

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

CANADIAN IMPERIAL BANK OF COMMERCE

Applicant

and

AMAX HEALTH INC.

Respondent

MOTION RECORD

(Motion Returnable June 17, 2020)

June 9, 2020

SCARFONE HAWKINS LLP

One James Street South

14th Floor

P.O. Box 926, Depot 1

Hamilton, Ontario L8N 3P9

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mvalente@shlaw.ca

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Lawyers for the Receiver,

RSM Canada Limited

RCP-E 14E (March 31, 2010)

TO: SERVICE LIST ATTACHED

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Creditor

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Lawyers for Joseph Taylor Robertson and Clark Robertson

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Creditor

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HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF ONTARIO
AS REPRESENTED BY THE MINISTER OF FINANCE

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LARIVIÈRE MEUNIER (REVENU QUEBEC)

3, Complexe Desjardins
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MINISTRY OF FINANCE

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Victoria, British Columbia
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**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

CANADIAN IMPERIAL BANK OF COMMERCE

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**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

CANADIAN IMPERIAL BANK OF COMMERCE

Applicant

and

AMAX HEALTH INC.

Respondent

NOTICE OF MOTION

RSM Canada Limited (the “**Receiver**”), in its capacity as Court-Appointed Receiver, without security, of all of the assets, undertakings and properties of the Respondent, Amax Health Inc. (the “**Debtor**”), acquired for or used in relation to a business carried on by the Debtor, will make a motion before the presiding Judge on Wednesday, June 17, 2020, at 10:00 a.m. or so soon after that time as the Motion can be heard by judicial teleconference via Zoom at Hamilton, Ontario, L8N 2B7.

PROPOSED METHOD OF HEARING: The Motion is to be heard (choose appropriate option)

in writing under subrule 37.12.1(1) because it is (insert one of on consent, unopposed or made without notice);

in writing as an opposed motion under subrule 37.12.1(4);

orally.

THE MOTION IS FOR (State here the precise relief sought)

- (a) An order, if necessary, abridging the time for and manner of service of this Notice of Motion, the Fourth Report of the Receiver, dated June 8, 2020 (the “**Fourth** Report”), and the Motion Record herein and directing any further service of this Notice of Motion, Fourth Report and Motion Record be dispensed with such that this motion is properly returnable on Wednesday, June 17, 2020 or such other date as determined by this Honourable Court;
- (b) An order approving the Fourth Report of the Receiver and the activities and conduct of the Receiver contained therein;
- (c) An order that the Receiver’s Statement of Receipts and Disbursements as detailed in the Fourth Report be approved;
- (d) An order approving the fees and disbursements of the Receiver as detailed in the Fourth Report and authorizing payment of the same;
- (e) An order approving the fees and disbursements of counsel to the Receiver, Scarfone Hawkins LLP as detailed in the Fourth Report and authorizing payment of the same;
- (f) An order approving the fees and disbursements of the Receiver’s independent Alberta counsel, Norton Rose Fulbright Canada LLP and those of its independent Ontario counsel, Alloway and Associates Professional Corporation, as detailed in the Fourth Report and authorizing payment of the same;

- (g) An order that upon the Receiver filing a certificate certifying that it has completed its Remaining Duties as defined in the Fourth Report, the Receiver shall be discharged as Receiver of the Property of the Debtor (as defined in the Appointment Order), provided however that notwithstanding its discharge herein (a) the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein, and (b) the Receiver shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of RSM Canada Limited in its capacity as Receiver;
- (h) An order that RSM Canada Limited be released and discharged from any and all liability that RSM Canada Limited now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions from RSM Canada Limited, prior to the date of this Order, while acting in its capacity as Receiver herein, save and except for any gross negligence or wilful misconduct on the Receiver's part, but including any and all liability relating to matters that were raised, or which could have been raised, in the within receivership proceedings prior to the date of this Order, including any claims made as against the proceeds that have been distributed by RSM Canada Limited as determined or otherwise approved by the Court;
- (i) An order authorizing the Receiver to transfer to the Debtor's bankruptcy estate (i) all funds remaining in the Receiver's trust account upon its discharge; and (ii) any funds received by the Receiver subsequent to its discharge;

- (j) An order substantially in the form attached as Schedule "A";
- (k) Such further and other relief as counsel may request and this Honourable Court may permit.

THE GROUNDS FOR THE MOTION ARE (Specify the grounds to be argued, including a reference to any statutory provision or rule to be relied on)

- (a) The Receiver was appointed by this Honourable Court as receiver of the assets, property and undertaking (the "Property") of the Debtor on June 4, 2019;
- (b) The Receiver has taken possession of the Property and completed a Court approved process for the sale of the Property by completing the Asset Purchase Agreement, dated August 22, 2019 with 15509349 Canada Inc., as purchaser;
- (c) The Receiver has made distributions to the Applicant in the maximum aggregate of all amounts owed to it by the Debtor;
- (d) The Receiver has filed HST returns and with the approval of CRA, filed nil returns for the period of July 1, 2017 to June 4, 2019;
- (e) The Receiver has settled the lien of the British Columbia Ministry of Finance against the Property for provincial sales tax as an unsecured claim;
- (f) The Receiver has collected all realizable accounts receivable, including the funds due from Moneris Solutions Corporation;

- (g) The Receiver filed an assignment in bankruptcy on behalf of the Debtor and has surplus funds that have and will be transferred to the bankruptcy estate;
- (h) The Receiver is entitled to pass its accounts and those of its counsel from time to time pursuant to the terms of the June 4, 2019 Order;
- (i) Rules 2.03, 3.02 and 37 of the *Rules of Civil Procedure*;
- (j) Section 47 of the *Bankruptcy & Insolvency Act*; and
- (k) Such further and other grounds as counsel may advise and this Honourable Court may deem just.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the Motion: (List the affidavits or other documentary evidence to be relied on)

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

June 9, 2020

SCARFONE HAWKINS LLP
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14th Floor, P.O. Box 926, Depot 1
Hamilton, Ontario, L8N 3P9

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Lawyers for the Receiver,
RSM Canada Limited

TO: THE SERVICE LIST ATTACHED

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE
JUSTICE

)
)
)

DAY, THE _____
DAY OF JUNE, 2020

B E T W E E N:

(Court Seal)

CANADIAN IMPERIAL BANK OF COMMERCE

Applicant

and

AMAX HEALTH INC.

Respondent

DISCHARGE ORDER

THIS MOTION, made by RSM Canada Limited (the **Receiver**), in its capacity as Court-Appointed Receiver, without security, of all of the assets, undertaking and properties of Amax Health Inc. (the **Debtor**) acquired for, or used in relation to a business carried on by the Debtor, was heard this day at the court house, 45 Main Street E., Hamilton, Ontario, L8N 2B7.

ON READING the Notice of Motion, the Order of the Honourable Justice Parayeski, dated June 4, 2019 (the **Appointment Order**), the First, Second and Third Reports of the Receiver, dated July 17, 2019, August 22, 2019 and October 17, 2019 respectively, as well as the Fourth Report of the Receiver, dated June 8, 2020 (the **Fourth Report**), and on hearing submissions of counsel for the Receiver, counsel for _____ and no one appearing for any other person on the Service List, although properly served as appears from the Affidavit of Service, filed,

1. THIS COURT ORDERS AND DECLARES that any requirement for service of the Notice of Motion, the Fourth Report and Motion Record be and is hereby abridged, that the Motion is properly returnable today and all parties requiring notice of this Motion have been duly served and that service on all parties is hereby validated and any further service is hereby dispensed with.

2. THIS COURT ORDERS that the conduct, activities and actions of the Receiver as set out in the Fourth Report together with the Fourth Report are hereby authorized and approved.

3. THIS COURT ORDERS that the Receiver's Statement of Receipts and Disbursements, as detailed in the Fourth Report, are hereby approved.

4. THIS COURT ORDERS that the Receiver's fees and disbursements, those of its counsel, Scarfone Hawkins LLP, together with the Receiver's and its counsel's estimates of fees to complete the receivership administration, along with the fees and disbursements of the Receiver's independent counsel, Norton Rose Fulbright Canada LLP and Alloway and Associates Professional Corporation as detailed in the Fourth Report, are hereby approved and the Receiver is authorized to pay the same.

5. THIS COURT ORDERS that upon the Receiver filing a certificate with the Court certifying that it has completed the Remaining Duties as defined in the Fourth Report, such certificate to be in accordance with the Schedule "A" to this Order, the Receiver shall be discharged as Receiver of the Property of the Debtor (as defined in the Appointment Order), provided however that notwithstanding its discharge herein (a) the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein, and (b) the Receiver shall continue

to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of RSM Canada Limited in its capacity as Receiver.

6. THIS COURT ORDERS that the Receiver is hereby authorized to transfer to the Debtor's bankruptcy estate (i) all funds remaining in the Receiver's trust account upon its discharge; and (ii) any funds receive by the Receiver subsequent to its discharge.

7. THIS COURT ORDERS that RSM Canada Limited be released and discharged from any and all liability that RSM Canada Limited now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of RSM Canada Limited, prior to the date of this Order, while acting in its capacity as Receiver herein save and except for any gross negligence or wilful misconduct on the Receiver's part. Without limiting the generality of the foregoing, RSM Canada Limited is hereby forever released and discharged from any and all liability relating to matters that were raised, or which could have been raised, in the within receivership proceedings prior to the date of this Order, including any claims made as against the proceeds that have been distributed by RSM Canada Limited as determined or otherwise approved by the Court, save and except for any gross negligence or wilful misconduct on the Receiver's part.

(Signature of Judge)

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

CANADIAN IMPERIAL BANK OF COMMERCE

Applicant

and

AMAX HEALTH INC.

Respondent

RECEIVERS' CERTIFICATE OF COMPLETION

1. The Receiver hereby certifies that it has completed the Remaining Duties as defined in the Fourth Report of the Receiver dated June 8, 2020.

DATED: _____, 2020.

RSM CANADA LIMITED, in its capacity as Court-Appointed Receiver of the assets, undertakings and properties of Amax Health Inc. and not in its personal capacity.

BRYAN A. TANNENBAUM
FCPA, FCA, FCIRP, LIT
President

CANADIAN IMPERIAL BANK OF COMMERCE
Applicant

-and- **AMAX HEALTH INC.**
Respondent

Court File No. 19-69485

ONTARIO
SUPERIOR COURT OF JUSTICE
PROCEEDING COMMENCED AT HAMILTON

DICHARGE ORDER

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Lawyers for the Receiver, RSM Canada Limited
RCP-E 4C (May 1, 2016)

CANADIAN IMPERIAL BANK OF COMMERCE
Applicant

-and- **AMAX HEALTH INC.**
Respondents

Court File No. 19-69485

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT HAMILTON

NOTICE OF MOTION

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Lawyers for the Receiver, RSM Canada Limited

RCP-E 4C (July 1, 2007)

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

BETWEEN:

CANADIAN IMPERIAL BANK OF COMMERCE

Applicant

- and -

AMAX HEALTH INC.

Respondent

FOURTH REPORT OF THE RECEIVER

June 8, 2020

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I. INTRODUCTION

1. By Order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated June 4, 2019 (the “**Appointment Order**”), RSM Canada Limited (“**RSM**”) was appointed receiver (the “**Receiver**”), without security, of all of the assets, undertakings and properties of Amax Health Inc. (“**Amax**” or the “**Debtor**”) acquired for, or used in relation to a business carried on by the Debtor (the “**Property**”). A copy of the Appointment Order is attached hereto as Appendix “**A**”.
2. The Appointment Order authorizes the Receiver to, among other things:
 - a) take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
 - b) manage, operate, and carry on the business of the Debtor, 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 Debtor;
 - c) receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor; and
 - d) market any or all of the Property, 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.
3. The Receiver’s first report to the Court dated July 17, 2019 (the “**First Report**”) provided information on the Receiver’s activities from the date of the Appointment Order to July 12, 2019 and sought, *inter alia*: (i) certain

relief from the Court in respect of the Receiver's sales process described therein and (ii) authorization to make distributions to Canadian Imperial Bank of Commerce ("**CIBC**"). A copy of the First Report, without appendices, is attached hereto as Appendix "**B**".

4. On July 25, 2019, the Honourable Justice Parayeski made an Order (the "**July 25 Order**"):
 - a) approving the First Report and the Receiver's conduct set out therein;
 - b) approving the Receiver's interim statement of receipts and disbursements as at July 11, 2019;
 - c) sealing the Receiver's Confidential Information Memorandum dated July 25, 2019 until further order of the Court;
 - d) authorizing the making of interim distributions to CIBC; and
 - e) approving the fees of the Receiver and its counsel.

A copy of the July 25 Order is attached hereto as Appendix "**C**".

5. The Receiver's second report to the Court dated August 22, 2019 (the "**Second Report**") provided information on the Receiver's activities from the date of the First Report to August 21, 2019 and sought, *inter alia*: (i) the Court's approval for the Receiver to enter into an agreement of purchase and sale between the Receiver and 11509349 Canada Inc.; (ii) an Order sealing certain confidential appendices; and (iii) authorizing the Receiver to file an assignment in bankruptcy on behalf of the Debtor. A copy of the Second Report, without appendices, is attached hereto as Appendix "**D**".
6. On September 3, 2019, the Honourable Justice Parayeski made an Order (the "**Approval and Vesting Order**"):

-
- a) authorizing the Receiver to enter into and carry out the terms of the Sale Agreement (as defined therein);
 - b) approving the Second Report and the Receiver's conduct set out therein;
 - c) approving the Receiver's interim statement of receipts and disbursements as at August 16, 2019;
 - d) authorizing the Receiver to file an assignment in bankruptcy on behalf of the Debtor;
 - e) sealing certain confidential appendices until further order of the Court;
and
 - f) approving the fees of the Receiver and its counsel.

A copy of the Approval and Vesting Order is attached hereto as Appendix "E".

7. The Receiver's third report to the Court dated October 17, 2019 (the "**Third Report**") provided information on the Receiver's activities from the date of the Second Report to October 15, 2019 including the closing of the sale of Amax's assets, and sought, *inter alia*, the Court's approval for the Receiver to make distributions to CIBC provided that the aggregate amount of all distributions made to CIBC was not to, without further order of the Court, exceed the aggregate obligations owing to CIBC by the Debtor pursuant to the terms of the Business Loan, as defined in the Third Report. A copy of the Third Report, without appendices, is attached hereto as Appendix "F".
8. On October 24, 2019, the Honourable Justice Carpenter-Gunn made an Order (the "**October 24 Order**"):
 - a) approving the Third Report and the Receiver's conduct set out therein;

-
- b) approving the Receiver's interim statement of receipts and disbursements as at September 30, 2019;
 - c) approving the fees of the Receiver and its counsel; and
 - d) authorizing the Receiver to make distributions to CIBC provided that the aggregate amount of all distributions made to CIBC did not, without further order of the Court, exceed the aggregate obligations owing to CIBC by Amax.

A copy of the October 24 Order is attached hereto as Appendix "G".

9. The Orders made by the Court and the reports of the Receiver referred to in this report, together with related Court documents, have been posted on the Receiver's website, which can be found at <https://rsmcanada.com/what-we-do/services/consulting/financial-advisory/restructuring-recovery/current-restructuring-recovery-engagements/amax-health-inc.html>

Purpose of the Fourth Report

10. The purpose of this fourth report of the Receiver (the "**Fourth Report**") is to:
 - a) provide the Court with details regarding the activities of the Receiver since the date of the Third Report to June 8, 2020;
 - b) provide the Court with a summary of the Receiver's cash receipts and disbursements for the period June 4, 2019 to June 8, 2020; and
 - c) seek an order from the Court:
 - i. approving the Fourth Report and the Receiver's conduct and activities described herein;
 - ii. approving the R&D, as defined below;

-
- iii. approving the fees and disbursements of the Receiver for the period October 1, 2019 to May 31, 2020 and estimated fees to completion of the receivership administration;
 - iv. approving the fees of the Receiver's counsel, Scarfone Hawkins LLP ("**Scarfone Hawkins**") for the period October 1, 2019 to <*> and estimated fees to completion of the receivership administration;
 - v. approving the fees of Norton Rose Fulbright Canada LLP ("**Norton Rose**") and those of Alloway and Associates Professional Corporation ("**Alloway**"), the Receiver's independent counsel in Alberta and Ontario, respectively, who provided legal opinions on the validity and enforceability of CIBC's security in the provinces of Alberta and Ontario;
 - vi. discharging the Receiver upon the Receiver filing a certificate with the Court certifying that it has completed the Remaining Duties, as defined later herein (the "**Receiver's Discharge Certificate**"), and authorizing the Receiver to complete certain administrative matters following the discharge of the Receiver; and
 - vii. authorizing the Receiver to transfer to the bankruptcy estate of the Company (i) the funds remaining in the Receiver's trust account upon its discharge as Receiver; and (ii) any funds that may be received by the Receiver after its discharge.

Terms of Reference

11. In preparing this Fourth Report and making the comments herein, the Receiver has relied upon information from third-party sources (collectively, the "**Information**"). Certain of the information contained in this Fourth Report may refer to, or is based on, the Information. As the Information has been

provided by other parties, or obtained from documents filed with the Court in this matter, the Receiver has relied on the Information and, to the extent possible, reviewed the Information for reasonableness. However, the Receiver has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards pursuant to the *Chartered Professional Accountants Canada Handbook* and, accordingly, the Receiver expresses no opinion or other form of assurance in respect of the Information.

12. Unless otherwise stated, all dollar amounts contained in the Fourth Report are expressed in Canadian dollars.
13. Defined terms in this Fourth Report have, unless indicated otherwise herein, the same meanings as set out in the First Report, the Second Report and the Third Report.

II. BACKGROUND

14. On September 1, 2018, Cheeta Alliance Inc., Amax Dental Alberta Inc., Amax Dental Supply B.C. Inc. and Amax Dental Ontario Inc. were amalgamated to form Amax. Amax is an Ontario corporation and distributed dental supplies and related equipment throughout Canada.
15. Amax operated from leased facilities located at 1-27 Seapark Drive in St. Catharines, Ontario ("**Ontario**"), 4900-64th Avenue SE in Calgary, Alberta ("**Alberta**") and 22 Rue J-Marc Seguin in Rigaud, Quebec ("**Quebec**"). Amax's head office was located at the Ontario location and its inventory was housed at, and distributed from, the Ontario and Alberta locations. The Quebec location was a sales office containing limited office furniture and equipment.

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16. According to a corporation profile report dated May 23, 2019, Messrs. Carman Dennis Adair, Joseph Taylor Robertson and Clark Robertson are listed as the directors of Amax. A copy of the corporation profile report for Amax is appended as Appendix “B” to the Second Report.
 17. CIBC provided Amax with a \$1,000,000 revolving credit facility by way of loan agreement dated January 8, 2019 (the “**Business Loan**”), which is secured by a general security agreement in favour of CIBC.
 18. As Amax was in default of its obligations under the Business Loan and by notice of application dated June 3, 2019 (“**Application**”), CIBC sought the appointment of the Receiver.
 19. On June 4, 2019, the Court issued the Appointment Order in which RSM was appointed as Receiver of Amax.
 20. Scarfone Hawkins is counsel to CIBC. The Receiver has primarily utilized Scarfone Hawkins as counsel for the receivership administration, except in circumstances where independent legal advice is required by the Receiver.

III. RECEIVER’S ACTIVITIES SINCE THE THIRD REPORT

21. The Receiver’s significant activities, since the issuance of the Third Report, certain of which are discussed in detail further below in this Fourth Report, have consisted of:
 - a) arranging for the preparation of 2019 T4s and Releve 1s and related documents in respect of Amax’s former employees;
 - b) reviewing and resolving employee claims related to the Wage Earner Protection Program Act;
 - c) collecting of accounts receivable; and
 - d) filing of outstanding HST returns and outstanding corporate tax returns.

IV. ACCOUNTS RECEIVABLE

22. In early September 2019, Amax's outstanding pre-receivership accounts receivable having a book value totaling \$64,061 were sent for collection to a collection agency, Collection Group of Canada ("**CGC**").
23. As of March 6, 2020, CGC had collected \$36,743 resulting in net realizations to the Receiver of \$27,727. CGC has advised that the remaining accounts receivable totaling \$27,318 are not collectible and CGC has ceased collection efforts and closed its files.
24. The Receiver does not propose to take any further action in connection with the accounts receivable other than forwarding any additional funds collected by CGC, net of its fees, to the bankruptcy estate.

V. OUTSTANDING HST REFUND

25. The Receiver has filed HST returns to claim for input tax credits for the post-receivership period. Based on the returns filed to January 31, 2020, the Receiver is claiming an HST refund of approximately \$30,000.
26. Canada Revenue Agency ("**CRA**") advised the Receiver that no refunds owed to the Receiver will be released by CRA unless the outstanding HST returns for the pre-receivership period were filed. The last return filed by Amax was for the period ended June 30, 2017. The Receiver advised CRA that the Receiver could not rely on the books and records of the Debtor to prepare the outstanding returns. CRA advised that in such circumstances a Receiver could file "nil" returns. The Receiver prepared "nil" returns for the period July 1, 2017 to June 4, 2019 and has filed those returns with CRA.
27. CRA's position is that unless the outstanding corporation tax returns are filed or a waiver is granted by CRA, no HST refunds will be released to the filer.

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28. Amax was also not up-to-date in its filing of corporate tax returns and, as discussed with CRA, the returns for the three periods January 1 to August 31, 2018, September 1 to December 31, 2018 and January 1 to October 29, 2019 (the date of bankruptcy) were outstanding. As the Receiver does not have the necessary information to prepare the outstanding returns, the Receiver has applied for a waiver of the requirement to file a corporation income tax return that CRA may grant to an insolvency practitioner. The Receiver is awaiting CRA's response to its request.

