Corporation**")

RECITALS:

1. The Vendors hold legal and beneficial title to all the issued and outstanding shares of the Corporation, all of which are fully paid and non-assessable.
2. The Purchasers wish to purchase all, but not less than all, of the issued and outstanding shares of the Corporation and the Vendors have agreed to sell all, but not less than all, of the shares of the Corporation legally and beneficially held and owned by the Vendors.

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

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement, unless the subject matter or context is inconsistent therewith:

"**Act**" means the *Ontario Business Corporations Act*, as amended or restated, or any successor legislation to the same effect;

"Affiliate" has the meaning ascribed to that term by the Act on the date hereof;

"Agreement" means this share purchase agreement, all attached schedules and any agreement or schedule supplementing, amending, modifying or restating this agreement. All uses of the words **"hereto"**, **"herein,"** **"hereof,"** **"hereby"** and **"hereunder"** and similar expressions refer to this Agreement and not to any particular section or portion of it. References to an Article, Section, Subsection or Schedule refer to the applicable article, section, subsection or schedule of this Agreement;

"Articles" means, at any time, any and all constating documents and by-laws of the Corporation at the date hereof, the Articles of the Corporation consist of the Articles of Incorporation dated the _____ ;

"Applicable Law" means any statute, law, ordinance, rule, regulation, regulatory policy, by-law (zoning or otherwise), order, judgment, decree or restriction of any kind whatever that applies to the Vendors, the Business, the way the Business is carried on or to any of the Shares;

"Assets" means all of the assets, property and undertaking of the Corporation;

"Benefit Plans" means all health, welfare, dental, legal, disability, bonus, deferred compensation, incentive compensation, stock purchase, stock option, severance or termination pay, hospitalization or other medical benefits, life or other insurance, supplemental unemployment benefits, profit-sharing, pension, or retirement plan, program, agreement or arrangement, and each other employee benefit plan, program, agreement or arrangement sponsored, maintained or contributed to or required to be contributed to by the Corporation for the benefit of any of its current employees or former employees;

"Business" means the business as conducted by the Corporation, consisting of the ownership and operation of a Pharmacy and in the case of the Subsidiary consists of being the tenant of the Lease of the Premises;

"Business Day" means any day of the week other than a Saturday, Sunday or statutory or civic holiday observed in Toronto, Ontario;

"Claim" means either a Vendors' Claim or a Purchasers' Claim;

"Closing" means the completion of the sale to, and purchase by, the Purchasers of the Shares and all other transactions contemplated by this Agreement;

"Closing Date" means February 26, 2013 or such other Business Day as the Parties agree in writing as the date that the Closing shall take place;

"Closing Document" means any document, instrument, undertaking or agreement delivered at or subsequent to the Closing Time pursuant to this Agreement;

"Closing Time" means 11:00 a.m. on the Closing Date or such other time, on that date,

as the Parties agree in writing that the Closing shall take place;

"Corporation" has the meanings ascribed thereto in the recitals hereof;

"Encumbrance" means any encumbrance of any kind whatever and includes a security interest, mortgage, lien, hypothec, pledge, hypothecation, assignment, charge, trust or deemed trust (whether contractual, statutory or otherwise arising), or any other right or claim of others of any kind whatever;

"Environmental Laws" means all Applicable Laws pertaining to environmental or occupational health and safety matters, in effect as at the date hereof and the Closing Date, including, without limitation, those pertaining to reporting, licensing, permitting, investigation, remediation and clean-up in connection with any presence or release of a Hazardous Substance or threat of same or relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transportation, handling and the like of a Hazardous Substance;

"Equipment Leases" means leases of personal property;

"Financial Statements" means the financial statements of the Corporation for the period ending **December 31, 2011**, consisting of a balance sheet, statement of profit and loss, statement of changes in the financial position, statement of retained earnings and notes to such financial statements, prepared on the basis stated therein ;

"Governmental Agency" means the governments of the Province of Ontario, municipal governments therein, or the federal government and any executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, government or any person, body, department, bureau, agency, board, tribunal, commission branch or office thereof;

"Hazardous Substance" means any solid, liquid, gas, odor, heat, sound, vibration, radiation or combination of them that may impair the natural environment, injure or damage property, or plant or animal life or harm or impair the health of any individual and includes, but is not limited to, petroleum, its derivatives, by-products or other hydrocarbons, asbestos, controlled products, wastes and any other materials which may not by their nature be hazardous, either in fact or as defined in or pursuant to any Environmental Laws but which become prohibited, controlled or regulated by any Governmental Authority;

"Intellectual Property Rights" means all intellectual property rights of or pertaining to the Business including:

- (a) all trade marks, trade mark registrations, trade mark applications, rights under registered user applications, trade names and other trade mark rights including, without limitation, the trade name "MediPlus Pharmacy;
- (b) all licenses, sub-licenses, franchises, formulas, and processes;

- (c) all computer software and rights related thereto;
- (d) all renewals, modifications and extensions of any of the aforesaid items;
and
- (e) any and all data used in the Business, and all licenses, agreements and other contracts and commitments relating to any of the foregoing to the Corporation is a party;

"Lease" means the lease and all amendments, renewals and extensions thereof with respect to the Premises;

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

"Person" includes an individual, body corporate, partnership, joint venture, trust, unincorporated organization, the Crown or any agency or instrumentality thereof or any other entity recognized by law;

"Premises" means 6720 Hawthorne Road, Windsor Ontario N8T 1J9, leased by the Subsidiary and all tenant's trade fixtures and leasehold improvements thereon;

"Prime Rate" for any day means the rate of interest expressed as a rate per annum that the Royal Bank of Canada establishes at its head office in Toronto as the reference rate of interest that it will charge on that day for Canadian dollar demand loans to its customers in Canada and which it at present refers to as its prime rate;

"Purchase Price" means the aggregate purchase price to be paid by the Purchasers to the Vendors for the Shares;

"Purchase Price Adjustments" means those adjustments to be made pursuant to Section 2.4;

"Purchased Shares" means all of the issued shares in the capital stock of the Corporation being 100 Common Shares owned by the Vendors to be sold by the Vendors to the Purchasers hereunder;

"Purchasers' Claim" means the aggregate amount of all third party claims, demands, actions, causes of action or liabilities which a Purchasers or the Corporation are obliged to pay and all damages, losses, costs or expenses, including all reasonable legal expenses, that any Purchaser or the Corporation incurs after the Closing Date as a result of, with respect to, or arising out of: (i) an inaccuracy of any representation or warranty in this Agreement or any of the Closing Documents of the Vendor; (ii) a failure of the Vendor to fulfill any covenant or obligation in this Agreement or any of the Closing Documents; or (iii) any debts or liabilities of the Corporation existing as of, accrued or relating to the period up to the Closing Time or which arise as a result of the closing;

"Subsidiary" means 813866 Ontario Limited which is wholly owned by the Corporation

"Vendor" means Parvez Sheikh;

"Vendors' Claim" means the aggregate amount of all third party claims, demands, actions, causes of action or liabilities which the Vendors are obliged to pay and all damages, losses, costs or expenses, including all reasonable legal expenses, that the Vendors incur after the Closing Date as a result of, with respect to or arising out of an inaccuracy of any representation or warranty in this Agreement or any of the Closing Documents or a failure of the Purchasers to fulfill any covenant or obligation in this Agreement or any of the Closing Documents.

1.2 Statutes

A reference in this Agreement to a statute refers to that statute as it may be amended, or to any restated or successor legislation of comparable effect, unless that reference is to the statute as it existed at a particular date.

1.3 Headings

The division of this Agreement into Articles, Sections, Subsections and Schedules and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The Article, Section, Subsection and Schedule headings in this Agreement are not intended to be full or precise descriptions of the text to which they refer and are not to be considered part of this Agreement.

1.4 Entire Agreement

This Agreement, together with the Closing Documents, constitutes the entire agreement between the Parties pertaining to the subject matter hereof and supersedes all prior agreements, letters of intent, negotiations, discussions and understandings, written or oral, between the Parties. There are no representations, warranties, conditions, other agreements or acknowledgements, whether direct or collateral, express or implied, that form part of or affect this Agreement, or which induced any Party to enter into this Agreement or on which reliance is placed by any Party, except as specifically set forth in this Agreement or in the Closing Documents.

1.5 Waiver of Rights

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

1.6 Schedules

The following Schedules form part of this Agreement:

Schedule "A" - Employees

Schedule "B" - Non-Competition and Non-Solicitation Agreement

Schedule "C" - Legal Opinion of Vendors' Counsel

Schedule "D" - Leases

1.7 Applicable Law

This Agreement shall be governed by, and interpreted and enforced in accordance with, the laws in force in the Province of Ontario and the federal laws of Canada applicable therein (in each case, excluding any conflict of laws, rule or principle which might refer such interpretation to the laws of another jurisdiction). Each Party irrevocably attorns to the non-exclusive jurisdiction of the courts of Ontario with respect to any matter arising hereunder or related hereto.

1.8 Currency

Unless specified otherwise, all statements of or references to dollar amounts in this Agreement are to lawful money of Canada.

1.9 Tender

Any tender of documents or money hereunder may be made upon the Parties or their respective counsel and money shall, in respect of Closing, be tendered by official bank draft drawn upon a Canadian chartered bank or by negotiable cheque payable in Canadian funds and certified by a Canadian chartered bank.

1.10 Performance on Holidays

If any action is required to be taken pursuant to this Agreement on or by a specified date which is not a Business Day, then such action shall be valid if taken on or by the next succeeding Business Day.

1.11 Calculation of Time

In this Agreement, a period of days shall be deemed to begin on the first day after the event which began the period and to end at 6:00 p.m. (Toronto time) on the last day of the period. If, however, the last day of the period does not fall on a Business Day, the period shall terminate at 6:00 p.m. (Toronto time) on the next Business Day.

ARTICLE 2 PURCHASED SHARES AND PURCHASE PRICE

2.1 Purchase and Sale of Shares

On and subject to the terms and conditions hereof, the Purchasers agree to purchase the Shares and the Vendor agree to sell and transfer the Purchased Shares to the Purchaser all as provided in this Agreement.

2.2 Purchase Price

The aggregate Purchase Price for the Shares, subject to the Purchase Price Adjustments, shall be **ONE MILLION SEVEN HUNDRED AND FIFTY THOUSAND DOLLARS (\$1,750,000.00)** plus the value of Inventory as set out below.

2.3 Inventory Value

The value ("Value of the Inventory") of the Corporation's inventory ("Inventory") of pharmaceutical and drug products shall be determined as follows: (i) all generic name inventory to be discounted by 33% (ii) any inventory stock with an expiry date of ninety (90) days or less and any obsolete, dead, or damaged inventory shall be valued at nil; and (iii) all other inventory to be calculated at the wholesale cost to the Corporation or the invoice price, whichever is less. The taking of the Inventory shall be completed on the day before Closing by an independent stock-taking company to be agreed upon by the Vendors and the Purchasers and the costs of such stock-taking shall be borne equally by the Vendors and the Purchasers.

The Vendor shall be allowed to use the Purchase Monies to pay down the Bank of Montreal credit line and all suppliers accounts in compliance with this section.

The Accounts Receivable at Closing are additional amounts due to the Vendor. The Purchaser shall cause the Corporation to collect such receivables, and each Friday post closing the Corporation shall pay the Vendor the amounts collected in the preceeding week.

2.4 Purchase Price Adjustments

Notwithstanding anything to the contrary in this Agreement, there shall be no debts or accrued liabilities as at the Closing Time, including but not limited to, accounts payable, accrued taxes except as set out herein, HST, shareholder loans or any other debt obligations of any kind. The Purchase Price shall be adjusted for any prepaid items, such as rent, advertising, OCP fees etc. which are assumable by the Purchaser.

2.5 Payment of Purchase Price

The purchase price specified in Section 2.2 shall be paid as follows;

- (a) **TWENTY FIVE THOUSAND DOLLARS (\$25,000)** to the vendor's solicitor, in Trust as a deposit, within 48 hours of acceptance of this Agreement, to be held by them and credited to the Purchase Price on Closing and to be released to the Purchaser if the conditions are not fulfilled or if the transaction fails to close through no fault of the

Purchaser;

(b) SEVEN HUNDRED AND FIFTY THOUSAND DOLLARS (\$750,000.00) by way of a vendor take-back loan ("VTB") secured by a general security agreement over the shares and assets of the Corporation in second position behind security interests in favour of Element Financial Corporation for \$1,000,000.00 and inventory financing of up to \$175,000.00 and financing against accounts receivable of up to \$250,000.00. Otherwise there shall be no further or secondary financing until the VTB is repaid in full. The VTB shall be payable with interest at the rate of 6.5% per annum calculated semi-annually, not in advance and payments of \$12,100.00 per month for the first 12 monthly payments, \$11,566.00 per month for the 13th to 24th payments, \$11,031.00 per month for the 25th to 36th payments, \$10,497.00 per month for the 37th to 48th payments and \$9,962.00 per month for the 49th to 60th payment and a final balance of \$249,971.74 due immediately following the 60th monthly payment. .

(c) the balance of the Purchase price shall be paid to the Vendor on Closing Date by certified cheque, bank draft, or wire transfer subject to Inventory and the adjustments set out above.

2.6 Delivery of Certificates

The Vendors shall transfer and deliver to the Purchasers at the Closing Time share certificates representing the Shares duly endorsed in blank for transfer, or accompanied by irrevocable security transfer powers of attorney duly executed in blank, and shall cause the Corporation to enter the Purchasers or their nominee(s) on the books of the Corporation as the holder of the Shares and to issue one or more share certificates representing the Shares to the Purchasers or their nominee(s).

2.7 Place of Closing

The Closing shall take place at the Closing Time at the offices of Steinman and Lerner at 52 Finch Avenue West, Toronto, Ontario or at such other place as may be agreed upon by the Vendors and the Purchasers.

2.8 Post Closing Statements.

The Vendor covenants and agrees that subsequent to the Closing Date, the Vendor will cause to be prepared by the Vendor's accountants and delivered to the Purchaser within sixty (60) days from the Closing Date an unaudited set of financial statements of the Corporation, a T4 return and a T5 return for the Vendor as of the Closing Date (the "Closing Financial Statements"). The Purchaser shall have Thirty (30) days from delivery of draft Closing Financial Statements, to approve or reject same. If the Purchaser approves same, the Vendor will cause the Corporation to file its income tax, T4 and T5 returns for the fiscal year ending on the Closing Date. All costs of preparing and filing such returns shall be borne and paid for by the Vendor. If the parties are unable to agree

on the manner of preparation of the Closing Financial Statements or the T4 returns or the T5 returns, the issue(s) in dispute shall immediately be submitted to binding arbitration conducted in accordance with the Arbitration Act, 1991 (Ontario). If such arbitration shall not be completed prior to the due date for the Corporation's tax return, T4 return or T5 return, the Vendor shall be entitled to file the any of the returns on behalf of the Corporation in the manner the Vendor shall determine. If the parties, through arbitration or otherwise, should later determine that any of the returns were filed in error, the parties shall cause an amended return(s) to be prepared and filed and the costs of such preparation and filing shall be borne and paid in such manner as the parties or the arbitrator shall determine.

Once the Closing Financial Statements are finalized, subject only to the collection or write-off of the accounts receivable of the Corporation and to the absence of material changes from the Financial Statements of December 31, 2011, the Purchase Price shall be final as between the parties.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES OF THE VENDOR

The Vendor represents and warrants to the Purchaser as set out in the following Sections of this Article and acknowledges that the Purchasers are relying upon such representations and warranties in connection with the purchase of the Shares.

3.1 Corporate Matters

- (a) **Incorporation.** The Corporation and Subsidiary are corporations duly incorporated, organized and validly existing under the laws of Ontario.
- (b) **Capacity to Carry on Business.** The Corporation and Subsidiary have all necessary power and authority to own and lease its assets and property and to carry on the Business as at present conducted. The Corporation and Subsidiary possess all licences, franchises, rights and privileges material to the conduct of the Business. Neither the nature of the Business nor the location or the character of the Business, its customers or assets requires the Corporation or Subsidiary to be registered, licensed or otherwise qualified as an extra-provincial or foreign corporation or to be in good standing in any jurisdiction other than the Province of Ontario where it is duly registered, licensed or otherwise qualified and in good standing.

3.2 Capital of the Corporation and Articles

The authorized capital of the Corporation will consist at the Closing Time of Preference Shares and Common Shares of which One Hundred (100) Common shares have been validly issued and are outstanding as fully paid and non-assessable shares. The authorized capital of the Subsidiary will consist at the Closing Time of an unlimited number of Common Shares of which One hundred (100) Common shares have been validly issued to the Corporation and are outstanding as fully paid and non-assessable

shares. True and correct copies of the Articles of the Corporation have been provided to the Purchaser prior to the date hereof.

3.3 Title to Purchased Shares

The Purchased Shares are owned by the Vendors beneficially and of record. On Closing the Purchasers shall acquire good and marketable title to the Shares, free and clear of all Encumbrances. The Purchased Shares constitute all of the issued and outstanding Shares of the Corporation. There are no restrictions on the transfer of the Purchased Shares except those set forth in the Articles.

3.4 No Options

- (a) No options, warrants, or other rights for the purchase, subscription or issuance of shares or other securities of the Corporation or Subsidiary or securities convertible into or exchangeable for shares of the Corporation or Subsidiary have been authorized or agreed to be issued or are outstanding.
- (b) No Person other than the Purchaser has any agreement, option or right, or any right capable of becoming an agreement or option for the purchase from the Vendor of any of the Purchased Shares.
- (c) No Person other than the Purchaser has any agreement, option or right, or any right capable of becoming an agreement or option, to purchase from the Corporation or Subsidiary any of its Assets.

3.5 Enforceability of Obligations

This Agreement has been duly executed and delivered by the Vendor and constitutes a valid and binding obligation of the Vendor enforceable against him in accordance with its terms.

3.6 Absence of Conflicting Agreements

Neither the execution and delivery of this Agreement or any Closing Document by the Vendor nor the consummation of the transactions contemplated hereby will contravene or violate in any respect or result in any breach of (with or without the giving of notice or lapse of time or both) or acceleration of any obligation under:

- (a) any Applicable Law;
- (b) the articles, by-laws, directors or shareholders resolutions of the Corporation;
- (c) the provisions of any contract to which the Corporation, or Vendor is a party or by which he/she/it or any of his/her/its assets are bound.

No consent, approval, order or authorization of, or registration, declaration or filing with

any Governmental Agency is required by the Vendors or with respect to the Business in connection with the execution, delivery and performance of this Agreement or the Closing Documents except the filing of notices of change of directors and officers with the Ministry of Consumer and Business Services.

3.7 Undisclosed Liabilities

The Corporation and the Subsidiary have no liabilities (whether accrued, absolute, contingent or otherwise) of any kind which have not been disclosed in the Financial Statements or herein.

3.8 Absence of Unusual Transactions

Since the date of the Financial Statements the Corporation has not:

- (a) changed its accounting practices or policies;
- (b) become aware of the passing of any Applicable Law that might reasonably be expected to have an adverse effect on the Business, the Assets or the future prospects of the Corporation or the Business;
- (c) amended or changed or taken any action to amend or change its Articles or by-laws; or
- (d) authorized or agreed or otherwise become committed to do any of the foregoing.

3.9 Tax Matters

The Corporation is not liable for any taxes, levies, duties, assessments or other imposts of any nature or kind due and unpaid at the date hereof in respect of its income, business, property, capital, HST, sales tax, excise tax, payroll taxes or for the payment of any tax installment due in respect of its current or any previous taxation year and no such taxes, assessments, imposts or penalties are required to be reserved against. All expenditures of the Corporation in the current fiscal year are, as a result of having been incurred for business purposes and being reasonable, deductible for income tax purposes. The Corporation is not in default in filing any returns or reports covering any Canadian federal, provincial or municipal or local taxes, levies, duties, assessments or other imposts in respect of its income, business or property. The Corporation has filed all reports or returns with respect to income, capital, sales, excise, HST, value added, business and property taxes and all other taxes and customs duties which it is required to file and has paid all taxes and duties as shown on such reports or returns to the extent such taxes or duties have become due and has paid all assessments it has received. Federal Canadian income tax assessments have been issued to the Corporation and all predecessor entities covering all past periods through the fiscal year ended **December 31, 2011** and such assessments, if any amounts were owing in respect thereof, have been paid and only the fiscal years subsequent to such year remain open for reassessment of additional taxes. There are no currently outstanding reassessments or questions which

have been issued or raised by any Governmental Authority relating to any such reports or tax returns.

3.10 Books and Records

The books and records of the Corporation are fully and accurately maintained and the books of account provide for all excise, sales, business and property taxes and other rates, charges, assessments, levies, duties, taxes, contributions, fees, licences and other governmental charges of whatsoever kind and nature that have become or may become due and payable on or before the Closing Time. The provisions and reserves in the books of account of the Corporation in respect of same, together with the provisions and reserves in respect of taxes charged upon income for which returns have been filed but for which no assessments have yet been received or determined, are adequate and the Vendors know of no basis for any additional assessment for any of such years for which adequate provision has not been made. The minute books of the Corporation are complete and accurate and reflect all actions taken and resolutions passed by the directors and shareholders of the Corporation since the date of incorporation and all such meetings were duly called and held and the share certificate books, register of shareholders, register of transfer and registers of directors are complete and accurate.

3.11 Material Contracts

- (a) Except for the Lease, neither the Corporation nor the Subsidiary is a party to or bound by any material contract or commitment, whether oral or written, which relates to the Business of either of them. True and correct copies of the Lease have been delivered to the Purchaser or his agents prior to the date hereof.
- (b) The Lease is in good standing and in full force and effect with no amendments. The Corporation and Subsidiary have complied with all material terms thereof and has not waived any material rights thereunder and no material default or breach exists in respect thereof on the part of any of the parties thereto and no event has occurred which, after the giving of notice or the lapse of time or both, would constitute such a default or breach.

3.12 Absence of Guarantees

The Corporation and Subsidiary have not given nor agreed to give, and neither is a party to or bound by, any guarantee of indebtedness or other obligations of third parties or any other commitment by which the Corporation or Subsidiary is, or is contingently, responsible for such indebtedness or other obligations.

3.13 Absence of Conflicting Agreements

Neither the Vendor nor the Corporation nor Subsidiary are a party to, bound or affected by or subject to, nor are any of their respective properties or Shares bound or affected by or subject to, any indenture, mortgage, debenture, security agreement, lease, agreement,

instrument, provision in its Articles or by-laws, statute, regulation, rule, judgment, order, decree, law or restriction of any nature which would be violated, contravened, breached by, or under which default would occur as a result of, the execution and delivery of this Agreement or the consummation of any of the transactions contemplated hereby.

3.14 Restrictions on Business

The Corporation and Subsidiary are not parties to any agreement, indenture, mortgage, debenture, security agreement, lease, agreement or instrument, or subject to any restriction in their Articles or by-laws or subject to any restriction imposed by regulatory authorities having jurisdiction over it or, to the best knowledge, information and belief of the Vendor after due inquiry, subject to any statute, order, regulation or rule or to any writ, judgment, injunction or decree of any court or federal, provincial, municipal or other governmental department, commission, board or instrumentality which might prevent or interfere with the ownership of any of their shares or which may limit or restrict or otherwise adversely affect its business, properties, shares or financial condition, other than statutory provisions and restrictions of general application to its particular business.

3.15 Compliance with Applicable Law

The Corporation and Subsidiary have conducted and are conducting their Business in compliance with all Applicable Laws, and not in breach of any Applicable Laws except for breaches which in the aggregate are immaterial. There are no material restrictions on the right of the Corporation or Subsidiary to operate the Business or each of them nor on the use of any of the Assets in the Business.

3.16 Employment Matters

- (a) Schedule "A" accurately lists all active and non-active employees of and independent contractors to the Corporation together with the material terms of their employment including: name, position, age, seniority, remuneration and benefits. There are no employee disputes, claims of wrongful dismissal, grievances, complaints, allegations of mistreatment or harassment or other matters which now exist or which have existed at any time over the last 36 months and which, if true, would entitle such employee to damages against the Corporation. The Subsidiary has no employees or independent contractors.
- (b) The Corporation has deducted and remitted to the relevant Governmental Agency all income taxes, unemployment insurance contributions, Canada Pension Plan contributions and any taxes or other amounts which it is required by statute to collect and remit to any governmental authority and will do so to Closing.
- (c) The Corporation has in trust an amount sufficient to satisfy all vacation pay entitlements of its employees as required by the *Employment Standards Act* (Ontario) and will do so to Closing.

- (d) There are no employee Benefit Plans.
- (e) On or before Closing date the Vendor shall terminate the employment of his spouse and any person who is a member of his immediate family.

3.17 Litigation

There is no suit, action, litigation, investigation, grievance, arbitration, governmental proceeding or other proceeding including appeals and applications for review, in progress against or relating to the Corporation, the Subsidiary, the Vendor or affecting the Assets, the Purchased Shares or the Business, which if determined adversely to the Corporation or Subsidiary or Vendor might materially and adversely affect the Business or the Assets, nor are any of the same pending or threatened. The Vendor is not aware of any state of facts on which any of the foregoing might be commenced. There is not presently outstanding against the Corporation or Subsidiary any judgment, decree, injunction, rule, order or award of any court, governmental department, commission, agency, instrumentality or arbitrator that materially and adversely affects the Assets in any way.

3.18 Insurance

The Corporation and Subsidiary have their property and assets insured by reputable insurers against loss or damage as is appropriate to the Business and the Assets in such amounts and against such risks as are customarily carried and insured against by owners of comparable businesses, properties and assets, and such insurance coverage will be continued in full force and effect to and including the Closing Date. The Corporation and Subsidiary are not in default with respect to any of the provisions contained in any such insurance policy, nor have the Corporation or Subsidiary failed to give any notice or present any claim under any such insurance policy in a due and timely fashion. All such policies of insurance are in full force and effect and the Corporation and Subsidiary are not in default as to the payment of premium under the terms of any such policy.

3.19 Assets and Real Property

- (a) **Titles to Properties.** The Corporation has good and marketable title to all its Assets and interests in properties, real and personal, including those reflected in the Financial Statements (except as since transferred, sold or otherwise disposed of in the ordinary and usual course of business), free and clear of all Encumbrances. The Assets constitute all of the Assets required to operate the Business.
- (b) **Real Property.** The Corporation does not own any real property. The Corporation is not a party or bound by any leases of real property other than the Lease. All rental and other payments required to be paid by the Corporation pursuant to the Lease have been duly paid and the Corporation is not and to the knowledge of the Vendor and the landlord is not in default or in breach of any material term or provision of the Lease.

- (c) **Leased Premises.** To the knowledge of the Vendor:
- (i) There are no work orders outstanding against the Premises and neither the Corporation nor Subsidiary nor the Vendor have received any deficiency notices, requests or written or oral advice of any breach of any Applicable Law in respect of the foregoing which could, if not corrected, become a work order or could require performance of work or expenditure of money to correct. To the best knowledge, information and belief of the Vendor after due inquiry, the Premises are in compliance with the requirements of all insurance companies who have written policies covering the Assets;
 - (ii) There are not outstanding against the Premises any present or future capital levies, sewer impost charges, local improvement rates, special assessments, deferred or installment charges of a capital nature or any other similar charges for which the Corporation or Subsidiary could be liable; and
 - (iii) There is permitted motor vehicle access (ingress and egress) to the Premises from immediately contiguous public roads.
- (d) **No Expropriation.** The Corporation has not received any notice of expropriation of all or any of the Assets. The Corporation is not aware of any expropriation proceeding pending or threatened against or affecting the Assets.
- (e) **Leased Equipment.** None of the Assets in the possession or custody of the Corporation, as of the date hereof, are leased or held under licence or similar arrangement by the Corporation as lessee or licensee.
- (f) **Intellectual Property Rights.** The Intellectual Property Rights are owned by or validly licensed to the Corporation and are in good standing. To the best knowledge, information and belief of the Vendor after due inquiry, all registrations and filings necessary to preserve the rights of the Corporation in and to the Intellectual Property Rights have been made and are in good standing. Neither the Corporation nor the Vendor are aware of any infringement of, passing-off related to, or other interference with the Intellectual Property Rights by third parties or any claim by any Person that any of the Intellectual Property Rights are, or may be, invalid or unenforceable or non-distinctive of the Corporation. The Intellectual Property Rights are sufficient to conduct the Business as it has been and is now being conducted.
- (g) **Condition of Assets.** All material tangible Assets are in good working condition and repair subject to wear and tear having regard to the age thereof.

- (h) Inventory. The inventory of the Corporation consists of items of a quality and quantity usable or saleable in the normal course of the Business.

3.20 Disclosure

No representation or warranty in this Agreement contains any untrue statement of material fact or omits to state any material facts necessary to make any such representation or warranty not misleading to a prospective purchaser of the Shares seeking full information as to the Business and its Assets and properties. Excluding any material change in circumstance generally within the public domain, and without limiting the scope of the foregoing, neither the Vendor nor the Corporation are, aware of any change, event or occurrence that has taken place or is pending that has, or in the future could have, a material adverse effect on the value or ownership of the Shares, the Assets, the Business, or the ability of the Purchasers to operate the Business subsequent to the Closing Date in the manner in which it has been operated by the Corporation, or which could materially increase the costs incurred by the Purchasers in operating the Business subsequent to the Closing Date, including any pending or present change in any Applicable Law or other requirement, including the obtaining or maintenance of permits, licenses or approvals.

3.21 Family Law Act

No order has been given under the *Family Law Act* (Ontario) ("FLA") which would or does affect the Shares in any manner whatsoever nor is there any application threatened or pending under the FLA by or against the Vendors.

3.22 Environmental Matters

The business and the Assets as carried on or used by the Corporation and its predecessors have been carried on and used and are currently carried on and used in compliance with all Environmental Laws.

3.23 Occupational Health and Safety

The Vendors have provided the Purchasers with all inspection reports under the *Occupational Health and Safety Act* (Ontario) and there are no outstanding inspection orders made under the *Occupational Health and Safety Act* (Ontario). There are no materials on the Premises which are designated substances under the *Occupational Health and Safety Act* (Ontario). The Business complies with all occupational health and safety rules and regulations in all material respects and there are no outstanding violations of such rules and regulations.

3.24 Workers' Compensation

There are no notices of assessment, provisional assessment, reassessment, supplementary assessment, penalty assessment or increased assessment (collectively, "assessments") or any other communications related thereto which the Corporation has received from any workers' compensation board or similar authorities in any jurisdictions where the

Business is carried on and there are no assessments which are unpaid on the date hereof or which will be unpaid at the Closing Time and to the best knowledge, information and belief of the Vendor after due inquiry, there are no facts or circumstances which may result in a material increase in liability to the Purchasers from any applicable workers' compensation legislation, regulations or rules after the Closing Time.

3.25 Residency Status

Each of the Vendors is not a non-resident of Canada within the meaning of the *Income Tax Act (Canada)*.

3.26 No Dividends

Since December 31, 2011 the Corporation has not declared or paid and has not been deemed under the Income Tax Act (Canada) to have declared or paid any dividends or declared or made any other distribution on any of its outstanding shares and has not redeemed, purchased or otherwise acquired any of its outstanding shares or agreed to do so except those disclosed in the Financial Statements up to the Closing Date and for greater certainty, save and except for a dividend of \$175,000.00 declared and paid after December 31, 2011. Notwithstanding the foregoing, prior to Closing a dividend in the amount of \$175,000 shall be declared by the Corporation, and on closing the Vendor shall provide a receipt evidencing payment of such dividend.

3.27 Capital Expenditures

No capital expenditures have been made or authorized by the Corporation or Subsidiary since **December 31, 2011** however intercorporate debts are to be written off before Closing.

3.28 Investigations

There are no investigations pending or threatened by the Ontario College of Pharmacists or by the Ontario Drug Benefit Plan.

3.29 [intentionally deleted]

3.30 Survival of Representations and Warranties of the Vendor

All statements contained in any certificate or other instrument delivered by or on behalf of a Party pursuant to or in connection with the transactions contemplated by this agreement shall be deemed to be made by such Party hereunder and shall be subject to the provisions of this Section.

All representations, warranties, statements, covenants and agreements made by the Vendor in this Agreement or in any Closing Document shall survive the Closing for a period of five (5) years from the Closing Date, other than the warranties set out in Sections 3.1 through 3.5, 3.9, 3.19(a), 3.21, 3.22, 3.23 and 3.25 which shall survive

closing and continue without time limit.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF THE PURCHASERS

The Purchasers represent and warrant to the Vendors as set out in the following Sections of this Article and acknowledges that the Vendors are relying upon such representations and warranties in connection with the sale of the Shares.

4.1 Enforceability of Obligations

This Agreement has been duly executed and delivered by the Purchasers and constitutes a valid and binding obligation of the Purchasers enforceable against each Purchaser in accordance with its terms.

4.2 Absence of Conflicting Agreements

Neither the execution and delivery of this Agreement or any Closing Document by the Purchasers nor the consummation of the transactions contemplated hereby will contravene or violate in any material respect or result in any material breach of (with or without the giving of notice or lapse of time, or both) or acceleration of any obligation under any Applicable Law or any agreement by which any Purchaser may be bound.

4.3 Survival of Representations and Warranties of Purchasers

All representations, warranties, statements, covenants and agreements made by the Purchasers in this Agreement or in any Closing Document shall survive the Closing for a period of five (5) years from the Closing Date.

ARTICLE 5 OTHER COVENANTS OF THE PARTIES

5.1 Access for Investigation [*intentionally deleted*]

5.2 Delivery of Books and Records

At the Closing Time, the Vendor shall deliver to the Purchasers originals or copies of the following documents:

- (a) lists of suppliers and customers and sales records of the Corporation which relate to the Business;
- (b) all employee, financial, accounting and tax records;
- (c) advertising, promotional and marketing materials which relate to the Business;
- (d) the corporate records and corporate seal of the Corporation; and

(e) the Lease.

5.3 Actions to Satisfy Closing Conditions

Each of the Parties shall take all such action as is within its power to control, and shall use its best efforts to cause other actions to be taken which are not within its power to control, so as to ensure compliance with all conditions set forth in this Agreement, including all conditions precedent set forth in Article 7, which are for the benefit of any Party.

5.4 Action by Vendors

The Vendor shall at his expense take all action which may be necessary to ensure that the representations and warranties given by him/her/it contained herein shall be true and correct in all material respects at the Closing Time.

5.5 Disclosure

The Vendor shall forthwith disclose in writing to the Purchasers any matter which has become known to him/her/it prior to the Closing Time which is inconsistent in any material respect with any of the representations or warranties contained herein.

5.6 Obtain Consents

The Vendor shall, at his own expense, obtain all consents, approvals, orders and authorizations of any Person or Governmental Agencies, required to be obtained by the Vendors or the Corporation in connection with the completion of the transactions contemplated by this Agreement. The Vendor and Subsidiary warrant and represent that the consent of the Landlord to the change in control under the Lease, is not required.

5.7 Post-Closing Services

The Vendors agrees following the Closing Time to use his best efforts to ensure the continuity of the business of the Corporation and a smooth transition, in all respects, of the transfer of ownership of the Corporation to the Purchasers, including the preservation of goodwill with customers, suppliers and employees of the Corporation and shall give proper instructions to the Purchasers in all respects as to the operation of the Business. Without limiting the generality of the foregoing, the Vendor shall continue to work as an associate at the business premises for six (6) months following closing for fifteen (15) hours per week, at times to be agreed upon by the Vendor and Purchaser without additional remuneration. The Vendor shall not be required to work as an associate or provide post closing services at the Premises if his health precludes his attending at the Premises

ARTICLE 6 INDEMNIFICATION

6.1 Mutual Indemnification for Breaches of Warranty

The Vendor agrees to indemnify the Purchasers and the Corporation and agree to save the Purchasers and the Corporation harmless from each Purchaser's Claim, and the Purchasers agree to indemnify the Vendor and save them harmless from each Vendor's Claim. No Indemnified Party may seek indemnification for any Claim that arises after the representation or warranty upon which that Claim is based terminates as provided in Sections 3.26 and 4.5, unless advance notice of each such Claim has been provided to the Indemnifier prior to such termination and the details of such Claim are provided as soon as practicable after such termination.

6.2 Interest on Amounts of Indemnities

All amounts which an indemnifier is liable to pay pursuant to this Article shall bear interest at a rate per annum equal to the Prime Rate, calculated and payable monthly, both before and after judgment, with interest on overdue interest at the same rate, from the date the Claim arose to the date of payment.

6.3 Notification

Any Party who has a potential or actual liability or who contemplates making any payment which would constitute a claim for which that Party considers seeking indemnification shall forthwith notify each indemnifier of all particulars of that potential Claim, and each indemnifier shall have the right to participate in any negotiations with respect thereto. The failure to notify promptly of such claim shall not adversely affect rights to indemnify hereunder except to the extent that such failure increases the amount of liability or cost of the defense.

6.4 Payment of Indemnities and Set-Off

Each indemnifier shall pay indemnities pursuant to this Agreement with all accrued interest thereon within ten Business Days of receiving notice of a valid Claim. The Purchasers shall have the right to satisfy any amount from time to time owing by it to the Vendors by way of set-off against any amount owing from time to time by the Vendors to the Purchasers or the Corporation, including any amount owing to the Purchasers pursuant to the Vendors' indemnification under this Section.

ARTICLE 7 CONDITIONS PRECEDENT

7.1 Purchasers' Conditions

The obligation of the Purchasers to complete the purchase of the Shares shall be subject to the prior satisfaction of, or compliance with, at or before the Closing Time, each of the conditions precedent set out in the following Sections (each of which is acknowledged to be inserted for the exclusive benefit of the Purchasers and may be waived by them in whole or in part in writing).

- (a) Accuracy of Representations and Performance of Covenants. All of the representations and warranties of the Vendor made in or pursuant to this Agreement, including the representations and warranties made by the Vendor set forth in Article 3, shall be true and correct in all material respects as at the Closing Time and with the same effect as if made at and as of the Closing Time and as if any time at which such representation and warranty was accurate read the "Closing Time" (except as such representations and warranties may be affected by the occurrence of events or transactions expressly contemplated and permitted hereby) and, as at the Closing Time, the Vendor shall have observed or performed in all respects, all of their respective obligations, covenants and agreements hereunder to be observed or performed by them at or before the Closing Time and the Purchasers shall have received immediately prior to Closing Time a certificate from the Vendor confirming, to the best of their knowledge, information and belief (after due inquiry), the truth and correctness in all material respects of the representations and warranties of the Vendor respectively at the Closing Time and that the Vendor has observed and performed all of his covenants, obligations and agreements hereunder which are to be observed or performed by him/her/it at or before the Closing Time.
- (b) Performance of Obligations of Vendor. The Vendor shall have performed or complied with, in all respects, all his other obligations, covenants and agreements hereunder.
- (c) Consents, Authorizations and Registrations. All consents, approvals, orders and authorizations of any Person or Governmental Agencies (or registrations, declarations, filings or recordings with any of them), required in connection with the execution and delivery of this Agreement, the completion of any of the transactions contemplated by this Agreement, the Closing or the performance of any of the terms and conditions hereof, (other than routine post-closing notifications or filings), shall have been obtained on or before the Closing Time.
- (d) No Material Adverse Change. No material adverse change shall have occurred since the date of this Agreement with respect to the Shares, the Business or the Assets or the future prospects of the Business, and the Purchasers shall have received immediately prior to Closing a certificate from the Vendor and from the Corporation confirming that no such material adverse change has occurred.
- (e) Litigation. No court order shall have been entered that enjoins, restrains, changes or prohibits the consummation of any of the transactions contemplated hereby, and no Party, including the Purchasers, nor any of such Party's directors, officers, employees or agents shall be a defendant or third party to or threatened with any litigation or proceedings before any court or Governmental Agency which, in the opinion of the Purchasers,

acting reasonably, could prevent or restrict the Purchasers or such Party from performing any of their respective obligations pursuant to this Agreement or pursuant to any of the Closing Documents.

- (f) Due Diligence. The Purchasers shall have been satisfied with its due diligence investigation of the Business and the Corporation in its sole discretion.
- (g) [Intentionally Deleted].
- (h) Receipt of Closing Documentation. All documentation relating to the sale and purchase of the Shares including the Closing Documents and all resolutions of directors and shareholders of the Corporation relating to the due authorization and completion of such sale and purchase and all actions and proceedings taken on or prior to the Closing in connection with the performance by the Vendor of its obligations under this Agreement shall be satisfactory to the Purchasers and their counsel and the Purchasers shall have received copies of the Closing Documents and all such documentation or other evidence as they may reasonably request in order to establish the consummation of the transactions contemplated hereby and the taking of all corporate proceedings in connection therewith in form (as to certification and otherwise) and substance satisfactory to the Purchasers and their counsel.
- (i) Non-Competition and Non-Solicitation Agreement. The Vendor and all current officers and directors of the Corporation save and except for John Simone shall have executed and delivered to the Corporation and the Purchasers a non-competition agreement substantially in the respective form set forth in Schedule "B".
- (j) Directors and Officers of Corporation. The Vendor and all persons who act as directors and officers of the Corporation, save and except for John Simone shall submit a resignation from all positions with the Corporation at the Closing Time, along with signed comprehensive releases from each such person of all respective claims against the Corporation up to the Closing Time including claims for current unpaid remuneration and advances made to the Corporation.
- (k) Opinion of Counsel for the Vendor. The Purchasers shall have received an opinion, dated the Closing Date, in the form attached hereto as Schedule "C", from counsel for the Vendor and Subsidiary.

7.2 [Intentionally Deleted]

7.3 Vendors' Conditions

The obligations of the Vendors to complete the sale of the Shares shall be subject to the satisfaction of or compliance with, at or before the Closing Time, each of the conditions

precedent set out in the following Sections (each of which is hereby acknowledged to be inserted for the exclusive benefit of the Vendors and may be waived by him in whole or in part in writing):

- (a) **Accuracy of Representations and Performance of Covenants.** All of the representations and warranties of the Purchasers made in or pursuant to this Agreement, including the representations and warranties made by the Purchasers and set forth in Article 4, shall be true and correct in all material respects as at the Closing Time and with the same effect as if made at and as of the Closing Time (except as such representations and warranties may be affected by the occurrence of events or transactions contemplated and permitted hereby) and, as at the Time of Closing, the Purchasers shall have observed or performed in all respects, all of their obligations, covenants and agreements hereunder to be observed or performed by them at or before the Closing Time and the Vendors shall have received a certificate from the Purchasers confirming to the best of their knowledge, information and belief (after due inquiry), the truth and correctness in all material respects of such representations and warranties of the Purchasers and that the Purchasers have observed and performed all of their covenants, obligations and agreements hereunder which are to be observed or performed by them at or before the Closing Time.
- (b) **Performance of Obligations.** The Purchasers shall have performed or complied with, in all respects, all of their other obligations, covenants and agreements hereunder.
- (c) **Release of Guarantee.** Provided that the Vendor shall have repaid the outstanding bank loan the Purchaser will obtain and deliver to the Vendor a release of the guarantee provided by Parvez Sheikh and Jyoti Sheikh to the Bank of Montreal regarding debts owing by Rando Drugs Ltd. and 813866 Ontario Limited unless such bank refuses to provide such release in which case the Purchaser shall indemnify and save harmless the said Parvez Sheikh and Jyoti Sheikh from any claims made by the Bank of Montreal against either or both of them in connection with any borrowing by the Corporation or Subsidiary from the said bank after Closing.

7.4 Waiver

Any Party may waive, by notice to the other Parties, any condition set forth in this Article 7 which is for its benefit. No waiver by a Party of any condition, in whole or in part, shall operate as a waiver of any other condition.

7.5 Failure to Satisfy Conditions

If any condition set forth in Sections 7.1 or 7.2 is not satisfied and complied with as of the Closing Time or the Due Diligence Period, as the case may be, and such condition has not been waived, the Party entitled to the benefit of such condition may send notice in writing to the other Party, without releasing the other Party from any liability arising from any

breach, default or non-performance arising under or in respect of this Agreement, that this Agreement is terminated effective immediately. If the Purchaser's conditions have not been waived as above noted all deposit monies shall be returned forthwith to the Purchaser without deduction.

7.6 Destruction or Expropriation

If, prior to the Closing Time, there occurs any material destruction or damage by fire or other cause or hazard to any of the Assets, or if the Assets or any material part of them are expropriated or forcefully taken by any Governmental Agency or if notice of intention to expropriate a material part of the Assets has been filed in accordance with Applicable Law, then the Purchasers may, at its option,

- (a) send written notice to the Vendors that this Agreement is to be terminated;
- (b) reduce the Purchase Price by notice to the Vendors, by an amount equal to the difference between:
 - (i) the cost of repair, or, if such Assets are destroyed or damaged beyond repair, by an amount equal to the replacement cost of the assets forming part of the Assets so damaged or destroyed; and
 - (ii) the insurance or expropriation proceeds received in respect of such Assets and to complete the purchase; or
- (c) elect to complete the purchase and sale of the Shares on the basis originally set forth herein.

ARTICLE 8 GENERAL

8.1 Expenses

Each Party shall pay all expenses it incurs in authorizing, preparing, executing and performing this Agreement and the transactions contemplated hereunder, including all fees and expenses of its legal counsel, bankers, investment bankers, brokers, accountants or other representatives or consultants.

8.2 Time

Time is of the essence of this Agreement and each of its provisions.

8.3 Notices

Any notice, consent or other writing required or permitted to be given to any party hereunder for the purposes hereof (herein referred to as a "Notice") shall be sufficiently given if such Notice is delivered by personal delivery to such party or transmitted to such party by facsimile, e-mail or other similar electronic transmission

facilities, if the party to whom such Notice is to be given has such facilities, or mailed, by prepaid registered mail or courier delivery, addressed to such party, at the following addresses:

- (a) in the case of a notice to the Vendors at:

with a copy to:

Donald D. Merritt, Barrister & Solicitor
103-525 Windsor, Ave.
Windsor, ON N9A 1J4
Fax: 519-258-9877
e-mail: merritt2@mnsi.net

- (b) in the case of a notice to the Purchasers at:

4256 Bathurst Street, Suite 200
Toronto, ON M3H 5Y8
Fax:
e-mail: ddiena@abira.ca

with a copy to:

Steinman & Lerner, Barristers & Solicitors
52 Finch Avenue West,
Toronto, ON M2N 2H2
Fax: 416-512-7191
e-mail: blerner@steinmanlerner.com

or at such other address, fax number or e-mail address as the party to whom such Notice is to be given shall have last notified in writing all other parties hereto of a change of address or a change of fax number for the purposes of this provision. Each party shall keep the others updated as to any change of address, fax or e-mail address. Any Notice personally delivered or delivered by courier to the party to whom such Notice is to be given shall be deemed to have been given and received by the party to whom it is addressed on the day it is personally delivered or left by courier. Any Notice transmitted by fax, e-mail or other similar electronic transmission facilities shall be deemed to have been given and received by the party to whom it is addressed on the day it is transmitted, if transmitted prior to 5:00 p.m. on such day and, otherwise, on the business day next following the date of transmission unless the sender is notified that the fax or e-mail was not successfully transmitted in which event such Notice shall be given by one of the other methods provided for herein. Any Notice mailed as aforesaid shall be deemed to have been given and received by the party to whom it is addressed on the fourth (4th) business day following the date of its mailing. In the event of a postal disruption, Notices given hereunder must be personally delivered or, if the party to whom such Notice is to be given has fax or other similar electronic transmission facilities, by such facilities.

8.4 Non-Merger

The Parties agree that the rights, obligations and provisions of this Agreement shall not merge upon the completion of the transactions contemplated hereby but shall survive the closing in accordance with their terms.

8.5 Binding

This Agreement shall enure to the benefit of and be binding upon the Parties and their respective heirs, executors, administrators, legal representatives, successors (including any successor by reason of amalgamation or statutory arrangement of any Party) and permitted assigns.

8.6 Further Assurances

Each Party shall do such acts and shall execute such further documents, conveyances, deeds, assignments, transfers and the like, and will cause the doing of such acts and will cause the execution of such further documents as are within its power as any other Party may in writing at any time and from time to time reasonably request be done and or executed, in order to give full effect to the provisions of this Agreement and the Closing Documents.

[signature page follows]

8.7 Counterparts

This Agreement may be executed in any number of counterparts, including by way of facsimile. Each executed counterpart shall be deemed to be an original; all executed counterparts taken together shall constitute one agreement.

IN WITNESS WHEREOF the Parties have, by their duly authorized representatives duly executed this Agreement as of the date first above written.

SIGNED, SEALED AND DELIVERED)
In the presence of:)

2345760 ONTARIO INC.)

Per:)

Dani Dierna

DANI DIENA)

I have authority to bind the corporation)

[Signature]

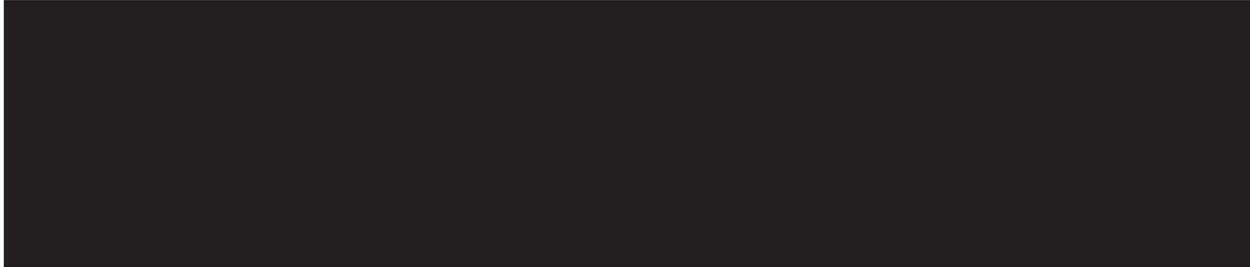
Witness)

Parvez Sheikh

PARVEZ SHEKH - Vendor)

SCHEDULE "A"

EMPLOYEES



RESTRICTIVE COVENANTS

TO: 2347560 Ontario Inc.
(herein called the "Purchaser")

AND TO: Rando Drugs Ltd.
(herein called the "Corporation")

WHEREAS the Purchaser has completed the purchase of the Shares pursuant to a Share Purchase Agreement ("Agreement") dated on February 15, 2013 among the Purchaser 2347560 Ontario Inc. and Parvez Seikh ("Vendor") and the Corporation;

AND WHEREAS as a term of the Agreement, the Vendor has agreed to enter into certain covenants of non-competition and non-solicitation as hereinafter set forth;

NOW THEREFORE THIS INSTRUMENT WITNESSES that in consideration of the closing of the transactions contemplated by the Agreement, premises and other good and valuable consideration (the receipt whereof is hereby acknowledged by each of the undersigned), the undersigned hereby covenants and agrees with the Purchaser and the Corporation as follows:

1. The undersigned shall not, directly or indirectly, for a period of five (5) years from the date hereof either alone or in conjunction with any individual, firm, corporation, association or other entity, whether as principal, agent, shareholder, officer, director, employee, contractor or in any other capacity whatsoever:

- (i) carry on, or be engaged in, concerned with or interested in, directly or indirectly, any undertaking involving any business similar to or competitive with the business, being a pharmacy ("Business")

- carried on by the Corporation which includes, without limitation, the business of the ownership and operation of a pharmacy, or assist by lending his or its name to or money to such person or business or likewise, within a five (5) kilometre radius of 6720 Hawthorne Road, Windsor Ontario N8T 1J9,; or
- (ii) solicit, entice or assist in the solicitation or enticement of, the customers and clients of the Corporation, for the purpose of offering or providing products or services which are the same as, similar to or otherwise competitive with the products or services offered by the Corporation; or
 - (iii) provide products or services to or accept business from any customers or clients of the Corporation which are the same as, similar to or otherwise competitive with the products or services offered by the Corporation; or
 - (iv) solicit, entice, or assist in the solicitation or enticement of, offer to employ or retain, recruit for employment, hire, employ, engage or enter into any employment agreement or contract for the provision of services, with any individual who shall have been an employee or independent contractor of the Corporation at any time during the two (2) year period prior to the date thereof;
 - (v) take any act as a result of which the relations between the undersigned and the suppliers, employees or customers of or to the Corporation may be impaired or which may otherwise be detrimental to the Corporation.