VI. LIEN CLAIM OF PROVINCE OF BRITISH COLUMBIA

29. As set out in the Receiver's Second Report, the British Columbia Ministry of Finance (the "**Ministry**") registered a lien against the Debtor's property in the amount of \$19,726.04 pursuant to section 221 of the Provincial Sales Tax Act (the "**Ministry Lien**").
30. As set out in the Receiver's Third Report, the Receiver understands from the Ministry that the lien amount is based on an arbitrary assessment by the Ministry, which was issued as a result of Amax's non-compliance with its reporting obligations.
31. The Receiver wrote to the Ministry on October 31, 2019 (the "**October 31st Letter**") to advise that the Receiver's position was that the Ministry Lien was ineffective and an unsecured claim against Amax on the basis that the Ministry's assessment was arbitrary and its lien registration occurred subsequent to commencement of the receivership administration and stay of proceedings against Amax. The Receiver requested that the Ministry advise of its position by November 15, 2019. A copy of the October 31st Letter is attached hereto as Appendix "**H**".
32. The Receiver did not receive a response from the Ministry and on November 22, 2019, the Receiver followed up with a second letter (the "**November 22nd Letter**") requesting that the Ministry respond by November 29, 2019 or, if no

response was received from the Ministry, the Receiver would attend in Court to put forward the Receiver's position set out in the October 31st Letter. A copy of the November 22nd Letter is attached hereto as Appendix "I".

33. On November 22, 2019, the Ministry contacted the Receiver to advise that the Ministry had no issue with the Receiver's position and that the Ministry would: (i) discharge the Ministry Lien; and (ii) file an unsecured claim against the bankrupt estate of Amax.
34. The Ministry has filed an unsecured claim in the bankruptcy administration of Amax and Scarfone Hawkins has confirmed that the Ministry Lien has been discharged.

VII. MONERIS SOLUTIONS CORPORATION

35. In the Third Report, the Receiver reported that Moneris Solutions Corporation ("**Moneris**") was holding a reserve (deposit retention) of approximately \$60,000 in respect of the Amax accounts (the "**Holdback**") and that Moneris agreed to release the balance in increments of \$20,000 in 30, 60 and 90 days' time.
36. On November 1, 2019, Moneris advised the Receiver that it would release the balance in increments of \$15,000 in 30, 60, 90 and 120 days' time. The fourth and final payment of \$15,000 was received from Moneris on February 4, 2020.

VIII. BANKRUPTCY

37. Paragraph 11 of the Approval and Vesting Order authorized the Receiver to file an assignment in bankruptcy on behalf of Amax.

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38. According to the terms of the agreement of purchase and sale between the Receiver and 11509349 Canada Inc., the Receiver was required to change the name of Amax.
 39. On October 11, 2019, pursuant to Articles of Amendment filed by the Receiver, the name of the Debtor was changed from Amax Health Inc. to 1992396 Ontario Inc. (the “**Company**”).
 40. On October 29, 2019, the Receiver filed an assignment in bankruptcy on behalf of the Company. A copy of the Certificate of Appointment is attached as Appendix “**J**” to this report.
 41. As of the date of this report, surplus funds totaling \$160,000 have been transferred from the receivership to the bankruptcy estate.
 42. The Receiver intends to transfer any remaining additional surplus funds, after payment of its fees and costs associated with the receivership administration, to the bankruptcy estate. The Receiver is therefore requesting an Order authorizing the Receiver to transfer to the bankruptcy estate of the Company (i) the funds remaining in the Receiver’s trust account upon its discharge as Receiver; and (ii) any as well as any funds that may be received by the Receiver after its discharge.

IX. RECEIVER’S INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

43. Attached hereto as Appendix “**K**” is the Receiver’s Interim Statement of Receipts and Disbursements for the period June 4, 2019 to June 8, 2020 (the “**R&D**”). During this period, receipts were \$1,950,367 and disbursements were \$864,402, resulting in an excess of receipts over disbursements of \$1,085,965. After repayments of \$821,900 CIBC, representing payment in full of Amax’s indebtedness to CIBC and the transfer of \$160,000 to the bankruptcy estate, the Receiver’s net cash balance as at June 8, 2020 was \$104,065.

X. DISCHARGE OF THE RECEIVER

44. As of the date of the Fourth Report, the Receiver's remaining duties (the "**Remaining Duties**") include the following:
- a) collection of any remaining collectible accounts receivable;
 - b) following up with CRA in respect of HST refunds owed to the Receiver and closing the Receiver's HST account;
 - c) transfer of any additional surplus funds to the bankruptcy estate for distribution to unsecured creditors;
 - d) closing the Receiver's bank account; and
 - e) preparing the Interim and Final Statements of Receiver pursuant to s.246(2) and s. 246(3) of the Bankruptcy and Insolvency Act.
45. As the Receiver's administration is substantially complete, and in order to avoid the costs of making a further motion to the Court to obtain the Receiver's discharge, the Receiver is presently seeking an order discharging RSM from the powers, duties and obligations attendant to its appointment as Receiver (the "**Discharge Order**") upon the filing of the Receiver's Discharge Certificate, with the proviso that RSM may perform such incidental duties as may be required by it as Receiver to complete its obligations pursuant to its appointment as Receiver including, but not limited to, the Remaining Duties.

XI. FEES AND DISBURSEMENTS OF THE RECEIVER AND COUNSEL

46. Pursuant to paragraph 17 of the Appointment Order, the Receiver and its counsel are to be paid their reasonable fees and disbursements at their standard rates and charges, incurred both before and after the making of the

Appointment Order. Pursuant to paragraph 18 of the Appointment Order, the Receiver and its counsel shall pass their accounts before the Court.

47. The fees and disbursements of the Receiver for the period from May 23, 2019 to September 30, 2019 were previously approved by the Court pursuant to the July 25 Order, the Approval and Vesting Order and the October 24 Order.
48. The total fees of the Receiver for the period October 1, 2019 to May 31, 2020 were \$29,792.50, plus disbursements of \$82.43, plus HST of \$3,883.74 for a total of \$33,758.67, and estimated to completion in an amount not to exceed \$15,000.00 plus HST. The time spent by the Receiver is more particularly described in the Affidavit of Arif Dhanani sworn June 8, 2020, which is attached hereto and marked as Appendix “L” and contains a copy of the invoice that sets out the services provided during this time period.
49. The fees and disbursements of Scarfone Hawkins for the period from June 5, 2019 to September 30, 2019 were previously approved by the Court pursuant to the July 25 Order, the Approval and Vesting Order and the October 24 Order.
50. The total fees of Scarfone Hawkins for the period October 1, 2019 to May 29, 2020 were \$14,488.75 plus disbursements of \$1,041.01 and HST of \$1,957.78, for a total of \$17,487.54, and estimated to completion in the amount of \$5,320.00 plus HST. The time spent by Scarfone Hawkins is more particularly described in the Affidavit of Kaush Parameswaran, sworn June 8, 2020, which is attached hereto as Appendix “M” and contains, among other things, a copy of the invoice that sets out the services provided during this period.
51. The total fees of the Receiver’s Alberta counsel, Norton Rose, who reviewed the security of CIBC in Alberta, for the period of August 9, 2019 to September 26, 2019 were \$3,594.34 inclusive of HST and disbursements. The time

spent by Norton Rose is more particularly described in the Affidavit of Amanda Plastina, sworn October 7, 2019, which is attached hereto as Appendix “N” and contains a copy of the invoice that sets out the services provided during the relevant period.

52. The total fees of the Receiver’s Ontario counsel, Alloway, who reviewed the security of CIBC in Ontario, for the period of June 24, 2019 to September 30, 2019 were \$3,840.94 inclusive of HST and disbursements. The time spent by Alloway is more particularly described in the Affidavit of Graham F. Alloway, sworn October 17, 2019, which is attached hereto as Appendix “O” and contains a copy of the invoice that sets out the services provided during the relevant period

53. The Receiver is of the view that the fees and disbursements charged by Scarfone Hawkins, Norton Rose and Alloway are fair and reasonable.

XII. CONCLUSION

54. Based on the foregoing, the Receiver respectfully requests that the Court grant the order described in paragraph 10(c) above.

All of which is respectfully submitted to this Court as of this 8th day of June, 2020.

RSM CANADA LIMITED, solely in its capacity as
Court-Appointed Receiver of Amax Health Inc.,
and not in its personal or corporate capacity

Per:



Arif Dhanani, CPA, CA, CIRP, LIT
Vice-President

APPENDIX A

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE *MR*)
JUSTICE *A. WHITTEN*)

TUESDAY, THE 4th
DAY OF JUNE, 2019

BETWEEN:



CANADIAN IMPERIAL BANK OF COMMERCE

Applicant

and

AMAX HEALTH INC.

Respondent

APPLICATION UNDER SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c.b-3, as amended, SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c.C-43, as amended, AND RULE 14.05(3)(g) and (h) OF THE *RULES OF CIVIL PROCEDURE*.

**ORDER
(appointing Receiver)**

THIS APPLICATION made by the Applicant, Canadian Imperial Bank of Commerce, 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 RSM Canada Limited, as receiver (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of Amax Health Inc. (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 45 Main Street East, Hamilton, Ontario.

ON READING the affidavit of Ben Tucci, sworn June 3, 2019 and the Exhibits thereto and on hearing the submissions of counsel for the Applicant and counsel for the Respondent, no one else appearing although duly served as appears from the affidavit of service of Elizabeth Wise, sworn June 4, 2019 and on reading the consent of RSM Canada Limited to act as the Receiver, and on being advised by counsel that the Debtor consents to the relief sought.

SERVICE

1. THIS COURT ORDERS that the time for service and method of service of the Notice of Application and the Application is hereby abridged and validated so that this application is properly returnable today and further service thereof is hereby dispensed with.

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, RSM Canada Limited is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, 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;
- (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 Debtor, 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 Debtor;
- (d) to engage 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 Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (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 Debtor, for any purpose pursuant to this Order;

- (i) to market any or all of the Property, 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;
 - (j) 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 \$200,000, provided that the aggregate consideration for all such transactions does not exceed \$500,000; 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*, [or section 31 of the Ontario *Mortgages Act*, as the case may be,] shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.
- (k) 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;
 - (l) 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;

- (m) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (n) 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 Debtor;
- (o) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (p) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (q) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations;

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 Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that (i) the Debtor, (ii) all of its 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 (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 books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, 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 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.

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.

NO PROCEEDINGS AGAINST THE RECEIVER

7. 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 DEBTOR OR THE PROPERTY

8. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor 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 Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

9. THIS COURT ORDERS that all rights and remedies against the Debtor, 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 Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor 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

10. 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 Debtor, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

11. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor 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, payroll services, insurance, transportation services, utility or other services to the Debtor 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 Debtor's 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 Debtor 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

12. 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

13. THIS COURT ORDERS that all employees of the Debtor, if any, shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's 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*.

PIPEDA

14. 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 Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

15. 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

16. 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

17. 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.

18. 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.

19. 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

20. 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 \$50,000.00 (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.

21. 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.

22. 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.

23. 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

24. 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 rsmcanada.com/amax-health-inc

24. 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 Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor 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

25. 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.

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


27. 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.

28. 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.

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

30. 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.



ENTERED AT HAMILTON	
IN Book No.	391
as Document No.	323
on	JUN 04 2019
by.	

SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that RSM Canada Limited the receiver (the "Receiver") of the assets, undertakings and properties of Amax Health Inc. acquired for, or used in relation to a business carried on by the Debtor, 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 June 2019 (the "Order") made in an action having Court file number _____, 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 \$50,000.00 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.

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

RSM Canada Limited solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____

Name:

Title:

CANADIAN IMPERIAL BANK OF COMMERCE
Applicant

-and- **AMAX HEALTH INC.**
Respondent

Court File No. 19-69485

ONTARIO
SUPERIOR COURT OF JUSTICE
PROCEEDING COMMENCED AT HAMILTON

ORDER
(appointing Receiver)

SCARFONE HAWKINS LLP
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Lawyers for the Applicant
Canadian Imperial Bank of Commerce

RCP-E 4C (May 1, 2016)

APPENDIX B

Court File No. 19-69485

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

BETWEEN:

CANADIAN IMPERIAL BANK OF COMMERCE

Applicant

- and -

AMAX HEALTH INC.

Respondent

FIRST REPORT OF THE RECEIVER

July 17, 2019

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I. INTRODUCTION

1. By Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated June 4, 2019 (the "**Appointment Order**"), RSM Canada Limited ("**RSM**") was appointed receiver (the "**Receiver**"), without security, of all of the assets, undertakings and properties of Amax Health Inc. ("**Amax**", the "**Debtor**" or the "**Company**") acquired for, or used in relation to a business carried on by the Debtor (the "**Property**"). A copy of the Appointment Order is attached hereto as Appendix "**A**".
2. The Appointment Order authorizes the Receiver to, among other things:
 - a) take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
 - b) manage, operate, and carry on the business of the Debtor, 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 Debtor;
 - c) receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor; and
 - d) market any or all of the Property, 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.
3. Paragraph 20 of the Appointment Order authorizes the Receiver to borrow monies to fund the exercise of the powers and duties conferred upon the Receiver by the Appointment Order from time to time, provided that the

outstanding principal amount does not exceed \$50,000 (or such greater amount as the Court may by further order authorize), which advance(s) are secured by way of a fixed and specific charge over the Property (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 (as defined therein) and the charges as set out in sections 14.06(7), 81.4(4) and 81.6(2) of the *Bankruptcy and Insolvency Act* (the “**BIA**”).

4. The Appointment Order referred to in this report, together with related Court documents, has been posted on the Receiver’s website, which can be found at <https://rsmcanada.com/what-we-do/services/consulting/financial-advisory/restructuring-recovery/current-restructuring-recovery-engagements/amax-health-inc.html>.

Purpose of the First Report

5. The purpose of this first report of the Receiver (the “**First Report**”) is to:
 - (a) report to the Court on the activities of the Receiver since the date of the Appointment Order to July 12, 2019;
 - (b) provide the Court with details of the process initiated by the Receiver for the sale of the Company’s assets (the “**Sale Process**”);
 - (c) provide the Court with information relating to the personal property and security act searches obtained by the Receiver;
 - (d) inform the Court of the independent legal opinion on the validity and enforceability of the security held by Canadian Imperial Bank of Commerce (“**CIBC**”), the Company’s senior secured lender;

-
- (e) provide the Court with a summary of the Receiver's cash receipts and disbursements for the period June 4, 2019 to July 11, 2019; and
 - (f) seek an order from the Court:
 - i. approving the First Report and the Receiver's conduct and activities described herein;
 - ii. sealing the CIM (as defined below) until further Order of the Court;
 - iii. approving the R&D (defined below);
 - iv. subject to the Receiver's receipt of independent legal opinions confirming the validity and enforceability of CIBC's security in Alberta and Quebec, authorizing the Receiver to make from time to time interim and/or final distributions from current and future realizations to CIBC up to the amount of Amax's indebtedness to CIBC, including interest thereon; and
 - v. approving the fees and disbursements of the Receiver for the period ended June 28, 2019 and of the Receiver's counsel, Scarfone Hawkins LLP ("**Scarfone Hawkins**") to July 10, 2019.

Terms of Reference

6. In preparing this First Report and making the comments herein, the Receiver has relied upon information from third-party sources (collectively, the "**Information**"). Certain of the information contained in this First Report may refer to, or is based on, the Information. As the Information has been provided by other parties, or obtained from documents filed with the Court in this matter, the Receiver has relied on the Information and, to the extent possible, reviewed the Information for reasonableness. However, the Receiver has not audited or otherwise attempted to verify the accuracy or completeness of the

Information in a manner that would wholly or partially comply with Canadian Auditing Standards pursuant to the CPA Canada Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance in respect of the Information.

7. Unless otherwise stated, all dollar amounts contained in the First Report are expressed in Canadian dollars.

II. BACKGROUND

8. On September 1, 2018, Cheeta Alliance Inc., Amax Dental Alberta Inc., Amax Dental Supply B.C. Inc. and Amax Dental Ontario Inc. were amalgamated to form Amax. Amax is an Ontario corporation and distributed dental supplies and small equipment throughout Canada.
9. The Company operated from leased facilities located at 1-27 Seapark Drive in St. Catharines, Ontario ("**Ontario**"), 4900-64th Avenue SE in Calgary, Alberta ("**Alberta**") and 22 Rue J-Marc Seguin in Rigaud, Quebec ("**Quebec**"). The Company's head office is located at the Ontario location and its inventory was housed at, and distributed from, the Ontario and Alberta locations. The Quebec location is a sales office containing limited office furniture and equipment.
10. According to a corporation profile report dated May 23, 2019, Messrs. Carman Dennis Adair, Joseph Taylor Robertson and Clark Robertson are listed as the directors of Amax. A copy of the corporation profile report for Amax is attached hereto as Appendix "**B**".
11. CIBC provided Amax with a \$1,000,000 revolving credit facility by way of loan agreement dated January 8, 2019 (the "**Business Loan**"), which is secured by a general security agreement in favour of CIBC.

12. As Amax was in default of its obligations under the Business Loan and by notice of application dated June 3, 2019 ("**Application**"), CIBC sought the appointment of the Receiver.
13. On June 4, 2019, the Court issued the Appointment Order, and RSM was thereby appointed as Receiver of Amax.
14. Scarfone Hawkins is counsel to CIBC and the Receiver has primarily utilized Scarfone Hawkins as counsel for the receivership administration, except in circumstances where independent legal advice is required by the Receiver. This is discussed below as it relates to the independent legal opinion obtained by the Receiver in respect of CIBC's security.

III. SECURED LENDERS

15. The Receiver conducted personal property and security registration system ("**PPSA**") searches for Amax and obtained printouts of same for Ontario, Alberta and Quebec, where the Receiver understands the Company's assets are located. Copies of these PPSA searches for Ontario, dated May 24, 2019; Alberta, dated June 25, 2019; and Quebec, dated June 21, 2019 are attached hereto as Appendices "**C**", "**D**" and "**E**", respectively.
16. A summary of the claims registered against Amax in each province are set out below and discussed in further detail thereafter.

Ontario		
Name of Registrant	Registration Date	Collateral
Canadian Imperial Bank of Commerce	January 25, 2019	I, E, A, O, MV
RCAP Leasing Inc.	May 6, 2019	E, A, O

Alberta		
Name of Registrant	Registration Date	Collateral
Canadian Imperial Bank of Commerce	January 25, 2019	All of the debtor's present and after-acquired personal property

Quebec		
Name of Registrant	Registration Date	Collateral
Canadian Imperial Bank of Commerce	January 25, 2019	Conventional charge over all present and future assets
Toyota Credit Canada Inc.	May 11, 2016	Toyota Highlander

CIBC

17. As set out above, CIBC advanced the Business Loan to Amax on January 8, 2019 and received as security a General Security Agreement dated January 11, 2019 in respect of all the present and after acquired personal property of Amax in connection with the business loan advanced (the "**CIBC GSA**"). CIBC appears to have registered its security interest on January 25, 2019 in the provinces of Ontario, Alberta and Quebec, where the assets of the Company are located.
18. As at June 18, 2019, the Receiver understands that CIBC was owed \$739,072 in respect of the Business Loan. A copy of CIBC's account statement as at that date is attached hereto as Appendix "F".
19. The Receiver has received a legal opinion (the "**Legal Opinion**") from Alloway and Associates ("**Alloway**") that, subject to the assumptions and qualifications contained in the Legal Opinion, in Ontario, CIBC has a first

ranking security interest in the Property, subject to any valid PMSIs and registered leases and interests not subject to PPSA. Alloway has advised that its opinion does not extend to the validity and enforceability of CIBC's security in Alberta or Quebec. A copy of the Legal Opinion is attached hereto as Appendix "G". The Receiver is in the process of obtaining independent legal opinions on the validity and enforceability of CIBC's security in Alberta and Quebec.

RCAP Leasing Inc.

20. The Receiver understands that Amax leased a convention booth from RCAP Leasing Inc. ("**RCAP**") in respect of which RCAP registered a security interest on the Ontario PPSA. Scarfone Hawkins has advised the Receiver that it appears that RCAP's security is valid and enforceable. In order to consider its position with respect to the convention booth, the Receiver consulted with Danbury Global Limited which advised on July 9, 2019 that it estimated that the convention booth could realize between \$4,000 and \$6,500 at auction. On the basis that there is approximately \$53,000 owing on the lease for the booth, the Receiver will be advising RCAP to pick up the booth from the St. Catharines location, where it is currently located.

Toyota Credit Canada Inc.

21. The Receiver notes that the Quebec personal property search reveals a Toyota Credit Canada Inc. ("**TTC**") registration against the Company. The registration is dated May 11, 2016 and is in respect of a Toyota Highlander motor vehicle. After investigating the matter with Scarfone Hawkins, the Receiver has concluded that TTC does not have a perfected security interest over any assets of the Company. Specifically, the TTC registration is against "Amaxis Inc." and not "Amax". Further, the registered office of the Debtor set out in the security registration is 3150 St. Paul Ouest, Montreal, Quebec, which is not the Company's address in Quebec. Finally, the Company's

management has advised the Receiver that the Company never leased a vehicle in the province of Quebec.

IV. RECEIVER'S ACTIVITIES TO DATE

Possession Taking and Security

22. On June 4, 2019, following the issuance of the Appointment Order, the Receiver attended at the Alberta premises. On June 5, 2019, the Receiver attended at the Ontario premises.
23. The Receiver arranged for a locksmith to attend at the Alberta and Ontario premises to change all locks. The Receiver also contacted the alarm monitoring company at each of these locations and arranged for all security codes to be changed.
24. The Receiver did not attend at the Quebec premises as the Receiver learned that the only individual with access to the Quebec premises is a contractor engaged by the Company and that the assets at the Quebec premises were limited in value.
25. The Receiver effected the redirection of mail from the Calgary and Ontario locations to the Receiver's office. The Receiver understands that the Quebec location receives only a phone bill and alarm monitoring bill, which are both scanned and sent to the Ontario location by the contractor in Quebec.
26. The Receiver understood that the Company had bank accounts with Bank of Montreal ("**BMO**"), CIBC and Servus Credit Union ("**Servus**") and that credit card payments were processed through Global Payments and Moneris (the "**Credit Card Processors**"). On June 5, 2019, the Receiver wrote to BMO and CIBC requesting that the accounts of Amax be frozen and to permit deposits, but no withdrawals and on June 6, 2019, the Receiver wrote to Servus requesting same. On or about June 7, 2019, the Receiver contacted

Global Payments and Moneris to advise of the appointment of the Receiver and to commence the process of re-directing credit card receipts to the Receiver's trust account.