2. The undersigned, , shall consider as confidential and shall use his best efforts to prevent communication to others of all information relating to the Corporation or the Purchaser or their business (other than that which is public or information required or be communicated by law) that shall have been acquired because of any of the undersigned's relationship with the Corporation or the Purchaser and the undersigned shall not use or disclose any such information for any purpose whatsoever.

3. The undersigned acknowledges that in the event of a breach of this instrument by the undersigned, it may not be possible to totally compensate the Corporation or the Purchaser in damages for his/its failure to perform its/his obligations hereunder. As a consequence, in the event of any breach by the undersigned, the Corporation and/or the Purchaser shall be entitled to apply for injunctive relief as a court of equity would then afford in addition to all other remedies and relief available to it, including attorney's fees and costs. In addition, the undersigned agrees that if any of the undersigned shall violate any of his/her/its covenants or provisions under this agreement, the Purchaser and Corporation shall be entitled to an accounting and repayment of all profits, compensation, royalties, commissions, remunerations or benefits which the undersigned directly or indirectly shall have realized or may realize relating to, growing out of, or in connection with any violations. This remedy shall be in addition to and not in limitation of any injunctive relief or other rights or remedies which the Corporation or the Purchaser is or may be entitled at law or in equity or otherwise under this Agreement.

4. The undersigned, , hereby acknowledges that the covenants contained herein have been considered by the undersigned and are, with respect to each of the undersigned's interest, reasonable as to time, areas and otherwise, having regard to all circumstances and hereby waive defences to the strict enforcement thereof.

5. If any provisions of this instrument is declared by a court of competent jurisdiction to be unenforceable or void, the provision in question shall be deemed to be severed and shall not affect the validity or enforceability of any other provision hereof.

6. Where defined in the Agreement the meanings of words and terms used herein shall have the meanings ascribed to them in the Agreement. Whenever used herein and the context requires it, the singular and plural numbers shall each include the other, and the masculine, feminine and neuter gender shall each include the other.

7. This instrument shall be construed in accordance with the laws of the Province of Ontario. The provisions of this Agreement shall be binding on the undersigned and their heirs, executors, administrators, legal personal representatives, successors and assigns and shall enure to the benefit of the Corporation and the Purchasers and their respective heirs, executors, administrators, successors and assigns.

8. This instrument shall be construed in accordance with the laws of the Province of Ontario.

Dated at Windsor on February , 2013

SIGNED, SEALED AND DELIVERED
in the presence of

)	
Witness)	PARVEZ SHEIKH
)	
)	

Schedule "A"

CERTIFICATE OF STATUS

SEE ATTACHED

SPECIAL RESOLUTION OF THE DIRECTOR

OF

RANDO DRUGS LTD.

I, the undersigned, being the sole Director of RANDO DRUGS LTD. hereby expressly sanction the transfer of One Hundred (100) Common Shares without par value in the capital stock of the Corporation from PARVEZ A. SHEIKH to 2345760 ONTARIO INC.

DATED the 25th day of February, 2013.



JOHN SIMONE

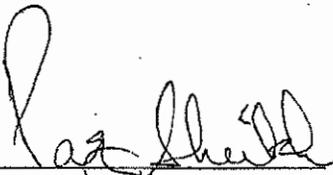
SANCTION OF THE TRANSFER OF SHARES

TO: RAN DO DRUGS LTD.

AND TO: THE BOARD OF DIRECTORS THEREOF

I, the undersigned, being the sole Shareholder of RAN DO DRUGS LTD. hereby expressly sanction the transfer of One Hundred (100) Common Shares without par value in the capital stock of the Corporation from PARVEZ A. SHEIKH to 2345760 ONTARIO INC.

DATED the 25th day of February, 2013.



PARVEZ A. SHEIKH

RESOLUTION OF THE BOARD OF DIRECTOR

OF

RANDO DRUGS LTD.

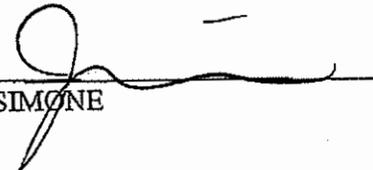
TRANSFER OF COMMON SHARES

BE IT RESOLVED that the following transfer of common shares in the capital stock of the Corporation is hereby approved, ratified and confirmed.

<u>Transferor</u>	<u>Transferee</u>	<u>Number of Shares</u>
Parvez M. Sheikh	2345760 Ontario Inc.	100

The foregoing Resolution is hereby consented to by the signature of the Director of the Corporation pursuant to the Ontario Business Corporations Act.

DATED the 25th day of February, 2013



 JOHN SIMONE

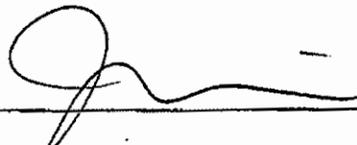
SPECIAL RESOLUTION OF THE DIRECTOR

OF

RANDO DRUGS LTD.

I, the undersigned, being the sole Director of RANDO DRUGS LTD. hereby expressly sanction the transfer of One Hundred (100) Common Shares without par value in the capital stock of the Corporation from PARVEZ A. SHEIKH to 2345760 ONTARIO INC.

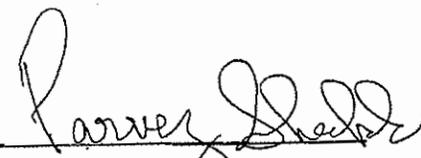
DATED the 25th day of February, 2013.



JOHN SIMONE

I, PARVEZ SHEIKH, President of RANDO DRUGS LTD. hereby certify that the foregoing is a true and correct copy of a Resolution executed by the Director and Shareholder of the Corporation and that the said Resolution is now in full force and effect.

DATED at Windsor, Ontario, this 25th day of February, 2013.



PARVEZ SHEIKH

**RESOLUTION OF THE DIRECTORS
OF
RANDO DRUGS LTD.
(the "Corporation")**

RESOLVED THAT the execution and delivery by the Corporation of all of the required closing documentation that are necessary to complete the sale transaction contemplated by an agreement for the sale of shares of the Corporation pursuant to a Share Purchase Agreement dated February 15, 2013, between Parvez Sheikh and 2345760 Ontario Inc., is hereby approved.

RESOLVED FURTHER THAT PARVEZ SHEIKH is hereby authorized for and on behalf of the Corporation to:

- a) execute and deliver to the Purchaser, the closing documentation substantially in the forms presented to the Director, with such alterations, amendments, deletions or additions as may be approved by him and that execution accordingly shall be conclusive evidence of such approval and that each of the documents comprising the closing documentation so executed is the closing documentation authorized by this Resolution;
- b) do all such further acts and give such further assurances as he, in his sole discretion, deems necessary in connection herewith.

RESOLVED FURTHER that the following transfer of shares in the capital stock of the Corporation be and the same is hereby approved and consented to:

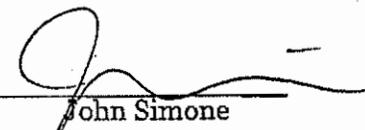
<u>TRANSFEROR</u>	<u>TRANSFeree</u>	<u>NO. & CLASS OF SHARES</u>
PARVEZ SHEIKH	2345760 ONTARIO INC.	100 Common

The foregoing resolution is hereby passed by the Directors of the Corporation pursuant to the *Business Corporations Act*, as evidenced by the signatures hereto of all of the Directors of the Corporation.

DATED at Windsor February 26, 2013.



Parvez Sheikh

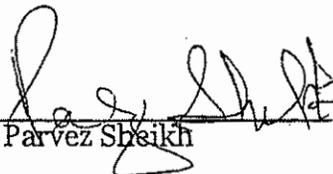


John Simone

TO: RANDO DRUGS LTD.
AND TO: THE DIRECTORS THEREOF

I HEREBY TENDER my resignation as President and as a director of the Corporation, same to take effect forthwith.

DATED this 26th day of February, 2013.

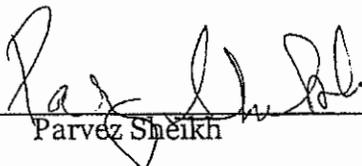


Parvez Sheikh

TO: RANDO DRUGS LTD.
AND TO: THE DIRECTORS THEREOF

FOR VALUE RECEIVED I hereby transfer, assign and set over absolutely unto 2345760 ONTARIO INC., One Hundred (100) Common shares in the capital stock of the Corporation and do hereby constitute and appoint the Secretary of the Corporation my attorney to make the said transfer on the books of the Corporation with full power of substitution in the premises.

DATED at Windsor this 26th day of February, 2013.



Parvez Sheikh

TO: RANDO DRUGS LTD.
AND TO: THE DIRECTORS THEREOF

I HEREBY TENDER my resignation as President and as a director of the Corporation, same to take effect forthwith.

DATED this 26th day of February, 2013.



Parvez Sheikh

INDEMNITY

TO: John Simone

In consideration of your acting as a director and/or officer of RANDO DRUGS LTD. o/a Family Health Pharmacy (the Corporation"), a corporation incorporated under the laws of Ontario, the undersigned, jointly and severally, hereby agree to indemnify you and save you harmless from and against any liabilities (other than those arising out of fraud on your part), costs, charges and expenses (including any liability for income or other tax by reason of a payment made to you hereunder) that you may sustain or incur in respect of any action, suit or proceeding that is commenced against you or in respect of any claim which is made against you for or in respect of or in any way related to or arising out of your position as a director and/or officer of the Corporation.

The undersigned shall be required to indemnify you in accordance with the preceding paragraph irrespective of whether such liabilities, costs, charges and expenses arose as a result of your negligence (gross or otherwise). Furthermore, indemnities contained in this indemnity are in addition to, and not in substitution of, any other indemnifications provided by the Corporation in your favour (including, without limitation, any indemnifications contained in the By-laws or in accordance with applicable law).

You shall be entitled to payment hereunder as any liabilities, costs, charges and expenses become payable by you, it being the intention that at no time should you be out of pocket.

This indemnity shall survive after you cease to be a director or officer of the Corporation and shall enure to the benefit of your heirs, executors, administrators and other legal personal representatives and shall be binding upon the undersigned and its successors.

IN WITNESS WHEREOF the undersigned has executed this indemnity this 7 day of April, 2014.

RANDO DRUGS LTD.

By [Signature]
Name: D DIENA
Title: PRESIDENT
I have authority to bind the corporation

112 5154 ONTARIO LTD.

By [Signature]
Name: DDIENA
Title: President
I have authority to bind the corporation

[Signature]
Witness

[Signature]
DANI DIENA

RESOLUTIONS OF THE SOLE DIRECTOR

OF

RANDO DRUGS LTD.
(the "Corporation")

BUSINESS NAME REGISTRATION RENEWAL

WHEREAS the director of the Corporation wishes to renew the business name registration for "FAMILY HEALTH PHARMACY" in accordance with the *Business Names Act* (Ontario);

NOW THEREFORE BE IT RESOLVED THAT:

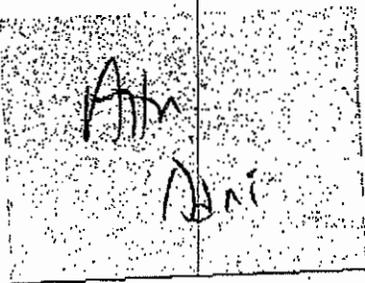
1. The Corporation be and is hereby authorized to renew the business name registration for "FAMILY HEALTH PHARMACY" in accordance with the *Business Names Act* (Ontario);
2. The Corporation be and is hereby authorized to submit the prescribed Form 2 under the *Business Names Act* (Ontario), with the Companies and Personal Property Security Branch of the Ministry of Government Services of Ontario in order to renew the registration for the business name "FAMILY HEALTH PHARMACY" to the Corporation;
3. Any one officer or director of the Corporation be and is hereby authorized and directed for and on behalf of and in the name of the Corporation to authorize the renewal registration of the business name as aforesaid; and
4. Any one officer or director of the Corporation be and is hereby authorized and directed to do and perform all acts and things, including the execution of documents, necessary or desirable to give effect to the foregoing resolutions.

The foregoing resolutions are hereby consented to and passed by the sole director of the Corporation, pursuant to the provisions of the *Business Corporations Act* (Ontario), as evidenced by the signature of the sole director of the Corporation hereto.

MADE AS OF the 13th day of July, 2016.



JOHN SIMONE



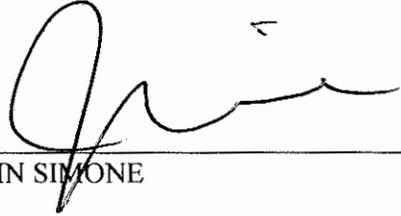
RESIGNATION OF DIRECTOR

TO: RANDO DRUGS LTD. (the "Corporation")

AND TO: THE DIRECTOR THEREOF

I hereby resign as director of the Corporation. This resignation shall take effect immediately.

MADE AS OF the 28th day of May, 2017.

A handwritten signature in black ink, appearing to read "John Simone", is written over a horizontal line. The signature is cursive and stylized.

JOHN SIMONE

CONSENT AND ACKNOWLEDGEMENT

TO: RANDO DRUGS LTD. (the "Corporation")

AND TO: THE SHAREHOLDER THEREOF

The undersigned hereby:

- (1) consents to act as a director of the Corporation, such consent to continue in effect from time to time until a date upon which the undersigned gives written notice to the Corporation revoking such consent or ceases to be a director of the Corporation;
- (2) acknowledges and declares that the undersigned
 - (i) is a Canadian citizen ordinarily resident in Canada; or
 - (ii) is a Canadian citizen not ordinarily resident in Canada who is a member of a prescribed class of persons; or
 - (iii) is a permanent resident within the meaning of the *Immigration and Refugee Protection Act (Canada)* and ordinarily resident in Canada;
- (3) undertakes to advise the Corporation in writing of any change in such citizenship or residence forthwith after such change;
- (4) acknowledges that the Corporation will rely upon such information; and
- (5) consents to the holding of any meeting of the directors of the Corporation by means of such telephone, electronic or other communication facilities, as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously and to hear each other.

Director's Address 1545 Ouellette Avenue, Suite 902
Windsor, Ontario
N8X 1K6

MADE AS OF the 28th day of May, 2017.



PRUTHAK DESAI

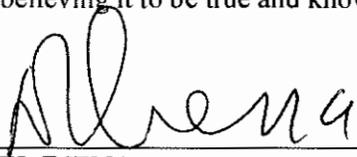
DECLARATION OF LOSS

IN THE MATTER OF the corporate minute book of **RANDO DRUGS LTD.** (the "Corporation"),
I, DANIEL DIENA, of the Province of Ontario, do solemnly declare that:

1. The Corporation was incorporated on October 29, 1951.
2. I am currently the sole officer of the Corporation holding the office of President and Secretary of the Corporation since March 25, 2013.
3. Pruthak Desai is currently the sole director of the Corporation and has been the sole director since May 28, 2017.
4. 2345760 Ontario Inc. is currently the sole shareholder of the Corporation holding ONE HUNDRED (100) Common Shares (the "Common Shares") in the capital stock of the Corporation since March 6, 2013 and represented by Share Certificate dated February 28, 2013.
5. The corporate minute book has been mislaid, lost, and/or stolen, so that the same cannot be found or produced.
6. I make this declaration in support of the indemnity provided to Marciano Beckenstein LLP and the Corporation for the purpose of inducing the Corporation to duly organize and prepare the organization documents for the Corporation.

AND I MAKE THIS SOLEMN DECLARATION conscientiously believing it to be true and knowing it is of the same force and effect as if made under oath.

DECLARED before me at the City of Vaughan
 in the Province of Ontario,
 this 26 day of January, 2018.



 DANIEL DIENA



 A Commissioner Etc.

D. Marciano

INDEMNITY

TO: RANDO DRUGS LTD.

The minute book for Rando Drugs Ltd. (the "Corporation") has been mislaid, lost, and/or stolen, and therefore the undersigned hereby request that a new corporate minute book for the Corporation be prepared, including, By-Laws, and all necessary resolutions and minutes of the sole shareholder and sole director to reorganize the replacement minute book for the Corporation, and to be dated effective the 6th day of March, 2013.

IN CONSIDERATION of your complying with the above request, the undersigned, their executors, administrators, legal personal representatives and assigns, covenant and agree jointly and severally with you and your successors and assigns to indemnify and save you harmless from and against all claims, demands, actions and suits, whether groundless or otherwise, and from and against all liabilities, losses, damages, costs, charges, legal fees and other expenses of any nature and character whatsoever arising directly or indirectly out of or in consequence of the replacement of the Corporation's corporate minute book.

MADE AS OF the 26 day of January, 2018.

WITNESS:

WITNESS:

DANIEL DIENA

GRACE DIENA

2345760 ONTARIO INC.

Per Grace Diena, Director

I have the authority to bind the Corporation

AFFIDAVIT

I, **DANIEL DIENA**, of the City of Toronto in the Province of Ontario, **MAKE OATH AND SAY/AFFIRM:**

1. The minute book for Rando Drugs Ltd. (the "Corporation") has been lost or misplaced;
2. I have retained Marciano Beckenstein LLP to prepare documents to reconstitute the minute book for the Corporation;
3. I have provided the following information for the purpose of reconstituting the minute book of the Corporation:
 - a) There is currently ONE HUNDRED (100) Common Shares (the "Shares") issued and outstanding in the capital of the Corporation and represented by a Share Certificate dated February 28, 2013, and such Shares are issued in the name of 2345760 Ontario Inc. as the registered and beneficial owner thereof, effective as of March 6, 2013. There are no other shares issued or outstanding in the capital of the Corporation.
 - b) Parvez Sheikh was a director and President of the Corporation from October 31, 1989 to March 25, 2013. The corporate profile report should be corrected to reflect Parvez Sheikh's resignation as President of the Corporation effective March 25, 2013.
 - c) John Simone was a director of the Corporation from March 17, 2007 to May 28, 2017. The minute book and the corporate profile report should be corrected to reflect the same.
 - d) Pruthak Desai is currently the sole director of the Corporation and has been the sole director of the Corporation since May 28, 2017. The minute book and the corporate profile report should be corrected to reflect the same.
 - e) Grace Diena is not currently a director of the Corporation and has never been a director of the Corporation.
 - f) I am not currently a director of the Corporation and have never been a director of the Corporation.
 - g) I am the President and Secretary of the Corporation and have held such offices since March 25, 2013. There are currently no other officers of the Corporation.

SWORN/AFFIRMED before me at the City of Vaughan, in the Province of Ontario, this 26 day of January, 2018.

Commissioner for Taking Affidavits

D. Marciano



DANIEL DIENA

JOINT RESOLUTIONS OF THE SOLE DIRECTOR AND SOLE SHAREHOLDER

OF

RANDO DRUGS LTD.
(the "Corporation")

REPLACEMENT OF THE CORPORATION'S MINUTE BOOK

WHEREAS the Corporation has received written notification from Daniel Diena, being the President and Secretary of the Corporation, that the Corporation's minute book has been mislaid, lost, and/or stolen;

AND WHEREAS the Corporation has received an indemnity from Daniel Diena, Grace Diena and 2345760 Ontario Inc. in the form acceptable to the director of the Corporation, as well as a Declaration of Loss as to the absence of the minute book;

AND WHEREAS Letters Patent (the "Articles") were issued on October 29, 1951 (the "Incorporation Date") pursuant to the *Companies Act* (Ontario), as amended and replaced with the *Business Corporations Act* (Ontario) (the "Act");

AND WHEREAS 2345760 Ontario Inc. purchased all the shares in the capital of the Corporation from Parvez Sheikh (the "Vendor") effective March 6, 2013 (the "Transaction Date"). During the said share purchase transaction, Donald D. Merritt, acting as solicitor for the Vendor, provided a legal opinion dated March 4, 2013 (the "Opinion"), which opinion, among other matters, confirm the outstanding shares in the capital of the Corporation prior to the Transaction Date. A copy of the Opinion is attached as Schedule "A" hereto;

AND WHEREAS by report letter dated March 6, 2013, from Steinman & Lerner acting as solicitors for 2345760 Ontario Inc. (the "Report"), confirming the completion of the sale of shares of the Corporation from the Vendor to 2345760 Ontario Inc. effective as at the Transaction Date. A copy of the Report is attached as Schedule "B" hereto;

AND WHEREAS the sole director and sole shareholder of the Corporation are desirous to recreate and restore certain records that were contained in the mislaid, lost, and/or stolen minute book from the Incorporation Date to the date hereof (the "Term");

NOW THEREFORE BE IT RESOLVED THAT the law firm of Marciano Beckenstein LLP be retained for the purposes of organizing a new corporate minute book of the Corporation, and preparing the appropriate resolutions to approve, ratify and confirm the replacement of the Corporation's By-Laws, share certificates and all subsequent minutes and resolutions pursuant to the Opinion, the Declaration of Loss and the Indemnity.

SANCTION OF ACTS OF DIRECTORS AND SHAREHOLDERS

RESOLVED THAT all acts, contracts, by-laws, appointments, elections, payments made and proceedings of the directors and shareholders of the Corporation done and performed during the Term, whether or not evidenced by the minute book or books of account of the Corporation, which acts and

proceedings were purported to have been enacted under the authority of the directors and shareholders, be and the same are ratified, confirmed, approved and sanctioned.

CONFIRMATION OF CURRENT SHAREHOLDERS

RESOLVED THAT:

1. The Corporation hereby ratifies, confirms and approves that 2345760 Ontario Inc. is the sole registered and beneficial owner of the issued and outstanding shares in the capital of the Corporation, holding such number and class of shares set out beside its name herein below. It is also confirmed that the following shares have been issued as fully paid and non-assessable:

Name of Shareholder	Class and Number of Shares
2345760 Ontario Inc.	100 Common Shares

2. It is further hereby confirmed that the aforementioned shares are the only issued and outstanding shares in the capital of the Corporation.

NUMBER OF DIRECTORS

RESOLVED, AS A SPECIAL RESOLUTION, THAT:

1. Notwithstanding any deficiencies in respect to the number of directors elected and whether or not a vacancy existed or such number exceeded the fixed number of directors as set out in the Articles, all acts passed, approved, consented, adopted or purportedly passed, approved, consented and adopted by the board of directors are hereby confirmed and shall not affect the validity of any act done or right, privilege, obligation or liability acquired or incurred under any contract or agreement made, passed, approved, consented or adopted by the board of directors of the Corporation.
2. Until otherwise determined, the number of directors of the Corporation shall be ONE (1).
3. The board of directors of the Corporation be and is hereby empowered to determine the number of directors of the Corporation hereinafter from time to time.

CONFIRMATION OF DIRECTORS

RESOLVED THAT, notwithstanding any deficiency with respect to the election, resignations or removal of any predecessor on the board of directors, Pruthak Desai was elected as director of the Corporation effective May 28, 2017, and is hereby confirmed to be the sole director of the Corporation effective May 28, 2017, such election be and is hereby confirmed, ratified and approved.

CONFIRMATION OF OFFICERS

RESOLVED THAT, notwithstanding any deficiency with respect to their appointments, resignations or removals of any predecessor in office, Daniel Diena was appointed President and Secretary of the Corporation effective March 25, 2013, and is hereby confirmed to be the President and Secretary of the Corporation effective March 25, 2013, such appointment be and is hereby confirmed, ratified and approved.

ARTICLES OF AMENDMENT

WHEREAS articles of amendment were filed with the Ministry of Government Services on July 14, 1987, to change the name from “Jack Adam Drugs Limited” to “Rando Drugs Ltd.”.

RESOLVED, AS A SPECIAL RESOLUTION, THAT the articles of amendment dated July 14, 1987, changing the name of the Corporation from “Jack Adam Drugs Limited” to “Rando Drugs Ltd.” be and is hereby ratified, confirmed and approved.

CONFIRMATION OF ADDRESS OF REGISTERED OFFICE

RESOLVED THAT the sole director of the Corporation hereby confirms that the address of the registered office of the Corporation is located at 4256 Bathurst Street, Suite 200, Toronto, Ontario M3H 5Y8.

BY-LAWS

RESOLVED THAT:

1. All previous enacted By-laws of the Corporation be and is hereby repealed;
2. By-law No. 8, being a general by-law relating to the transaction of the business and affairs of the Corporation is hereby enacted;
3. By-law No. 9, being a by-law relating to the borrowing of money, the issuing of securities and the securing of liabilities of the Corporation is hereby enacted; and
4. Neither such enactment nor repeal of any such By-law of the Corporation shall affect the validity of any act done or right, privilege, obligation or liability acquired or incurred under any contract or agreement made pursuant to any By-law prior to its repeal.