27. On June 7, 2019, the Receiver opened a bank account for the receivership administration at CIBC. Since that time, on a periodic basis, the Receiver has caused any funds accumulated in Amax's BMO and Servus accounts to be transferred to the Receiver's trust account and has had ongoing discussions with Moneris and Global Payments requesting that they remit to the Receiver's trust account any funds in their possession. Moneris has advised that it will be holding back for a period of time approximately \$114,000 to offset any customer chargebacks that may be made.

Books and Records

28. The books and records of the Company are located at the Ontario premises. The Receiver has obtained full and unfettered access to all of Amax's records; however, the Receiver notes that certain records were not maintained by the Debtor.
29. The Receiver is currently in the process of reviewing the Company's books and records and specifically the status of provincial sales tax and harmonized sales tax ("HST") returns. The Receiver understands that Amax had not, as at the date of commencement of the receivership administration, completed or filed any HST returns, which are due quarterly.

Insurance

30. On June 5, 2019, the Receiver contacted Amax's insurance broker (the "**Broker**") to (i) notify it of the receivership; (ii) enquire if Amax's insurance coverage was still in effect; (iii) confirm that Amax's insurer would continue coverage during the receivership administration; and (iv) if coverage would be continued, that the Receiver be added as a named insured and loss payee.

-
31. The Broker advised the Receiver that Amax's insurance policy was still in effect, but the Company had not paid the premium for the policy. The insurance broker advised that it would need to inquire of the insurer whether coverage would be continued under the receivership administration, but the policy would remain in effect until further notice.
 32. On June 27, 2019, the Broker wrote to the Receiver to confirm that the Company's coverage would be continued, and that the Receiver had been added to the policy as the named insured and loss payee.
 33. The Receiver issued payment of the annual premium for the policy on June 28, 2019.

Company's Retention and Termination of Staff

34. Immediately prior to the appointment of the Receiver, on May 31, 2019, the Company terminated the majority of its staff. Not terminated on May 31, 2019 were six staff members at the Ontario location, one staff member located and working from home in Port Colborne, Ontario, 2 staff members from the Calgary location, 2 staff members located in British Columbia and 1 contractor in Quebec.
35. During the week of June 3 – 7, 2019, the Company's former Controller completed, filed and mailed the terminated employees' records of employment (the "ROEs"). The former CEO and President of the Company, who is the spouse of the Controller, informed the Receiver that the shareholders of the Company advised the Controller that she would be paid \$5,000 to complete this task. The Receiver has not paid this amount on the basis that the Receiver did not enter into any agreement for the performance of this task with the former Controller.
36. After its appointment, on June 5, 2019, the Receiver attended at the Ontario location and held a meeting with the remaining staff and contractor. The

contractor located in Quebec and the employees located in Calgary, British Columbia and Port Colborne attended the meeting by telephone. During the meeting, the Receiver: (i) advised the staff of the Receiver's appointment; (ii) explained the Receiver's intended course of action with respect to continuing the sale of the Company's inventory and collection of accounts receivable; and (iii) gained an understanding of the employees' and contractor's roles within the Company.

37. On June 10, 2019, the Receiver issued 'Term & Task' letters to the 11 remaining employees of the Company. These letters provided information to these employees regarding the terms of their continued employment by the Company.
38. By June 12, 2019, the Receiver had received signed term and task letters from the employees in Ontario, Port Colborne and British Columbia. Upon follow up with the employees in Calgary, one employee (the "**Calgary Sales Employee**") refused to sign the Receiver's term and task letter unless certain language was added to the letter, which language was not acceptable to the Receiver. The Receiver advised the Calgary Sales Employee that the proposed language would not be inserted into the term and task letter. The other Calgary employee (the "**Calgary Warehouse Supervisor**") did not respond.
39. On June 14, 2019, the Calgary Warehouse Supervisor tendered his resignation, effective June 28, 2019. On June 17, 2019, the Receiver was advised by the Calgary Warehouse Supervisor that his resignation would be effective June 21, 2019.
40. On June 14, 2019, upon follow up by the Receiver with the Calgary Sales Employee regarding execution of the term and task letter provided to her, the Calgary Sales Employee advised that she would not sign the letter unless the additional language, among other things, were inserted into the term and task letter. The Receiver advised the Calgary Sales Employee that as a result of

her and the Receiver's inability to come to terms on the term and task letter, June 14, 2019 would be her last day with Amax. The Receiver also confirmed with the Calgary Sales Employee that she had been paid for work to the end of June 14, 2019.

41. On the basis that the Calgary Sales Employee was no longer at Amax and the Calgary Warehouse Supervisor's last day was June 21, 2019, the Receiver required someone to manage the Calgary premises from June 21, 2019 forward.
42. With the assistance of two of the employees retained by the Company, the Receiver caused customer calls being received by Calgary staff to be redirected to the Ontario facility. Upon discussion with these two employees, the Receiver came to understand that a former employee residing in British Columbia had managed the set-up of the Calgary premises and that this individual (the "**Calgary Manager**") possessed the skill set to assist the Receiver with its duties as they related to the Calgary premises.
43. The Receiver contacted the Calgary Manager who was willing to attend at the Calgary premises and manage same. The Receiver immediately made appropriate arrangements with this individual on a contract basis. The Calgary Manager attended at the Calgary premises on June 20, 2019 to work with the Calgary Warehouse Supervisor in order to appropriately transition duties.
44. On July 12, 2019, five employees were terminated by the Company. These employees primarily assisted the Receiver with sales of inventory, which sales ceased on July 12, 2019. The Company continues to employ four employees in Ontario. The Calgary Manager and contractor in Quebec continue to assist the Receiver with its duties in those locations.

Employee Claims and the Wage Earner Protection Program Act (“WEPPA”)

45. Upon the Receiver’s appointment, the Receiver began to receive calls from Service Canada regarding the ROEs submitted by the former Controller. It appears that the reason for termination was listed on the ROEs as “separation”, which the Receiver understands is not terminology that is recognized by Service Canada in respect of claims under WEPPA when an employee is terminated. In addition, the Receiver understands that the online filing of ROEs for the terminated employees was only partially completed by the former Controller. The Receiver completed the online filing of ROEs and has advised Service Canada that the reason for termination of staff by the Company was in anticipation of a receivership or bankruptcy.
46. The Receiver has responded to numerous inquiries from former employees of the Company seeking information and clarification as to the receivership proceedings, the status of payment of amounts owed to them, and how they may file a claim under the WEPPA.
47. Pursuant to the provisions of the WEPPA, the Receiver is required to: (i) provide to Service Canada the names of the workers who are owed employment related amounts by the Company and the amounts they are owed; and (ii) notify employees of the existence of the Wage Earner Protection Program within 45 days of the date of receivership.
48. The Receiver requested from the Company details of the amounts owed to former employees (the “**Arrears Information**”). The Arrears Information was provided by Amax’s Controller, and Chief Executive Officer and President, to the Receiver, which set out the amounts owed to former employees consisting of unpaid payroll, vacation pay, commissions, expenses, termination pay and/or severance and which confirmed that salaries and wages were paid by the Company up to May 31, 2019.

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49. On June 24, 2019, the Receiver mailed to eligible former employees of the Company an information package which included details of the recipient's claim, a proof of claim form, and instructions on how to apply for a payment under the WEPPA. The information package was sent to 20 former employees of the Company.
 50. The Receiver has responded to numerous inquiries from former employees of the Company in respect of the information package and the WEPPA. If an employee did not agree with the amounts that the Company provided to the Receiver, the Receiver obtained the Company's confirmation of the revised amount claimed by the employee or an explanation for why the given employee was not eligible for the additional amounts being claimed, which explanation was then provided by the Receiver to the employee.
 51. As of the date of the First Report, the Receiver continues to carry out its obligations with respect to the WEPPA.

Accounts Receivable Collections

52. According to an accounts receivable listing provided to the Receiver, as of the date of the commencement of the receivership, the Company was owed approximately \$987,000 by its customers. The Receiver has been working with Amax employees to effect collection of the outstanding accounts. As at July 11, 2019, the Receiver has collected \$546,966 representing approximately 55% of the Company's outstanding accounts receivable balance as at June 4, 2019.
53. The Receiver intends to proceed with its collection efforts until such time as those collection efforts become ineffective. At that time, depending on the quality and completeness of the books and records supporting the outstanding accounts receivable, and the quantum of the individual account balances, the Receiver will assess the merits of engaging a collection agency

to effect collection of the remaining accounts, or commence litigation to effect their collection.

30-Day Goods

54. The Receiver received one 30-day goods claim from 3M Canada Company (“**3M**”) pursuant to the provisions in S. 81.1 of the BIA. Based on its review of 3M’s claim and goods located in both the Ontario and Calgary facilities, the Receiver identified goods totaling approximately \$8,500 that were eligible for repossession by 3M (the “**3M Returnable Goods**”). These goods were segregated in each warehouse and removed from inventory available for sale.
55. 3M that it has picked up the 3M Returnable Goods from the Ontario and Alberta premises.

V. SALES PROCESS

56. Pursuant to paragraph 3 (i) of the Appointment Order, the Receiver is empowered and authorized to market any of the Property or any parts thereof and negotiate such terms and conditions of sale as the Receiver may deem appropriate.
57. On June 24, 2019, the Receiver commenced marketing efforts to sell the Property, including all inventory, furniture, equipment, brand rights, and customer lists.
58. On June 24, 2019, the Receiver commenced marketing the Property by preparing a marketing brochure (the “**Marketing Brochure**”) and forwarding the Marketing Brochure to various competitors of the Company, as well as a number of auctioneers/liquidators. The Receiver placed notices advertising the Property for sale in the National Post on June 27, 2019 and July 4, 2019 (collectively, the “**Newspaper Advertisements**”). Copies of the Marketing

Brochure and the Newspaper Advertisements are attached hereto as Appendix "H".

59. The Receiver prepared a confidentiality agreement ("**CA**") and a confidential information memorandum (the "**CIM**") with the Receiver's terms and conditions of sale to be sent to those parties that executed a CA. As of the date of this First Report, 27 CAs were executed by interested parties and returned to the Receiver. The Receiver sent to each party that executed a CA a copy of the CIM. The CIM contained, among other things, detailed listings of all inventory and equipment lots, terms and conditions of sale, and information regarding the customer lists and private label brands. A copy of the CA is attached hereto as Appendix "I". A copy of the CIM will be provided to the Court as "**Confidential Appendix 1**" on the hearing of the motion.
60. The Receiver respectfully requests that the Court seal the CIM pending further Order of the Court as publicly disclosing same may be prejudicial to the Receiver's sale process, Amax and/or others in the dental supply industry.
61. The Receiver's Sale Process is currently ongoing, and the Receiver has requested that all offers be submitted by July 19, 2019 (the "**Bid Submission Deadline**"). Further information on the marketing campaign will be provided to the Court at a later date, once the Bid Submission Deadline has passed, the Receiver has reviewed the offers received and the Receiver makes an application to Court for sale(s) of the Property.
62. A summary of the timeline of the Receiver's Sale Process is set out below:
 - a) June 25 – July 18, 2019 – inspection of assets by potential purchasers;
 - b) July 12, 2019 – cessation of inventory sales and provide potential purchasers with revised inventory lists to formulate final bids;
 - c) July 19, 2019 – Bid Submission Deadline;

-
- d) July 24, 2019 – provide notification to successful and unsuccessful bidders;
 - e) August 1, 2019 – return deposits to unsuccessful bidders;
 - f) August 2 – August 16, 2019 – seek Court approval and close transaction(s); and
 - g) August 25, 2019 – Asset removal deadline.

VI. NOTICE AND STATEMENT OF RECEIVER

On June 14, 2019, the Receiver issued its Notice and Statement of Receiver, pursuant to S. 245 and 246 of the *Bankruptcy and Insolvency Act*.

VII. RECEIVER'S INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

- 63. Attached to this report as Appendix "J" is the Receiver's Interim Statement of Receipts and Disbursements for the period June 4, 2019 to July 11, 2019 (the "R&D"). During this period, receipts were \$1,103,383, while disbursements were \$281,387, resulting in a net cash surplus of \$821,996.
- 64. The Receiver notes that cash receipts totaling approximately \$206,000 are held by either Servus or the Credit Card Processors, which receipts are included in the Receiver's cash receipts set out on the R&D.
- 65. The Receiver's disbursements for the period ending July 11, 2019 include, *inter alia*, payroll and related costs of \$87,741, occupation rent of \$42,702, and packaging and freight costs of \$30,511.

Receiver's Borrowings

66. As previously stated herein, pursuant to paragraph 20 of the Appointment Order, the Receiver is empowered to borrow up to \$50,000 for the purpose of funding the exercise of the powers and duties of the Receiver.
67. At the outset of its appointment and prior to re-directing funds held by BMO, Servus and the Credit Card Processors to the Receiver's trust account, on June 7, 2019, the Receiver borrowed \$50,000 from CIBC in order to pay current and anticipated expenses in relation to the receivership administration and issued a Receiver's Certificate to CIBC. On July 11, 2019, the Receiver repaid CIBC \$50,253, including \$253 in interest.

VIII. DISTRIBUTION TO SECURED LENDER

68. On the basis that the Receiver has obtained an independent legal opinion on the validity and enforceability of CIBC's security, as set out above, the Receiver is seeking the authorization of the Court to make from time to time interim and/or final distributions to CIBC up to the amount of Amax's indebtedness to CIBC, including interest thereon (the "**CIBC Distributions**"). The Receiver is of the view that any interim or final distributions made to CIBC is for the benefit of Amax's other creditors, as it reduces the indebtedness of Amax to CIBC which continues to accrue interest.

IX. FEES AND DISBURSEMENTS OF THE RECEIVER AND COUNSEL

69. Pursuant to paragraph 17 of the Appointment Order, the Receiver and its counsel are to be paid their reasonable fees and disbursements at their standard rates and charges, incurred both before and after the making of the Appointment Order. Pursuant to paragraph 18 of the Appointment Order, the Receiver and its counsel shall pass their accounts before the Court.

-
70. The total fees for the Receiver for the period from May 23, 2019 to June 28, 2019 were \$143,500.50, plus HST of \$18,655.07, for a total of \$162,155.57. The time spent by the Receiver is more particularly described in the Affidavit of Arif Dhanani sworn July 17, 2019, which is attached hereto and marked as Appendix "K" and contains a copy of the invoice that set out the services provided during this time period.
71. The total fees of Scarfone Hawkins for the period from June 5, 2019 to July 10, 2019, were \$6,837.00, plus disbursements of \$48.60, plus HST of \$895.13, for a total of \$7,780.73. The time spent by Scarfone Hawkins is more particularly described in the Affidavit of Zachary Pringle sworn July 17, 2019, which is attached hereto as Appendix "L" and contains, among other things, copies of invoices that set out the services provided during this period.
72. The Receiver is of the view that the fees and disbursements charged by Scarfone Hawkins are fair and reasonable.

X. CONCLUSION

73. Based on the foregoing, the Receiver respectfully requests that the Court grant an order:
- i) approving the First Report and the Receiver's conduct and activities described herein;
 - ii) sealing the CIM until further Order of the Court;
 - iii) approving the R&D;
 - iv) subject to the Receiver's receipt of independent legal opinions confirming the validity and enforceability of CIBC's security in Alberta and Quebec, authorizing the Receiver to make from time to time interim and/or final distributions from current and future realizations to CIBC up to the amount

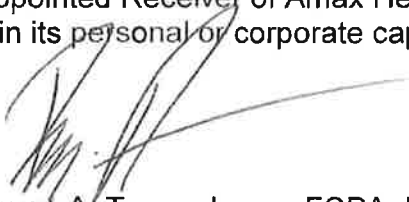
of Amax's indebtedness to CIBC, including interest thereon; authorizing the Receiver to make the CIBC Distributions; and

- v) approving the fees and disbursements of the Receiver for the period ending June 28, 2019 and Scarfone Hawkins to July 10, 2019.

All of which is respectfully submitted to this Court as of this 17th day of July, 2019.

RSM CANADA LIMITED, solely in its capacity as
Court-Appointed Receiver of Amax Health Inc.,
and not in its personal or corporate capacity

Per:



Bryan A. Tannenbaum, FCPA, FCA, FCIRP, LIT
President

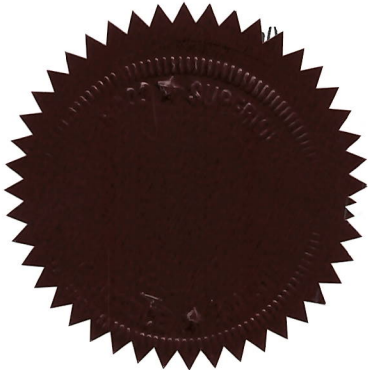
APPENDIX C

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE *Mr.*)
JUSTICE *M. D. Parayeski*)

THURSDAY, THE 25TH
DAY OF JULY, 2019

BETWEEN:



CANADIAN IMPERIAL BANK OF COMMERCE

Applicant

and

AMAX HEALTH INC.

Respondent

ORDER

THIS MOTION, made by RSM Canada Limited, in its capacity as Court-Appointed Receiver of all of the assets, property and undertaking of Amax Health Inc. (the "Receiver"), for an Order approving the conduct of the Receiver as described in the First Report of the Receiver, dated July 17, 2019 (the "First Report") and authorizing interim and/or final distributions from current and future realizations to the Applicant, Canadian Imperial Bank of Commerce ("CIBC"), together with other relief, was heard this day at the court house, 45 Main Street E., Hamilton, Ontario, L8N 2B7.

ON READING the Notice of Motion and the First Report, both of which are filed, and on hearing submissions of counsel for the Receiver and such other counsel as may appear,

1. THIS COURT ORDERS that the time for service and filing of this notice of motion and motion record is hereby abridged such that the motion is properly returnable today and the requirement for service of the notice of motion and motion record upon any other party is dispersed with.
2. THIS COURT ORDERS that the First Report is both accepted and approved by this Honourable Court.
3. THIS COURT ORDER that the conduct, activities and actions of the Receiver as set out in the First Report are both authorized and approved.
4. THIS COURT ORDERS that the Receiver's interim Statement of Receipt & Disbursements as at July 11, 2019 as detailed in the First Report are approved.
5. THIS COURT ORDERS that the Receiver's Confidential Information Memorandum, dated June 25, 2019, as described in the First Report is hereby sealed and shall be segregated from other documents filed in connection with this motion and shall be provided to the Court in a sealed envelope identifying the action and prominently marked with the following legend:

"CONFIDENTIAL INFORMATION"

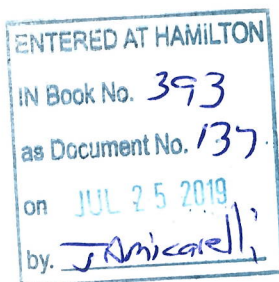
Pursuant to an Order, dated July 25, 2019 (the "Order"), this envelope shall remain sealed in the court file and shall not be opened until further order of the Court.

and the sealed envelope shall be sealed until further order of the Court. Upon the Court making such further order under this paragraph, the Receiver shall forthwith advise the

Service List by email of the order, and shall provide a copy of the Confidential Information Memorandum to any party who requests it.

6. THIS COURT ORDERS that the Receiver is hereby authorized from time to time to make interim and/or final distributions to the Applicant, Canadian Imperial Bank of Commerce ("CIBC") up to the amount of the indebtedness of Amax to CIBC, including any interest thereon, upon the Receiver's receipt of an independent legal opinion confirming the validity, enforceability and priority of CIBC's security interest over the assets, property and undertaking of Amax in the provinces of Alberta and Quebec.

7. THIS COURT ORDERS that the Receiver's fees and disbursements for the period of May 23, 2019 to June 28, 2019 and the fees and disbursements of its counsel, Scarfone Hawkins LLP, for the period of June 5, 2019 to July 10, 2019 as detailed in the First Report, are approved and the Receiver is authorized to pay them.

A handwritten signature in blue ink, appearing to be "R. L. J.", written over a horizontal line.

(Signature of Judge)

RCP-E 59A (July 1, 2007)

CANADIAN IMPERIAL BANK OF COMMERCE
Applicant

-and- **AMAX HEALTH INC.**
Respondent

Court File No. 19-69485

ONTARIO
SUPERIOR COURT OF JUSTICE
PROCEEDING COMMENCED AT HAMILTON

ORDER

SCARFONE HAWKINS LLP
One James Street South
14th Floor
P.O. Box 926, Depot 1
Hamilton, Ontario
L8N 3P9

Michael J. Valente (LSO # 23925R)
mvalente@shlaw.ca
Tel: 905-523-1333
Fax: 905-523-5878

Lawyers for the Receiver, RSM Canada Limited
RCP-E 4C (May 1, 2016)

APPENDIX D

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

BETWEEN:

CANADIAN IMPERIAL BANK OF COMMERCE

Applicant

- and -

AMAX HEALTH INC.