BUSINESS NAMES

WHEREAS the Corporation registered the business name “Parkway Pharmacy” in accordance with the *Business Names Act* (Ontario) on April 9, 2013;

RESOLVED THAT the business name registration for “Parkway Pharmacy” be and is hereby confirmed, ratified, approved and sanctioned.

EXEMPTION FROM AUDIT REQUIREMENTS

WHEREAS the Corporation is not an offering corporation within the meaning of the *Business Corporations Act* (Ontario) (the “Act”);

RESOLVED THAT, as a unanimous resolution, that the Corporation be exempt from the requirements of the Act regarding the appointment and duties of an auditor for all of the financial periods ended during the Term and for the financial period ending December 31, 2017.

CONFIRMATION OF APPOINTMENT OF ACCOUNTANTS

WHEREAS the sole shareholder of the Corporation has consented in writing to the Corporation not appointing an auditor;

AND WHEREAS the Corporation wishes to confirm the appointment of Bench & Donath, as the accountants of the Corporation;

RESOLVED THAT Bench & Donath, are hereby confirmed as the accountants of the Corporation on such terms and conditions as may be agreed between the Corporation and such accountants.

FINANCIAL YEAR END

RESOLVED THAT it is hereby ratified, confirmed and approved that the financial year end of the Corporation is December 31st in each year.

FINANCIAL STATEMENTS

RESOLVED THAT the financial statements of the Corporation for the financial years ending December 31, 2013 through to and including December 31, 2016, be and the same are ratified, confirmed, approved, sanctioned and adopted,

DIVIDENDS

RESOLVED THAT all dividends declared and paid to the shareholders of record of the Corporation at such time during the Term and noted on the financial statements of the Corporation, the declaration and payment of which, if any, are hereby ratified, confirmed and approved.

LOCATION OF MINUTE BOOK

BE IT RESOLVED THAT the office of:

Marciano Beckenstein LLP
Barristers & Solicitors
64 Jardin Drive, Suite 4
Concord, Ontario
L4K 3P3

is hereby from this time forward designated as the location at which the minute book, including the registers and corporate records of the Corporation, may be prepared, maintained and kept.

CONFIRMATION OF ACTS

RESOLVED THAT the shareholder of the Corporation hereby waives the holding of annual meetings of the shareholders of the Corporation between the date of incorporation and the date hereof as prescribed by the *Business Corporations Act* (Ontario) and hereby release the director of the Corporation from any liability for his failure to comply with the provisions of the said statutes.

RESOLVED THAT notwithstanding any defects or irregularities in the minute book of the Corporation by reason of defective or improper elections of directors, lack of quorum at meetings by reason of

defective or improper elections of directors, failure to hold meetings, failure to sign resolutions, by-laws or otherwise, all acts and proceedings taken or purported to have been taken to the date hereof by the directors, officers or persons acting as such directors, officers and shareholders of the Corporation as disclosed by such minute book and in particular, without limiting the generality of the foregoing, the declaration of dividends as referenced in the financial statements of the Corporation and any elections made are hereby confirmed and adopted for all purposes.

The foregoing resolutions are hereby consented to and passed by the sole director of the Corporation, pursuant to the provisions of the *Business Corporations Act* (Ontario), as evidenced by the signature of the sole director hereto.

MADE AS OF the 26th day of January, 2018
EFFECTIVE AS OF the 6th day of March, 2013.

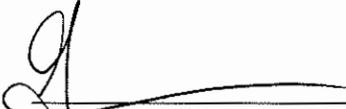


 PRUTHAK DESAI

The foregoing resolutions are hereby consented to and passed by the sole shareholder of the Corporation, pursuant to the provisions of the *Business Corporations Act* (Ontario), as evidenced by the signature of the sole shareholder hereto.

MADE AS OF the 26th day of January, 2018.
EFFECTIVE AS OF the 6th day of March, 2013.

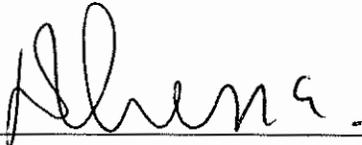
2345760 ONTARIO INC.



 Port Grace Diena, Director
 I have authority to bind the Corporation

The foregoing resolutions are hereby confirmed by the sole officer of the Corporation, as evidenced by his signature hereto.

MADE AS OF the 26th day of January, 2018
EFFECTIVE AS OF the 6th day of March, 2013.



 DANIEL DIENA, President & Secretary

DONALD D. MERRITT, LL.B.
Barrister & Solicitor

10

LEGAL OPINION

March 4, 2013

2345760 Ontario Inc.
200-4256 Bathurst Street
Toronto, Ontario
M3H 5Y8

Attention: Dani Diena, President

Dear Sir:

**RE: Sale of all outstanding shares in the capital of
Rando Drugs Ltd. (the "Corporation")
by Parvez Sheikh (the "Vendor")
to 2345760 Ontario Inc. (the "Purchaser")**

We have acted as counsel to the Vendor and Parvez Sheikh (the "Principal") and the Corporation in connection with the sale of all of the issued and outstanding shares in the capital of the Corporation by the Vendor to 2345760 Ontario Inc. (the "Purchaser"), pursuant to an Agreement made as of the 15th day of February, 2013 among the Vendor, the Principal, the Purchaser and the Corporation (the "Share Purchase Agreement").

This opinion is being furnished to the addressees pursuant to the Share Purchase Agreement. Capitalized terms not defined herein shall have the same meanings given to them in the Share Purchase Agreement.

As counsel to the Vendors, the Principals and the Corporation, we have participated in the preparation of and reviewed the Share Purchase Agreement and the documents delivered in connection therewith.

As the basis for the opinions hereinafter expressed, we have considered such questions of law and examined such statutes and regulations, public and corporate records, certificates and other documents which we have deemed relevant to this opinion.

In our examinations we have assumed:

- (a) the genuineness of all signatures and the authenticity of all documents submitted to us as originals and the conformity to authentic original documents of all documents submitted to us as certified or true copies or as reproductions (including documents received by facsimile machines);
- (b) the accuracy and currency of the indices in all filing systems maintained at all public offices where we have searched or enquired or have caused searches or enquiries to be conducted;
- (c) that the Share Purchase Agreement has been duly authorized, executed and delivered by or on behalf of the Purchasers.

We are qualified to render opinions only as to the laws of the Province of Ontario, including the federal laws of Canada applicable therein, and, accordingly, except in reliance on the opinions of local counsel noted below, we express no opinions as to the laws of any other jurisdictions.

In rendering the opinions expressed in paragraph 1 below insofar as they relate to the Corporation, we have obtained and relied upon a Certificate of Status dated February 26, 2013, issued by the Ministry of Consumer and Business Services, a copy of which is delivered to you with this opinion.

As to matters of fact material to our opinions herein, we have relied upon a certificate of the President of the Corporation, a copy of which is attached to this opinion letter.

Based upon and subject to the foregoing and to the qualifications hereinafter set forth, we are of the opinion that:

1. The Corporation is a corporation duly incorporated and organized and is validly subsisting under the laws of Ontario and has all necessary corporate power, authority and capacity to own its property and assets.
2. The Vendors:
 - (a) are the sole beneficial owners of the Shares (which shares constitute all the issued and outstanding shares in the capital of the Corporation);
 - (b) have the exclusive right to dispose of the Shares as provided in the Share Purchase Agreement and such disposition will not violate, contravene, breach or offend against or result in any default under any charter or by-law provision, statute, regulation, order, judgment, decree or law to which the Vendors or the Corporation are party or subject or by which the Vendors or the Corporation are bound or affected; and
 - (c) the Vendors are the holder of record of all the Shares free and clear of any liens, charges, encumbrances or rights of others (other than the rights of the Purchasers under the Share Purchase Agreement).
3. The authorized and issued share capital of the Corporation is as follows:

ONE HUNDRED (100) COMMON SHARES

All such issued share capital has been duly and validly issued and is outstanding as fully paid and non-assessable shares in the capital of the Corporation. No options, warrants or other rights to purchase shares or other securities of the Corporation have been authorized or agreed to be issued or are outstanding.
4. To the best of our knowledge, information and belief, neither the Vendors, nor the Principals, nor the Corporation are a party to, bound or affected by or subject to, nor are any of their respective properties or Shares bound or affected by or subject to, any indenture, mortgage, debenture, security agreement, lease, agreement, instrument, provision in its Articles or by-laws, statute, regulation, rule, judgment, order, decree, law or restriction of any nature which would be violated,

contravened, breached by, or under which default would occur as a result of, the execution and delivery of this Agreement or the consummation of any of the transactions contemplated hereby.

5. To the best of our knowledge, information and belief, except as described in the Share Purchase Agreement, there is no suit, action, litigation, arbitration proceeding or governmental proceedings, including appeals and applications for review, in progress, pending or threatened against or relating to the Corporation or affecting its properties or business and there is not presently outstanding against the Corporation any judgment, decree, injunction, rule or order of any court, governmental department, commission, agency, instrumentality or arbitration.
6. The Corporation, the Vendors and the Principals have all necessary authority to enter into the Share Purchase Agreement and to carry out his/her/its respective obligations thereunder.
7. The Share Purchase Agreement constitutes a valid, binding and enforceable obligation of the Corporation, Vendors and the Principals.

The opinions expressed above are subject to the following limitations and qualifications:

- (a) enforceability of the Share Purchase Agreement may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally;
- (b) enforceability of the Share Purchase Agreement may be limited by general principles of equity (regardless of whether enforcement is considered in proceedings at law or in equity) and no opinion is given as to any specific remedy that may be granted, imposed or rendered only in the discretion of court of equity, including remedies such as those of specific performance and injunction.

This opinion is effective as of the date hereof, and we express no opinion as to the effect of future laws or judicial decisions on enforceability.

Yours very truly,


DONALD D. MERRITT

DDM/ta

STEINMAN & LERNER
BARRISTERS & SOLICITORS52 FINCH AVENUE WEST
NORTH YORK, ONTARIO, CANADA
M2N 2H2STAN STEINMAN
BARRY J. LERNER

FILE No. 13/13610

March 6, 2013

2345760 Ontario Inc.
4256 Bathurst Street, Suite 200
Toronto, ON M3H 5Y8Attention: Dani Diena

Dear Mr. Diena:

**RE: 2345760 Ontario Inc. purchase from Parvez Sheikh
Shares of Rando Drugs Ltd. (the "Corporation")**

We are pleased to report the closing of this transaction and trust that you are now happily engaged in your new practice.

CONTRACT

This was a purchase according to a contract dated February 15, 2013, (the "Purchase Agreement") for the sum of \$1,750,000.00 payable \$25,000.00 by way of deposit, \$750,000.00 vendor financing and the balance by certified cheque on closing. In addition you were to pay for inventory to be taken immediately prior to Closing.

CLOSING

This transaction was to have been completed on February 26, 2013 but was postponed by mutual agreement of the parties to March 6, 2013 and adjustments were made as of that date.

CASH DUE ON CLOSING

The amount payable in cash on Closing according to the Statement of Adjustments was \$1,140,672.40 In accordance with the written direction of the vendor a cheque totalling that amount payable as directed, was prepared from funds deposited in our trust account to your credit.

ADJUSTMENTS

By reference to the Statement of Adjustments you will see that you were given credit for the deposit of \$25,000.00 and for the Vendor financing of \$750,000.00. The Vendor was given credit for the inventory in the amount of \$165,672.40/

There were no adjustments for rent, last month rent or security deposit or utilities although these were paid March 1, 2013. You will be readjusting for these items as well as expenses for the March 1 to 6, 2013 period as applicable.

TITLE

Prior to Closing we completed searches under the *Personal Property Security Act*, the *Bank Act*, the *Bankruptcy and Insolvency Act*, and also conducted searches of executions at the office of the Sheriff at Windsor against both the Vendor and the Corporation. We also obtained a Certificate of Status and conducted a corporate search of the Corporation. We are satisfied therefore that the shares purchased from the Vendor were purchased free and clear of any encumbrances save and except for security interests registered under the *Personal Property Security Act* in favour of inventory suppliers to the Corporation namely: Trent Drugs (Wholesale) Ltd., McKesson Canada Corporation and Kohl & Frisch Limited. You were aware of these registrations and advised that they are required for ongoing operation of the business and that you did not wish to have same discharged.

Please note that because this was a share purchase, although we conducted searches and ascertained there were no liens, encumbrances or judgments against the Corporation as of the time of Closing, creditors and others can still bring whatever actions they deem appropriate against the Corporation after Closing. We have no way of knowing whether or not there are claims by persons who have not registered liens or yet obtained judgments, nor do we have any way of knowing whether or not appropriate tax authorities will reassess prior years' tax returns for the Corporation. Our opinion aforesaid is therefore subject to such items which cannot be ascertained by usual searches. The Vendor has warranted that no such unforeseen claims exist.

FINANCING

You arranged purchase financing in the amount of \$1,000,000.00 plus a further \$150,000.00 for inventory financing with Element Financial Corporation and provided the following security:

1. Promissory note from 2345670 Ontario Limited in the amount of \$1,000,847.50;
2. Personal Guarantee of Grace Diena;
3. Corporate Guarantee of Rando Drugs Ltd and 2275518 Ontario Inc.;
4. General Security Agreements from 2345670 Ontario Limited, Rando Drugs Ltd., 2275518 Ontario Inc. and Grace Diena;

all in accordance with the terms and conditions contained in the various documents, copies of which are enclosed. Notices of the various security interests were registered by the lender under the *Personal Property Security Act*.

As noted above the Vendor also took back a promissory note for \$750,000.00 and was also secured by a personal guarantee of Dani Diena and a General Security Agreement given by the Purchaser corporation. Notices of the various security interests were likewise registered by the Vendor under the *Personal Property Security Act*.

POST CLOSING PROCEEDINGS

In accordance with the Agreement, the Vendor's accountants are to prepare Closing Financial Statements showing the Corporation's income and expenses, assets and liabilities to the Closing Date and are to file corporate income tax returns to that time.

In accordance with the Agreement, the Vendor signed a Non-Competition, Non-Solicitation Agreement wherein he agreed to not divulge information about or solicit any customer of the Pharmacy or hire any employee of the Practice and that he would not practice dentistry within a five (5) kilometre radius of 6720 Hawthorne Road, Windsor for five years following closing.

The Vendor also agreed to continue to work as an associate at the business premises for six (6) months following Closing for fifteen (15) hours per week, at times to be agreed upon by him and you without additional remuneration unless health problems precluded him from doing so.

You were also to have attended with the Vendor immediately following Closing to ensure that all trade debts were paid to date, including the accounts of the above noted corporations which have security interests against the Corporation.

LEASE

The Vendor was not required to obtain its landlord's consent to the sale of the Corporation to you as the lease is in the name of 813866 Ontario Limited, a wholly owned subsidiary of the Corporation and no "change of control" provision of the lease was applicable. You advised by e-mail of February 13, 2013 that you were satisfied with the lease and that you did not require an acknowledgment by the landlord that the lease was in good standing. The lease was not provided to us and therefore we did not conduct any review of it and express no opinion as to its provisions.

LICENSE

Although more than 50% of issued and outstanding shares of the Corporation are not owned by a pharmacist licenced by the Ontario College of Pharmacists ("OCP"), the Corporation was incorporated on October 29, 1951 and operated the pharmacy on or before May 14, 1954. As advised by the OCP the Corporation is, therefore, capable of purchasing, owing and operating

a pharmacy pursuant to the *Drug and Pharmacies Regulation Act* (Ontario) without a majority of the shareholders being licenced pharmacists. A majority of directors must be pharmacists as required by the aforesaid Act and you must comply with all other requirements, including reporting requirements under the said Act and any other legislation pertaining to the operation of a pharmacy. The pharmacy is shown on the OCP website (under the name "Family Health Pharmacy") as being an active pharmacy, having accreditation number 29636 and its director John Simone is likewise shown as being licensed as a Part A Pharmacist with license number 109371.

BUSINESS NAME

The Corporation carries on under the business name of "Family Health Pharmacy". We confirm that the name has been registered under the *Business Names Act* (Ontario). The registration expires on September 1, 2016 and must be renewed prior to that date. The Government of Ontario does not send renewal notices and it is your responsibility to diarize the renewal and register in a timely manner.

EMPLOYEES

You also agreed to assume all employees of the Pharmacy and the Vendor agreed to pay all vacation pay and other amounts owing for wages and otherwise until the Closing Date. As noted you must ensure that a licensed Pharmacist remains employed by the Corporation and serves as a director.

ENCLOSURES:

1. Purchase Agreement
2. Statement of Adjustments
3. Return of your financial documents provided to Element Financial Corporation
4. Brief containing various documents including Element Financial Corporation documents
5. Statement of Account
6. Statement of Receipts and Disbursements.
7. Cheque payable to the Purchaser in the amount of \$24,507.31.

We trust that this matter has been completed to your satisfaction. If any further information is required please do not hesitate to contact us.

Yours truly,

STEINMAN & LERNER



BARRY J. LERNER

Encls.

RESOLUTIONS OF THE SOLE DIRECTOR

OF

RANDO DRUGS LTD.

(the "Corporation")

BUSINESS NAME REGISTRATIONS

WHEREAS the sole director of the Corporation wishes to register the business names (i) "FAMILY HEATH PHARMACY EAST"; (ii) "FAMILY HEALTH PHARMACY WEST"; (iii) "FAMILY HEATH PHARMACY WALPOLE"; and (iv) "FAMILY HEALTH PHARMACY NOVACARE" (collectively the "**Business Names**") in accordance with the *Business Names Act* (Ontario);

NOW THEREFORE BE IT RESOLVED THAT:

1. The Corporation be and is hereby authorized to register the Business Names in accordance with the *Business Names Act* (Ontario);
2. The Corporation be and is hereby authorized to submit the prescribed Form 2 under the *Business Names Act* (Ontario), in the forms attached as Schedule "A", Schedule "B", Schedule "C" and Schedule "D", with the Companies and Personal Property Security Branch of the Ministry of Government Services of Ontario in order to register the Business Names to the Corporation;
3. Any one officer or director of the Corporation be and is hereby authorized and directed for and on behalf of and in the name of the Corporation to authorize the registration of the Business Names as aforesaid; and
4. The proper officers and/or directors of the Corporation or any one of them are hereby authorized and directed to do and perform all acts and things, including the execution of documents, necessary or desirable to give effect to the foregoing resolution.

The foregoing resolutions are hereby consented to and passed by the sole director of the Corporation, pursuant to the provisions of the *Business Corporations Act* (Ontario), as evidenced by the signature of the sole director of the Corporation hereto.

MADE AS OF the 26th day of January, 2018.



PRUTHAK DESAI

Registration
under the Business Names Act – Corporations
Enregistrement
en vertu de la Loi sur les noms commerciaux (Personnes morales)

Cyberbahn Transaction ID : 12723813

Form 2
Formule 2

Page 1 of / de 1

1. Registration Type
Type d'enregistrement

A New
Nouveau

BIN
NIE

If B, C, or D enter "Business Identification Number"
En cas de B, C ou D, inscrivez le no d'identification de l'entreprise

B Renewal
Renouvellement

C Amendment
Modification

D Cancellation
Révocation

2. Business Name/Nom commercial

F A M I L Y H E A L T H P H A R M A C Y E A S T

3. Mailing Address
Adresse postale

Street Number / No de rue 4256	Street Name / Nom de la rue BATHURST STREET	Suite No. / Bureau no 200
City / Town / Ville TORONTO	Province / Province ONTARIO	Country / Pays CANADA
		Postal Code / Code postal M3H 5Y8

4. Business address in Ontario
Adresse d'affaires en Ontario

Same as above / comme ci-dessus

Street Number / No de rue 6720	Street Name / Nom de la rue HAWTHORNE DRIVE	Suite No. / Bureau no
City / Town / Ville WINDSOR	Province / Province Ontario	Postal Code / Code postal N8T 1J9

5. Give a brief description of the ACTIVITY being carried on under the business name.
Résumez brièvement le genre d'ACTIVITE exercee sous le nom commercial.

PHARMACY

6. Corporation Name / Personne morale

RANDO DRUGS LTD.

7. Ontario corporation number / Numéro matricule de la personne morale en Ontario

000065016

8. Jurisdiction in which the corporation was incorporated / Le territoire de compétence où la personne morale a été constituée.

ONTARIO

9. Address of Head or Registered Office of the corporation / Adresse du siège social ou du bureau enregistré de la personne morale.

Street Number / No de rue 4256	Street Name / Nom de la rue BATHURST STREET	Suite No. / Bureau no 200
City / Town / Ville TORONTO	Province / Province ONTARIO	Country / Pays CANADA
		Postal Code / Code Postal M3H 5Y8

10. Print name of person authorizing this registration

(either an officer, or a director, or a person acting under a power of attorney)

Indiquez en lettres majuscules le nom de la personne autorisant l'enregistrement

(dirigeant, administrateur, ou personne habilitée en vertu d'une procuration).

Last Name / Nom de famille
DIENA

First Name / Prénom
DANIEL

Middle Initial / Initiale (2e prénom)

OR/OU

Additional Information / Renseignements supplémentaires

MINISTRY USE ONLY - RÉSERVÉ À L'USAGE DU MINISTÈRE

Registration

under the Business Names Act – Corporations

Enregistrement

en vertu de la Loi sur les noms commerciaux (Personnes morales)

Cyberbahn Transaction ID : 12723917

Form 2
Formule 2

Page 1 of / de 1

1. Registration Type
Type d'enregistrement

New
Nouveau

BIN
NIE

If B, C, or D enter "Business Identification Number"
En cas de B, C ou D, inscrivez le no d'identification de l'entreprise

Renewal
Renouvellement

Amendment
Modification

Cancellation
Révocation

2. Business Name/Nom commercial

F A M I L Y H E A L T H P H A R M A C Y N O V A C A R E

3. Mailing Address
Adresse postale

Street Number / No de rue 4256	Street Name / Nom de la rue BATHURST STREET	Suite No. / Bureau no 200
City / Town / Ville TORONTO	Province / Province ONTARIO	Country / Pays CANADA
		Postal Code / Code postal M3H 5Y8

4. Business address in Ontario
Adresse d'affaires en Ontario

Same as above / comme ci-dessus

Street Number No de rue 1275	Street Name Nom de la rue WALKER ROAD	Suite No. Bureau no 3
City / Town Ville WINDSOR	Province Province Ontario	Postal Code Code postal N8Y 4X9

5. Give a brief description of the ACTIVITY being carried on under the business name.
Résumez brièvement le genre d'ACTIVITE exercee sous le nom commercial.

PHARMACY

6. Corporation Name / Personne morale

RANDO DRUGS LTD.

7. Ontario corporation number / Numéro matricule de la personne morale en Ontario

000065016

8. Jurisdiction in which the corporation was incorporated / Le territoire de compétence où la personne morale a été constituée.

ONTARIO

9. Address of Head or Registered Office of the corporation / Adresse du siège social ou du bureau enregistré de la personne morale.

Street Number No de rue 4256	Street Name Nom de la rue BATHURST STREET	Suite No. Bureau no 200
City / Town Ville TORONTO	Province Province ONTARIO	Country Pays CANADA
		Postal Code Code Postal M3H 5Y8

10. Print name of person authorizing this registration

(either an officer, or a director, or a person acting under a power of attorney)

Indiquez en lettres majuscules le nom de la personne autorisant l'enregistrement

(dirigeant, administrateur, ou personne habilitée en vertu d'une procuration).

Last Name
Nom de famille
DIENA

First Name
Prenom
DANIEL

Middle Initial
Initiale (2e prenom)

OR/OU

Additional Information
Renseignements supplémentaires

MINISTRY USE ONLY - RÉSERVÉ À L'USAGE DU MINISTÈRE

SPECIAL RESOLUTIONS OF THE SOLE SHAREHOLDER

OF

RANDO DRUGS LTD.
(the "Corporation")

ARTICLES OF AMENDMENT

WHEREAS it is considered expedient and in the interests of the Corporation to amend the Articles of the Corporation;

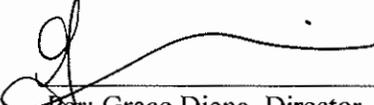
NOW THEREFORE BE IT RESOLVED, AS A SPECIAL RESOLUTION, THAT:

1. the Articles of the Corporation be amended substantially in the form of the draft Articles of Amendment attached hereto as Schedule "A";
2. any director or officer of the Corporation be and is hereby authorized and directed, for and on behalf of the Corporation, to execute and deliver the Articles of Amendment contemplated herein, with such deletions, amendments, and substitutions as he may, in his absolute discretion approve, the execution of which being conclusive evidence of such approval;
3. Articles of Amendment be filed to give effect to such amendments;
4. upon Articles of Amendment having become effective in accordance with the provisions of the *Business Corporations Act* (Ontario), the Articles of the Corporation are amended accordingly; and
5. any director or officer of the Corporation be and is hereby authorized and directed, for and on behalf of the Corporation, to do all acts and things and to execute or cause to be executed, whether under the corporate seal or otherwise, all such deeds, transfers, assignments, instruments and documents as in his or her opinion may be necessary or desirable to give effect to the aforesaid Articles of Amendment and/or these resolutions.

The undersigned, being the sole shareholder of the Corporation, hereby signs the foregoing resolutions in accordance, as evidenced by its signature hereto, pursuant to the provisions of the *Business Corporations Act* (Ontario).

MADE AS OF the 26th day of January, 2018.

2345670 ONTARIO INC.



Per: Grace Diena, Director

I have the authority to bind the Corporation

6. The amendment has been duly authorized as required by sections 168 and 170 (as applicable) of the *Business Corporations Act*.
La modification a été dûment autorisée conformément aux articles 168 et 170 (selon le cas) de la *Loi sur les sociétés par actions*.
7. The resolution authorizing the amendment was approved by the shareholders/directors (as applicable) of the corporation on
Les actionnaires ou les administrateurs (selon le cas) de la société ont approuvé la résolution autorisant la modification le

2018/01/26

(Year, Month, Day)
(année, mois, jour)

These articles are signed in duplicate.
Les présents statuts sont signés en double exemplaire.

RANDO DRUGS LTD.

(Print name of corporation from Article 1 on page 1)
(Veuillez écrire le nom de la société de l'article un à la page une).

By/
Par :

(Signature)
(Signature)

PRESIDENT

(Description of Office)
(Fonction)

**Form 1 - Ontario Corporation/Formule 1 - Personnes morales de l'Ontario
Schedule A/Annexe A**

For Ministry Use Only
À l'usage du ministère seulement
Page/Page 4 of/de 4

Please type or print all information in block capital letters using black ink.
Prière de dactylographier les renseignements ou de les écrire en caractères d'imprimerie à l'encre noire.

Ontario Corporation Number
Numéro matricule de la personne morale en Ontario
000065016

Date of Incorporation or Amalgamation
Date de constitution ou fusion
Year/Année Month/Mois Day/Jour
1951 10 29

DIRECTOR / OFFICER INFORMATION - RENSEIGNEMENTS RELATIFS AUX ADMINISTRATEURS/DIRIGEANTS

Full Name and Address for Service/Nom et domicile élu

Last Name/Nom de famille: **DIENA** First Name/Prénom: **DANIEL** Middle Names/Autres prénoms: _____

Street Number/Numéro civique: **4256** Suite/Bureau: **200**

Street Name/Nom de la rue: **BATHURST STREET**

Street Name (cont'd)/Nom de la rue (suite): _____

City/Town/Ville: **TORONTO**

Province, State/Province, État: **ONTARIO** Country/Pays: **CANADA** Postal Code/Code postal: **M3H 5Y8**

***OTHER TITLES (Please Specify)
*AUTRES TITRES (Veuillez préciser)**

Chair / Président du conseil	
Chair Person / Président du conseil	
Chairman / Président du conseil	
Chairwoman / Présidente du conseil	
Vice-Chair / Vice-président du conseil	
Vice-President / Vice-président	
Assistant Secretary / Secrétaire adjoint	
Assistant Treasurer / Trésorier adjoint	
Chief Manager / Directeur exécutif	
Executive Director / Directeur administratif	
Managing Director / Administrateur délégué	
Chief Executive Officer / Directeur général	
Chief Financial Officer /	
Agent en chef des finances	
Chief Information Officer /	
Directeur général de l'information	
Chief Operating Officer /	
Administrateur en chef des opérations	
Chief Administrative Officer /	
Directeur général de l'administration	
Comptroller / Contrôleur	
Authorized Signing Officer /	
Signataire autorisé	
Other (Untitled) / Autre (sans titre)	

Director Information/Renseignements relatifs aux administrateurs

Resident Canadian/ YES/OUI NO/NON (Resident Canadian applies to directors of business corporations only.)
Résident canadien (Résident canadien ne s'applique qu'aux administrateurs de sociétés par actions)

Date Elected/ Year/Année Month/Mois Day/Jour Date Ceased/ Year/Année Month/Mois Day/Jour
Date d'élection Date de cessation

Officer Information/Renseignements relatifs aux dirigeants

	PRESIDENT/PRÉSIDENT	SECRETARY/SECRÉTAIRE	TREASURER/TRÉSORIER	GENERAL MANAGER/ DIRECTEUR GÉNÉRAL	*OTHER/AUTRE
Date Appointed/ Date de nomination	Year/Année Month/Mois Day/Jour 2013 03 25	Year/Année Month/Mois Day/Jour 2013 03 25	Year/Année Month/Mois Day/Jour	Year/Année Month/Mois Day/Jour	Year/Année Month/Mois Day/Jour
Date Ceased/ Date de cessation	Year/Année Month/Mois Day/Jour	Year/Année Month/Mois Day/Jour	Year/Année Month/Mois Day/Jour	Year/Année Month/Mois Day/Jour	Year/Année Month/Mois Day/Jour

DIRECTOR / OFFICER INFORMATION - RENSEIGNEMENTS RELATIFS AUX ADMINISTRATEURS/DIRIGEANTS

Full Name and Address for Service/Nom et domicile élu

Last Name/Nom de famille: _____ First Name/Prénom: _____ Middle Names/Autres prénoms: _____

Street Number/Numéro civique: _____ Suite/Bureau: _____

Street Name/Nom de la rue: _____

Street Name (cont'd)/Nom de la rue (suite): _____

City/Town/Ville: _____

Province, State/Province, État: _____ Country/Pays: _____ Postal Code/Code postal: _____

***OTHER TITLES (Please Specify)
*AUTRES TITRES (Veuillez préciser)**

Chair / Président du conseil	
Chair Person / Président du conseil	
Chairman / Président du conseil	
Chairwoman / Présidente du conseil	
Vice-Chair / Vice-président du conseil	
Vice-President / Vice-président	
Assistant Secretary / Secrétaire adjoint	
Assistant Treasurer / Trésorier adjoint	
Chief Manager / Directeur exécutif	
Executive Director / Directeur administratif	
Managing Director / Administrateur délégué	
Chief Executive Officer / Directeur général	
Chief Financial Officer /	
Agent en chef des finances	
Chief Information Officer /	
Directeur général de l'information	
Chief Operating Officer /	
Administrateur en chef des opérations	
Chief Administrative Officer /	
Directeur général de l'administration	
Comptroller / Contrôleur	
Authorized Signing Officer /	
Signataire autorisé	
Other (Untitled) / Autre (sans titre)	

Director Information/Renseignements relatifs aux administrateurs

Resident Canadian/ YES/OUI NO/NON (Resident Canadian applies to directors of business corporations only.)
Résident canadien (Résident canadien ne s'applique qu'aux administrateurs de sociétés par actions)

Date Elected/ Year/Année Month/Mois Day/Jour Date Ceased/ Year/Année Month/Mois Day/Jour
Date d'élection Date de cessation

Officer Information/Renseignements relatifs aux dirigeants

	PRESIDENT/PRÉSIDENT	SECRETARY/SECRÉTAIRE	TREASURER/TRÉSORIER	GENERAL MANAGER/ DIRECTEUR GÉNÉRAL	*OTHER/AUTRE
Date Appointed/ Date de nomination	Year/Année Month/Mois Day/Jour	Year/Année Month/Mois Day/Jour	Year/Année Month/Mois Day/Jour	Year/Année Month/Mois Day/Jour	Year/Année Month/Mois Day/Jour
Date Ceased/ Date de cessation	Year/Année Month/Mois Day/Jour	Year/Année Month/Mois Day/Jour	Year/Année Month/Mois Day/Jour	Year/Année Month/Mois Day/Jour	Year/Année Month/Mois Day/Jour



Master Business Licence

Date Issued: 2018-02-08
(yyyy-mm-dd)

Business Number:

Business Name and Mailing Address:

PARKWAY PHARMACY
4256 BATHURST STREET 200
TORONTO, ON CA M3H 5Y8

Business

Address: SAME AS ABOVE

Telephone:

Ext:

Fax:

Email:

Legal

Name(s): RANDO DRUGS LTD.

Type of

Legal Entity: CORPORATION

Business

Activity: PHARMACY

Business Information	Number	Effective Date (yyyy-mm-dd)	Expiry Date (yyyy-mm-dd)
BUSINESS NAME REGISTRATION	230360299	2013-04-09	2018-04-08
INCORPORATED (ONTARIO)	65016	1951-10-29	

Page 1 of 1

To the Client: Clients should do a corporation search to ensure that the information pertaining to corporations contained on this Master Business Licence is correct and up to date.

To the Client: When the Master Business Licence is presented to any Ontario business program, you are not required to repeat information contained on this licence. Each Ontario business program is required to accept this licence when presented as part of its registration process. If you have any questions about this Master Business Licence call the ServiceOntario Contact Centre at 1-800-565-1921 or 1-416-314-9151 or TTY 1-416-328-8568. For more information, or to access other business-related services, call the Business Info Line, a collaboration between ServiceOntario and Industry Canada, at 1-888-745-8888 or 1-416-212-8888 or TTY 800-268-7095.

A business name registration is effective for 5 years from the date that it is accepted for registration. It is the registrant's responsibility to renew the business name prior to the expiry date and to pay the required fee.

To the Ontario business program: A client is not required to repeat any information contained in this licence in any other form used in your registration process.

Request ID: 021255664
Transaction ID: 67064666
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2018/02/06
Time Report Produced: 15:27:07
Page: 1

BUSINESS NAMES REPORT

**Business name registered under
the *Business Names Act***

FAMILY HEALTH PHARMACY

Business Identification Number

210937314

Business Type

BUSINESS NAME - CORPORATION

Mailing Address

4256 BATHURST STREET

No. 200
TORONTO
ONTARIO
CANADA, M3H 5Y8

Business Address in Ontario

4256 BATHURST STREET

No. 200
TORONTO
ONTARIO
CANADA, M3H 5Y8

Activity being carried out

DRUG STORE

Registration Date

2011/09/02

Expiry Date

2021/08/31

Renewal Date

2016/07/15

Amendment Date(s)

NOT APPLICABLE

Last Document Filed

RENEWAL

Cancellation Date

NOT APPLICABLE

Last Document Filed Date

2016/07/15

Request ID: 021255664
Transaction ID: 87064666
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2018/02/06
Time Report Produced: 15:27:07
Page: 2

BUSINESS NAMES REPORT

**Business name registered under
the *Business Names Act***

FAMILY HEALTH PHARMACY

Business Identification Number

210937314

Business Type

BUSINESS NAME - CORPORATION

Corporation Name

RANDO DRUGS LTD.

Corp. Registered/Head Office Address

4256 BATHURST STREET

No. 200
TORONTO
ONTARIO
CANADA, M3H 5Y8

Corporate Number

65016

Jurisdiction of Corporation

ONTARIO

Corporation Status

ACTIVE

Person Authorizing the Registration

SIMONE,
JOHN

This Report sets out the most recent information registered on or after April 1, 1994 and recorded in the Ontario Business Information System as of the last business day.

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



Ministry of
Consumer and
Business Services

Ministère des Services
aux consommateurs
et aux entreprises

Companies and Personal
Property Security Branch
393 University Ave Suite 200
Toronto ON M5G 2M2

Direction des compagnies
et des sûretés mobilières
393 av. University, bureau 200
Toronto ON M5G 2M2

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Page/Page 1 of/de 4

Form 1 - Ontario Corporation
Formule 1 - Personnes morales de l'Ontario

**Initial Return/Notice of Change/
Rapport initial/Avis de modification**
**Corporations Information Act/Loi sur les
renseignements exigés des personnes morales**

	Notice of Change	
	Initial Return	Avis de
	Rapport initial	modification
1.	Business Corporation/ Société par actions	<input type="checkbox"/> <input checked="" type="checkbox"/>
	Not-For-Profit Corporation/ Personne morale sans but lucratif	<input type="checkbox"/> <input type="checkbox"/>

Please type or print all information in block capital letters using black ink.
Prérez de dactylographier les renseignements ou de les écrire en caractères d'imprimerie à l'encre noire.

2. Ontario Corporation Number Numéro matricule de la personne morale en Ontario	3. Date of Incorporation or Amalgamation/ Date de constitution ou fusion Year/Année Month/Mois Day/Jour	For Ministry Use Only À l'usage du ministère seulement
000065016	1951 10 29	

4. Corporation Name Including Punctuation/Raison sociale de la personne morale, y compris la ponctuation

RANDO DRUGS LTD.

5. Address of Registered or Head Office/Adresse du siège social

c/o / a/s

Street No./N° civique: 4256 Street Name/Nom de la rue: BATHURST STREET Suite/Bureau: 200

Street Name (cont'd)/Nom de la rue (suite):

City/Town/Ville: TORONTO ONTARIO, CANADA

Postal Code/Code postal: M3H 5Y8

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This CIA Form 1 submission was accepted for filing by the Companies and Personal Property Security Branch under Request ID 021254026 on 2018/02/06. This CIA Form 1 is not an MCBS ONBIS Report. La présente Formule 1 prescrite par la Loi sur les sociétés par actions a été acceptée par la Direction des compagnies et des sûretés mobilières le 2018/02/06, sous le numéro de référence 021254026. Cette formule n'est pas un rapport issu du SINEO du MSCE.

6. Mailing Address/Adresse postale

Same as Registered or Head Office/
Même que siège social

Not Applicable/
Ne s'applique pas

Street No./N° civique:

Street Name/Nom de la rue Suite/Bureau:

Street Name (cont'd)/Nom de la rue (suite):

City/Town/Ville:

Province, State/Province, État Country/Pays Postal Code/Code postal:

7. Language of Preference/Langue préférée

English - Anglais French - Français

8. Information on Directors/Officers must be completed on Schedule A as requested. If additional space is required, photocopy Schedule A. Les renseignements sur les administrateurs ou les dirigeants doivent être fournis dans l'Annexe A, tel que demandé. Si vous avez besoin de plus d'espace, vous pouvez photocopier l'Annexe A.

Number of Schedule A(s) submitted/Nombre d'Annexes A présentées: 3 (At least one Schedule A must be submitted/Au moins une Annexe A doit être présentée)

9. (Print or type name in full of the person authorizing filing / Dactylographier ou inscrire le prénom et le nom en caractères d'imprimerie de la personne qui autorise l'enregistrement)

I/Je: DANIEL DIENA

certify that the information set out herein, is true and correct.
atteste que les renseignements précités sont véridiques et exacts.

Check appropriate box
Cocher la case pertinente

D) Director/Administrateur

O) Officer /Dirigeant

P) Other individual having knowledge of the affairs of the Corporation/Autre personne ayant connaissance des activités de la personne morale

NOTE/REMARQUE: Sections 13 and 14 of the Corporations Information Act provide penalties for making false or misleading statements or omissions. Les articles 13 et 14 de la Loi sur les renseignements exigés des personnes morales prévoient des peines en cas de déclaration fautive ou trompeuse, ou d'omission.

Form 1 - Ontario Corporation/Formule 1 - Personnes morales de l'Ontario
Schedule A/Annexe A

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 Page/Page 2 of/de 4

Please type or print all information in block capital letters using black ink.
 Prière de dactylographier les renseignements ou de les écrire en caractères d'imprimerie à l'encre noire.

Ontario Corporation Number
 Numéro matricule de la personne morale en Ontario
 000065016

Date of Incorporation or Amalgamation
 Date de constitution ou de fusion
 Year/Année Month/Mois Day/Jour
 1951 10 29

DIRECTOR / OFFICER INFORMATION - RENSEIGNEMENTS RELATIFS AUX ADMINISTRATEURS/DIRIGEANTS

Full Name and Address for Service/Nom et domicile élu

Last Name/Nom de famille: SHEIKH
 First Name/Prénom: PARVEZ
 Middle Names/Autres prénoms: M.

Street Number/Numéro civique: 1354
 Suite/Bureau: []

Street Name/Nom de la rue: HARVEST BEND ROAD
 Street Name (cont'd)/Nom de la rue (suite): []

City/Town/Ville: WINDSOR
 Province, State/Province, État: ONTARIO
 Country/Pays: CANADA
 Postal Code/Code postal: N9H 2B1

***OTHER TITLES (Please Specify)**
***AUTRES TITRES (veuillez préciser)**

Chair / Président du conseil	
Chair Person / Président du conseil	
Chairman / Président du conseil	
Chairwoman / Présidente du conseil	
Vice-Chair / Vice-président du conseil	
Vice-President / Vice-président	
Assistant Secretary / Secrétaire adjoint	
Assistant Treasurer / Trésorier adjoint	
Chief Manager / Directeur exécutif	
Executive Director / Directeur administratif	
Managing Director / Administrateur délégué	
Chief Executive Officer / Directeur général	
Chief Financial Officer /	
Agent en chef des finances	
Chief Information Officer /	
Directeur général de l'information	
Chief Operating Officer /	
Administrateur en chef des opérations	
Chief Administrative Officer /	
Directeur général de l'administration	
Comptroller / Contrôleur	
Authorized Signing Officer /	
Signataire autorisé	
Other (Unlisted) / Autre (sans titre)	

Director Information/Renseignements relatifs aux administrateurs

Resident Canadian/ Résident canadien YES/OUI NO/NON
 (Resident Canadian applies to directors of business corporations only.)
 (Résident canadien ne s'applique qu'aux administrateurs de sociétés par actions)

Date Elected/ Date d'élection: Year/Année Month/Mois Day/Jour
 Date Ceased/ Date de cessation: Year/Année Month/Mois Day/Jour

Officer Information/Renseignements relatifs aux dirigeants

	PRESIDENT/PRÉSIDENT			SECRETARY/SECÉTAIRE			TREASURER/TRÉSORIER			GENERAL MANAGER/DIRECTEUR GÉNÉRAL			*OTHER/AUTRE		
Date Appointed/ Date de nomination	Year/Année	Month/Mois	Day/Jour	Year/Année	Month/Mois	Day/Jour	Year/Année	Month/Mois	Day/Jour	Year/Année	Month/Mois	Day/Jour	Year/Année	Month/Mois	Day/Jour
	1989	10	31												
Date Ceased/ Date de cessation	2013	03	25												

DIRECTOR / OFFICER INFORMATION - RENSEIGNEMENTS RELATIFS AUX ADMINISTRATEURS/DIRIGEANTS

Full Name and Address for Service/Nom et domicile élu

Last Name/Nom de famille: PRUTHAK
 First Name/Prénom: DESI
 Middle Names/Autres prénoms: []

Street Number/Numéro civique: 1545
 Suite/Bureau: 902

Street Name/Nom de la rue: OUELLETTE AVENUE
 Street Name (cont'd)/Nom de la rue (suite): []

City/Town/Ville: WINDSOR
 Province, State/Province, État: ONTARIO
 Country/Pays: CANADA
 Postal Code/Code postal: N8X 1K6

***OTHER TITLES (Please Specify)**
***AUTRES TITRES (veuillez préciser)**

Chair / Président du conseil	
Chair Person / Président du conseil	
Chairman / Président du conseil	
Chairwoman / Présidente du conseil	
Vice-Chair / Vice-président du conseil	
Vice-President / Vice-président	
Assistant Secretary / Secrétaire adjoint	
Assistant Treasurer / Trésorier adjoint	
Chief Manager / Directeur exécutif	
Executive Director / Directeur administratif	
Managing Director / Administrateur délégué	
Chief Executive Officer / Directeur général	
Chief Financial Officer /	
Agent en chef des finances	
Chief Information Officer /	
Directeur général de l'information	
Chief Operating Officer /	
Administrateur en chef des opérations	
Chief Administrative Officer /	
Directeur général de l'administration	
Comptroller / Contrôleur	
Authorized Signing Officer /	
Signataire autorisé	
Other (Unlisted) / Autre (sans titre)	

Director information/Renseignements relatifs aux administrateurs

Resident Canadian/ Résident canadien YES/OUI NO/NON
 (Resident Canadian applies to directors of business corporations only.)
 (Résident canadien ne s'applique qu'aux administrateurs de sociétés par actions)

Date Elected/ Date d'élection: Year/Année Month/Mois Day/Jour
 Date Ceased/ Date de cessation: Year/Année Month/Mois Day/Jour

Officer Information/Renseignements relatifs aux dirigeants

	PRESIDENT/PRÉSIDENT			SECRETARY/SECÉTAIRE			TREASURER/TRÉSORIER			GENERAL MANAGER/DIRECTEUR GÉNÉRAL			*OTHER/AUTRE		
Date Appointed/ Date de nomination	Year/Année	Month/Mois	Day/Jour	Year/Année	Month/Mois	Day/Jour	Year/Année	Month/Mois	Day/Jour	Year/Année	Month/Mois	Day/Jour	Year/Année	Month/Mois	Day/Jour
Date Ceased/ Date de cessation															

Form 1 - Ontario Corporation/Formule 1 - Personnes morales de l'Ontario
Schedule A/Annexe A

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 Page/Page 3 of/de 4

Please type or print all information in block capital letters using black ink.
 Prière de dactylographier les renseignements ou de les écrire en caractères d'imprimerie à l'encre noire.

Ontario Corporation Number
 Numéro matricule de la personne morale en Ontario
 000065016

Date of Incorporation or Amalgamation
 Date de constitution ou de fusion
 Year/Année Month/Mois Day/Jour
 1951 10 29

DIRECTOR / OFFICER INFORMATION - RENSEIGNEMENTS RELATIFS AUX ADMINISTRATEURS/DIRIGEANTS

Full Name and Address for Service/Nom et domicile élu

Last Name/Nom de famille: DIENA
 First Name/Prénom: DANIEL
 Middle Names/Autres prénoms:

Street Number/Numéro civique: 4256
 Suite/Bureau: 200

Street Name/Nom de la rue: BATHURST STREET

Street Name (cont'd)/Nom de la rue (suite):

City/Town/Ville: TORONTO

Province, State/Province, État: ONTARIO

Country/Pays: CANADA

Postal Code/Code postal: M3H 5Y8

***OTHER TITLES (Please Specify)**
***AUTRES TITRES (Veuillez préciser)**

Chair / Président du conseil	
Chair Person / Président du conseil	
Chairman / Président du conseil	
Chairwoman / Présidente du conseil	
Vice-Chair / Vice-président du conseil	
Vice-President / Vice-président	
Assistant Secretary / Secrétaire adjoint	
Assistant Treasurer / Trésorier adjoint	
Chief Manager / Directeur exécutif	
Executive Director / Directeur administratif	
Managing Director / Administrateur délégué	
Chief Executive Officer / Directeur général	
Chief Financial Officer /	
Agent en chef des finances	
Chief Information Officer /	
Directeur général de l'information	
Chief Operating Officer /	
Administrateur en chef des opérations	
Chief Administrative Officer /	
Directeur général de l'administration	
Comptroller / Contrôleur	
Authorized Signing Officer /	
Signataire autorisé	
Other (Untitled) / Autre (sans titre)	

Director Information/Renseignements relatifs aux administrateurs

Resident Canadian/ YES/OUI NO/NON
 Résident canadien (Resident Canadian applies to directors of business corporations only.)

Date Elected/ Year/Année Month/Mois Day/Jour Date Ceased/ Year/Année Month/Mois Day/Jour
 Date d'élection Date de cessation

Officer Information/Renseignements relatifs aux dirigeants

Date Appointed/ Date de nomination	PRESIDENT/PRÉSIDENT			SECRETARY/SECRÉTAIRE			TREASURER/TRÉSORIER			GENERAL MANAGER/ DIRECTEUR GÉNÉRAL			*OTHER/AUTRE			
	Year/Année	Month/Mois	Day/Jour	Year/Année	Month/Mois	Day/Jour	Year/Année	Month/Mois	Day/Jour	Year/Année	Month/Mois	Day/Jour		Year/Année	Month/Mois	Day/Jour
	2013	05	07	2013	05	07										
	2013	05	07	2013	05	07										

DIRECTOR / OFFICER INFORMATION - RENSEIGNEMENTS RELATIFS AUX ADMINISTRATEURS/DIRIGEANTS

Full Name and Address for Service/Nom et domicile élu

Last Name/Nom de famille: PRUTHAK
 First Name/Prénom: DESAI
 Middle Names/Autres prénoms:

Street Number/Numéro civique: 1545
 Suite/Bureau: 902

Street Name/Nom de la rue: OUELLETTE AVENUE

Street Name (cont'd)/Nom de la rue (suite):

City/Town/Ville: WINDSOR

Province, State/Province, État: ONTARIO

Country/Pays: CANADA

Postal Code/Code postal: N8X 1K6

***OTHER TITLES (Please Specify)**
***AUTRES TITRES (Veuillez préciser)**

Chair / Président du conseil	
Chair Person / Président du conseil	
Chairman / Président du conseil	
Chairwoman / Présidente du conseil	
Vice-Chair / Vice-président du conseil	
Vice-President / Vice-président	
Assistant Secretary / Secrétaire adjoint	
Assistant Treasurer / Trésorier adjoint	
Chief Manager / Directeur exécutif	
Executive Director / Directeur administratif	
Managing Director / Administrateur délégué	
Chief Executive Officer / Directeur général	
Chief Financial Officer /	
Agent en chef des finances	
Chief Information Officer /	
Directeur général de l'information	
Chief Operating Officer /	
Administrateur en chef des opérations	
Chief Administrative Officer /	
Directeur général de l'administration	
Comptroller / Contrôleur	
Authorized Signing Officer /	
Signataire autorisé	
Other (Untitled) / Autre (sans titre)	

Director Information/Renseignements relatifs aux administrateurs

Resident Canadian/ YES/OUI NO/NON
 Résident canadien (Resident Canadian applies to directors of business corporations only.)

Date Elected/ Year/Année Month/Mois Day/Jour Date Ceased/ Year/Année Month/Mois Day/Jour
 Date d'élection Date de cessation

Officer Information/Renseignements relatifs aux dirigeants

Date Appointed/ Date de nomination	PRESIDENT/PRÉSIDENT			SECRETARY/SECRÉTAIRE			TREASURER/TRÉSORIER			GENERAL MANAGER/ DIRECTEUR GÉNÉRAL			*OTHER/AUTRE			
	Year/Année	Month/Mois	Day/Jour	Year/Année	Month/Mois	Day/Jour	Year/Année	Month/Mois	Day/Jour	Year/Année	Month/Mois	Day/Jour		Year/Année	Month/Mois	Day/Jour

Form 1 - Ontario Corporation/Formule 1 - Personnes morales de l'Ontario
Schedule A/Annexe A

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 Page/Page 4 of/de 4

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 Prière de dactylographier les renseignements ou de les écrire en caractères d'imprimerie à l'encre noire.