Respondent

SECOND REPORT OF THE RECEIVER

August 22, 2019

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I. INTRODUCTION

1. By Order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated June 4, 2019 (the “**Appointment Order**”), RSM Canada Limited (“**RSM**”) was appointed receiver (the “**Receiver**”), without security, of all of the assets, undertakings and properties of Amax Health Inc. (“**Amax**”, the “**Debtor**” or the “**Company**”) acquired for, or used in relation to a business carried on by the Debtor (the “**Property**”). A copy of the Appointment Order is attached hereto as Appendix “**A**”.
2. The Appointment Order authorizes the Receiver to, among other things:
 - a) take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
 - b) manage, operate, and carry on the business of the Debtor, 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 Debtor;
 - c) receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor; and
 - d) market any or all of the Property, 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.
3. The Appointment Order referred to in this report, together with related Court documents, has been posted on the Receiver’s website, which can be found at <https://rsmcanada.com/what-we-do/services/consulting/financial->

[advisory/restructuring-recovery/current-restructuring-recovery-engagements/amax-health-inc.html](https://www.crestadvisory/restructuring-recovery/current-restructuring-recovery-engagements/amax-health-inc.html).

Purpose of the Second Report

4. The purpose of this second report of the Receiver (the “**Second Report**”) is to:
 - (a) provide the Court with details regarding the activities of the Receiver since the date of the First Report to August 21, 2019;
 - (b) report to the Court on the results of the Receiver’s efforts to obtain offers for the Property (the “**Sale Process**”);
 - (c) inform the Court of the independent legal opinion obtained by the Receiver on the validity and enforceability of the security held by Canadian Imperial Bank of Commerce (“**CIBC**”), the Company’s senior secured lender, in the province of Alberta (the “**Alberta Legal Opinion**”);
 - (d) provide the Court with a summary of the Receiver’s cash receipts and disbursements for the period June 4, 2019 to August 16, 2019; and
 - (e) seek an order from the Court:
 - i. approving the Second Report and the Receiver’s conduct and activities described herein;
 - ii. authorizing and directing the Receiver to enter into and carry out the terms of the agreement of purchase and sale (the “**APS**”) between the Receiver and 11509349 Canada Inc. (the “**Purchaser**”) dated August 22, 2019 together with amendments thereto, together with any further amendments thereto deemed necessary by the Receiver in its sole opinion, and vesting title to

the Property in the Purchaser, or as it may further direct in writing, upon closing of the transaction;

- iii. sealing Confidential Appendix 1 and Confidential Appendix 2 (as defined below) until further Order of the Court;
- iv. authorizing the Receiver to file an assignment in bankruptcy on behalf of the Debtor;
- v. approving the R&D (defined below); and
- vi. approving the fees and disbursements of the Receiver for the period ended July 31, 2019 and of the Receiver's counsel, Scarfone Hawkins LLP ("**Scarfone Hawkins**") to August 9, 2019.

Terms of Reference

- 5. In preparing this Second Report and making the comments herein, the Receiver has relied upon information from third-party sources (collectively, the "**Information**"). Certain of the information contained in this Second Report may refer to, or is based on, the Information. As the Information has been provided by other parties, or obtained from documents filed with the Court in this matter, the Receiver has relied on the Information and, to the extent possible, reviewed the Information for reasonableness. However, the Receiver has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards pursuant to the CPA Canada Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance in respect of the Information.
- 6. Unless otherwise stated, all dollar amounts contained in the Second Report are expressed in Canadian dollars.

-
7. Defined terms in this Second Report have, unless indicated otherwise herein, the same meanings as set out in the First Report.

II. BACKGROUND

8. On September 1, 2018, Cheeta Alliance Inc., Amax Dental Alberta Inc., Amax Dental Supply B.C. Inc. and Amax Dental Ontario Inc. were amalgamated to form Amax. Amax is an Ontario corporation and distributed dental supplies and related equipment throughout Canada.
9. The Company operated from leased facilities located at 1-27 Seapark Drive in St. Catharines, Ontario ("**Ontario**"), 4900-64th Avenue SE in Calgary, Alberta ("**Alberta**") and 22 Rue J-Marc Seguin in Rigaud, Quebec ("**Quebec**"). The Company's head office is located at the Ontario location and its inventory was housed at, and distributed from, the Ontario and Alberta locations. The Quebec location is a sales office containing limited office furniture and equipment.
10. According to a corporation profile report dated May 23, 2019, Messrs. Carman Dennis Adair, Joseph Taylor Robertson and Clark Robertson are listed as the directors of Amax. A copy of the corporation profile report for Amax is attached hereto as Appendix "**B**".
11. CIBC provided Amax with a \$1,000,000 revolving credit facility by way of loan agreement dated January 8, 2019 (the "**Business Loan**"), which is secured by a general security agreement in favour of CIBC.
12. As Amax was in default of its obligations under the Business Loan and by notice of application dated June 3, 2019 ("**Application**"), CIBC sought the appointment of the Receiver.
13. On June 4, 2019, the Court issued the Appointment Order in which RSM was appointed as Receiver of Amax.

-
14. Scarfone Hawkins is counsel to CIBC. The Receiver has primarily utilized Scarfone Hawkins as counsel for the receivership administration, except in circumstances where independent legal advice is required by the Receiver.

III. RECEIVER'S ACTIVITIES SINCE THE FIRST REPORT

15. The Receiver's significant activities, since the issuance of the First Report, certain of which are discussed in detail further below in this Second Report have consisted of:
- i) arranging for the marketing and requesting of offers for the sale of the Company's assets;
 - ii) reviewing the Company's books and records, in particular the records relating to government remittances;
 - iii) facilitating employee claims relating to the Wage Earner Protection Program Act; and
 - iv) corresponding with various suppliers regarding distribution agreements and other matters.

IV. SALES PROCESS

Marketing Process and Offers Received

16. As set out in the First Report, the Receiver commenced a marketing process for the Company's Property on June 24, 2019. Interested parties were advised that offers were to be submitted by 4:00 p.m. (EST) on July 19, 2019 (the "**Bid Submission Deadline**").
17. As of the Bid Submission Deadline, 12 offers were submitted to the Receiver. The Receiver reviewed the offers received and prepared a summary of the

offers (the “**Offer Summary**”), a copy of which is attached hereto as **Confidential Appendix 1**.

18. Following its review of the offers, the Receiver accepted the offer from the Purchaser. The offer received from the Purchaser is the highest and best offer received and CIBC is supportive of the Receiver’s acceptance of the Purchaser’s offer.
19. The Receiver entered into the APS which is now subject to the approval of the Court.

Agreement of Purchase and Sale

20. Salient terms of the APS and matters relating thereto include (all capitalized terms in this section not defined in the APS are as otherwise defined in the Second Report):
 - i) the Assets include all office equipment and furniture and warehouse equipment of whatever nature and kind used in connection with the business of the Company wherever located, the Company’s inventory (including but not limited to Cheeta, 3M, GC America, Diadent, Pulpdent and Private Label inventory), the Company and Cheeta respective brand names and rights, if any, and the Company’s Customer List and certain customer, sales and inventory data;
 - ii) the deposit to be provided under the APS has been received from the Purchaser;
 - iii) the APS is conditional on Court approval and the issuance of an order vesting title to the Purchased Assets in the Purchaser free and clear of claims and encumbrances;
 - iv) the Purchaser is purchasing the Assets on an “as is, where is” basis; and

v) closing of the sale provided for in the APS is scheduled to occur on the tenth Business Day following the date on which the Vesting Order is granted, or such other date as agreed to between the Purchaser and the Receiver, in writing.

21. A copy of the APS is attached hereto as **Confidential Appendix 2**.
22. The Receiver respectfully requests that the Court seal Confidential Appendix 1 and Confidential Appendix 2 pending further Order of the Court as public disclosure of the information contained therein could have a detrimental effect on the ability of the Receiver to complete a sale of the Property to the Purchaser or to another party in the event the sale to the Purchaser does not close.

V. OTHER MATTERS

Federal and Provincial Tax Filings

23. Upon its appointment, the Receiver requested certain information from the Company, including details and support relating to federal and provincial sales tax filings and remittances. The Company's controller informed the Receiver on or about June 5, 2019 that to the best of her knowledge, Amax had never filed any returns for sales taxes, with the possible exception of certain returns that may have been filed in the province of British Columbia by a predecessor company (Amax Dental Supply B.C. Inc.). The status of the Company's tax filings was subsequently confirmed by Amax's part-time Chief Financial Officer.
24. Based on the foregoing, the Receiver reviewed the Company's books and records in an effort to determine whether the information required to file the outstanding returns was available in order to enable the Receiver to file the outstanding returns.

-
25. After a thorough examination of the documents available to the Receiver, the Receiver determined that the Company's books and records are incomplete and in a state of disarray. Due to the incomplete nature of the Company's books and records, the Receiver is not in a position to file the outstanding returns on behalf of the Company.

Province of British Columbia Tax Lien

26. On August 1, 2019, the Receiver received a letter from the British Columbia Ministry of Finance (the "**Ministry**"), in which the Ministry advised the Receiver that it had registered a lien against the Company's property in the amount of \$19,726.04 (the "**Lien**") pursuant to section 221 of the Provincial Sales Tax Act.
27. The Receiver understands from the Ministry that the Lien amount is based on an arbitrary assessment by the Ministry, which was issued as a result of the Company's non-compliance with its reporting obligations.
28. The Receiver obtained a copy of the British Columbia Personal Property Registration report for the Company as at August 1, 2019, which sets out that the Ministry had registered its Lien on June 13, 2019. The Receiver notes that the Lien was registered subsequent to the appointment of the Receiver on June 4, 2019.
29. The Receiver is currently reviewing its position on the Lien with Scarfone Hawkins and will provide an update on this matter in its next report to the Court.

Alberta Legal Opinion

30. In the First Report, the Receiver set out that it was in the process of obtaining independent legal opinions on the validity and enforceability of CIBC's security in Alberta and Quebec.

-
31. The Receiver has received an opinion from Norton Rose Fulbright that, subject to the assumptions and qualifications contained in the Alberta Legal Opinion, CIBC has a first ranking security interest in the Property, subject to any valid purchase money security interests and registered leases and interests not subject to the PPSA. A copy of the Alberta Legal Opinion is attached hereto as Appendix "C".
 32. The Receiver is currently awaiting receipt of the opinion from Quebec counsel on the validity and enforceability of CIBC's security in Quebec.

Bankruptcy

33. Following the closing of the proposed sale to the Purchaser, the proceeds realized from the sale plus the Receiver's realizations to date from the sale certain of Amax's inventory and the collection of Amax's accounts receivable, will be greater than (i) the amount required to pay all administration costs relating to the receivership administration (i.e. professional fees, utilities, rent, etc.) and (ii) the amounts required to satisfy the claims of the Company's secured creditors, being CIBC and the Ministry (assuming that the Ministry's Lien is valid and enforceable) (the "**Surplus Amount**").
34. In order to provide for a distribution mechanism of the Surplus Amount to unsecured creditors and to reverse any potential future priority claims that CRA or other provincial bodies may have against the Company for amounts owed in respect of goods and services and harmonized sales tax, which may be claimed against the Receiver or against distributions made by the Receiver, the Receiver hereby requests the approval of the Court for the Receiver to assign the Company into bankruptcy.

VI. RECEIVER'S INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

35. Attached hereto as Appendix "D" is the Receiver's Interim Statement of Receipts and Disbursements for the period June 4, 2019 to August 16, 2019 (the "R&D"). During this period, receipts were \$1,205,376 while disbursements were \$405,767, resulting in a net cash balance of \$799,609. The Receiver notes that total receipts and the excess of receipts over disbursements set out in the R&D do not include the deposit received from the Purchaser pursuant to the APS since disclosure of the deposit could enable the calculation of the purchase price for the assets included in the APS, prior to the closing of the sale to the Purchaser.
36. The Receiver notes that cash receipts totaling approximately \$114,088 are being held by Moneris (the "Holdback"), one of the Company's Credit Card Processors, which receipts are included in the Receiver's cash receipts set out in the R&D. According to Moneris, the Holdback will not be released until a minimum of 120 days after the last transaction is processed as Moneris requires the Holdback to limit its exposure to customer chargebacks that may be requested during the applicable dispute period.
37. The Receiver's significant disbursements for the period ended August 16, 2019 include, *inter alia*, payroll and related costs of \$166,368, occupation rent of \$68,201, repayment of Receiver's Certificate in the amount of \$50,000, credit card processing and miscellaneous travel and other costs of \$43,083 and packaging and freight costs of \$39,237.

VII. FEES AND DISBURSEMENTS OF THE RECEIVER AND COUNSEL

38. Pursuant to paragraph 17 of the Appointment Order, the Receiver and its counsel are to be paid their reasonable fees and disbursements at their standard rates and charges, incurred both before and after the making of the

Appointment Order. Pursuant to paragraph 18 of the Appointment Order, the Receiver and its counsel shall pass their accounts before the Court.

39. The total fees for the Receiver for the period July 1, 2019 to July 31, 2019 were \$80,065.50, plus HST of \$10,408.52, for a total of \$90,474.02. The time spent by the Receiver is more particularly described in the Affidavit of Bryan Tannenbaum sworn August 22, 2019, which is attached hereto and marked as Appendix "E" and contains a copy of the invoice that sets out the services provided during this time period.
40. The total fees of Scarfone Hawkins for the period July 11, 2019 to August 9, 2019, were \$16,800.00, plus disbursements of \$472.74, plus HST of \$2,203.86, for a total of \$19,476.60. The time spent by Scarfone Hawkins is more particularly described in the Affidavit of Zachary Pringle sworn August 22, 2019, which is attached hereto as Appendix "F" and contains, among other things, copies of invoices that set out the services provided during this period.
41. The Receiver is of the view that the fees and disbursements charged by Scarfone Hawkins are fair and reasonable.

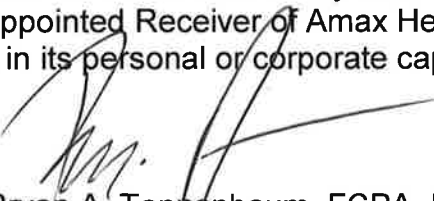
VIII. CONCLUSION

42. Based on the foregoing, the Receiver respectfully requests that the Court grant the orders described in paragraph 4 (e) above.

All of which is respectfully submitted to this Court as of this 22nd day of August, 2019.

RSM CANADA LIMITED, solely in its capacity as
Court-Appointed Receiver of Amax Health Inc.,
and not in its personal or corporate capacity

Per:


Bryan A. Tannenbaum, FCPA, FCA, FCIRP, LIT
President

APPENDIX E

ONTARIO
SUPERIOR COURT OF JUSTICE

THE HONOURABLE *MR.*)
JUSTICE *M. D. PARAYESKI*)

TUESDAY, THE 3rd
DAY OF SEPTEMBER, 2019

B E T W E E N:

CANADIAN IMPERIAL BANK OF COMMERCE

Applicant

- and -

AMAX HEALTH INC.

Respondent

APPROVAL AND VESTING ORDER

THIS MOTION, made by RSM Canada Limited in its capacity as the Court-appointed receiver (the "Receiver") of the undertaking, property and assets of Amax Health Inc. (the "Debtor") for an order approving the sale transaction (the "Transaction") contemplated by an agreement of purchase and sale (the "Sale Agreement") between the Receiver and 11509349 Canada Inc. (the "Purchaser") dated August 22, 2019, and vesting in the Purchaser the Debtor's right, title and interest in and to the assets described in the Sale Agreement (the "Purchased Assets"), was heard this day at the Court House, 45 Main Street, Hamilton, Ontario.

ON READING the Second Report of the Receiver, dated August 22, 2019 (the "Second Report") and on hearing the submissions of counsel for the Receiver, and

counsel for the Purchaser, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Elizabeth Wise sworn August 22, 2019 filed:

1. THIS COURT ORDERS that any requirement for service of the Notice of Motion, the Second Report, and Motion Record be and is hereby abridged, that the Motion is property returnable today and all parties requiring notice of this Motion have been duly served and that service on all parties is hereby validated and any further service is hereby dispensed with.

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

3. THIS COURT ORDERS AND DECLARES that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "Receiver's Certificate"), all of the Debtor's right, title and interest in and to the Purchased Assets listed on Schedule B hereto, and more particularly described in the Sale Agreement, shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Mr. Honourable Justice Whitten dated June 4, 2019; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Acts* of the provinces of British Columbia, Alberta and Ontario or any other personal property registry systems including but limited to the Registre des Droits Personnels et Reels Mobiliers of the province of Quebec (all of which are collectively referred to as the "Encumbrances") and, for greater

certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

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

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

6. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all personal information in the Debtor's records pertaining to the Debtor's past and current individual customers. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.

7. THIS COURT ORDERS that, notwithstanding:

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

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

8. THIS COURT ORDERS that the Second Report is both accepted and approved by this Honourable Court.

9. THIS COURT ORDERS that the conduct, activities and actions of the Receiver as set out in the Second Report are both authorized and approved.

10. THIS COURT ORDERS that the Receiver's interim Statement of Receipt & Disbursements as at August 16, 2019 as detailed in the Second Report are approved.

11. THIS COURT ORDERS that the Receiver is hereby authorized to file an assignment in bankruptcy on behalf of the Debtor.

12. THIS COURT ORDERS that the Confidential Appendices 1 and 2 as defined in the Second Report are hereby sealed and shall be segregated from other documents filed in connection with this motion and shall be provided to the Court in a sealed envelope identifying the action and prominently marked with the following legend:

“CONFIDENTIAL INFORMATION”

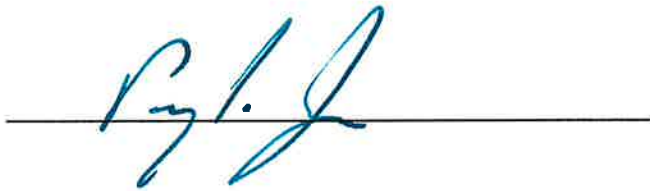
Pursuant to an Order, dated August 29, 2019 (the “Order”), this envelope shall remain sealed in the court file and shall not be opened until further order of the Court.

And the sealed envelope shall be sealed until the completion of the Sale Agreement or further order of this Court. Upon the Court making such further order under this

paragraph, the Receiver shall forthwith advise the Service List by email of the order, and shall provide a copy of the Confidential Appendices to any party who requests it.

13. THIS COURT ORDERS that the Receiver's fees and disbursements for the period of July 1, 2019 to July 31, 2019 and the fees and disbursements of its counsel, Scarfone Hawkins LLP, for the period of July 11, 2019 to August 9, 2019 as detailed in the Second Report, are approved and the Receiver is authorized to pay them.

14. 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.



ENTERED AT HAMILTON
IN Book No. 355
as Document No. 50
on: SEP 03 2019
by: J. MacNeill

Schedule A – Form of Receiver’s Certificate

Court File No. 19-69485

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E N:

CANADIAN IMPERIAL BANK OF COMMERCE

Applicant

- and -

AMAX HEALTH INC.

Respondent

RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Mr. Justice Whitten of the Ontario Superior Court of Justice (the "Court") dated June 4, 2019, RSM Canada Limited was appointed as the receiver (the "Receiver") of the undertaking, property and assets of Amax Health Inc. (the "Debtor").

B. Pursuant to an Order of the Court dated August 29, 2019, the Court approved the agreement of purchase and sale made as of August 22, 2019 (the "Sale Agreement") between the Receiver and 11509349 Canada Inc. (the "Purchaser") and provided for the vesting in the Purchaser of the Debtor’s right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in the Sale Agreement have been satisfied or waived by the Receiver

and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

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

THE RECEIVER CERTIFIES the following:

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

RSM CANADA LIMITED, in its capacity as Receiver of the undertaking, property and assets of Amax Health Inc., and not in its personal capacity

Per: _____

Name: Bryan A. Tannenbaum

Title: President

Schedule B – Purchased Assets

(more particularly described in the Sale Agreement)

- Office Furniture and Equipment – St. Catharines, ON
- Office Furniture and Equipment – Calgary, AB
- Office Furniture and Equipment – Rigaud, QC
- Warehouse Equipment – St. Catharines, ON
- Warehouse Equipment – Calgary, AB
- Brand name and rights – Cheeta
- Inventory – Cheeta
- Inventory - 3M
- Inventory – GC America, Coltene Whaledent, Premier, Hu-Friedy, Paradis Dental Technologies, American Eagle, Hartzell
- Inventory – Diadent Zirc, Buffalo Dental, Waterpik, SS White, Microbrush, Keystone Technologies, various others
- Inventory – Pulpdent, DMG, Septodont, Carestream, Danville, Johnson & Johnson, Juraray, Monoject, Young Dental, Tokuyama, various others
- Inventory – Disposables and Cleaners (i.e. gloves, masks, paper products, surface cleaners, etc.)
- Inventory – Private Label Other
- Customer List

- The Debtor's rights and interest in and to the licensed Sage 3000 (2018) Enterprise Resource Planning System, together with all the Debtor's data and information associated therewith that resides on the third party server
- all rights of the Debtor, if any, in and to the names "Amax Health", "Amax Dental" and "Cheeta", including without limitation, any trademark rights in or to such names and any associated logos or designs (including for clarity, Canadian trademark application # 1829637 – Cheeta & design, and Canadian trademark application # 1831679 – Amax Dental & design), any rights to use the said names as a tradename, business name or corporate name, and any other intellectual property rights in and to the said names in any jurisdiction, whether registered or unregistered, and any goodwill associated with the foregoing
- all books, records, data and information of the Debtor relating to the foregoing (but excluding the minute book of the Debtor)

CANADIAN IMPERIAL BANK OF COMMERCE
Applicant

-and- **AMAX HEALTH INC.**
Respondent

Court File No. 19-69485

ONTARIO
SUPERIOR COURT OF JUSTICE
PROCEEDING COMMENCED AT HAMILTON

APPROVAL AND VESTING ORDER

SCARFONE HAWKINS LLP
One James Street South
14th Floor
P.O. Box 926, Depot 1
Hamilton, Ontario
L8N 3P9

Michael J. Valente (LSO # 23925R)
mvalente@shlaw.ca
Tel: 905-523-1333
Fax: 905-523-5878

Lawyers for the Receiver, RSM Canada Limited
RCP-E 4C (May 1, 2016)

APPENDIX F

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

BETWEEN:

CANADIAN IMPERIAL BANK OF COMMERCE

Applicant

- and -

AMAX HEALTH INC.

Respondent

THIRD REPORT OF THE RECEIVER

October 17, 2019

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I. INTRODUCTION

1. By Order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated June 4, 2019 (the “**Appointment Order**”), RSM Canada Limited (“**RSM**”) was appointed receiver (the “**Receiver**”), without security, of all of the assets, undertakings and properties of Amax Health Inc. (“**Amax**”, the “**Debtor**”) acquired for, or used in relation to a business carried on by the Debtor (the “**Property**”). A copy of the Appointment Order is attached hereto as Appendix “**A**”.
2. The Appointment Order authorizes the Receiver to, among other things:
 - a) take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
 - b) manage, operate, and carry on the business of the Debtor, 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 Debtor;
 - c) receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor; and
 - d) market any or all of the Property, 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.
3. The Receiver’s first report to the Court dated July 17, 2019 (the “**First Report**”) provided information on the Receiver’s activities from the date of the Appointment Order to July 12, 2019 and sought, *inter alia*: (i) certain

relief from the Court in respect of the Receiver's sales process described therein and (ii) authorization to make distributions to CIBC.. A copy of the First Report, without appendices, is attached hereto as Appendix "B".

4. On July 25, 2019, the Honourable Justice Parayeski made an Order (the "**July 25 Order**"):
 - a) approving the First Report and the Receiver's conduct set out therein;
 - b) approving the Receiver's interim Statement of Receipts and Disbursements as at July 11, 2019;
 - c) sealing the Receiver's Confidential Information Memorandum dated July 25, 2019 until further order of the Court;
 - d) authorizing the making of interim distributions to CIBC;
 - e) approving the fees of the Receiver and its counsel.

A copy of the July 25 Order is attached hereto as Appendix "C".

5. The Receiver's second report to the Court dated August 22, 2019 (the "**Second Report**") provided information on the Receiver's activities from the date of the First Report to August 21, 2019 and sought, *inter alia*: (i) the Court's approval for the Receiver to enter into the agreement of purchase and sale between the Receiver and 11509349 Canada Inc.; (ii) an Order sealing certain confidential appendices; and (iii) authorizing the Receiver to file an assignment in bankruptcy on behalf of the Debtor. A copy of the Second Report, without appendices, is attached hereto as Appendix "D".
6. On September 3, 2019, the Honourable Justice Parayeski made an Order (the "**Approval and Vesting Order**"):
 - a) authorizing the Receiver to enter into and carry out the terms of the Sale Agreement (as defined therein);

-
- b) approving the Second Report and the Receiver's conduct set out therein;
 - c) approving the Receiver's interim Statement of Receipts and Disbursements as at August 16, 2019;
 - d) authorizing the Receiver to file an assignment in bankruptcy on behalf of the Debtor;
 - e) sealing certain Confidential Appendices until further order of the Court; and
 - f) approving the fees of the Receiver and its counsel.

A copy of the Approval and Vesting Order is attached hereto as Appendix "E".

- 7. The Appointment Order referred to in this report, together with related Court documents, has been posted on the Receiver's website, which can be found at <https://rsmcanada.com/what-we-do/services/consulting/financial-advisory/restructuring-recovery/current-restructuring-recovery-engagements/amax-health-inc.html>.

Purpose of the Third Report

- 8. The purpose of this third report of the Receiver (the "**Third Report**") is to:
 - a) provide the Court with details regarding the activities of the Receiver since the date of the Second Report to October 15, 2019;
 - b) inform the Court of the closing of the sale of Amax's assets;
 - c) inform the Court of the independent legal opinion obtained by the Receiver on the validity and enforceability of the security held by

Canadian Imperial Bank of Commerce (“**CIBC**”), Amax’s senior secured lender, in the province of Quebec (the “**Quebec Legal Opinion**”);

- d) provide the Court with a summary of the Receiver’s cash receipts and disbursements for the period June 4, 2019 to September 30, 2019; and
- e) seek an order from the Court:
 - i. approving the Third Report and the Receiver’s conduct and activities described herein;
 - ii. authorizing the Receiver to make distributions to CIBC provided that the aggregate amount of all distributions made to CIBC shall not, without further order of this Court, exceed the aggregate obligations owing to CIBC by the Debtor pursuant to the terms of the Business Loan, as defined below (the “**Interim Distributions**”);
 - iii. approving the R&D, as defined below; and
 - iv. approving the fees and disbursements of the Receiver for the period ended September 30, 2019, those of the Receiver’s counsel, Scarfone Hawkins LLP (“**Scarfone Hawkins**”) to September 30, 2019 as well as the fees and disbursements of the Receiver’s Quebec counsel, Sarna Neudorfer to August 28, 2019.

Terms of Reference

- 9. In preparing this Third Report and making the comments herein, the Receiver has relied upon information from third-party sources (collectively, the “**Information**”). Certain of the information contained in this Third Report may refer to, or is based on, the Information. As the Information has been provided by other parties, or obtained from documents filed with the Court in

this matter, the Receiver has relied on the Information and, to the extent possible, reviewed the Information for reasonableness. However, the Receiver has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards pursuant to the *Chartered Professional Accountants Canada Handbook* and, accordingly, the Receiver expresses no opinion or other form of assurance in respect of the Information.

10. Unless otherwise stated, all dollar amounts contained in the Third Report are expressed in Canadian dollars.
11. Defined terms in this Third Report have, unless indicated otherwise herein, the same meanings as set out in the First Report and the Second Report.

II. BACKGROUND

12. On September 1, 2018, Cheeta Alliance Inc., Amax Dental Alberta Inc., Amax Dental Supply B.C. Inc. and Amax Dental Ontario Inc. were amalgamated to form Amax. Amax is an Ontario corporation and distributed dental supplies and related equipment throughout Canada.
13. Amax operated from leased facilities located at 1-27 Seapark Drive in St. Catharines, Ontario ("**Ontario**"), 4900-64th Avenue SE in Calgary, Alberta ("**Alberta**") and 22 Rue J-Marc Seguin in Rigaud, Quebec ("**Quebec**"). Amax's head office was located at the Ontario location and its inventory was housed at, and distributed from, the Ontario and Alberta locations. The Quebec location was a sales office containing limited office furniture and equipment.
14. According to a corporation profile report dated May 23, 2019, Messrs. Carman Dennis Adair, Joseph Taylor Robertson and Clark Robertson are

listed as the directors of Amax. A copy of the corporation profile report for Amax is appended as Appendix "B" to the Second Report.

15. CIBC provided Amax with a \$1,000,000 revolving credit facility by way of loan agreement dated January 8, 2019 (the "**Business Loan**"), which is secured by a general security agreement in favour of CIBC.
16. As Amax was in default of its obligations under the Business Loan and by notice of application dated June 3, 2019 ("**Application**"), CIBC sought the appointment of the Receiver.
17. On June 4, 2019, the Court issued the Appointment Order in which RSM was appointed as Receiver of Amax.
18. Scarfone Hawkins is counsel to CIBC. The Receiver has primarily utilized Scarfone Hawkins as counsel for the receivership administration, except in circumstances where independent legal advice is required by the Receiver.

III. RECEIVER'S ACTIVITIES SINCE THE SECOND REPORT

19. The Receiver's significant activities, since the issuance of the Second Report, certain of which are discussed in detail further below in this Third Report, have consisted of:
 - a) completing the sale of Amax's assets;
 - b) supervising the removal of the sold assets from the Ontario, Alberta and Quebec facilities by the purchaser of the assets and providing vacant possession of those facilities to the respective landlords;
 - c) reviewing the Debtor's books and records and, in particular, the records relating to government remittances;
 - d) filing certain excise tax returns pertaining to the receivership period;

-
- e) facilitating employee claims relating to the Wage Earner Protection Program Act; and
 - f) corresponding with various suppliers regarding distribution agreements and other matters.

IV. CLOSING OF THE SALE OF ASSETS

- 20. Pursuant to the APS (as defined in the Second Report) and the Approval and Vesting Order, the sale of Amax's assets (the "**Purchaser**") was to close on the tenth business day following the date that the Approval and Vesting Order was granted by the Court.
- 21. The Purchaser and the Receiver agreed to an earlier closing date, and the transaction closed on September 3, 2019.

V. LIEN CLAIMS OF PROVINCE OF BRITISH COLUMBIA AND WORKSAFE BC

Province of British Columbia Lien Claim

- 22. As set out in the Receiver's Second Report, the British Columbia Ministry of Finance (the "**Ministry**") registered a lien against the Debtor's property in the amount of \$19,726.04 pursuant to section 221 of the Provincial Sales Tax Act (the "**Ministry Lien**").
- 23. The Receiver understands from the Ministry that the lien amount is based on an arbitrary assessment by the Ministry, which was issued as a result of the Amax's non-compliance with its reporting obligations.
- 24. The Receiver obtained a copy of the British Columbia Personal Property Registration report in respect of Amax as at August 1, 2019, which sets out that the Ministry had registered the Ministry Lien on June 13, 2019. The Lien

was registered subsequent to the Court's issuance of the Appointment Order and commencement of the receivership administration on June 4, 2019.

25. In other receiverships it is administering, the Receiver notes that Canada Revenue Agency has taken the position that it will not claim a "deemed trust" if its calculation of the amount outstanding is based on an arbitrary or notional assessment. The Receiver agrees with this approach on the basis that unless an actual amount is determined to be owing, the Receiver is unsure of how that amount would be considered to be held in trust.
26. The Receiver will communicate its position to the Ministry and will report in its next report on the Ministry's response thereto.

WorkSafeBC

27. On August 22, 2019, WorkSafeBC ("**WSBC**") issued a letter (the "**WSBC Letter**") to the Receiver to advise the Receiver, *inter alia*, that (i) WSBC had completed an examination of Amax's records and determined that a balance of \$700.70 relating to the period ended June 4, 2019 remains outstanding, and (ii) set out WSBC's position that its statutory lien gives priority over the claims of prior registered mortgages and debentures on both real and personal property.
28. In view of the quantum of WSBC's Claim, the Receiver proposes to pay the \$700.70 amount claimed and inform WSBC that the Receiver reserves its right to challenge WSBC's position regarding its statutory lien in the event that WSBC subsequently claims that a different amount is owing.

VI. LEGAL OPINION OF QUEBEC COUNSEL RE CIBC SECURITY

29. In the Second Report, the Receiver set out that it was in the process of obtaining an independent legal opinion on the validity and enforceability of CIBC's security in Quebec.

-
30. The Receiver has received an opinion from Sarna Neudorfer, Attorneys-Avocats, that, subject to the assumptions and qualifications contained in the Quebec Legal Opinion, CIBC has a first ranking security interest in the Property, subject to any valid purchase money security interests and registered leases and interests not subject to the Registre des droits personnels et reels mobiliers. A copy of the Quebec Legal Opinion is attached hereto as Appendix "F".

Bankruptcy

31. The proceeds from the sale of Amax's property are greater than (i) the amount required to pay all administration costs relating to the receivership administration (i.e. professional fees, utilities, rent, etc.) and (ii) the amounts required to satisfy the claims of CIBC and (iii) the amount claimed by the Ministry.
32. As the sale of Amax's assets has now closed, the Receiver anticipates filing the assignment in bankruptcy on behalf of the Debtor by on or about October 31, 2019.

VII. MONERIS SOLUTIONS CORPORATION

33. Moneris Solutions Corporation ("**Moneris**") is a service provider used by the Amax to process credit card receipts from customers, pursuant to a service agreement between Moneris and Amax.
34. The Receiver ceased its sale of the inventory of Amax on July 12, 2019 and any remaining credit card transactions to be processed were completed shortly thereafter. The Receiver allowed a period of time for any remaining transactions or chargebacks to be processed by Moneris and for the collection of pre-receivership accounts receivable. The Receiver advised Moneris on September 11, 2019 that all accounts registered to the Debtor should be closed effective immediately.

-
35. As of September 5, 2019, Moneris was holding a reserve (deposit retention) of \$112,589.54 in respect of the Amax accounts (the “**Holdback**”). Moneris previously advised that it would hold the Holdback for a minimum of 120 days after the last transaction is processed as Moneris requires the Holdback to limit its exposure to customer chargebacks that may be requested during the applicable dispute period.
36. The Receiver believed that the Holdback was excessive taking into account:
- a) actual chargebacks relating to Amax’s accounts during the period June 4, 2019 to August 31, 2019 totaled \$3,095.11. Total receipts processed by Moneris on behalf of Amax during that same period were approximately \$410,000 (i.e. total chargebacks were less than 1% of receipts); and
 - b) all sales completed by the Receiver subsequent to its appointment on June 4, 2019 were completed on a final sale basis, with no right of return or refund.
37. In response to the Receiver’s position that the Holdback was excessive, Moneris released \$52,417.36 of the Holdback on September 27, 2019. On October 1, 2019, Moneris advised that it was holding approximately \$60,000 and would release the balance in increments of \$20,000 in 30, 60 and 90 days’ time.

VIII. PROPOSED DISTRIBUTION

38. As set out in the First Report and the Second Report, the Receiver has obtained independent legal opinions confirming the validity and enforceability of CIBC’s interest in the Property in the Provinces of Alberta and Ontario.
39. The Receiver has now obtained the Quebec Legal Opinion.

-
40. On October 8, 2019, CIBC advised the Receiver that the amount outstanding and payable to CIBC as at October 8, 2019 is \$768,958.44. The per diem amount payable thereafter is \$122.57. A copy of the October 8, 2019 correspondence from CIBC setting out the balance outstanding is attached hereto as Appendix "G".
 41. The Receiver proposes to pay any Surplus Amounts (as defined in the Second Report) to CIBC, provided that the aggregate amount of all distributions made to CIBC will not, without further order of this Court, exceed the aggregate obligations owing to CIBC by the Debtor pursuant to the terms of the Business Loan.
 42. Accordingly, the Receiver is seeking an Order authorizing the Receiver to make the Interim Distributions.

IX. RECEIVER'S INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

43. Attached hereto as Appendix "H" is the Receiver's Interim Statement of Receipts and Disbursements for the period June 4, 2019 to September 30, 2019 (the "R&D"). During this period, receipts were \$1,851,667 and disbursements were \$506,587, resulting in a net cash balance of \$1,345,080.
44. The Holdback held by Moneris is not included in the Receiver's cash receipts set out in the R&D.
45. The Receiver's significant disbursements for the period ended September 30, 2019 include payroll and related costs of \$207,639, occupation rent of \$80,852, repayment of Receiver's Certificate in the amount of \$50,000, credit card processing and lock changes, security, travel and other costs of \$47,797, packaging and freight costs of \$39,720 and federal and provincial sales and commodity taxes paid totaling \$24,243.

X. FEES AND DISBURSEMENTS OF THE RECEIVER AND COUNSEL

46. Pursuant to paragraph 17 of the Appointment Order, the Receiver and its counsel are to be paid their reasonable fees and disbursements at their standard rates and charges, incurred both before and after the making of the Appointment Order. Pursuant to paragraph 18 of the Appointment Order, the Receiver and its counsel shall pass their accounts before the Court.
47. The total fees and disbursements of the Receiver for the period August 1, 2019 to September 30, 2019 were \$61,963.22, plus HST of \$8,055.22, for a total of \$70,018.44. The time spent by the Receiver is more particularly described in the Affidavit of Bryan Tannenbaum sworn October 16, 2019, which is attached hereto and marked as Appendix "I" and contains a copy of the invoice that sets out the services provided during this time period.
48. The total fees of Scarfone Hawkins for the period August 10, 2019 to September 30, 2019, were \$28,818.50, plus disbursements of \$794.35, plus HST of \$3,746.41, for a total of \$33,359.26. The time spent by Scarfone Hawkins is more particularly described in the Affidavit of Zachary Pringle, sworn October 17, 2019, which is attached hereto as Appendix "J" and contains, among other things, a copy of the invoice that sets out the services provided during this period.
49. The total fees of the Receiver's Quebec counsel, Sarna Neudorfer, who reviewed the security of CIBC, for the period of August 27, 2019 to August 28, 2019 were \$4,250.00 plus HST of \$636.44, for a total of \$4,886.64. The time spent by Sarna Neudorfer is more particularly described in the Affidavit of Lazar Sarna, sworn October 7, 2019, which is attached hereto as Appendix "K" and contains a copy of the invoice that sets out the services provided during the relevant period.
50. The Receiver is of the view that the fees and disbursements charged by Scarfone Hawkins and Sarna Neudorfer are fair and reasonable.

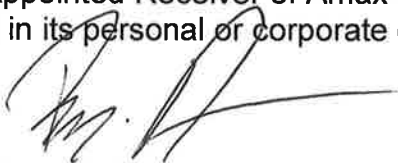
XI. CONCLUSION

51. Based on the foregoing, the Receiver respectfully requests that the Court grant the orders described in paragraph 8(e) above.

All of which is respectfully submitted to this Court as of this 17th day of October, 2019.

RSM CANADA LIMITED, solely in its capacity as
Court-Appointed Receiver of Amax Health Inc.,
and not in its personal or corporate capacity

Per:



Bryan A. Tannenbaum, FCPA, FCA, FCIRP, LIT
President

APPENDIX G

1. THIS COURT ORDERS that any requirement for service and filing of this Notice of Motion, the Third Report and Motion Record be and is hereby abridged, such that the Motion is properly returnable today and all parties requiring notice of this Motion have been duly served and that service on all parties is hereby validated and any further service is hereby dispensed with.
2. THIS COURT ORDERS that the Third Report is both accepted and approved by this Honourable Court.
3. THIS COURT ORDER that the conduct, activities and actions of the Receiver as set out in the Third Report are both authorized and approved.
4. THIS COURT ORDERS that the Receiver's interim Statement of Receipts & Disbursements as at September 30, 2019 as detailed in the Third Report are approved.
5. THIS COURT ORDERS that the Receiver's fees and disbursements for the period of August 1, 2019 to September 30, 2019 and the fees and disbursements of its Ontario counsel, Scarfone Hawkins LLP, for the period of August 10, 2019 to September 30, 2019 and the fees and disbursements of the Receiver's Quebec counsel, Sarna Neudorfer, for the period of August 27, 2019 to August 28, 2019 as detailed in the Third Report, are approved and the Receiver is authorized to pay them.
6. THIS COURT ORDERS that the Receiver is hereby authorized to make distributions to the Applicant, Canadian Imperial Bank of Commerce ("CIBC") provided that the aggregate amount of all distributions made to CIBC shall not, without further order of this Court, exceed the aggregate obligations owing to CIBC by the Respondent.

7. 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.

ENTERED AT HAMILTON
IN Book No. 394
as Document No. 234
on OCT 25 2019
by JOAN AMICARELLI


(Signature of Judge)

RCP-E 59A (July 1, 2007)

CANADIAN IMPERIAL BANK OF COMMERCE
Applicant

-and- **AMAX HEALTH INC.**
Respondent

Court File No. 19-69485

ONTARIO
SUPERIOR COURT OF JUSTICE
PROCEEDING COMMENCED AT HAMILTON

ORDER

SCARFONE HAWKINS LLP
One James Street South
14th Floor
P. O. Box 926, Depot 1
Hamilton, Ontario
L8N 3P9

Michael J. Valente (LSO # 23925R)
mvalente@shlaw.ca
Tel: 905-523-1333
Fax: 905-523-5878

Lawyers for the Receiver, RSM Canada Limited
RCP-E 4C (May 1, 2016)

APPENDIX H



RSM Canada Limited

Licensed Insolvency Trustee

11 King St W
Suite 700, Box 27
Toronto, ON M5H 4C7

O +1 416 480 0160

F +1 416 480 2646

rsmcanada.com

October 31, 2019

By fax (1-250-356-6445)

British Columbia Ministry of Finance
Receivables Management Office
PO Box 9445 Stn Prov Govt
Victoria, BC V8W 9V5

Attention: Jamie Hoover, Senior Collections Officer

Dear Sir:

**Re: In the Matter of the Receivership of Amax Health Inc. (“Amax” or the “Company”)
Reference Number: 71987 2525**

The Ontario Superior Court of Justice issued an Order dated June 4, 2019 (the “**Appointment Order**”), appointing RSM Canada Limited as receiver (the “**Receiver**”) without security, of all of the assets, undertakings and properties of Amax. A copy of the Appointment Order is attached hereto.

We wish to further advise that on October 29, 2019, Amax filed an assignment in bankruptcy and that the Licensed Insolvency Trustee, subject to affirmation of the creditors at the first meeting, is RSM Canada Limited (the “**Trustee**”). A copy of the Trustee’s Certificate of Appointment issued by the Office of the Superintendent of Bankruptcy Canada is attached hereto.

We are writing regarding the letter dated August 1, 2019 (the “**August Letter**”) from the British Columbia Ministry of Finance (the “**Ministry**”), a copy of which is attached hereto. In its letter, the Ministry sets out that Amax was indebted to the Province for \$19,897.27 representing tax, penalties and interest assessed under the *Provincial Sales Tax Act* (the “**Act**”). The Ministry further indicated that it has a lien on Amax’s personal property for this amount pursuant to section 221 of the Act. Since the date of the August Letter, the Receiver has received further statements of account, which set out that a total of \$34,777.65 is owed to the Ministry. A copy of the Ministry’s most recent statement of account is attached hereto.

The Receiver understands that Amax has never filed provincial returns for sales tax collected in the Province of British Columbia, and that the Ministry’s assessments are therefore arbitrary assessments. The Receiver has reviewed the books and records of Amax for the period prior to the commencement of the receivership on June 4, 2019, and has determined that it is unable to complete accurate provincial sales tax returns for the period prior to its appointment.

On the basis that the Ministry’s assessments are arbitrary, combined with the Company’s assignment in bankruptcy, the Receiver is of the view that the amounts claimed by the Ministry do not constitute a deemed trust and are unsecured claims in the bankruptcy of Amax.