Ontario Corporation Number
 Numéro matriculé de la personne morale en Ontario
 000065016

Date of Incorporation or Amalgamation
 Date de constitution ou fusion
 Year/Année Month/Mois Day/Jour
 1951 10 29

DIRECTOR / OFFICER INFORMATION - RENSEIGNEMENTS RELATIFS AUX ADMINISTRATEURS/DIRIGEANTS

Full Name and Address for Service/Nom et domicile élu

Last Name/Nom de famille: DIENA
 First Name/Prénom: DANIEL
 Middle Names/Autres prénoms: []

Street Number/Numéro civique: 4256 Suite/Bureau: 200
 Street Name/Nom de la rue: BATHURST STREET
 Street Name (cont'd)/Nom de la rue (suite): []

City/Town/Ville: TORONTO
 Province, State/Province, État: ONTARIO Country/Pays: CANADA Postal Code/Code postal: M3H 5Y8

***OTHER TITLES (Please Specify) / *AUTRES TITRES (Veuillez préciser)**

Chair / Président du conseil	
Chair Person / Président du conseil	
Chairman / Président du conseil	
Chairwoman / Présidente du conseil	
Vice-Chair / Vice-président du conseil	
Vice-President / Vice-président	
Assistant Secretary / Secrétaire adjoint	
Assistant Treasurer / Trésorier adjoint	
Chief Manager / Directeur exécutif	
Executive Director / Directeur administratif	
Managing Director / Administrateur délégué	
Chief Executive Officer / Directeur général	
Chief Financial Officer /	
Agent en chef des finances	
Chief Information Officer /	
Directeur général de l'information	
Chief Operating Officer /	
Administrateur en chef des opérations	
Chief Administrative Officer /	
Directeur général de l'administration	
Comptroller / Contrôleur	
Authorized Signing Officer /	
Signataire autorisé	
Other (Untitled) / Autre (sans titre)	

Director Information/Renseignements relatifs aux administrateurs

Resident Canadian/ Résident canadien YES/OUI NO/NON
 (Resident Canadian applies to directors of business corporations only.) / (Résident canadien ne s'applique qu'aux administrateurs de sociétés par actions)

Date Elected/ Date d'élection: Year/Année Month/Mois Day/Jour [] [] [] []
 Date Ceased/ Date de cessation: Year/Année Month/Mois Day/Jour [] [] [] []

Officer Information/Renseignements relatifs aux dirigeants

	PRESIDENT/PRÉSIDENT	SECRETARY/SECÉTAIRE	TREASURER/TRÉSORIER	GENERAL MANAGER/DIRECTEUR GÉNÉRAL	*OTHER/AUTRE
	Year/Année Month/Mois Day/Jour	Year/Année Month/Mois Day/Jour	Year/Année Month/Mois Day/Jour	Year/Année Month/Mois Day/Jour	Year/Année Month/Mois Day/Jour
Date Appointed/ Date de nomination	2013 03 25	2013 03 25	[] [] [] []	[] [] [] []	[] [] [] []
Date Ceased/ Date de cessation	[] [] [] []	[] [] [] []	[] [] [] []	[] [] [] []	[] [] [] []

DIRECTOR / OFFICER INFORMATION - RENSEIGNEMENTS RELATIFS AUX ADMINISTRATEURS/DIRIGEANTS

Full Name and Address for Service/Nom et domicile élu

Last Name/Nom de famille: [] First Name/Prénom: [] Middle Names/Autres prénoms: []

Street Number/Numéro civique: [] Suite/Bureau: []
 Street Name/Nom de la rue: []
 Street Name (cont'd)/Nom de la rue (suite): []

City/Town/Ville: []
 Province, State/Province, État: [] Country/Pays: [] Postal Code/Code postal: []

***OTHER TITLES (Please Specify) / *AUTRES TITRES (Veuillez préciser)**

Chair / Président du conseil	
Chair Person / Président du conseil	
Chairman / Président du conseil	
Chairwoman / Présidente du conseil	
Vice-Chair / Vice-président du conseil	
Vice-President / Vice-président	
Assistant Secretary / Secrétaire adjoint	
Assistant Treasurer / Trésorier adjoint	
Chief Manager / Directeur exécutif	
Executive Director / Directeur administratif	
Managing Director / Administrateur délégué	
Chief Executive Officer / Directeur général	
Chief Financial Officer /	
Agent en chef des finances	
Chief Information Officer /	
Directeur général de l'information	
Chief Operating Officer /	
Administrateur en chef des opérations	
Chief Administrative Officer /	
Directeur général de l'administration	
Comptroller / Contrôleur	
Authorized Signing Officer /	
Signataire autorisé	
Other (Untitled) / Autre (sans titre)	

Director Information/Renseignements relatifs aux administrateurs

Resident Canadian/ Résident canadien YES/OUI NO/NON
 (Resident Canadian applies to directors of business corporations only.) / (Résident canadien ne s'applique qu'aux administrateurs de sociétés par actions)

Date Elected/ Date d'élection: Year/Année Month/Mois Day/Jour [] [] [] []
 Date Ceased/ Date de cessation: Year/Année Month/Mois Day/Jour [] [] [] []

Officer Information/Renseignements relatifs aux dirigeants

	PRESIDENT/PRÉSIDENT	SECRETARY/SECÉTAIRE	TREASURER/TRÉSORIER	GENERAL MANAGER/DIRECTEUR GÉNÉRAL	*OTHER/AUTRE
	Year/Année Month/Mois Day/Jour	Year/Année Month/Mois Day/Jour	Year/Année Month/Mois Day/Jour	Year/Année Month/Mois Day/Jour	Year/Année Month/Mois Day/Jour
Date Appointed/ Date de nomination	[] [] [] []	[] [] [] []	[] [] [] []	[] [] [] []	[] [] [] []
Date Ceased/ Date de cessation	[] [] [] []	[] [] [] []	[] [] [] []	[] [] [] []	[] [] [] []



Ministry of Consumer and Business Services

Ministère des Services aux consommateurs et aux entreprises

Companies and Personal Property Security Branch
393 University Ave Suite 200
Toronto ON M5G 2M2

Direction des compagnies et des sûretés mobilières
393 av., University, bureau 200
Toronto ON M5G 2M2

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Page/Page 1 of/de 3

Form 1 - Ontario Corporation
Formule 1 - Personnes morales de l'Ontario

Initial Return/Notice of Change/
Rapport initial/Avis de modification
Corporations Information Act/Loi sur les
renseignements exigés des personnes morales

Please type or print all information in block capital letters using black ink.
Prière de dactylographier les renseignements ou de les écrire en caractères d'imprimerie à l'encre noire.

1.	Business Corporation/ Société par actions	Initial Return Rapport initial	Notice of Change Avis de modification
	Not-For-Profit Corporation/ Personne morale sans but lucratif	<input type="checkbox"/>	<input checked="" type="checkbox"/>

2. Ontario Corporation Number Numéro matricule de la personne morale en Ontario 000065016	3. Date of Incorporation or Amalgamation/ Date de constitution ou fusion Year/Année Month/Mois Day/Jour 1951 10 29	For Ministry Use Only À l'usage du ministère seulement
--	--	---

4. Corporation Name Including Punctuation/Raison sociale de la personne morale, y compris la ponctuation
RANDO DRUGS LTD.

5. Address of Registered or Head Office/Adresse du siège social
c/o / a/s
DANIEL DIENA

Street No./N° civique **4256** Street Name/Nom de la rue **BATHURST STREET** Suite/Bureau **200**

Street Name (cont'd)/Nom de la rue (suite)

City/Town/Ville **TORONTO** **ONTARIO, CANADA**

Postal Code/Code postal **M3H 5Y8**

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This CIA Form 1 submission was accepted for filing by the Companies and Personal Property Security Branch under Request ID 020167291 on 2017/04/20. This CIA Form 1 is not an MCBS ONBIS Report. La présente Formule 1 prescrite par la Loi sur les sociétés par actions a été acceptée par la Direction des compagnies et des sûretés mobilières le 2017/04/20, sous le numéro de référence 020167291. Cette formule n'est pas un rapport issu du SINEO du MSCE.

6. Mailing Address/Adresse postale

Same as Registered or Head Office / Même que siège social
 Not Applicable / Ne s'applique pas

Street No./N° civique

Street Name/Nom de la rue Suite/Bureau

Street Name (cont'd)/Nom de la rue (suite)

City/Town/Ville

Province, State/Province, État Country/Pays Postal Code/Code postal

7. Language of Preference/Langue préférée
English - Anglais French - Français

8. Information on Directors/Officers must be completed on Schedule A as requested. If additional space is required, photocopy Schedule A. / Les renseignements sur les administrateurs ou les dirigeants doivent être fournis dans l'Annexe A, tel que demandé. Si vous avez besoin de plus d'espace, vous pouvez photocopier l'Annexe A.

Number of Schedule A(s) submitted/Nombre d'Annexes A présentées **2** (At least one Schedule A must be submitted/Au moins une Annexe A doit être présentée)

9. (Print or type name in full of the person authorizing filing / Dactylographier ou inscrire le prénom et le nom en caractères d'imprimerie de la personne qui autorise l'enregistrement)

We **DANIEL DIENA**

certify that the information set out herein, is true and correct.
atteste que les renseignements précités sont véridiques et exacts.

Check appropriate box / Cocher la case pertinente

D) Director/Administrateur
O) Officer /Dirigeant
P) Other individual having knowledge of the affairs of the Corporation/Autre personne ayant connaissance des activités de la personne morale

NOTE/REMARQUE: Sections 13 and 14 of the Corporations Information Act provide penalties for making false or misleading statements or omissions. Les articles 13 et 14 de la Loi sur les renseignements exigés des personnes morales prévoient des peines en cas de déclaration fautive ou trompeuse, ou d'omission.

Form 1 - Ontario Corporation/Formule 1 - Personnes morales de l'Ontario
Schedule A/Annexe A

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 Page/Page 2 of/de 3

Please type or print all information in block capital letters using black ink.
 Prière de dactylographier les renseignements ou de les écrire en caractères d'imprimerie à l'encre noire.

Ontario Corporation Number
 Numéro matricule de la personne morale en Ontario
 00065016

Date of Incorporation or Amalgamation
 Date de constitution ou fusion
 Year/Année Month/Mois Day/Jour
 1951 10 29

DIRECTOR / OFFICER INFORMATION - RENSEIGNEMENTS RELATIFS AUX ADMINISTRATEURS/DIRIGEANTS

Full Name and Address for Service/Nom et domicile élu

Last Name/Nom de famille: SIMONE
 First Name/Prénom: JOHN
 Middle Name/Autres prénoms: []

Street Number/Numéro civique Suite/Bureau: 431 []

Street Name/Nom de la rue: LEFFLER DRIVE

Street Name (cont'd)/Nom de la rue (suite): R R #1

City/Town/Ville: TECUMSEH

Province, State/Province, État: ONTARIO
 Country/Pays: CANADA
 Postal Code/Code postal: N8N 4Y2

***OTHER TITLES (Please Specify)**
***AUTRES TITRES (Veuillez préciser)**

Chair / Président du conseil	
Chair Person / Président du conseil	
Chairman / Président du conseil	
Chairwoman / Présidente du conseil	
Vice-Chair / Vice-président du conseil	
Vice-President / Vice-président	
Assistant Secretary / Secrétaire adjoint	
Assistant Treasurer / Trésorier adjoint	
Chief Manager / Directeur exécutif	
Executive Director / Directeur administratif	
Managing Director / Administrateur délégué	
Chief Executive Officer / Directeur général	
Chief Financial Officer /	
Agent in chief des finances	
Chief Information Officer /	
Directeur général de l'information	
Chief Operating Officer /	
Administrateur en chef des opérations	
Chief Administrative Officer /	
Directeur général de l'administration	
Comptroller / Contrôleur	
Authorized Signing Officer /	
Signataire autorisé	
Other (Unlisted) / Autre (sans titre)	

Director Information/Renseignements relatifs aux administrateurs

Resident Canadian/ Résident canadien YES/OUI NO/NON
 (Resident Canadian applies to directors of business corporations only.)
 (Résident canadien ne s'applique qu'aux administrateurs de sociétés par actions)

Date Elected/ Date d'élection: Year/Année Month/Mois Day/Jour
 2007 03 17
 Date Ceased/ Date de cessation: Year/Année Month/Mois Day/Jour
 2017 04 04

Officer Information/Renseignements relatifs aux dirigeants

	PRESIDENT/PRÉSIDENT	SECRETARY/SECÉTAIRE	TREASURER/TRÉSORIER	GENERAL MANAGER/ DIRECTEUR GÉNÉRAL	*OTHER/AUTRE
Date Appointed/ Date de nomination	Year/Année Month/Mois Day/Jour	Year/Année Month/Mois Day/Jour	Year/Année Month/Mois Day/Jour	Year/Année Month/Mois Day/Jour	Year/Année Month/Mois Day/Jour
	[][][][]	[][][][]	[][][][]	[][][][]	[][][][]
Date Ceased/ Date de cessation	Year/Année Month/Mois Day/Jour	Year/Année Month/Mois Day/Jour	Year/Année Month/Mois Day/Jour	Year/Année Month/Mois Day/Jour	Year/Année Month/Mois Day/Jour
	[][][][]	[][][][]	[][][][]	[][][][]	[][][][]

DIRECTOR / OFFICER INFORMATION - RENSEIGNEMENTS RELATIFS AUX ADMINISTRATEURS/DIRIGEANTS

Full Name and Address for Service/Nom et domicile élu

Last Name/Nom de famille: SHEIKH
 First Name/Prénom: PARVEZ
 Middle Name/Autres prénoms: M.

Street Number/Numéro civique Suite/Bureau: 1354 []

Street Name/Nom de la rue: HARVEST BEND ROAD

Street Name (cont'd)/Nom de la rue (suite): []

City/Town/Ville: WINDSOR

Province, State/Province, État: ONTARIO
 Country/Pays: CANADA
 Postal Code/Code postal: N9H 2B1

***OTHER TITLES (Please Specify)**
***AUTRES TITRES (Veuillez préciser)**

Chair / Président du conseil	
Chair Person / Président du conseil	
Chairman / Président du conseil	
Chairwoman / Présidente du conseil	
Vice-Chair / Vice-président du conseil	
Vice-President / Vice-président	
Assistant Secretary / Secrétaire adjoint	
Assistant Treasurer / Trésorier adjoint	
Chief Manager / Directeur exécutif	
Executive Director / Directeur administratif	
Managing Director / Administrateur délégué	
Chief Executive Officer / Directeur général	
Chief Financial Officer /	
Agent in chief des finances	
Chief Information Officer /	
Directeur général de l'information	
Chief Operating Officer /	
Administrateur en chef des opérations	
Chief Administrative Officer /	
Directeur général de l'administration	
Comptroller / Contrôleur	
Authorized Signing Officer /	
Signataire autorisé	
Other (Unlisted) / Autre (sans titre)	

Director Information/Renseignements relatifs aux administrateurs

Resident Canadian/ Résident canadien YES/OUI NO/NON
 (Resident Canadian applies to directors of business corporations only.)
 (Résident canadien ne s'applique qu'aux administrateurs de sociétés par actions)

Date Elected/ Date d'élection: Year/Année Month/Mois Day/Jour
 [][][][] [][][][]
 Date Ceased/ Date de cessation: Year/Année Month/Mois Day/Jour
 [][][][] [][][][]

Officer Information/Renseignements relatifs aux dirigeants

	PRESIDENT/PRÉSIDENT	SECRETARY/SECÉTAIRE	TREASURER/TRÉSORIER	GENERAL MANAGER/ DIRECTEUR GÉNÉRAL	*OTHER/AUTRE
Date Appointed/ Date de nomination	Year/Année Month/Mois Day/Jour	Year/Année Month/Mois Day/Jour	Year/Année Month/Mois Day/Jour	Year/Année Month/Mois Day/Jour	Year/Année Month/Mois Day/Jour
	1989 10 31	[][][][]	[][][][]	[][][][]	[][][][]
Date Ceased/ Date de cessation	Year/Année Month/Mois Day/Jour	Year/Année Month/Mois Day/Jour	Year/Année Month/Mois Day/Jour	Year/Année Month/Mois Day/Jour	Year/Année Month/Mois Day/Jour
	[][][][]	[][][][]	[][][][]	[][][][]	[][][][]

Form 1 - Ontario Corporation/Formule 1 - Personnes morales de l'Ontario
Schedule A/Annexe A

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 Page/Page 3 of/de 3

Please type or print all information in block capital letters using black ink.
 Prière de dactylographier les renseignements ou de les écrire en caractères d'imprimerie à l'encre noire.

Ontario Corporation Number / Numéro matricule de la personne morale en Ontario: **000065016**

Date of Incorporation or Amalgamation / Date de constitution ou de fusion: Year/Année **1951**, Month/Mois **10**, Day/Jour **29**

DIRECTOR / OFFICER INFORMATION - RENSEIGNEMENTS RELATIFS AUX ADMINISTRATEURS/DIRIGEANTS

Full Name and Address for Service/Nom et domicile élu

Last Name/Nom de famille: **DIENA** First Name/Prénom: **GRACE** Middle Names/Autres prénoms: _____

Street Number/Numéro civique: **4258** Suite/Bureau: **200**

Street Name/Nom de la rue: **BATHURST STREET**

Street Name (cont'd)/Nom de la rue (suite): _____

City/Town/Ville: **TORONTO**

Province, State/Province, État: **ONTARIO** Country/Pays: **CANADA** Postal Code/Code postal: **M3H 5Y8**

***OTHER TITLES (Please Specify) / *AUTRES TITRES (Veuillez préciser)**

Chair / Président du conseil	
Chair Person / Président du conseil	
Chairman / Président du conseil	
Chairwoman / Présidente du conseil	
Vice-Chair / Vice-président du conseil	
Vice-President / Vice-président	
Assistant Secretary / Secrétaire adjoint	
Assistant Treasurer / Trésorier adjoint	
Chief Manager / Directeur exécutif	
Executive Director / Directeur administratif	
Managing Director / Administrateur délégué	
Chief Executive Officer / Directeur général	
Chief Financial Officer /	
Agent in charge of finances	
Chief Information Officer /	
Director General of Information	
Chief Operating Officer /	
Administrateur en chef des opérations	
Chief Administrative Officer /	
Director General of Administration	
Comptroller / Contrôleur	
Authorized Signing Officer /	
Signataire autorisé	
Other (Unlisted) / Autre (sans titre)	

Director Information/Renseignements relatifs aux administrateurs

Resident Canadian / Résident canadien: YES/OUI NO/NON

(Resident Canadian applies to directors of business corporations only.) / (Résident canadien ne s'applique qu'aux administrateurs de sociétés par actions)

Date Elected / Date d'élection: Year/Année **2013**, Month/Mois **02**, Day/Jour **28**

Date Ceased / Date de cessation: Year/Année **2013**, Month/Mois **02**, Day/Jour **28**

Officer Information/Renseignements relatifs aux dirigeants

PRESIDENT/PRÉSIDENT	SECRETARY/SECÉTAIRE	TREASURER/TRÉSORIER	GENERAL MANAGER/DIRECTEUR GÉNÉRAL	OTHER/AUTRE										
Year/Année	Month/Mois	Day/Jour	Year/Année	Month/Mois	Day/Jour	Year/Année	Month/Mois	Day/Jour	Year/Année	Month/Mois	Day/Jour	Year/Année	Month/Mois	Day/Jour
2013	05	07	2013	02	28									
2013	05	07	2013	02	28									

DIRECTOR / OFFICER INFORMATION - RENSEIGNEMENTS RELATIFS AUX ADMINISTRATEURS/DIRIGEANTS

Full Name and Address for Service/Nom et domicile élu

Last Name/Nom de famille: **PRUTHAK** First Name/Prénom: **DESI** Middle Names/Autres prénoms: _____

Street Number/Numéro civique: **1545** Suite/Bureau: **902**

Street Name/Nom de la rue: **OUELLETTE AVE.**

Street Name (cont'd)/Nom de la rue (suite): _____

City/Town/Ville: **WINDSOR**

Province, State/Province, État: **ONTARIO** Country/Pays: **CANADA** Postal Code/Code postal: **N8X 1K6**

***OTHER TITLES (Please Specify) / *AUTRES TITRES (Veuillez préciser)**

Chair / Président du conseil	
Chair Person / Président du conseil	
Chairman / Président du conseil	
Chairwoman / Présidente du conseil	
Vice-Chair / Vice-président du conseil	
Vice-President / Vice-président	
Assistant Secretary / Secrétaire adjoint	
Assistant Treasurer / Trésorier adjoint	
Chief Manager / Directeur exécutif	
Executive Director / Directeur administratif	
Managing Director / Administrateur délégué	
Chief Executive Officer / Directeur général	
Chief Financial Officer /	
Agent in charge of finances	
Chief Information Officer /	
Director General of Information	
Chief Operating Officer /	
Administrateur en chef des opérations	
Chief Administrative Officer /	
Director General of Administration	
Comptroller / Contrôleur	
Authorized Signing Officer /	
Signataire autorisé	
Other (Unlisted) / Autre (sans titre)	

Director Information/Renseignements relatifs aux administrateurs

Resident Canadian / Résident canadien: YES/OUI NO/NON

(Resident Canadian applies to directors of business corporations only.) / (Résident canadien ne s'applique qu'aux administrateurs de sociétés par actions)

Date Elected / Date d'élection: Year/Année **2017**, Month/Mois **03**, Day/Jour **30**

Date Ceased / Date de cessation: Year/Année _____, Month/Mois _____, Day/Jour _____

Officer Information/Renseignements relatifs aux dirigeants

PRESIDENT/PRÉSIDENT	SECRETARY/SECÉTAIRE	TREASURER/TRÉSORIER	GENERAL MANAGER/DIRECTEUR GÉNÉRAL	OTHER/AUTRE										
Year/Année	Month/Mois	Day/Jour	Year/Année	Month/Mois	Day/Jour	Year/Année	Month/Mois	Day/Jour	Year/Année	Month/Mois	Day/Jour	Year/Année	Month/Mois	Day/Jour



Ministry of
Consumer and
Business Services

Ministère des Services
aux consommateurs
et aux entreprises

Companies and Personal
Property Security Branch
393 University Ave Suite 200
Toronto ON M5G 2M2

Direction des compagnies
et des sûretés mobilières
393 av., University, bureau 200
Toronto ON M5G 2M2

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Page/Page 1 of/de 3

Form 1 - Ontario Corporation
Formule 1 - Personnes morales de l'Ontario

**Initial Return/Notice of Change/
Rapport initial/Avis de modification**
**Corporations Information Act/Loi sur les
renseignements exigés des personnes morales**

	Notice of Change	
	Initial Return	Avis de
	Report	modification
1. Business Corporation/ Société par actions	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Not-For-Profit Corporation/ Personne morale sans but lucratif	<input type="checkbox"/>	<input type="checkbox"/>

Please type or print all information in block capital letters using black ink.
Prrière de dactylographier les renseignements ou de les écrire en caractères d'imprimerie à l'encre noire.

2. Ontario Corporation Number Numéro matricule de la personne morale en Ontario 00065016	3. Date of Incorporation or Amalgamation/ Date de constitution ou fusion Year/Année Month/Mois Day/Jour 1951 10 29	For Ministry Use Only À l'usage du ministère seulement
--	---	---

4. Corporation Name Including Punctuation/Raison sociale de la personne morale, y compris la ponctuation
RANDO DRUGS LTD.

5. Address of Registered or Head Office/Adresse du siège social
c/o / a/s
DANIEL DIENA

Street No./N° civique **4256** Street Name/Nom de la rue **BATHURST STREET** Suite/Bureau **200**

Street Name (cont'd)/Nom de la rue (suite)

City/Town/Ville **TORONTO** **ONTARIO, CANADA**

Postal Code/Code postal **M3H 5Y8**

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This CIA Form 1 submission was accepted for filing by the Companies and Personal Property Security Branch under Request ID 015228270 on 2013/04/08. This CIA Form 1 is not an MCBS ONBIS Report. La présente Formule 1 prescrite par la Loi sur les sociétés par actions a été acceptée par la Direction des compagnies et des sûretés mobilières le 2013/04/08, sous le numéro de référence 015228270. Cette formule n'est pas un rapport issu du SINEO du MSCE.

6. Mailing Address/Adresse postale

Same as Registered or Head Office/
Même que siège social

Not Applicable/
Ne s'applique pas

Street No./N° civique

Street Name/Nom de la rue Suite/Bureau

Street Name (cont'd)/Nom de la rue (suite)

City/Town/Ville

Province, State/Province, État Country/Pays Postal Code/Code postal

7. Language of Preference/Langue préférée English - Anglais French - Français

8. Information on Directors/Officers must be completed on Schedule A as requested. If additional space is required, photocopy Schedule A./Les renseignements sur les administrateurs ou les dirigeants doivent être fournis dans l'Annexe A, tel que demandé. Si vous avez besoin de plus d'espace, vous pouvez photocopier l'Annexe A.

Number of Schedule A(s) submitted/Nombre d'Annexes A présentées **2** (At least one Schedule A must be submitted/Au moins une Annexe A doit être présentée)

9. (Print or type name in full of the person authorizing filing / Dactylographier ou inscrire le prénom et le nom en caractères d'imprimerie de la personne qui autorise l'enregistrement)

I/Je **DANIEL DIENA**

certify that the information set out herein, is true and correct.
atteste que les renseignements précités sont véridiques et exacts.