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

The Receiver obtained a copy of the BC OnLine Personal Property Registry search for Amax, and understands that the Ministry's claim against the Company was registered on June 13, 2019 (the "**Lien**"). Since the Ministry registered its Lien on June 13, 2019, subsequent to the appointment of the Receiver and in contravention of the stay of proceedings imposed by Appointment Order, the Receiver is of the view that: (i) the Ministry has unfairly elevated the priority of its claim to the detriment of Amax's unsecured creditor base; (ii) the registered Lien against Amax is of no effect; and (iii) the Lien should be vacated by the Court.

We wish to understand the Ministry's position in this regard and ask that the Ministry respond, in writing, as soon as possible and no later than November 15, 2019. Should the Ministry's position differ from that of the Receiver and depending on the reasons therefor, the Receiver may seek the advice and direction of the Court in respect of any priority claimed by the Ministry in respect of its Lien.

Should you have any questions in respect of the foregoing, please contact the writer at 647-725-0183.

Yours truly,

RSM CANADA LIMITED, in its capacity as
Court-appointed Receiver of Amax Health Inc.
and not in its personal or corporate capacity

Per:



Arif Dhanani, CPA, CA, CIRP, LIT

Cc: Mike Valente, Scarfone Hawkins LLP – Counsel to the Receiver

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE *MR*)
JUSTICE *A. WHITTEN*)

TUESDAY, THE 4th
DAY OF JUNE, 2019

BETWEEN:



CANADIAN IMPERIAL BANK OF COMMERCE

Applicant

and

AMAX HEALTH INC.

Respondent

APPLICATION UNDER SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c.b-3, as amended, SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c.C-43, as amended, AND RULE 14.05(3)(g) and (h) OF THE *RULES OF CIVIL PROCEDURE*.

**ORDER
(appointing Receiver)**

THIS APPLICATION made by the Applicant, Canadian Imperial Bank of Commerce, 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 RSM Canada Limited, as receiver (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of Amax Health Inc. (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 45 Main Street East, Hamilton, Ontario.

ON READING the affidavit of Ben Tucci, sworn June 3, 2019 and the Exhibits thereto and on hearing the submissions of counsel for the Applicant and counsel for the Respondent, no one else appearing although duly served as appears from the affidavit of service of Elizabeth Wise, sworn June 4, 2019 and on reading the consent of RSM Canada Limited to act as the Receiver, and on being advised by counsel that the Debtor consents to the relief sought.

SERVICE

1. THIS COURT ORDERS that the time for service and method of service of the Notice of Application and the Application is hereby abridged and validated so that this application is properly returnable today and further service thereof is hereby dispensed with.

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, RSM Canada Limited is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, 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;
- (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 Debtor, 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 Debtor;
- (d) to engage 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 Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (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 Debtor, for any purpose pursuant to this Order;

- (i) to market any or all of the Property, 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;
- (j) 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 \$200,000, provided that the aggregate consideration for all such transactions does not exceed \$500,000; 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*, [or section 31 of the Ontario *Mortgages Act*, as the case may be,] shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.

- (k) 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;
- (l) 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;

- (m) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (n) 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 Debtor;
- (o) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (p) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (q) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations;

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 Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that (i) the Debtor, (ii) all of its 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 (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 books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, 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 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.

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.

NO PROCEEDINGS AGAINST THE RECEIVER

7. 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 DEBTOR OR THE PROPERTY

8. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor 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 Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

9. THIS COURT ORDERS that all rights and remedies against the Debtor, 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 Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor 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

10. 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 Debtor, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

11. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor 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, payroll services, insurance, transportation services, utility or other services to the Debtor 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 Debtor's 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 Debtor 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

12. 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

13. THIS COURT ORDERS that all employees of the Debtor, if any, shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's 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*.

PIPEDA

14. 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 Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

15. 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

16. 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

17. 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.

18. 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.

19. 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

20. 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 \$50,000.00 (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.

21. 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.

22. 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.

23. 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

24. 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 rsmcanada.com/amax-health-inc

24. 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 Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor 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

25. 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.

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


27. 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.

28. 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.

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

30. 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.



ENTERED AT HAMILTON
IN Book No. 391
as Document No. 323
on JUN 04 2019
by. 

SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that RSM Canada Limited the receiver (the "Receiver") of the assets, undertakings and properties of Amax Health Inc. acquired for, or used in relation to a business carried on by the Debtor, 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 June 2019 (the "Order") made in an action having Court file number _____, 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 \$50,000.00 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.

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

RSM Canada Limited solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____
Name:
Title:

CANADIAN IMPERIAL BANK OF COMMERCE
Applicant

-and- **AMAX HEALTH INC.**
Respondent

Court File No. 19-69485

ONTARIO
SUPERIOR COURT OF JUSTICE
PROCEEDING COMMENCED AT HAMILTON

ORDER
(appointing Receiver)

SCARFONE HAWKINS LLP
One James Street South
14th Floor
P. O. Box 926, Depot 1
Hamilton, Ontario
L8N 3P9

Michael J. Valente (LSUC # 23925R)
mvalente@shlaw.ca
Tel: 905-523-1333
Fax: 905-523-5878

Lawyers for the Applicant
Canadian Imperial Bank of Commerce
RCP-E 4C (May 1, 2016)



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of: Ontario
Division No.: 07 - Hamilton
Court No.: 32-2576492
Estate No.: 32-2576492

In the Matter of the Bankruptcy of:

Amax Health Inc.
Debtor

RSM Canada Limited
Licensed Insolvency Trustee
Ordinary Administration

Date and time of bankruptcy:	October 29, 2019, 12:13	Security:	\$0.00
Date of trustee appointment:	October 29, 2019		
Meeting of creditors:	November 18, 2019, 13:30 RSM Place 11 King Street West, Suite 700 Toronto, Ontario Canada,		
Chair:	Trustee		

CERTIFICATE OF APPOINTMENT - Section 49 of the Act; Rule 85

I, the undersigned, official receiver in and for this bankruptcy district, do hereby certify that:

- the aforementioned debtor filed an assignment under section 49 of the *Bankruptcy and Insolvency Act*;
- the aforementioned trustee was duly appointed trustee of the estate of the debtor.

The said trustee is required:

- to provide to me, without delay, security in the aforementioned amount;
- to send to all creditors, within five days after the date of the trustee's appointment, a notice of the bankruptcy; and
- when applicable, to call in the prescribed manner a first meeting of creditors, to be held at the aforementioned time and place or at any other time and place that may be later requested by the official receiver.

Date: October 29, 2019, 12:18

E-File/Dépôt Electronique

Official Receiver

Federal Building - Hamilton, 55 Bay Street N, 9th Floor, Hamilton, Ontario, Canada, L8R3P7, (877)376-9902

Canada

Jamie Hoover
Senior Collections Officer
Receivables Management Office
Ministry of Finance
Phone: 778-698-4239, ext 1155
Toll free: 866-566-3066, ext 1155
Fax: 250 356-6445

<http://www.fin.gov.bc.ca/rev.htm>

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August 1, 2019

Reference Number: 71987 2525
Letter Id: L0659677824



RSM CANADA INC
ATTN: BRYAN TANNENBAUM
700-11 KING ST W
TORONTO ON M5H 4C7

Dear Sir/Madam:

Re: AMAX HEALTH INC. Provincial Sales Tax Act

AMAX HEALTH INC. is indebted to the Province for \$19,897.27 representing tax, penalties and interest assessed under the *Provincial Sales Tax Act*.

The Province has a lien on their personal property for this amount pursuant to section 221 of the *Provincial Sales Tax Act*. In the event prior security interests exist, the priority of the Provinces lien is reduced to the unpaid taxes for the six calendar months before the date of the most recent registration of a lien. The amount of the priority lien is \$19,726.04.

In addition, as receiver, you are required by section 222(3) of the Act to obtain a Clearance Certificate prior to distributing the property, or proceeds from any realization of the property under your administration. Failure to obtain a certificate may result in your becoming personally liable for the amount of our claim.

Please forward payment and any correspondence to the mailing address below. Make cheques payable to the Minister of Finance and include your account number (PST-1054-1926) on any payments or correspondence.

If you have any questions, please call me toll-free (within Canada) at 1 866 566-3066, extension 1155. If you are outside Canada, please call 1 778 698-4239, extension 1155.

Yours truly,

Jamie Hoover
Senior Collection Officer

8/1/2019 9:34:57 AM



BCCGOVTFAX

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BRITISH COLUMBIA

Ministry of Finance

Mailing Address: PO Box 9445 Stn Prov Govt Victoria BC V8W 9V5

STATEMENT OF ACCOUNT / NOTICE OF ASSESSMENT FOR INTEREST

AMAX HEALTH INC. PST-1054-1926

Provincial Sales Tax Act

Statement Date:	Oct 23, 2019
Letter Id:	L1497893504

Period End	Tax/Security	Penalty/Fee	Interest	Credits	Balance
30-Jun-2018	284.05	28.41	31.24	0.00	343.70
31-Mar-2019	17,500.00	1,750.00	654.16	0.00	19,904.16
30-Jun-2019	13,000.00	1,300.00	229.79	0.00	14,529.79
Interest on Overdue		\$253.10	Current Balance		\$34,777.65

This statement includes balances for the periods shown, including applicable penalty/fee and interest. Interest column includes interest on late remittances and cycle interest on overdue balances.

If you have any questions about the collection of your account, please call Jamie Hoover toll free (within Canada) at 1 866 566-3066, extension 1155. If you are outside Canada, please call 1 778 698-4239, extension 1155. Information is also available on our website at gov.bc.ca/taxes

Keep the top portion for your records



BRITISH COLUMBIA

Ministry of Finance

Mailing Address: PO Box 9445 Stn Prov Govt Victoria BC V8W 9V5

ACCOUNT REMITTANCE ADVICE

STATEMENT OF ACCOUNT / NOTICE OF ASSESSMENT FOR INTEREST

Payment of Account Due under the Provisions of the Provincial Sales Tax Act

REGISTRATION / ACCOUNT NUMBER PST-1054-1926	BUSINESS NUMBER 71987 2525 BT 0001
STATEMENT DATE Oct 23, 2019	TOTAL AMOUNT DUE AND PAYABLE \$34,777.65

TOTAL AMOUNT PAID

If mailing your payment, include this Account Remittance Advice in the enclosed envelope

ACCOUNT PAYABLE BY:

000211

AMAX HEALTH INC. ATTN: RSM PLACE - BRYAN TANNENBAUM 700-11 KING ST W TORONTO ON M5H 4C7



018832311040 0003477765

Payment Options

Online Using eTaxBC

Pay online using eTaxBC at gov.bc.ca/etaxbc/logon

Bank or Financial Institution

Most banks and financial institutions offer bill payment services that you can access through:

- Your online banking account
- An automated teller machine (ATM)
- Telephone banking

Information needed if you are using a bill payment service

- Payee name: **BC - Stmt of Acct**
- Your account number shown on the front of this statement

For assistance, call your financial institution.

Electronic Funds Transfer (EFT) Payment and Wire Transfer

To make an Electronic Funds Transfer payment or Wire Transfer through your bank or financial institution, follow the instructions on our website at gov.bc.ca/ReportandPayPST

Service BC Centre (SC1005)

You can make a payment in person at your nearest Service BC Centre. Pay by cash, cheque or debit. Find a location near you at servicebc.gov.bc.ca/locations

Mail

You can mail a cheque payable to:

Minister of Finance
PO Box 9445 Stn Prov Govt
Victoria BC V8W 9V5

Important Information

- The entire balance of your account is due and payable immediately.
- Interest will continue to accumulate and compound monthly on overdue balances until your account is paid in full. The interest rate is 3% per annum above the provincial government banker's prime rate.
- Make all payments payable to the Minister of Finance. A fee of \$30.00 will be charged for any dishonoured payment in addition to any fees that your financial institution may charge.
- If you're paying from outside of Canada, you must pay in Canadian funds using a postal money order or bank draft.

Keep the top portion for your records

Date Stamp

APPENDIX I



November 22, 2019

By fax (1-250-356-6445)

British Columbia Ministry of Finance
Receivables Management Office
PO Box 9445 Stn Prov Govt
Victoria, BC V8W 9V5

RSM Canada Limited

Licensed Insolvency Trustee

11 King St W
Suite 700, Box 27
Toronto, ON M5H 4C7

O +1 416 480 0160
F +1 416 480 2646

rsmcanada.com

Attention: Jamie Hoover, Senior Collections Officer

Dear Sir:

Re: In the Matter of the Receivership of Amax Health Inc. ("Amax" or the "Company")
Reference Number: 71987 2525

The Ontario Superior Court of Justice issued an Order dated June 4, 2019 (the "**Appointment Order**"), appointing RSM Canada Limited as receiver (the "**Receiver**") without security, of all of the assets, undertakings and properties of Amax. A copy of the Appointment Order has previously been provided to the British Columbia Ministry of Finance (the "**Ministry**") and is attached hereto.

The Receiver is writing to follow up on its letter dated October 31, 2019 (the "**October 31st Letter**"), a copy of which is attached hereto. In the October 31st Letter, we requested that the BC Ministry of Finance reply to the October 31st Letter by November 15, 2019. To date, we have not received a reply to our correspondence.

The Receiver requests that the Ministry please respond to the October 31st Letter by November 29, 2019. If we do not receive a reply from the Ministry by November 29, 2019, the Receiver intends to attend in Court to put forward its position, as set out in the October 31st Letter, and have the Ministry's lien vacated.

Should you have any questions in this regard, please contact the writer at 647-725-0183.

Yours truly,

RSM CANADA LIMITED, in its capacity as
Court-appointed Receiver of Amax Health Inc.
and not in its personal or corporate capacity

Per:

Arif Dhanani, CPA, CA, CIRP, LIT

Cc: Mike Valente, Scarfone Hawkins LLP – Counsel to the Receiver

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING



RSM Canada Limited
Licensed Insolvency Trustee

11 King St W
Suite 700, Box 27
Toronto, ON M5H 4C7
O +1 416 480 0160
F +1 416 480 2646
rsmcanada.com

Fax Cover

Recipient:	Jamie Hoover	Sender:	Arif Dhanani
Company:	BC Ministry of Finance	Fax Number:	416-480-2646
Fax Number:	1-250-356-6445	Telephone:	647-725-0183
Telephone:		Date:	08.20.2015 4:25 PM

Number of pages (including this cover sheet) 25
Please notify us immediately if any pages are not received.

In the Matter of the Receivership of Amax Health Inc.

Please see attached letter and correspondence attached thereto.

This facsimile transmission is intended for the addressee named above. It contains information that is privileged, confidential or otherwise protected from use and disclosure. If you are not the intended recipient, you are hereby notified that any review, disclosure, copying or dissemination of this transmission, or the taking of any action in reliance on its contents, or other use is strictly prohibited. If you have received this transmission in error, please notify us by telephone immediately so that we can arrange for its return to us. Thank you for your cooperation.

RSM Canada Limited is a corporation that provides restructuring and recovery services. RSM Canada Limited is a Licensed Insolvency Trustee. Visit rsmcanada.com/aboutus for more information regarding RSM Canada Limited.

The Receiver obtained a copy of the BC OnLine Personal Property Registry search for Amax, and understands that the Ministry's claim against the Company was registered on June 13, 2019 (the "Lien"). Since the Ministry registered its Lien on June 13, 2019, subsequent to the appointment of the Receiver and in contravention of the stay of proceedings imposed by Appointment Order, the Receiver is of the view that: (i) the Ministry has unfairly elevated the priority of its claim to the detriment of Amax's unsecured creditor base; (ii) the registered Lien against Amax is of no effect; and (iii) the Lien should be vacated by the Court.

We wish to understand the Ministry's position in this regard and ask that the Ministry respond, in writing, as soon as possible and no later than November 15, 2019. Should the Ministry's position differ from that of the Receiver and depending on the reasons therefor, the Receiver may seek the advice and direction of the Court in respect of any priority claimed by the Ministry in respect of its Lien.

Should you have any questions in respect of the foregoing, please contact the writer at 647-725-0183.

Yours truly,

RSM CANADA LIMITED, in its capacity as
Court-appointed Receiver of Amax Health Inc.
and not in its personal or corporate capacity

Per:



Arif Dhanani, CPA, CA, CIRP, LIT

Cc: Mike Valente, Scarfone Hawkins LLP – Counsel to the Receiver

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE *MR*)
JUSTICE *A. WHITTEN*)

TUESDAY, THE 4th
DAY OF JUNE, 2019

BETWEEN:



CANADIAN IMPERIAL BANK OF COMMERCE

Applicant

and

AMAX HEALTH INC.

Respondent

APPLICATION UNDER SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c.b-3, as amended, SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c.C-43, as amended, AND RULE 14.05(3)(g) and (h) OF THE *RULES OF CIVIL PROCEDURE*.

**ORDER
(appointing Receiver)**

THIS APPLICATION made by the Applicant, Canadian Imperial Bank of Commerce, 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 RSM Canada Limited, as receiver (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of Amax Health Inc. (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 45 Main Street East, Hamilton, Ontario.

ON READING the affidavit of Ben Tucci, sworn June 3, 2019 and the Exhibits thereto and on hearing the submissions of counsel for the Applicant and counsel for the Respondent, no one else appearing although duly served as appears from the affidavit of service of Elizabeth Wise, sworn June 4, 2019 and on reading the consent of RSM Canada Limited to act as the Receiver, and on being advised by counsel that the Debtor consents to the relief sought.

SERVICE

1. THIS COURT ORDERS that the time for service and method of service of the Notice of Application and the Application is hereby abridged and validated so that this application is properly returnable today and further service thereof is hereby dispensed with.

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, RSM Canada Limited is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, 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;
- (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 Debtor, 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 Debtor;
- (d) to engage 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 Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (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 Debtor, for any purpose pursuant to this Order;

- (i) to market any or all of the Property, 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;
- (j) 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 \$200,000, provided that the aggregate consideration for all such transactions does not exceed \$500,000; 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*, [or section 31 of the Ontario *Mortgages Act*, as the case may be,] shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.

- (k) 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;
- (l) 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;

- (m) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (n) 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 Debtor;
- (o) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (p) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (q) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations;

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 Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that (i) the Debtor, (ii) all of its 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 (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 books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, 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 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.

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.

NO PROCEEDINGS AGAINST THE RECEIVER

7. 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 DEBTOR OR THE PROPERTY

8. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor 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 Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

9. THIS COURT ORDERS that all rights and remedies against the Debtor, 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 Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor 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

10. 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 Debtor, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

11. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor 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, payroll services, insurance, transportation services, utility or other services to the Debtor 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 Debtor's 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 Debtor 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

12. 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

13. THIS COURT ORDERS that all employees of the Debtor, if any, shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's 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*.

PIPEDA

14. 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 Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

15. 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

16. 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

17. 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.

18. 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.

19. 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

20. 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 \$50,000.00 (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.

21. 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.

22. 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.

23. 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

24. 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 rsmcanada.com/amax-health-inc

24. 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 Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor 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

25. 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.

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

27. 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.

28. 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.

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

30. 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.



ENTERED AT HAMILTON	
IN Book No.	391
as Document No.	323
on	JAN 07 2019
by	

SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that RSM Canada Limited the receiver (the "Receiver") of the assets, undertakings and properties of Amax Health Inc. acquired for, or used in relation to a business carried on by the Debtor, 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 June 2019 (the "Order") made in an action having Court file number _____, 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 \$50,000.00 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.

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

**RSM Canada Limited solely in its capacity
as Receiver of the Property, and not in its
personal capacity**

Per: _____

Name:

Title:

CANADIAN IMPERIAL BANK OF COMMERCE
Applicant

-and- **AMAX HEALTH INC.**
Respondent

Court File No. 19-69485

ONTARIO
SUPERIOR COURT OF JUSTICE
PROCEEDING COMMENCED AT HAMILTON

ORDER
(appointing Receiver)

SCARFONE HAWKINS LLP
One James Street South
14th Floor
P. O. Box 926, Depot 1
Hamilton, Ontario
L8N 3P9

Michael J. Valente (LSUC # 23925R)
mvalente@shlaw.ca
Tel: 905-523-1333
Fax: 905-523-5878

Lawyers for the Applicant
Canadian Imperial Bank of Commerce
RCP-E 4C (May 1, 2016)



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of: Ontario
 Division No.: 07 - Hamilton
 Court No.: 32-2576492
 Estate No.: 32-2576492

In the Matter of the Bankruptcy of:

Amax Health Inc.
 Debtor

RSM Canada Limited
 Licensed Insolvency Trustee
 Ordinary Administration

Date and time of bankruptcy:	October 29, 2019, 12:13	Security:	\$0.00
Date of trustee appointment:	October 29, 2019		
Meeting of creditors:	November 18, 2019, 13:30 RSM Place 11 King Street West, Suite 700 Toronto, Ontario Canada,		
Chair:	Trustee		

CERTIFICATE OF APPOINTMENT - Section 49 of the Act; Rule 85

I, the undersigned, official receiver in and for this bankruptcy district, do hereby certify that:

- the aforementioned debtor filed an assignment under section 49 of the *Bankruptcy and Insolvency Act*;
- the aforementioned trustee was duly appointed trustee of the estate of the debtor.

The said trustee is required:

- to provide to me, without delay, security in the aforementioned amount;
- to send to all creditors, within five days after the date of the trustee's appointment, a notice of the bankruptcy; and
- when applicable, to call in the prescribed manner a first meeting of creditors, to be held at the aforementioned time and place or at any other time and place that may be later requested by the official receiver.

Date: October 29, 2019, 12:18

E-File/Dépôt Electronique

Official Receiver

Federal Building - Hamilton, 55 Bay Street N, 9th Floor, Hamilton, Ontario, Canada, L8R3P7, (877)376-9902

Canada

Jamie Hoover
Senior Collections Officer
Receivables Management Office
Ministry of Finance
Phone: 778-698-4239, ext 1155
Toll free: 866-566-3066, ext 1155
Fax: 250 356-6445

<http://www.fin.gov.bc.ca/rev.htm>

Warning: This email is intended only for the use of the individual or organization to whom it is addressed. It may contain information that is privileged or confidential. Any distribution, disclosure, copying, or other use by anyone else is strictly prohibited. If you have received this in error, please telephone or e-mail the sender immediately and delete the message.