Check appropriate box
Cocher la case pertinente

D) Director/Administrateur

O) Officer /Dirigeant

P) Other individual having knowledge of the affairs of the Corporation/Autre personne ayant connaissance des activités de la personne morale

NOTE/REMARQUE: Sections 13 and 14 of the Corporations Information Act provide penalties for making false or misleading statements or omissions. Les articles 13 et 14 de la Loi sur les renseignements exigés des personnes morales prévoient des peines en cas de déclaration fautive ou trompeuse, ou d'omission.

**Form 1 - Ontario Corporation/Formule 1 - Personnes morales de l'Ontario
Schedule A/Annexe A**

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Page/Page 2 of/de 3

<p>Please type or print all information in block capital letters using black ink. Prrière de dactylographier les renseignements ou de les écrire en caractères d'imprimerie à l'encre noire.</p>	<p>Ontario Corporation Number Numéro matricule de la personne morale en Ontario</p> <div style="border: 1px solid black; padding: 2px; text-align: center;">00065016</div>	<p>Date of Incorporation or Amalgamation Date de constitution ou fusion</p> <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">Year/Année</td> <td style="text-align: center;">Month/Mois</td> <td style="text-align: center;">Day/Jour</td> </tr> <tr> <td style="text-align: center;">1951</td> <td style="text-align: center;">10</td> <td style="text-align: center;">29</td> </tr> </table>	Year/Année	Month/Mois	Day/Jour	1951	10	29
Year/Année	Month/Mois	Day/Jour						
1951	10	29						

DIRECTOR / OFFICER INFORMATION - RENSEIGNEMENTS RELATIFS AUX ADMINISTRATEURS/DIRIGEANTS

Full Name and Address for Service/Nom et domicile élu

Last Name/Nom de famille DIENA	First Name/Prénom DANIEL	Middle Names/Autres prénoms
Street Number/Numéro civique 4256	Suite/Bureau 200	
Street Name/Nom de la rue BATHURST STREET		
Street Name (cont'd)/Nom de la rue (suite)		
City/Town/Ville TORONTO		
Province, State/Province, État ONTARIO	Country/Pays CANADA	Postal Code/Code postal M3H 5Y8

*OTHER TITLES (Please Specify) *AUTRES TITRES (Veuillez préciser)		
Chair / Président du conseil		
Chair Person / Président du conseil		
Chairman / Président du conseil		
Chairwoman / Présidente du conseil		
Vice-Chair / Vice-président du conseil		
Vice-President / Vice-président		
Assistant Secretary / Secrétaire adjoint		
Assistant Treasurer / Trésorier adjoint		
Chief Manager / Directeur exécutif		
Executive Director / Directeur administratif		
Managing Director / Administrateur délégué		
Chief Executive Officer / Directeur général		
Chief Financial Officer /		
Agent en chef des finances		
Chief Information Officer /		
Directeur général de l'information		
Chief Operating Officer /		
Administrateur en chef des opérations		
Chief Administrative Officer /		
Directeur général de l'administration		
Comptroller / Contrôleur		
Authorized Signing Officer /		
Signataire autorisé		
Other (Untitled) / Autre (sans titre)		
*OTHER/AUTRE		
Year/Année	Month/Mois	Day/Jour
Year/Année	Month/Mois	Day/Jour

Director Information/Renseignements relatifs aux administrateurs

Resident Canadian/ YES/OUI NO/NON (Resident Canadian applies to directors of business corporations only./)
Résident canadien (Résident canadien ne s'applique qu'aux administrateurs de sociétés par actions)

Date Elected/ Date d'élection	Year/Année	Month/Mois	Day/Jour	Date Ceased/ Date de cessation	Year/Année	Month/Mois	Day/Jour
	2013	02	28		2013	02	28

Officer Information/Renseignements relatifs aux dirigeants

PRESIDENT/PRÉSIDENT	SECRETARY/SECRÉTAIRE	TREASURER/TRÉSORIER	GENERAL MANAGER/ DIRECTEUR GÉNÉRAL	OTHER/AUTRE
Year/Année	Year/Année	Year/Année	Year/Année	Year/Année
Month/Mois	Month/Mois	Month/Mois	Month/Mois	Month/Mois
Day/Jour	Day/Jour	Day/Jour	Day/Jour	Day/Jour
2013				
02				
28				
Year/Année	Year/Année	Year/Année	Year/Année	Year/Année
Month/Mois	Month/Mois	Month/Mois	Month/Mois	Month/Mois
Day/Jour	Day/Jour	Day/Jour	Day/Jour	Day/Jour

DIRECTOR / OFFICER INFORMATION - RENSEIGNEMENTS RELATIFS AUX ADMINISTRATEURS/DIRIGEANTS

Full Name and Address for Service/Nom et domicile élu

Last Name/Nom de famille DIENA	First Name/Prénom GRACE	Middle Names/Autres prénoms
Street Number/Numéro civique 4256	Suite/Bureau 200	
Street Name/Nom de la rue BATHURST STREET		
Street Name (cont'd)/Nom de la rue (suite)		
City/Town/Ville TORONTO		
Province, State/Province, État ONTARIO	Country/Pays CANADA	Postal Code/Code postal M3H 5Y8

*OTHER TITLES (Please Specify) *AUTRES TITRES (Veuillez préciser)		
Chair / Président du conseil		
Chair Person / Président du conseil		
Chairman / Président du conseil		
Chairwoman / Présidente du conseil		
Vice-Chair / Vice-président du conseil		
Vice-President / Vice-président		
Assistant Secretary / Secrétaire adjoint		
Assistant Treasurer / Trésorier adjoint		
Chief Manager / Directeur exécutif		
Executive Director / Directeur administratif		
Managing Director / Administrateur délégué		
Chief Executive Officer / Directeur général		
Chief Financial Officer /		
Agent en chef des finances		
Chief Information Officer /		
Directeur général de l'information		
Chief Operating Officer /		
Administrateur en chef des opérations		
Chief Administrative Officer /		
Directeur général de l'administration		
Comptroller / Contrôleur		
Authorized Signing Officer /		
Signataire autorisé		
Other (Untitled) / Autre (sans titre)		
*OTHER/AUTRE		
Year/Année	Month/Mois	Day/Jour
Year/Année	Month/Mois	Day/Jour

Director Information/Renseignements relatifs aux administrateurs

Resident Canadian/ YES/OUI NO/NON (Resident Canadian applies to directors of business corporations only./)
Résident canadien (Résident canadien ne s'applique qu'aux administrateurs de sociétés par actions)

Date Elected/ Date d'élection	Year/Année	Month/Mois	Day/Jour	Date Ceased/ Date de cessation	Year/Année	Month/Mois	Day/Jour
	2013	02	08		2013	02	28

Officer Information/Renseignements relatifs aux dirigeants

PRESIDENT/PRÉSIDENT	SECRETARY/SECRÉTAIRE	TREASURER/TRÉSORIER	GENERAL MANAGER/ DIRECTEUR GÉNÉRAL	OTHER/AUTRE
Year/Année	Year/Année	Year/Année	Year/Année	Year/Année
Month/Mois	Month/Mois	Month/Mois	Month/Mois	Month/Mois
Day/Jour	Day/Jour	Day/Jour	Day/Jour	Day/Jour
	2013	02	28	
Year/Année	Year/Année	Year/Année	Year/Année	Year/Année
Month/Mois	Month/Mois	Month/Mois	Month/Mois	Month/Mois
Day/Jour	Day/Jour	Day/Jour	Day/Jour	Day/Jour

**Form 1 - Ontario Corporation/Formule 1 - Personnes morales de l'Ontario
Schedule A/Annexe A**

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Page/Page 3 of/de 3

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Prêtère de dactylographier les renseignements ou de les écrire en caractères d'imprimerie à l'encre noire.

Ontario Corporation Number
Numéro matricule de la personne morale en Ontario
00065016

Date of Incorporation or Amalgamation
Date de constitution ou de fusion
Year/Année Month/Mois Day/Jour
1951 10 29

DIRECTOR / OFFICER INFORMATION - RENSEIGNEMENTS RELATIFS AUX ADMINISTRATEURS/DIRIGEANTS

Full Name and Address for Service/Nom et domicile élu

Last Name/Nom de famille: **SHEIKH** First Name/Prénom: **PARVEZ** Middle Names/Autres prénoms: _____

Street Number/Numéro civique: **515** Suite/Bureau: **1701**

Street Name/Nom de la rue: **RIVERSIDE DRIVE WEST**

Street Name (cont'd)/Nom de la rue (suite): _____

City/Town/Ville: **WINDSOR**

Province, State/Province, État: **ONTARIO** Country/Pays: **CANADA** Postal Code/Code postal: **N9A 7C3**

***OTHER TITLES (Please Specify)
*AUTRES TITRES (Veuillez préciser)**

Chair / Président du conseil	
Chair Person / Président du conseil	
Chairman / Président du conseil	
Chairwoman / Présidente du conseil	
Vice-Chair / Vice-président du conseil	
Vice-President / Vice-président	
Assistant Secretary / Secrétaire adjoint	
Assistant Treasurer / Trésorier adjoint	
Chief Manager / Directeur exécutif	
Executive Director / Directeur administratif	
Managing Director / Administrateur délégué	
Chief Executive Officer / Directeur général	
Chief Financial Officer /	
Agent en chef des finances	
Chief Information Officer /	
Directeur général de l'information	
Chief Operating Officer /	
Administrateur en chef des opérations	
Chief Administrative Officer /	
Directeur général de l'administration	
Comptroller / Contrôleur	
Authorized Signing Officer /	
Signataire autorisé	
Other (Untitled) / Autre (sans titre)	

Director Information/Renseignements relatifs aux administrateurs

Resident Canadian/ Résident canadien YES/OUI NO/NON (Resident Canadian applies to directors of business corporations only./ Résident canadien ne s'applique qu'aux administrateurs de sociétés par actions)

Date Elected/ Date d'élection: Year/Année Month/Mois Day/Jour: _____ Date Ceased/ Date de cessation: Year/Année Month/Mois Day/Jour: _____

Officer Information/Renseignements relatifs aux dirigeants

	PRESIDENT/PRÉSIDENT			SECRETARY/SECÉTAIRE			TREASURER/TRÉSORIER			GENERAL MANAGER/DIRECTEUR GÉNÉRAL			*OTHER/AUTRE		
	Year/Année	Month/Mois	Day/Jour	Year/Année	Month/Mois	Day/Jour	Year/Année	Month/Mois	Day/Jour	Year/Année	Month/Mois	Day/Jour	Year/Année	Month/Mois	Day/Jour
Date Appointed/ Date de nomination	1989	10	31												
Date Ceased/ Date de cessation	2013	02	28												

DIRECTOR / OFFICER INFORMATION - RENSEIGNEMENTS RELATIFS AUX ADMINISTRATEURS/DIRIGEANTS

Full Name and Address for Service/Nom et domicile élu

Last Name/Nom de famille: **SIMONE** First Name/Prénom: **JOHN** Middle Names/Autres prénoms: _____

Street Number/Numéro civique: **431** Suite/Bureau: _____

Street Name/Nom de la rue: **LEFFLER DRIVE**

Street Name (cont'd)/Nom de la rue (suite): **R.R. #1**

City/Town/Ville: **TECUMSEH**

Province, State/Province, État: **ONTARIO** Country/Pays: **CANADA** Postal Code/Code postal: **N8N 4Y2**

***OTHER TITLES (Please Specify)
*AUTRES TITRES (Veuillez préciser)**

Chair / Président du conseil	
Chair Person / Président du conseil	
Chairman / Président du conseil	
Chairwoman / Présidente du conseil	
Vice-Chair / Vice-président du conseil	
Vice-President / Vice-président	
Assistant Secretary / Secrétaire adjoint	
Assistant Treasurer / Trésorier adjoint	
Chief Manager / Directeur exécutif	
Executive Director / Directeur administratif	
Managing Director / Administrateur délégué	
Chief Executive Officer / Directeur général	
Chief Financial Officer /	
Agent en chef des finances	
Chief Information Officer /	
Directeur général de l'information	
Chief Operating Officer /	
Administrateur en chef des opérations	
Chief Administrative Officer /	
Directeur général de l'administration	
Comptroller / Contrôleur	
Authorized Signing Officer /	
Signataire autorisé	
Other (Untitled) / Autre (sans titre)	

Director Information/Renseignements relatifs aux administrateurs

Resident Canadian/ Résident canadien YES/OUI NO/NON (Resident Canadian applies to directors of business corporations only./ Résident canadien ne s'applique qu'aux administrateurs de sociétés par actions)

Date Elected/ Date d'élection: Year/Année Month/Mois Day/Jour: **2007 03 17** Date Ceased/ Date de cessation: Year/Année Month/Mois Day/Jour: _____

Officer Information/Renseignements relatifs aux dirigeants

	PRESIDENT/PRÉSIDENT			SECRETARY/SECÉTAIRE			TREASURER/TRÉSORIER			GENERAL MANAGER/DIRECTEUR GÉNÉRAL			*OTHER/AUTRE		
	Year/Année	Month/Mois	Day/Jour	Year/Année	Month/Mois	Day/Jour	Year/Année	Month/Mois	Day/Jour	Year/Année	Month/Mois	Day/Jour	Year/Année	Month/Mois	Day/Jour
Date Appointed/ Date de nomination															
Date Ceased/ Date de cessation															



Ministry of Consumer and Commercial Relations
 Ministère de la Consommation et du Commerce

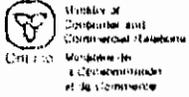
Registration under the Business Names Act (Corporations)

Enregistrement en vertu de la Loi sur les noms commerciaux (Personnes morales)

Form/Formulaire 2

1. Business or identification name/Nom commercial ou d'identification M A R G A R E T A V E N U E P H A R M A C Y		Ministry use only/Réservé au ministre	
2. Activity carried on under business or identification name/Activité exercée sous le nom commercial ou d'identification Drug Store		5. Registration type/Type d'enregistrement <input checked="" type="checkbox"/> A New/Nouvel <input type="checkbox"/> B Renewal/Renouvellement <input type="checkbox"/> C Amendment/Modification <input type="checkbox"/> D Cancellation/Inclure date of last use of name/Révocation/Nom employé pour la dernière fois le	
3. Name of corporation/Dénomination de la personne morale RANDO DRUGS LTD.		Date	
4. Mailing address of the corporation/Adresse postale de la personne morale 1354 Harvest Bend Road, Windsor, Ontario		Postal Code/Code postal N9H -- 2B1	
6. Ontario corporation number/Numéro matricule de la personne morale 65016	7. Incorporating jurisdiction/Ressort de constitution Ontario	8. Date of first use of name (year, month, day)/Nom employé pour la première fois le (année, mois, jour) 1992 April 15th	Ministry use only/Réservé au ministre Registration Date/Date d'enregistrement MAY 19 1992 Expiry Date/Date d'expiration MAY 18 1997
9. Head or registered office address of the corporation/Adresse du siège social de la personne morale 1354 Harvest Bend Road, Windsor, Ontario		Postal Code/Code postal N9H -- 2B1	
10. Address of principal place of business in Ontario/Adresse de l'établissement principal en Ontario 214 Margaret Avenue, Wallaceburg, Ontario		Postal Code/Code postal N8A -- 2A1	
11. Signature of authorized signing officer/signature du signataire autorisé <i>Parvez Sheikh, Pres.</i>		12. Name of the signing officer/Nom du signataire PARVEZ SHEIKH	





Registration
Order To Business Names Act - Corporations

Form 1

Enregistrement

Formulaire 1

en vertu de la Loi sur les noms d'entreprise (Personnes morales)

Print clearly in CAPITAL LETTERS / Imprimer clairement en LETTRES MAJUSCULES

1. Registration Type / Type d'enregistrement

New / Nouveau
 Renewal / Renouvellement

2. Business or Identification Name / Nom commercial ou d'identification

FAMILY HEALTH PHARMACY

3. Mailing Address / Adresse Postale

6720 Hawthorne Drive
 Windsor ON Canada N9T 1J9

4. Business address in Ontario / Adresse commerciale en Ontario

6720 Hawthorne Drive
 Windsor Ontario N9T 1J9

5. Date of first use of Name / Date de la première utilisation de la dénomination

1994 April 1st

6. Give a brief description of the ACTIVITY being carried out under the business/identification name.
 Résumez brièvement le genre d'ACTIVITÉ exercée sous le nom commercial ou d'identification.

7. Corporation Name / Personne morale

Drug Store

8. Ontario corporation number / Numéro la personne morale de l'Ontario

RANDO DRUGS LTD.

9. Jurisdiction in which the corporation was incorporated / Le territoire de compétence où la personne morale a été constituée

65016

10. Address of Head or Registered Office of the corporation / Adresse du siège social ou bureau enregistré de la personne morale

Ontario

11. Name of Signing Officer / Nom du signataire

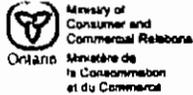
1354 Harvest Bend Road
 Windsor ON Canada N9H 2B1

12. Signature of authorized signing officer / Signature du signataire autorisé

Let name: SHEIKH
 First name: PARVEZ
 Middle name: M.
 X *Parvez Sheikh*

MINISTRY USE ONLY - RÉSERVÉ AU MINISTÈRE

BIN...: 950309708
 NAME...: FAMILY HEA
 REG'N...: 1995-03-16
 EXPIRY: 2000-03-15



Registration
under the Business Names Act - Corporation
Enregistrement
en vertu de la Loi sur les noms commerciaux (Personnes morales)

Form 2

Formule 2

Print clearly in CAPITAL LETTERS / Écrivez clairement en LETTRES MAJUSCULES

Page ___ of / de ___

1. Registration Type
Type d'enregistrement

A New
Nouvel

B N R E	Y, B, C or D enter "Business Identification Number" En cas de B, C ou D, inscrire "Le n° d'identification de l'entreprise"	Include date of last use of name (year, month, day) Inscrire la date de la dernière utilisation du nom (année, mois, jour)
B Renewal Renouvellement	C Amendment Modification	D X Cancellation Révocation
		1995, 02, 05

2. Business or Identification Name / Nom commercial ou d'identification

MARGARET AVENUE PHARMACY

3. Mailing Address
Adresse Postale

Street Number / N° avenue 214	Street name / Nom de la rue MARGARET AVENUE	Suite No. / Bureau N° UNIT 7
City/Town / Ville WALLACEBURG	Province / Pays ONTARIO CANADA	Postal Code / Code postal N8A 2A1

4. Business address in Ontario
Adresse commerciale en Ontario

Street Number / N° avenue 6720	Street Name / Nom de la rue HAWTHORNE DRIVE	Suite No. / Bureau N°
City/Town / Ville WINDSOR	Province / Pays Ontario	Postal Code / Code postal N8T 1J9

5. Date of first use of Name.
Date de la première utilisation de la dénomination.

Year/Month/Day
Année/Mois/Jour 1992/06/23

6. Give a Brief description of the ACTIVITY being carried out under the business/identification name.
Résumez brièvement le genre d'ACTIVITÉ exercée sous le nom commercial ou d'identification.

PHARMACY

7. Corporation Name / Personne morale

RANDO DRUGS LTD.

8. Ontario corporation number/Numéro la personne morale de l'Ontario

65016

9. Jurisdiction in which the corporation was incorporated/Le territoire de compétence où la personne morale a été constituée.

ONTARIO

10. Address of Head or Registered Office of the corporation/Adresse du siège social ou bureau enregistré de la personne morale.

Street Number / N° avenue 1354	Street Name / Nom de la rue HARVEST BEND ROAD	Suite No. / Bureau N°
City/Town / Ville WINDSOR	Province / Pays ONTARIO CANADA	Postal Code / Code postal N9H 2B1

11. Name of Signing Officer
Nom du signataire

Last name / Nom de famille
SHEIKH
First name / Prénom
PARVEZ

12. Signature of authorized signing officer
Signature du signataire autorisé

X *Parvez Sheikh*

MINISTRY USE ONLY - RÉSERVÉ AU MINISTÈRE	
BIN...:	950583872
NAME...:	MARGARET A
REG N...:	1995-05-23



Ministry of Consumer and Commercial Relations

Ministère de la Consommation et du Commerce

Companies Branch
PD BOX 1018 STN B
TORONTO ON M5T 3E6

Direction des compagnies
O.P. 1018 SUCC B
TORONTO ON M5T 3E6

112

Special Notice/Avvis Special
Corporations Information Act
Loi sur les renseignements exigés
des personnes morales

Form 1 - Ontario Corporations
Formule 1 - Personnes morales en Ontario

Please base or enter all information in capital letters unless noted. / Tous les renseignements doivent être énoncés en lettres capitales à moins que l'inverse soit noté.

For Ministry Use Only
À l'usage du ministère seulement

199343

Ontario Corporation Number
Numéro matricule de la personne morale en Ontario

000065016

Date of Incorporation/Amalgamation
Date de constitution/fusion

Year/Month/Day
1951 10 29

For Ministry Use Only
À l'usage du ministère seulement

RECEIVED

JAN 12 1994

COMPANIES BRANCH

Corporation Name/Raison sociale de la personne morale

RANCO DRUGS LTD.

FOR MINISTRY USE ONLY/À L'USAGE DU MINISTÈRE SEULEMENT

PLEASE MAKE CHANGES TO THE PRINTED INFORMATION AS REQUIRED/VEUILLEZ APPORTER LES CHANGEMENTS NÉCESSAIRES AUX RENSEIGNEMENTS DÉJÀ IMPRIMÉS

1. Address of Registered or Head Office/Adresse du siège social

1334 BARVEST BEND RD.
WINDSOR
ONTARIO
SABARA 878 201

1. Address of Registered or Head Office/Adresse du siège social
c/o fax

Street No./N° civique Street Name/Nom de la rue Suite/Bureau

Street Address (con'ty)/Nom de la rue (suite)

City/Town/Ville Province, County/Province, État

Country/Pays Postal Code/Code postal

2. Principal Place of Business in Ontario/Adresse du bureau d'affaires principal en Ontario

214 MARGARET AVE.
WALLACEBURG, ONT.
N8A 2A1

2. Principal Place of Business in Ontario/Adresse du bureau d'affaires principal en Ontario

Street No./N° civique Street Name/Nom de la rue Suite/Bureau

Street Address (con'ty)/Nom de la rue (suite)

City/Town/Ville

Postal Code/Code postal

ONTARIO, CANADA Same as above/Identique à l'adresse ci-haut

3. Activity Classification Code/Code de classification des activités

A B C D E F G H I J K L M N O P Q R

3. Activity Classification Code/Code de classification des activités

2166 MC1 03/23/94 50.00

4. Language of Preference/Langue préférée

UNKNOWN

4. Language of Preference/Langue préférée

English/Anglais French/Français

9125 MC2 01/25/94 CHEQUI 50.00

I, Je soussigné PARVEZ SHEIKH certify that all the information set out herein is true and correct/
atteste que tous les renseignements précités sont véridiques et exacts.

Check appropriate box (D) Director/Administrateur (O) Officer/Dirigeant (P) Other individual having knowledge of the affairs of the Corporation/
Cocher la case pertinente Autre personne ayant connaissance activités de la personne morale.

Signature/Signature Parvez Sheikh

Initials/Parapha
LI _____ OA _____
DE _____ VER _____

Note: Sections 13 & 14 of the Corporations Information Act provide penalties for making false or misleading statements or omissions.
Remarque: Les articles 13 et 14 de la Loi sur les renseignements exigés des personnes morales prévoient des peines en cas de déclaration fautive ou trompeuse, ou d'omission.

For Ministry Use Only/À l'usage du ministère seulement See deficiency letter enclosed/ Voir l'avis d'irrégularité ci-joint

000065016 02T 2/S

101-00063

Form 1 Corporation / Formule 1 - Personnes morales en Ontario
Schedu A/Annexe A

For Ministry Use Only
 À l'usage du ministère seulement
 Page/Page _____ of/de _____

For Ministry Use Only
 À l'usage du ministère seulement
 1988A5

Ontario Corporation Number
 Numéro matricule de la personne morale en Ontario
 000065016

Date of Incorporation/Amalgamation
 Date de constitution, fusion
 Year/Année Month/Mois Day/Jour
 1951 10 29

For Ministry Use Only
 À l'usage de ministère seulement

FOR MINISTRY USE ONLY/À L'USAGE DU MINISTÈRE SEULEMENT

PLEASE MAKE CHANGES TO THE PREPRINTED INFORMATION AS REQUIRED/VEUILLEZ APPORTER LES CHANGEMENTS NÉCESSAIRES AUX RENSEIGNEMENTS DÉJÀ IMPRIMÉS

000

Director/Officer Information - Renseignements relatifs aux administrateurs/directeurs

Director/Officer Information - Renseignements relatifs aux administrateurs/directeurs

Full Name and Residential Address/Nom et adresse personnelle au complet

Last Name/Nom de famille First Name/Prénom Middle Name/Autres prénoms

COZAD DOUG

Street No./N° civique Street Name/Nom de la rue Suite/Bureau

300/LONGFELLOW

Street Address (Cont'd)/Nom de la rue (suite)

City/Town/Ville Province, State/Province, État

WINDSOR ONT.

Country/Pays Postal Code/Code postal

CANADA N9E 2L4

Director Information - Renseignements relatifs aux administrateurs

Director Information/Renseignements relatifs aux administrateurs NO LONGER DIRECTOR/N'EST PLUS ADMINISTRATEUR

Resident Canadian/Résident canadien

Resident Canadian/Résident canadien Yes/Oui No/Non

Date first elected/Date de première élection

Date first elected/Date de première élection 1989 10 31
 Y/A M/M D/J

Officer Information/Renseignements relatifs aux dirigeants

Officer Information/Renseignements relatifs aux dirigeants NO LONGER OFFICER/N'EST PLUS DIRIGEANT

Date appointed/Date de nomination

President/Président Secretary/Secrétaire Treasurer/Treasurier
 Date appointed/Date de nomination 19 Y/A M/M D/J 19 Y/A M/M D/J 19 Y/A M/M D/J

General Manager/Directeur Général Other/Autre
 Date appointed/Date de nomination 19 Y/A M/M D/J 19 Y/A M/M D/J

007

Director/Officer Information - Renseignements relatifs aux administrateurs/directeurs

Director/Officer Information - Renseignements relatifs aux administrateurs/directeurs

Full Name and Residential Address/Nom et adresse personnelle au complet

Last Name/Nom de famille First Name/Prénom Middle Name/Autres prénoms

SAEIKH FARVEZ

Street No./N° civique Street Name/Nom de la rue Suite/Bureau

1354 HARVEST BEND

Street Address (Cont'd)/Nom de la rue (suite)

City/Town/Ville Province, State/Province, État

WINDSOR ONT.