We are concerned about protecting your privacy. Please be aware that sending personal information via e-mail can expose the information to unwanted parties. If you don't feel comfortable using e-mail to transfer your sensitive information, please contact us via phone or regular mail.





August 1, 2019

Reference Number: 71987 2525
Letter Id: L0659677824



RSM CANADA INC
ATTN: BRYAN TANNENBAUM
700-11 KING ST W
TORONTO ON M5H 4C7

Dear Sir/Madam:

Re: AMAX HEALTH INC. Provincial Sales Tax Act

AMAX HEALTH INC. is indebted to the Province for \$19,897.27 representing tax, penalties and interest assessed under the *Provincial Sales Tax Act*.

The Province has a lien on their personal property for this amount pursuant to section 221 of the *Provincial Sales Tax Act*. In the event prior security interests exist, the priority of the Provinces lien is reduced to the unpaid taxes for the six calendar months before the date of the most recent registration of a lien. The amount of the priority lien is \$19,726.04.

In addition, as receiver, you are required by section 222(3) of the Act to obtain a Clearance Certificate prior to distributing the property, or proceeds from any realization of the property under your administration. Failure to obtain a certificate may result in your becoming personally liable for the amount of our claim.

Please forward payment and any correspondence to the mailing address below. Make cheques payable to the Minister of Finance and include your account number (PST-1054-1926) on any payments or correspondence.

If you have any questions, please call me toll-free (within Canada) at 1 866 566-3066, extension 1155. If you are outside Canada, please call 1 778 698-4239, extension 1155.

Yours truly,

Jamie Hoover
Senior Collection Officer

Ministry of Finance	Receivables Management Office	Mailing Address:	Location:
		PO Box 9445 Stn Prov Govt Victoria BC V8W 9V5	1802 Douglas Street Victoria BC V8T 4K6
		Telephone: 250 387-6727	Website Address:
		Facsimile: 250 356-6445	gov.bc.ca/taxes

8/1/2019 9:34:57 AM



BCGOVTFAX

Page 3



BRITISH COLUMBIA

Ministry of Finance

Mailing Address: PO Box 9445 Stn Prov Govt Victoria BC V8W 9V5

STATEMENT OF ACCOUNT / NOTICE OF ASSESSMENT FOR INTEREST

AMAX HEALTH INC. PST-1054-1926

Provincial Sales Tax Act

Statement Date:	Oct 23, 2019
Letter Id:	L1497893504

Period End	Tax/Security	Penalty/Fee	Interest	Credits	Balance
30-Jun-2018	284.05	28.41	31.24	0.00	343.70
31-Mar-2019	17,500.00	1,750.00	654.16	0.00	19,904.16
30-Jun-2019	13,000.00	1,300.00	229.79	0.00	14,529.79
Interest on Overdue		\$253.10	Current Balance		\$34,777.65

This statement includes balances for the periods shown, including applicable penalty/fee and interest. Interest column includes interest on late remittances and cycle interest on overdue balances.

If you have any questions about the collection of your account, please call Jamie Hoover toll free (within Canada) at 1 866 566-3066, extension 1155. If you are outside Canada, please call 1 778 698-4239, extension 1155. Information is also available on our website at gov.bc.ca/taxes

Keep the top portion for your records



BRITISH COLUMBIA

Ministry of Finance

Mailing Address: PO Box 9445 Stn Prov Govt Victoria BC V8W 9V5

ACCOUNT REMITTANCE ADVICE STATEMENT OF ACCOUNT / NOTICE OF ASSESSMENT FOR INTEREST

Payment of Account Due under the Provisions of the Provincial Sales Tax Act

REGISTRATION / ACCOUNT NUMBER PST-1054-1926	BUSINESS NUMBER 71987 2525 BT 0001
STATEMENT DATE Oct 23, 2019	TOTAL AMOUNT DUE AND PAYABLE \$34,777.65

TOTAL AMOUNT PAID

If mailing your payment, include this Account Remittance Advice in the enclosed envelope

ACCOUNT PAYABLE BY:

000211

AMAX HEALTH INC. ATTN: RSM PLACE - BRYAN TANNENBAUM 700-11 KING ST W TORONTO ON M5H 4C7



018832311040 0003477765



0000718 1000435

Payment Options

Online Using eTaxBC

Pay online using eTaxBC at gov.bc.ca/etaxbc/logon

Bank or Financial Institution

Most banks and financial institutions offer bill payment services that you can access through:

- Your online banking account
- An automated teller machine (ATM)
- Telephone banking

Information needed if you are using a bill payment service

- Payee name: **BC - Stmt of Acct**
- Your account number shown on the front of this statement

For assistance, call your financial institution.

Electronic Funds Transfer (EFT) Payment and Wire Transfer

To make an Electronic Funds Transfer payment or Wire Transfer through your bank or financial institution, follow the instructions on our website at gov.bc.ca/ReportandPayPST

Service BC Centre (SC1005)

You can make a payment in person at your nearest Service BC Centre. Pay by cash, cheque or debit. Find a location near you at servicebc.gov.bc.ca/locations

Mail

You can mail a cheque payable to:

Minister of Finance
PO Box 9445 Stn Prov Govt
Victoria BC V8W 9V5

Important Information

- The entire balance of your account is due and payable immediately.
- Interest will continue to accumulate and compound monthly on overdue balances until your account is paid in full. The interest rate is 3% per annum above the provincial government banker's prime rate.
- Make all payments payable to the Minister of Finance. A fee of \$30.00 will be charged for any dishonoured payment in addition to any fees that your financial institution may charge.
- If you're paying from outside of Canada, you must pay in Canadian funds using a postal money order or bank draft.

Keep the top portion for your records

Date Stamp

APPENDIX J



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of: Ontario
Division No.: 07 - Hamilton
Court No.: 32-2576492
Estate No.: 32-2576492

In the Matter of the Bankruptcy of:

1992396 ONTARIO INC.
Debtor

RSM Canada Limited
Licensed Insolvency Trustee
Ordinary Administration

Date and time of bankruptcy:	October 29, 2019, 12:13	Security:	\$0.00
Date of trustee appointment:	October 29, 2019		
Meeting of creditors:	November 18, 2019, 13:30 RSM Place 11 King Street West, Suite 700 Toronto, Ontario Canada,		
Chair:	Trustee		

CERTIFICATE OF APPOINTMENT - Section 49 of the Act; Rule 85

-- AMENDED --

I, the undersigned, official receiver in and for this bankruptcy district, do hereby certify that:

- the aforementioned debtor filed an assignment under section 49 of the *Bankruptcy and Insolvency Act*;
- the aforementioned trustee was duly appointed trustee of the estate of the debtor.

The said trustee is required:

- to provide to me, without delay, security in the aforementioned amount;
- to send to all creditors, within five days after the date of the trustee's appointment, a notice of the bankruptcy; and
- when applicable, to call in the prescribed manner a first meeting of creditors, to be held at the aforementioned time and place or at any other time and place that may be later requested by the official receiver.

Date: February 20, 2020, 08:37

E-File/Dépôt Electronique

Official Receiver

Federal Building - Hamilton, 55 Bay Street N, 9th Floor, Hamilton, Ontario, Canada, L8R3P7, (877)376-9902

Canada

APPENDIX K

**In the Matter of the Receivership of Amax Health Inc.
Receiver's Interim Statement of Receipts and Disbursements
For the Period June 4, 2019 to June 8, 2020**

Receipts

Collections - New Sales	\$ 576,368
Collections - Accounts Receivable	705,109
Transfers from other banks	37,793
Sale of assets	565,182
Funding from Secured Lender	50,000
Petty cash, miscellaneous refunds and interest earned	15,916
Total receipts	<u>\$ 1,950,367</u>

Disbursements

Payroll and consulting fees	\$ 151,840
Rent	80,852
Payroll taxes/WSIB/WCB	56,496
Packaging & Freight	39,720
Credit card processing fees	28,050
GST/HST/PST/QST paid	76,111
Lock change/advertising/travel/interest/other	24,750
Temporary Workers	9,295
Critical Suppliers/IT Services	9,566
Insurance	8,243
Utilities	8,581
Payroll processing fees	241
Deemed trust	315
Receiver's fees and costs	312,374
Legal Fees	57,968
Total Disbursements	<u>\$ 864,402</u>

Excess receipts over disbursements

	<u>\$ 1,085,965</u>
Repayment/payment to secured lender	(821,900)
Transfer to bankruptcy trustee	(160,000)
Cash on hand	<u><u>\$ 104,065</u></u>

This appendix forms part of the Fourth Report of the Receiver of Amax Health Inc. and should be reviewed in conjunction with the Fourth Report.

APPENDIX L

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

BETWEEN:

CANADIAN IMPERIAL BANK OF COMMERCE

Applicant

-and-

AMAX HEALTH INC.

Respondent

**AFFIDAVIT OF ARIF DHANANI
(Sworn June 8, 2020)**

I, ARIF DHANANI, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS:**

1. I am a Vice-President of RSM Canada Limited (“**RSM**”), the Court-appointed receiver in these proceedings (the “**Receiver**”). As such, I have personal knowledge of the matters to which I hereinafter depose, save and except those matters based upon information and belief, in which case I have stated the source of such facts, all of which I verily believe to be true.

2. Pursuant to the Order of the Ontario Superior Court of Justice (Commercial List) dated June 4, 2019, RSM was appointed as receiver, without security, of all of the assets, undertakings and properties of Amax Health Inc. (“**Amax**”) acquired for, or used

in relation to a business carried on by Amax, including all proceeds thereof (the "Receiver").

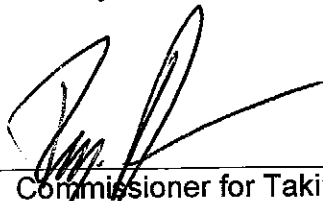
3. Attached hereto and marked as **Exhibit "A"** to this my affidavit is a copy of the invoices rendered by the Receiver for fees incurred by the Receiver in respect of the receivership proceedings for the period October 1, 2019 to May 31, 2020 and estimated to completion (the "**Period**"). The fees charged the Period were \$44,792.50, plus disbursements of \$82.43 and HST of \$5,833.74, for a total of \$50,708.67. The average hourly rate charged during the Period was \$368.97.

4. The invoices are a fair and accurate description of the services provided and the amounts charged by RSM for the Period.

5. Attached hereto and marked as **Exhibit "B"** is a schedule summarizing the invoices in **Exhibit A** including the total billable hours charged, the total fees charged and the average hourly rate charged.

6. I make this affidavit in support of a motion for an Order approving the Receiver's fees and disbursements and for no other or improper purpose.

SWORN BEFORE ME at the City of Toronto, in the Province of Ontario, on the 8th day of June, 2020



Commissioner for Taking Affidavits

Bryan Allen Tangere, a Commissioner, etc.
Province of Ontario, for RSM Canada LLP
and RSM Canada Limited.
Expires January 5, 2021.

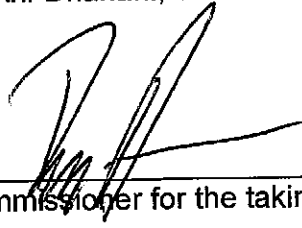


ARIF DHANANI

EXHIBIT "A"

Detailed Invoice

This is Exhibit "A" to the Affidavit of
Arif Dhanani, sworn on June 8, 2020



A Commissioner for the taking of Affidavits, etc.

**Bryan Allan Iannenbaum, a Commissioner, etc.,
Province of Ontario, for RSM Canada LLP
and RSM Canada Limited.
Expires January 5, 2021.**



GST/HST: 80784 1440 RT 0001

RSM CANADA LIMITED
Licensed Insolvency Trustee
11 King St W, Suite 700, Box 27
Toronto, ON M5H 4C7

T +1 416 480 0160
F +1 416 480 2646

www.rsmcanada.com

To RSM Canada Limited
Court-appointed Receiver of
Amax Health Inc.
11 King Street West, Suite 700
Toronto, ON M5H 4C7

Date March 4, 2020

Client File 786-788-3

Invoice 4

No. 5916579

For professional services rendered with respect to the appointment of RSM Canada Limited as Court-appointed Receiver of Amax Health Inc. for the period October 1, 2019 to December 31, 2019.

Date	Professional	Description
10/01/2019	Arif Dhanani	Review of email from B. Wong re Canada Revenue Agency ("CRA") and respond thereto; review voicemail from CRA re Amax Dental Supply BC Inc. and return call to CRA; emails from/to CIBC re payout value; review Third Report of the Receiver and comment thereon.
10/01/2019	Brenda Wong	Send fax to Deluxe re required corrections for T4s; prepare memo re results of CRA trust exam; call from Service Canada; emails with Moneris re partial release of holdback and prepare paperwork for processing of Moneris credits and debit; discussion with C. Noble of CRA re outstanding HST returns and refunds due to the Receiver; review invoice for payment.
10/01/2019	Usama Emad	Review memo from B. Wong regarding CRA trust exam.
10/02/2019	Jeff Berger	Edit the Receiver's Third Report and discuss same with B. Wong and A. Dhanani.
10/02/2019	Arif Dhanani	Discussion with J. Berger re Third Report and R&D to September 30, 2019.
10/02/2019	Brenda Wong	Review correspondence received; review and update draft report re Moneris holdback; prepare final WSIB return; review Enbridge bill and past payments to Enbridge.
10/02/2019	Usama Emad	Contact Enbridge to obtain final invoice and discuss payment of same with B. Wong.
10/03/2019	Arif Dhanani	Call with C. Yamashita of Scarfone Hawkins LLP re email from M. Valente re Ministry of Finance deemed trust.
10/03/2019	Anne Baptiste	Prepare disbursement cheques; filing re banking; process receipts; processing GIC purchase.
10/04/2019	Jeff Berger	Call with J. Davies re affidavit of fees required by the Receiver.
10/04/2019	Daniel Weisz	Review and sign cheques, review and sign form required by CIBC.

Date	Professional	Description
10/04/2019	Brenda Wong	Review and sign disbursement cheques; call to Enbridge to request support for outstanding account, obtain copies of outstanding invoices and follow up with A. Dhanani re missing cheque; call from creditor inquiring re status; call from Worksafe BC inquiring re payment received.
10/06/2019	Jeff Berger	Revise and finalize the Receiver's Third Report.
10/07/2019	Jeff Berger	Receipt and review of email from collection agent re settlement offers on outstanding balances; respond to same re Receiver's approval of settlements.
10/07/2019	Arif Dhanani	Emails to/from CIBC re addition of legal fees to CIBC payout; call with M. Valente and C. Yamashita re provincial sales tax amounts and priority.
10/07/2019	Brenda Wong	Send completed Form 10900 to CIBC Business Centre.
10/08/2019	Arif Dhanani	Review of Receiver's Third Report, review Receiver's R&D to September 30, 2019 amend both and send report to counsel; emails to/from CIBC re payout amounts; facilitate execution of articles of amendment for Amax pursuant to asset purchase agreement and send same to counsel; emails from/to unsecured creditor requesting payment for overdue amounts.
10/08/2019	Brenda Wong	Call to Deluxe to inquire re status of T4s to be issued; respond to inquiry from creditor.
10/09/2019	Brenda Wong	Calculate pre- versus post-receivership payroll for purposes of reviewing T4s prepared by Deluxe; call to Deluxe to request password for T4 Audit document sent.
10/09/2019	Anne Baptiste	Prepare disbursement cheques.
10/10/2019	Arif Dhanani	Review changes made by counsel to Receiver's Third Report and accept same, as appropriate; forward Third Report to D. Weisz for final comments.
10/10/2019	Daniel Weisz	Review and update report to court.
10/11/2019	Jeff Berger	Review report comments from D. Weisz and incorporate same, as appropriate.
10/11/2019	Brenda Wong	Review revised RP0001 T4 totals.
10/15/2019	Brenda Wong	Review 2019 T4 Audit report and send fax to Deluxe re correction required; call from and email to employee re WEPP information not received; review BC Ministry of Finance NOA re PST remitted for June and July 2019; review correspondence received and respond to letter from creditor.
10/16/2019	Arif Dhanani	Finalize Third Report and send to counsel; draft fee affidavit and summary thereto; attend to receivership administration; assemble appendices and send to counsel; discussion with B. Tannenbaum re signing report; attend to various calls from creditors.
10/16/2019	Daniel Weisz	Review files and attend to receivership administration.
10/16/2019	Brenda Wong	Call to Ministry of Revenu Quebec re QPIP.
10/17/2019	Anne Baptiste	Prepare disbursement cheques and mail same; prepare bank reconciliation.
10/18/2019	Brenda Wong	Review correspondence from CRA and WCB Alberta; draft letter to WCB to advise of stay of proceedings; review creditor correspondence.
10/21/2019	Arif Dhanani	Facilitate posting of Receiver's Third Report and Motion Record on Receiver's website.

Date	Professional	Description
10/21/2019	Brenda Wong	Call to Revenu Quebec re remitting QST, review QST liability calculation, draft letter to Revenu Quebec; review correspondence, call and email to ADT to notify of receivership and request cancellation of account.
10/21/2019	Usama Emad	Correspond with collection agency on potential customer payments, approval on partial balance collections and organize all payment support provided by collection agent; discuss HST return analysis with B. Wong.
10/22/2019	Brenda Wong	Respond to email and call from trade creditors inquiring re payment or requesting an update; review email from Deluxe with revised 2019 T4s, review changes and email to Deluxe to approve.
10/22/2019	Usama Emad	Servus credit union documents with B. Wong to finalize; correspond with accounts receivable collection agent on partial payment of customer accounts and coordinate a meeting with representative to obtain collections proceeds cheque.
10/23/2019	Brenda Wong	Review and execute Servus membership closing form; complete form FIN 357 and email to BC Ministry of Finance to close the Receiver's PST account; review CIBC online statement for October activity; emails with Deluxe re payment and process for final T4s and closing of account; review Deluxe online account for additional reports to be downloaded; review email from ADT and call to respond; call from trade creditor inquiring re status.
10/23/2019	Usama Emad	Meet with collection agent to discuss status on the outstanding accounts and to obtain cheque; facilitate bank deposit of accounts receivable collections; submit the signed Servus account closure forms; return Cogeco modem.
10/24/2019	Usama Emad	Call with unsecured creditor re address update.
10/25/2019	Arif Dhanani	Reconcile Receiver's R&D to October 25, 2019; calculate CIBC payout amount as at November 1, 2019; draft schedule of proposed distributions and holdbacks from cash balance for bankruptcy purposes and send same to B. Wong for comment.
10/25/2019	Brenda Wong	Review correspondence from WSIB and review status, email to WSIB to close account; respond to email from creditor; review and update creditors list; review draft R&D and calculation of funds available for distribution.
10/28/2019	Arif Dhanani	Review email from B. Wong with comments on distribution and holdback amounts and respond thereto, including updating schedule and Receiver's R&D for accounts receivable collected, but not reflected in Receiver's G/L.
10/28/2019	Brenda Wong	Updating creditors list and review forms for bankruptcy filing; calls to Telus re outstanding charges and obtaining copies online of outstanding bills; call to MetCredit re Telus account sent for collection; review Telus invoices for charges to be paid by the Receiver; review of draft R&D.
10/28/2019	Usama Emad	Review of disbursements and summarize final payments to utility providers, including Enbridge, Alectra, Enmax, Bell and Telus; discuss same with B. Wong and J. Berger and provide copy of updated utility and services tracking spreadsheet; obtain outstanding invoices for various Telus accounts, summarize amounts owed by the Receiver and prepare cheque request for B. Wong to review; provide update on other expenses outstanding.
10/28/2019	Anne Baptiste	Process receipts; prepare disbursement cheques; filing re banking.

Date	Professional	Description
10/29/2019	Arif Dhanani	Emails to/from B. Tucci at CIBC to confirm November 1, 2019 payout number; complete cheque requisition for processing of cheque for CIBC; attend to receivership administration.
10/30/2019	Jeff Berger	Review letter to the BC Ministry of Finance and provide comments on same.
10/30/2019	Arif Dhanani	Review of correspondence from BC Ministry of Finance and draft letter to same, send letter to counsel for comments prior to release of same; finalize letter and assemble fax to BC Ministry of Finance.
10/30/2019	Brenda Wong	Emails to CIBC to request redemption of GIC and confirmation of receipt and prepare letter of direction; review Telus bills provided for remaining account, prepare cheque requisitions for payment and respond to email from MetCredit re Telus account; email to Telus re charges to be paid by the Receiver.
10/31/2019	Brenda Wong	Check online statement to confirm redemption of GIC.
11/01/2019	Arif Dhanani	Emails to/from CIBC re payout cheque; meet with B. Tucci to provide him with payout cheque; facilitate payment of Scarfone Hawkins LLP and Sarna Neudorfer legal invoices.
11/01/2019	Bryan Tannenbaum	Review and approve cheques.
11/01/2019	Brenda Wong	Send email to Moneris to inquire re funds released on October 31 and balance of funds held by Moneris; review correspondence from Enmax and Metropolitan Credit Adjusters; review G/L and prior correspondence and call to WorkSafe BC to inquire as to balance owing.
11/01/2019	Usama Emad	Call with CRA regarding the outstanding returns and Amax refund status.
11/01/2019	Anne Baptiste	Prepare disbursement cheques; process receipts.
11/04/2019	Brenda Wong	Submit CIBC wire transfer request for payment to Deluxe for preparation of final T4s and email to D. Weisz to request approval of wire transfer; review October online statement for Moneris settlements to be posted; prepare cover letter to Telus re partial payment of outstanding accounts; arrange for transfer of surplus funds to bankruptcy estate.
11/05/2019	Brenda Wong	Email to Arthur J. Gallagher to follow up on partial refund of annual premium paid by the Receiver.
11/05/2019	Usama Emad	Contact Cogeco to provide tracking information on the hardware that was mailed back at the end of October 2019; provide final invoice and the amount of payment that will be processed.
11/06/2019	Arif Dhanani	Review of email from B. Wong re Moneris and reply thereto.
11/06/2019	Brenda Wong	Follow up with Moneris re release of funds held as reserve; respond to creditor correspondence re unpaid bills for service provided after June 4.
11/07/2019	Anne Baptiste	Filing re banking; process receipts, deposits; prepare disbursement cheques.
11/11/2019	Brenda Wong	Review employee emails re WEPP claim; emails with Moneris to arrange for pick-up of terminal.
11/13/2019	Brenda Wong	Review outstanding issues re employee claim, calculate amount of revised claim, prepare revised proof of claim and send response.
11/13/2019	Usama Emad	Review WEPP support, including credit card statement for expense claim of employee and discuss same with B. Wong.
11/14/2019	Anne Baptiste	Filing re banking; prepare disbursement cheques; prepare bank reconciliation.