Country/Pays Postal Code/Code postal

CANADA N9H2B1

Director Information - Renseignements relatifs aux administrateurs

Director Information/Renseignements relatifs aux administrateurs NO LONGER DIRECTOR/N'EST PLUS ADMINISTRATEUR

Resident Canadian/Résident canadien

Resident Canadian/Résident canadien Yes/Oui No/Non

Date first elected/Date de première élection 0000 00 00

Date first elected/Date de première élection 19 Y/A M/M D/J

Officer Information/Renseignements relatifs aux dirigeants

Officer Information/Renseignements relatifs aux dirigeants NO LONGER OFFICER/N'EST PLUS DIRIGEANT

Date appointed/Date de nomination

President/Président Secretary/Secrétaire Treasurer/Treasurier
 Date appointed/Date de nomination 1989 10 31 19 Y/A M/M D/J 19 Y/A M/M D/J

General Manager/Directeur Général Other/Autre
 Date appointed/Date de nomination 19 Y/A M/M D/J 19 Y/A M/M D/J

N000065016 02T

T41-8842



Ministry of Consumer and Commercial Relations
Ministère de la Consommation et du Commerce

Registration under the Business Names Act (Corporations)

Enregistrement en vertu de la Loi sur les noms commerciaux (Personnes morales)

Form/Formule 2

1. Business or identification name/Nom commercial ou d'identification

M A R G A R E T A V E N U E P H A R M A C Y

Ministry use only
Réserve au ministre

2. Activity carried on under business or identification name/Activité exercée sous le nom commercial ou d'identification

Drug Store

5. Registration type/
Type d'enregistrement

- A New/Nouvel
- B Renewal/Renouvellement
- C Amendment/Modification
- D Cancellation/Include date of last use of name. Revocation/Nom employé pour la dernière fois le

3. Name of corporation/Dénomination de la personne morale

RANCO DRUGS LTD.

4. Mailing address of the corporation/Adresse postale de la personne morale

1354 Harvest Bend Road, Windsor, Ontario

Postal Code/Code postal

N9H - 2B1

Date

8. Ontario corporation number/
Numéro matricule de la personne morale

6 5 0 1 6

7. Incorporating jurisdiction/
Ressort de constitution

Ontario

9. Date of first use of name (year, month, day)
Nom employé pour la première fois le (année, mois, jour)

1992 April 15th

Ministry use only/Réserve au ministre

Registration Date/Date d'enregistrement

MAY 19 1992

Expiry Date/Date d'expiration

MAY 18 1997

9. Head or registered office address of the corporation/Adresse du siège social de la personne morale

1354 Harvest Bend Road, Windsor, Ontario

Postal Code/Code postal

N9H - 2B1

10. Address of principal place of business in Ontario/Adresse de l'établissement principal en Ontario

214 Margaret Avenue, Wallaceburg, Ontario

Postal Code/Code postal

N8A - 2A1

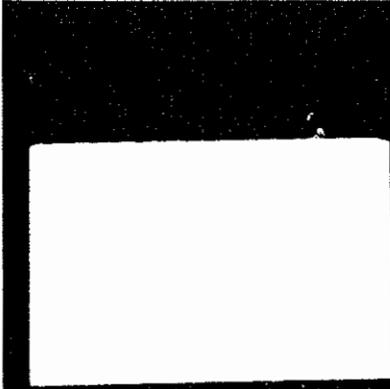
11. Signature of authorized signing officer/signature du signataire autorisé

Parvez Sheikh, Inc.

12. Name of the signing officer/Nom du signataire

PARVEZ SHEIKH

676(82/83) CB 4/1





Ministry of Consumer and Commercial Relations / Ministère de la Consommation et du Commerce

Companies Branch / Direction des Compagnies

Form 1 - Corporations Information Act
Formule 1 - Loi sur les renseignements exigés des compagnies et associations

NOTE/REMARQUE: 1 Check appropriate box at right / Cocher la case pertinente à droite
 2 All items below must be answered / Prévoir de remplir toutes les rubriques ci-dessous
 3 Return form to / Renvoyer à la: Examination and Notice Section, Companies Branch
 Section des examens et des avis, Direction des compagnies
 Ministry of Consumer and Commercial Relations
 Ministère de la Consommation et du Commerce
 393 University Avenue, Toronto, Ontario M7A 2H8

Initial Notice / Avis initial
 OR/OU
 Notice of Change / Avis de modification

1 Corporation Name / Dénomination sociale de la compagnie ou de l'association RANDO DRUGS LTD.		2 Ontario Corporation Number / Numéro matricule de la compagnie ou de l'association en Ontario 65016	
3 Date of incorporation, amalgamation or continuation / Date de constitution, de fusion ou de prorogation 29 / October / 1951 <small>(day/jour month/mois, year/année)</small>		4 Manner of incorporation, amalgamation or continuation / Mode de constitution, de fusion ou de prorogation LETTERS PATENT	
5 Full Address of Registered or Head Office / Adresse complète du siège social 1354 HARVEST BEND ROAD WINDSOR, ONTARIO			Postal Code / Code postal N 9 H 2 B 1
6 Principal Place of Business if different from Registered or Head Office / Établissement commercial principal s'il est différent du siège social same			Postal Code / Code postal
7 Present Directors' Full Names / Noms et prénoms des administrateurs actuels		*Canadian Resident / Résident canadien Yes/Oui No/Non	Full Residence Address / Adresse personnelle au complet
PARVEZ M. SHEIKH		<input checked="" type="checkbox"/>	1354 HARVEST BEND ROAD, WINDSOR, ON
DOUGLAS COZAD		<input checked="" type="checkbox"/>	3001 LONGFELLOW ST. WINDSOR, ON
RONALD HAKEM		<input checked="" type="checkbox"/>	1285 GOLFVIEW DR. LASALLE, ON
8 Present Officers' Full Names / Noms et prénoms des dirigeants actuels		Full Residence Address / Adresse personnelle au complet	
President / Président PARVEZ M. SHEIKH		1354 HARVEST BEND RD., WINDSOR, ON	
Secretary / Secrétaire			
Treasurer / Trésorier			
9 Full names of persons who since last notice have been but are no longer directors / Noms et prénoms des administrateurs qui depuis le dernier avis étaient administrateurs mais ne le sont plus		Full Residence Address / Adresse personnelle au complet	
DOMENIC RANDO		171 VAN DUSEN BLVD. TORONTO, ON	
10 Full names of persons who since last notice have been but are no longer officers / Noms et prénoms des personnes qui depuis le dernier avis étaient dirigeants mais ne le sont plus		Full Residence Address / Adresse personnelle au complet	
DOMENIC RANDO		171 VAN DUSEN BLVD. TORONTO, ON	
11 Je soussigné, PARVEZ M. SHEIKH <small>(Print name in full / Écrire le nom au complet en caractères d'imprimerie)</small> certify that the information herein contained is true and correct / atteste que les renseignements précédents sont véridiques et exacts		<input checked="" type="checkbox"/> Director / Administrateur <input type="checkbox"/> Officer / Dirigeant <input type="checkbox"/> Other person having knowledge of the affairs of the Corporation / Autre personne au courant des affaires de la compagnie ou de l'association	
Signature / Signature <i>Parvez M. Sheikh</i>		<input type="checkbox"/> See Deficiency Notice on reverse side / Voir l'Avis de renseignements complémentaires	

RECEIVED
NOV 24 1989

07200 (07/87)

00001947

"THIS RETURN WILL NOT BE ACCEPTED WITHOUT THE FEE (IF PAYABLE), NOR ANY FEE WITHOUT A FULLY COMPLETED RETURN"

MAINTAINANCE OF BUSINESS AND COMMERCIAL RELATIONS

ONTARIO

ANNUAL INFORMATION RETURN AS OF
THE CORPORATIONS INFORMATION ACT, 1971

OCTOBER 29, 1976 1220129 8 0065016

FILE NO

DATE OF RETURN	STATUS	FEES
29/10/1972	FILED	\$10.00 - PAID IN FULL
29/10/1973	FILED	\$10.00 - PAID IN FULL
29/10/1974	FILED	\$10.00 - PAID IN FULL
29/10/1975	FILED	\$10.00 - PAID IN FULL
THIS RETURN MUST BE FILED WITHIN TWO MONTHS AFTER		TOTAL FEES PAYABLE
29/10/1976	REQUIRED	\$10.00 - PAYABLE \$10.00

INCORPORATION NAME AND ADDRESS

JACK ADAM DRUGS LIMITED
C/O COPELAND MCKENNA & KENNEDY BARRS
3688 LAKESHORE BOULEVARD W
TORONTO ONT M6W 1P1

DATE OF INCORPORATION AND AMOUNT ENCLOSED

29 OCTOBER 1951

LETTERS PATENT

ONTARIO

FULL HEAD OFFICE ADDRESS - INCLUDING STREET AND NUMBER (POST OFFICE BOX NUMBER NOT ACCEPTABLE)

150 Berry Road, Toronto 18, Ontario.

IS THE CORPORATION DEFERRED SECURITIES TO THE PUBLIC? YES NO

IS THE CORPORATION IN OPERATION? YES NO

GENERALLY, THE ACTUAL WORKING OF THE CORPORATION

Retail Drug Store

DIRECTORS AS AT DATE OF RETURN

NO.	NAME	FULL RESIDENCE ADDRESS - INCLUDING STREET AND NUMBER	DATE OF BIRTH - DAY MONTH YEAR
1	John Douglas Adam	31 Saffron Crescent, Islington, Ontario M9C 3T8	25-10-51
2			
3			
4			
5			
6			
7			
8			

IF SPACE INSUFFICIENT ATTACH LIST OF OTHER DIRECTORS

OFFICERS

POSITION	NAME	FULL RESIDENCE ADDRESS - INCLUDING STREET AND NUMBER	DATE OF BIRTH - DAY MONTH YEAR
PRESIDENT	John Douglas Adam	See Above	29-10-51
SECRETARY			
TREASURER			
GENERAL MANAGER			

DATE OF LAST ANNUAL MEETING DAY MONTH YEAR

12 3 76

WHERE THE REPORT WAS FILED BY

N/A

FOR EXTRA-PROVINCIAL CORPORATIONS LICENSED TO CARRY ON BUSINESS IN ONTARIO

NAME AND OFFICE ADDRESS FOR ATTORNEY FOR SERVICE IN ONTARIO

N/A

NAME AND OFFICE ADDRESS FOR CHIEF OFFICER OR MANAGER IN ONTARIO

N/A

FULL ADDRESS OF THE HEAD OFFICE IN ONTARIO

FOR ALL CORPORATIONS

I, John Douglas Adam

See Above

PRESIDENT

DIRECTOR

John Douglas Adam

SIGNATURE

SEE INSTRUCTIONS ON BACK

Form 100-102

THIS RETURN WILL NOT BE ACCEPTED WITHOUT THE FEE IF PAYABLE. RETURN ANY FEE WITHOUT A FULLY COMPLETED RETURN.
 MINISTRY OF CONSUMER AND COMMERCIAL RELATIONS

ONTARIO ANNUAL INFORMATION RETURN AS OF OCTOBER 29, 1975 1220129 8 0085316

DATE OF RETURN	FILED	FEES
29/10/1971	FILED	\$10.00 - PAID IN FULL
29/10/1972	FILED	\$10.00 - PAID IN FULL
29/10/1973	FILED	\$10.00 - PAID IN FULL
29/10/1974	FILED	\$10.00 - PAID IN FULL
29/10/1975	REQUIRED	\$10.00 - PAYABLE

THIS RETURN MUST BE FILED WITHIN TWO MONTHS AFTER

BACK ADAM DRUGS LIMITED
 670 LAUREL AND MCKENZIE & KENNEDY MARKS
 7010 LAKESHORE BOULEVARD W
 MISSISSAUGA, ONT. M5W 1P1

29 OCTOBER 1975
 LETTERS PATENT
 ONTARIO

FOR MINISTRY USE ONLY
 88934
 88650

FULL HEAD OFFICE ADDRESS
 150 Berry Road, Toronto-18, Ontario.

GENERALITY OF THE ACTUAL UNDERTAKING OF THE CORPORATION
 Wholesale Retail Retail Drug Store

DIRECTORS AT DATE OF RETURN

NAME	FULL RESIDENCE ADDRESS - INCLUDING STREET AND NUMBER	DATE BECAME A DIRECTOR
John Douglas Adam	708 WILSON ROAD, Toronto, Ont.	25 10 51
William Anselmi	12 Clueson Park, Toronto, Ontario.	23 9 70

OFFICERS

NAME	FULL RESIDENCE ADDRESS - INCLUDING STREET AND NUMBER	DATE BECAME AN OFFICER
John Douglas Adam	See Above	29 10 51
William Anselmi	See Above	23 9 70

DATE OF LAST ANNUAL MEETING: DAY 5, MONTH 3, YEAR 75
 WHERE THE OBJECTS AND POWERS OF THE CORPORATION ARE LIMITED: Not Applicable

FOR EXTRA-PROVINCIAL CORPORATIONS LICENSED TO CARRY ON BUSINESS IN ONTARIO
 NAME AND OFFICE ADDRESS OF ATTORNEY FOR SERVICE IN ONTARIO: Not Applicable
 OFFICE OF MANAGER IN ONTARIO: Not Applicable

FOR ALL CORPORATIONS
 I John Douglas Adam
 See Above
 JDA
 PRESIDENT OR DIRECTOR (SEE INSTRUCTIONS ON BACK)

FORM CD 79

SEE INSTRUCTIONS ON THE REVERSE SIDE

MINISTRY OF CONSUMER AND COMMERCIAL RELATIONS
ONTARIO ANNUAL INFORMATION RETURN AS OF OCTOBER 29, 1974 1220129 B 0065016
(THE CORPORATIONS INFORMATION ACT, 1971)

DATE OF RETURN	FILED	FEES
31/03/1971	FILED	\$10.00 - PAID IN FULL
29/10/1971	FILED	\$10.00 - PAID IN FULL
29/10/1972	FILED	\$10.00 - PAID IN FULL
29/10/1973	FILED	\$10.00 - PAID IN FULL
THIS RETURN MUST BE FILED WITHIN TWO MONTHS AFTER		TOTAL FEES PAYABLE \$10.00

CORPORATION'S MAILING ADDRESS:
 14 WOODBINE COURT
 1700 SHEPPARD AVE. E. # 204
 SCARBOROUGH, ONTARIO M1S 1S1

INCORPORATION DATE: 29 OCTOBER 1951

FOR STATISTICAL USE ONLY:
 LETTERS PATENT: 6953
 CND: 69723

FULL HEAD OFFICE ADDRESS: 150 Berry Road, Toronto 18, Ontario.
 TAX NO. 9 1261575300.010.00

IS THE CORPORATION OPERATING IN ONTARIO?
 YES NO

IS THE CORPORATION OPERATING IN OTHER PROVINCES?
 YES NO

INDICATE THE ACTUAL BUSINESS OF THE CORPORATION:
Retail Drug Store

DIRECTORS AS AT DATE OF RETURN

NAME	FULL RESIDENCE ADDRESS - INCLUDING STREET AND NUMBER	DATE BECAME A DIRECTOR
1 John Douglas Adam	105 WYNDHAM ST. TORONTO 14, ONTARIO.	25 10 51
2 William Angelemi	12 CLISSON PARK, TORONTO, ONTARIO.	23 9 70
3		
4		
5		
6		
7		
8		

OFFICERS

NAME	FULL RESIDENCE ADDRESS - INCLUDING STREET AND NUMBER	DATE BECAME AN OFFICER
1 John Douglas Adam	See Above	29 10 51
2 William Angelemi	See Above	23 9 70

DATE OF LAST ANNUAL MEETING: DAY 29, MONTH 3, YEAR 74

WHERE THE OFFICE IS HELD: PART OF A SOCIAL NATURE NOT APPLICABLE

FOR EXTRA-PROVINCIAL CORPORATIONS LICENCED TO CARRY ON BUSINESS IN ONTARIO

NAME AND ADDRESS FOR ATTORNEY FOR SERVICE IN ONTARIO: Not Applicable

NAME AND ADDRESS FOR CHIEF OFFICER OR MANAGER IN ONTARIO: Not Applicable

FULL ADDRESS OF THE PRINCIPAL OFFICE IN ONTARIO: **SIGN HERE**

FOR ALL CORPORATIONS

I, **John Douglas Adam**, PRESIDENT

See Above, DIRECTOR

SIGNATURE: *John Douglas Adam*

J. D. A. ONLY PRESIDENT OR DIRECTOR MAY SIGN

FORM CO 322

SEE INSTRUCTIONS ON THE REVERSE SIDE

MINISTRY OF CONSUMER AND COMMERCIAL RELATIONS
ONTARIO
 ANNUAL INFORMATION RETURN AS OF **OCTOBER 29, 1973** 1220129 8 FILE NO **0065016**
 THE CORPORATIONS INFORMATION ACT, 1971

DATE OF RETURN	FILED	FILE
31/03/1970	FILED	\$10.00 - PAID IN FULL
31/03/1971	FILED	\$10.00 - PAID IN FULL
29/10/1971	FILED	\$10.00 - PAID IN FULL
29/10/1972	FILED	\$10.00 - PAID IN FULL
THIS RETURN MUST BE FILED WITHIN TWO MONTHS AFTER		TOTAL FILE PAYABLE
29/10/1973	REQUIRED	\$10.00 - PAYABLE \$10.00

CORPORATION NAME MAILING ADDRESS
JACK ADAM DRUGS LIMITED
C/O COPPELAND MCKENNA & KENNEDY BARRS
3638 LAKESHORE BOULEVARD W
TORONTO ONT M8W 1P1

CITY OF INCORPORATION (LEGAL DATE) **29 OCTOBER 1951**
 STATE OF INCORPORATION (LEGAL DATE) **LETTERS PATENT**
 PROVINCE OF INCORPORATION (LEGAL DATE) **ONTARIO**

FOR DEPARTMENT USE ONLY
 ZIP **88217**
 ZIP **88457**

NAME OF DIRECTOR (NAME AND ADDRESS) (DIFFERENT FROM ABOVE)
J.H. Smith

FULL HEAD OFFICE ADDRESS (IF DIFFERENT FROM ABOVE)
150 Berry Road, Toronto 590, Ontario.

NEW 6 P 2976275 000010.00

IS THE CORPORATION ORIGINALLY INCORPORATED IN THE PROVINCE OF ONTARIO?
 YES NO

IS THE CORPORATION IN OPERATION?
 YES NO

GENERALLY THE ACTUAL CHARACTER OF THE CORPORATION
Retail Drug Store

DIRECTORS AS AT DATE OF RETURN

NAME	FULL RESIDENCE ADDRESS - INCLUDING STREET AND NUMBER	DATE OF BIRTH (DAY MONTH YEAR)
1. John Douglas Adam	5 - 25th Street, Toronto 14, Ontario.	29 10 51
2. William Anselmi	12 Clueson Park, Toronto, Ontario.	23 9 70
3.		
4.		
5.		
6.		
7.		
8.		

IF SPACE INSUFFICIENT ATTACH LIST OF OTHER DIRECTORS

OFFICERS

NAME	FULL RESIDENCE ADDRESS - INCLUDING STREET AND NUMBER	DATE OF BIRTH (DAY MONTH YEAR)
PRESIDENT John Douglas Adam	See Above	29 10 51
VICE PRESIDENT William Anselmi	See Above	23 9 70
SECRETARY		
TREASURER		
GENERAL MANAGER		

DATE OF LAST ANNUAL MEETING DAY MONTH YEAR **6 3 73**

WHERE THE DIRECTORS ARE IN BRIDE OR PART OF A SOCIAL NATURE **Not Applicable**

ADDRESS IN FULL OF THE PREMISES OF THE CORPORATION **Not Applicable**

FOR EXTRA-PROVINCIAL CORPORATIONS LICENCED TO CARRY ON BUSINESS IN ONTARIO

NAME AND ADDRESS OF ATTORNEY FOR SERVICE IN ONTARIO **Not Applicable**

NAME AND ADDRESS OF CHIEF OFFICER OR MANAGER IN ONTARIO **Not Applicable**

FULL ADDRESS OF THE HEAD OFFICE IN ONTARIO

FOR ALL CORPORATIONS

1. **John Douglas Adam**

PRESIDENT
 VICE PRESIDENT

See Above

FULL RESIDENCE ADDRESS OF OFFICER

FORM CB 322

SEE INSTRUCTIONS ON THE REVERSE SIDE

ONTARIO CORPORATION INFORMATION RETURN AS OF OCTOBER 29, 1972 1220129 8 0065016

DATE OF RETURN	FILED	FEES
31/03/1969	FILED	\$10.00 - PAID IN FULL
31/03/1970	FILED	\$10.00 - PAID IN FULL
31/03/1971	FILED	\$10.00 - PAID IN FULL
29/10/1972	REQUIRED	\$10.00 - PAYABLE
		TOTAL FEES PAYABLE \$10.00

JACK ADAM DRUGS LIMITED
 c/o COPELAND, McKENNA & KENNEDY,
 Barristers and Solicitors,
 3638 Lakeshore Boulevard West,
 Toronto 14, Ontario. M8W 1P1

29 OCTOBER 1972
 LETTERS PATENT
 ONTARIO

150 Berry Road, Toronto 590, Ontario.

IS THE CORPORATION OFFERING ITS SECURITIES TO THE PUBLIC? YES NO

IS THE CORPORATION THE ACTUAL UNDERLYING OF THE CORPORATION? YES NO

Retail Drug Store

NAME	FULL RESIDENCE ADDRESS - INCLUDING STREET AND NUMBER	DATE RECEIVED AS DIRECTOR
John Douglas Adam	5 - 25th Street, Toronto 14, Ontario.	29 10 51
William Anselmi	12 Clueson Park, Toronto, Ontario.	23 9 70

NAME	FULL RESIDENCE ADDRESS - INCLUDING STREET AND NUMBER	DATE RECEIVED AS OFFICER
John Douglas Adam	See Above	29 10 51
William Anselmi	See Above	23 9 70

DATE OF LAST ANNUAL MEETING DAY 30 MONTH 3 YEAR 72

WHERE THE BUSINESS IS WHOLLY OR IN PART OF A SOCIAL NATURE? Not Applicable

FOR EXTRA-PROVINCIAL CORPORATIONS LICENCED TO CARRY ON BUSINESS IN ONTARIO

Not Applicable

FOR ALL CORPORATIONS

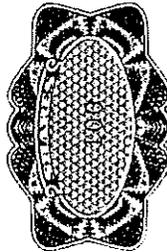
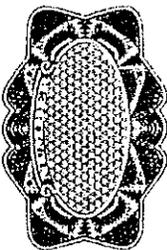
John D. Adam

See Above

X PRESIDENT
 X DIRECTOR

INCORPORATED UNDER THE LAW OF THE PROVINCE OF
ONTARIO

Common



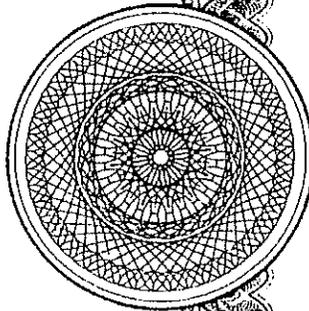
This is to Certify that 2345760 ONTARIO, INC. is the owner
of One Hundred (100) fully paid
and non-assessable Common shares of RANDO DRUGS LTD.

The shares represented by this Certificate have rights, privileges, restrictions or conditions attached thereto and the Corporation will furnish to a shareholder, on demand and without charge, a full copy of the text of such rights, privileges, restrictions or conditions attached to the share and to each class of shares authorized to be issued by the Corporation and the Authority of the Directors to fix the rights, privileges, restrictions and conditions of subsequent series, if applicable.

The shares represented by this certificate are subject to the restrictions on their transfer as prescribed by the Articles of the Corporation. A copy of the full text thereof is obtainable by a shareholder on demand and without charge from the Corporation.

IN WITNESS WHEREOF the Corporation has caused this Certificate to be signed by its duly authorized officers and to be sealed with the seal of the Corporation this 28th day of February, 2013.


PRESIDENT




SECRETARY

Rando Drugs Ltd.

DIRECTORS' REGISTER

Name of Director	Date Elected	Date Resigned
JOHN SIMONE	Mar 17, 2007	May 28, 2017
PRUTHAK DESAI 1545 Ouellette Avenue Suite 902 Windsor, Ontario N8X 1K6	May 28, 2017	

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

**MOTION RECORD OF THE COURT-APPOINTED
RECEIVER, KSV RESTRUCTURING INC.**
(Motion returnable October 2, 2020)

VOLUME 1 OF 2

NORTON ROSE FULBRIGHT CANADA LLP
222 Bay Street, Suite 3000, P.O. Box 53
Toronto, ON M5K 1E7

Jennifer Stam (LSO# 46735J)

Tel: 416-202-6707

Fax: 416-216-3930

Email: Jennifer.stam@nortonrosefulbright.com

Lawyers for the Receiver, KSV Restructuring Inc.