Date	Professional	Description
11/15/2019	Brenda Wong	Call from former employee re her WEPP claim.
11/22/2019	Arif Dhanani	Draft and send follow up letter to BC Ministry of Finance re lien; call with WSIB re notice of non-reporting for 3rd quarter of 2019, clear up misunderstanding on WSIB's end re mistakenly opening of 2 accounts; call with BC Ministry of Finance.
11/22/2019	Anne Baptiste	Filing re banking; prepare bank reconciliation; prepare disbursement cheques; process term deposit.
11/26/2019	Brenda Wong	Respond to employee inquiry re WEPP and proof of claim; review Deluxe T4 information received.
11/29/2019	Anne Baptiste	Filing re banking.
12/03/2019	Brenda Wong	Check online statement for receipt of Moneris reserve and send email to Moneris to request payment of November installment immediately; review employee proof of claim and submit employee information to WEPP.
12/09/2019	Brenda Wong	Check online banking for release of funds by Moneris; email to Moneris to follow up on release of November 30 payment.
12/10/2019	Brenda Wong	Check online banking to confirm receipt of Moneris payment; arrange for transfer of surplus funds to bankruptcy estate.
12/18/2019	Brenda Wong	Review payroll reports for information required to complete the Revenue Quebec RL-1 Summary and call to Deluxe to inquire re information required.
12/20/2019	Brenda Wong	Call from creditor inquiring re new company operating as Amax.
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Bryan A. Tannenbaum, FCPA, FCA, FCIRP, LIT	President	0.1	\$ 550	\$ 55.00
Daniel R. Weisz, CPA, CA, CFF, CIRP, LIT	Senior Vice President	2.7	\$ 525	1,417.50
Arif N. Dhanani, CPA, CA, CIRP, LIT	Vice President	18.9	\$ 395	7,465.50
Brenda Wong, CIRP, LIT	Senior Manager	18.6	\$ 395	7,347.00
Jeffrey K. Berger, CPA, CA	Manager	4.8	\$ 295	1,416.00
Usama Emad, CPA	Senior Associate	6.0	\$ 195	1,170.00
Anne Baptiste	Estate Administrator	5.0	\$ 110	550.00
Total hours and professional fees		<u>56.1</u>		\$ 19,421.00
Disbursements				
Postage			\$ 54.81	
Courier			<u>27.62</u>	
Total disbursements				82.43
Total professional fees and disbursements				\$ 19,503.43
HST @ 13%				2,535.45
Total payable				\$22,038.88

VISA/MASTERCARD
 Payments can be made by calling the Accounts Receivable Department at 647.726.0483.

WIRE PAYMENT DETAILS
 Please contact Donna Nishimura at 647.727.3552 for wire instructions.



GST/HST: 80784 1440 RT 0001

RSM CANADA LIMITED
Licensed Insolvency Trustee
11 King St W, Suite 700, Box 27
Toronto, ON M5H 4C7

T +1 416 480 0160
F +1 416 480 2646

www.rsmcanada.com

To RSM Canada Limited
Court-appointed Receiver of
Amax Health Inc.
11 King Street West, Suite 700
Toronto, ON M5H 4C7

Date March 4, 2020

Client File 786-788-3

Invoice 5

No. 5916640

For professional services rendered with respect to the appointment of RSM Canada Limited as Court-appointed Receiver of Amax Health Inc. for the period January 1, 2020 to January 31, 2020.

Date	Professional	Description
01/02/2020	Brenda Wong	Check online banking re December 31 payment due from Moneris and follow up with Moneris re when the payment will be released.
01/03/2020	Brenda Wong	Finalize RL-1 Summary and send to Revenu Quebec.
01/10/2020	Anne Baptiste	Prepare bank reconciliation; filing re banking.
01/13/2020	Brenda Wong	Check online banking to confirm receipt of Moneris payment and email to Moneris to request timely payment of the final instalment due January 31.
01/14/2020	Arif Dhanani	Emails from/to B. Wong re remaining liabilities of the Receiver and S. 246(2) report to be completed and submitted to the OSB.
01/14/2020	Brenda Wong	Prepare S. 246(2) Interim Report and draft statement of receipts and disbursements.
01/15/2020	Brenda Wong	Call to Ensign Electronic Alarm Systems to inquire re outstanding cheque.
01/17/2020	Anne Baptiste	Prepare bank reconciliation; filing re banking; process receipt.
01/22/2020	Donna Nishimura	Prepare deposit slip and deposit cheques at the bank.
01/24/2020	Brenda Wong	Begin drafting Fourth Report to Court.
01/24/2020	Anne Baptiste	Filing re banking; prepare disbursement cheques; processing term deposit.
01/27/2020	Brenda Wong	Review CGC collection reports and status of collections.
01/28/2020	Brenda Wong	Continue drafting Fourth Report to Court.
01/31/2020	Arif Dhanani	Review of various correspondence received from WorkSafe BC and WSIB and discuss same with B. Wong.
01/31/2020	Brenda Wong	Review correspondence from WorkSafe BC, call to WorkSafe BC to inquire re two returns received, prepare 2019 annual return.
01/31/2020	Anne Baptiste	Filing re banking.

Date	Professional	Description
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Arif N. Dhanani, CPA, CA, CIRP, LIT	Vice President	0.6	\$ 395	237.00
Brenda Wong, CIRP, LIT	Senior Manager	4.7	\$ 395	1,856.50
Anne Baptiste/Donna Nishimura	Estate Administrator	1.4	\$ 110	154.00
Total hours and professional fees		<u>6.7</u>		\$ 2,247.50
HST @ 13%				292.18
Total payable				\$ 2,539.68

VISA/MASTERCARD

Payments can be made by calling the Accounts Receivable Department at 647.726.0483.

WIRE PAYMENT DETAILS

Please contact Donna Nishimura at 647.727.3552 for wire instructions.



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To RSM Canada Limited
Court-appointed Receiver of
Amax Health Inc.
11 King Street West, Suite 700
Toronto, ON M5H 4C7

Date March 4, 2020

Client File 786-788-3

Invoice 6

No. 5916651

For professional services rendered with respect to the appointment of RSM Canada Limited as Court-appointed Receiver of Amax Health Inc. for the period February 1, 2020 to February 29, 2020.

Date	Professional	Description
02/03/2020	Brenda Wong	Check online statement for final payment from Moneris and follow up with Moneris re its late payment.
02/07/2020	Brenda Wong	Check online banking for Moneris payment.
02/10/2020	Donna Nishimura	Deposit cheque at the bank.
02/14/2020	Brenda Wong	Review status of HST returns filed and reconcile July 31, 2019 filed return to supporting reports.
02/18/2020	Brenda Wong	Prepare and file HST returns for August 1, 2019 to January 31, 2020; calculate HST, GST and PST on bad debt recoveries.
02/19/2020	Donna Nishimura	Deposit cheque at the bank.
02/19/2020	Brenda Wong	Prepare RC342 and fax to Canada Revenue Agency ("CRA"); review creditor correspondence and call to creditor re same.
02/21/2020	Brenda Wong	Respond to creditor inquiry re Amax's operations; updating the Receiver's webpage; discussion with CRA re outstanding corporate tax and HST returns.
02/21/2020	Anne Baptiste	Filing re banking; process receipt.
02/24/2020	Brenda Wong	Prepare revised RC342 forms and fax to CRA.
02/25/2020	Brenda Wong	File nil HST returns for outstanding pre-receivership returns.
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Brenda Wong, CIRP, LIT	Senior Manager	4.1	\$ 395	\$ 1,619.50
Anne Baptiste/Donna Nishimura	Estate Administrator	0.3	\$ 110	33.00
Total hours and professional fees		<u>4.4</u>		\$ 1,652.50
HST @ 13%				214.83
Total payable				\$ 1,867.33

VISA/MASTERCARD

Payments can be made by calling the Accounts Receivable Department at 647.726.0483.

WIRE PAYMENT DETAILS

Please contact Donna Nishimura at 647.727.3552 for wire instructions.

Invoices are due upon receipt.
RSM Canada Limited



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To RSM Canada Limited
Court-appointed Receiver of
Amax Health Inc.
11 King Street West, Suite 700
Toronto, ON M5H 4C7

Date April 27, 2020

Client File 7867883

Invoice 7

No. 5991834

For professional services rendered with respect to the appointment of RSM Canada Limited as Court-appointed Receiver of Amax Health Inc. for the period March 1, 2020 to March 31, 2020.

Date	Professional	Description
03/02/2020	Brenda Wong	Call to Jasper Avenue Dental re unidentified cheque received; review correspondence re new service contract and email to sender to advise of Amax's bankruptcy; send follow up email to Bell re closure of account.
03/02/2020	Arif Dhanani	Call with M. Valente at Scarfone Hawkins LLP ("Scarfone Hawkins") on next report to Court and discharge of Receiver; draft portions of Receiver's Fourth Report; reconcile Receiver's statement of receipts and disbursements to March 2, 2020.
03/03/2020	Brenda Wong	Updating the Receiver's draft report with respect to outstanding HST filings and corporate tax returns.
03/03/2020	Brenda Wong	Call from former employee re monies owed by Amax and request for T2200 form, send information on the WEPP to employee.
03/03/2020	Arif Dhanani	Finalize draft of Receiver's Fourth Report and send to D. Weisz for comments.
03/04/2020	Daniel Weisz	Review and update report to court.
03/04/2020	Arif Dhanani	Review comments on Fourth Report from D. Weisz and incorporate same, as appropriate.
03/06/2020	Anne Baptiste	Prepare disbursement cheque; filing re banking.
03/06/2020	Brenda Wong	Update report; follow up re A/R payment received and deposited in February 2020; email to Collection Group to request update.
03/09/2020	Brenda Wong	Follow up with asset purchaser to inquire about cheque received.
03/11/2020	Arif Dhanani	Finalize draft of Receiver's Fourth Report and send same to Scarfone Hawkins for comments.
03/13/2020	Anne Baptiste	Prepare disbursement cheque; filing re banking.
03/13/2020	Brenda Wong	Return call from Dominique Laroche Dentiste re A/R cheque sent in error to Receiver.
03/17/2020	Bryan Tannenbaum	Receipt and review of BC PPSA from Scarfone Hawkins.

Date	Professional	Description
03/23/2020	Brenda Wong	Follow up with asset purchaser re two cheques received by the Receiver.
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Bryan A. Tannenbaum, FCPA, FCA, FCIRP, LIT	President	0.1	\$ 550	\$ 55.00
Daniel R. Weisz, CPA, CA, CFF, CIRP, LIT	Senior Vice President	2.2	\$ 525	1,155.00
Arif N. Dhanani, CPA, CA, CIRP, LIT	Vice President	6.8	\$ 395	2,686.00
Brenda Wong, CIRP, LIT	Senior Manager	1.7	\$ 395	671.50
Anne Baptiste	Estate Administrator	0.4	\$ 110	44.00
Total hours and professional fees		<u>11.2</u>		\$ 4,611.50
HST @ 13%				599.50
Total payable				\$ 5,211.00

VISA/MASTERCARD

Payments can be made by calling the Accounts Receivable Department at 647.726.0483.

WIRE PAYMENT DETAILS

Please contact Donna Nishimura at 647.727.3552 for wire instructions.



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To RSM Canada Limited
Court-appointed Receiver of
Amax Health Inc.
11 King Street West, Suite 700
Toronto, ON M5H 4C7

Date June 2, 2020

Client File 7867883

Invoice 8

No. 6028399

For professional services rendered with respect to the appointment of RSM Canada Limited as Court-appointed Receiver of Amax Health Inc. for the period April 1, 2020 to May 31, 2020.

Date	Professional	Description
04/03/2020	Arif Dhanani	Email exchange with counsel re discharge hearing and timing of same.
04/06/2020	Arif Dhanani	Review of email from M. Valente of Scarfone Hawkins LLP re delay in hearing of Receiver's discharge motion.
04/06/2020	Brenda Wong	Emails from former employee enquiring about T2200 form.
04/13/2020	Brenda Wong	Prepare transfer form, fax and email to CIBC to request wire transfer; respond to email from GS Medical Packaging re cheques for the new Amax that were sent to the Receiver.
04/20/2020	Brenda Wong	Follow up with the purchaser re 3 cheques received for Amax A/R.
04/21/2020	Brenda Wong	Emails with GS Medical Packaging re Amax cheques received by the Receiver.
04/22/2020	Anne Baptiste	Prepare bank reconciliation.
04/24/2020	Brenda Wong	Review email from GS Medical Packaging and arrange for cheques received by the Receiver to be mailed to them.
04/29/2020	Daniel Weisz	Review and approve wire request.
04/30/2020	Brenda Wong	Call from CIBC re wire transfer request.
05/12/2020	Anne Baptiste	Prepare bank reconciliation.
05/15/2020	Brenda Wong	Review emails from Canada Post re expiry of mail redirections and follow up re whether an extension is required.
05/19/2020	Brenda Wong	Review and respond to email from J. Berger re mail redirection.
05/19/2020	Echa Odeh	Calculate and file HST return; email to Worksafe NB to cancel account.
05/20/2020	Jeff Berger	Call and email Bell Canada re invoice received for outstanding charges on account.
05/29/2020	Arif Dhanani	Review Receiver's Fourth Report and update same to end of May 2020; update Receiver's statement of receipts and disbursements; review and update Receiver's fee affidavit.

Date	Professional	Description
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

FEE SUMMARY

<i>April - Fee Summary</i>				
Professional	Level	Hours	Rate	Fees
Daniel R. Weisz, CPA, CA, CFF, CIRP, LIT	Senior Vice President	0.1	\$ 525	\$ 52.50
Arif N. Dhanani, CPA, CA, CIRP, LIT	Vice President	0.4	\$ 395	158.00
Brenda Wong, CIRP, LIT	Senior Manager	0.9	\$ 395	355.50
Anne Baptiste	Estate Administrator	0.3	\$ 110	33.00
Subtotal hours and professional fees		<u>1.7</u>		\$ 599.00
<i>May - Fee Summary*</i>				
Professional	Level	Hours	Rate	Fees
Arif N. Dhanani, CPA, CA, CIRP, LIT	Vice President	1.6	\$ 485	\$ 776.00
Brenda Wong, CIRP, LIT	Senior Manager	0.2	\$ 485	97.00
Jeffrey K. Berger, CPA, CA, CIRP	Manager	0.5	\$ 395	197.50
Echa Odeh	Senior Associate	0.7	\$ 225	157.50
Anne Baptiste	Estate Administrator	0.3	\$ 110	33.00
Subtotal hours and professional fees		<u>3.3</u>		\$ 1,261.00
Total Hours and Professional Fees		<u>5.0</u>		\$ 1,860.00
HST @ 13%				241.80
Total Payable				<u>\$ 2,101.80</u>

* New rates are effective May 1, 2020 with RSM Canada Limited's new fiscal year.

VISA/MASTERCARD

Payments can be made by calling the Accounts Receivable Department at 647.726.0483.

WIRE PAYMENT DETAILS

Please contact Donna Nishimura at 647.727.3552 for wire instructions.



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To RSM Canada Limited
Court-appointed Receiver of
Amax Health Inc.
11 King Street West, Suite 700
Toronto, ON M5H 4C7

Date June 4, 2020

Client File 7867883
Invoice 9
No.

For professional services rendered with respect to the appointment of RSM Canada Limited as Court-appointed Receiver of Amax Health Inc.

Estimate to attend to all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to complete the receivership administration.	\$15,000.00
HST @ 13%	<u>1,950.00</u>
Total Payable	<u>\$16,950.00</u>

VISA/MASTERCARD
Payments can be made by calling the Accounts Receivable Department at 647.726.0483.

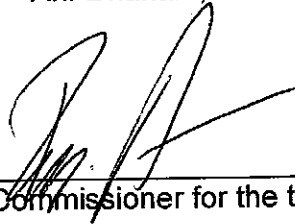
WIRE PAYMENT DETAILS
Please contact Donna Nishimura at 647.727.3552 for wire instructions.

Invoices are due upon receipt.
RSM Canada Limited

EXHIBIT "B"

**Calculation of Average Hourly Billing Rates of
RSM Canada Limited**

This is Exhibit "B" to the Affidavit of
Arif Dhanani, sworn on June 8, 2020



A Commissioner for the taking of Affidavits, etc.

**Bryan Allan Tannenbaum, a Commissioner, etc.
Province of Ontario, for RSM Canada LLP
and RSM Canada Limited.
Expires January 5, 2021.**

EXHIBIT "B"

**Calculation of Average Hourly Billing Rates of
RSM Canada Limited
for the Period October 1, 2019 to May 31, 2020 and Estimate to Complete Administration**

Invoice No.	Billing Period	Total Fees	Disbursements	HST	Hours	Average Hourly Rate	Total
4	October 1 to December 31, 2019	\$ 19,421.00	\$ 82.43	\$ 2,535.45	56.10	\$ 346.19	\$ 22,038.88
5	January 1 to 31, 2020	2,247.50	-	292.18	6.70	\$ 335.45	2,539.68
6	February 1 to 29, 2020	1,652.50	-	214.83	4.40	\$ 375.57	1,867.33
7	March 1 to 31, 2020	4,611.50	-	599.50	11.20	\$ 411.74	5,211.00
8	April 1 to May 31, 2020	1,860.00	-	241.80	5.00	\$ 372.00	2,101.80
	Total fees to May 31, 2020	\$ 29,792.50	\$ 82.43	\$ 3,883.74	83.40	\$ 357.22	\$ 33,758.67
9	Estimated to completion	15,000.00	-	1,950.00	38.00	394.74	\$ 16,950.00
	Total fees	\$ 44,792.50	\$ 82.43	\$ 5,833.74	121.40	\$ 368.97	\$ 50,708.67

APPENDIX M

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

CANADIAN IMPERIAL BANK OF COMMERCE

Applicant

and

AMAX HEALTH INC.

Respondent

AFFIDAVIT OF KAUSH PARAMESWARAN

I, Kaush Parameswaran, of the city of Hamilton, Province of Ontario, MAKE OATH
AND SAY:

1. I am an associate lawyer with the law firm of Scarfone Hawkins LLP, lawyers to RSM Canada Limited (the “**Receiver**”), in its capacity as Court appointed receiver of Amax Health Inc. (“**Amax**”) and as such, I have knowledge of the matters to which I hereinafter depose.

2. Our firm was retained to act as counsel to the Receiver on or about June 5, 2019.

3. In connection with acting as counsel to the Receiver, a total of \$17,487.54 inclusive of disbursements and HST was charged by Scarfone Hawkins LLP for the period commencing October 1, 2019 to May 29, 2020, inclusive (the “**Activity Period**”). Attached as collective **Exhibit “A”** are true copies of Scarfone Hawkins LLP account dated December 31, 2019 and its account dated May 29, 2020 (the “**Accounts**”).

4. The Accounts are a fair and accurate description of the services provided to the Receiver, the disbursements incurred and the amounts charged by Scarfone Hawkins

LLP. Copies of the Accounts have been provided to the Receiver. I am advised by the Receiver that they have reviewed the Accounts and consider the fees and disbursements to be fair and reasonable.

5. I verily believe that the rates charged by Scarfone Hawkins LLP in connection with acting as counsel to the Receiver are comparable to the rates charged by other law firms in the Hamilton market for the provision of similar services.

6. The hourly billing rates as set out in the Accounts are the same hourly rates charged by Scarfone Hawkins LLP for services rendered to clients in relation to similar proceedings.

7. Attached as **Exhibit "B"** is a schedule summarizing the Accounts including the total billable hours charged, the total fees charged and the average hourly rate charged. Our firm expended a total of 8.5 hours in connection with this matter for the Activity Period.

8. Based on my review of this matter and experience with matters of this nature, I verily believe that Scarfone Hawkins LLP will incur additional fees and disbursements of \$5,320.00 plus applicable HST to bring this matter to a completion.

9. I make this affidavit solely in support of an order approving the fees and disbursements of counsel for the Receiver and for no improper purpose.

SWORN BEFORE ME at the
City of Hamilton, in the
Province of Ontario 8 day of
June, 2020



Commissioner for Taking Affidavits
(or as may be)

Michael Valente



This is **Exhibit "A - B"** referred to in the Affidavit of
Kaush Parameswaran, sworn June 8, 2020 by way of
remote video conferencing.

A handwritten signature in black ink, appearing to read "J. Wheat". The signature is written in a cursive style with a large initial "J" and a long horizontal stroke at the end.

Commissioner for Taking Affidavits (or as may be)

Exhibit "A"

RSM CANADA LIMITED
11 KING STREET WEST
SUITE 700, BOX 27
TORONTO, ONTARIO
M5C 4C7 CANADA

ARIF DHANANI, VICE PRESIDENT

INVOICE NUMBER:
157923
DATE:
December 31, 2019
OUR FILE NO.:
19L0200

Scarfone Hawkins LLP

IN ACCOUNT WITH

LAWYERS AND TRADE-MARK AGENTS
ONE JAMES STREET SOUTH
14TH FLOOR
P.O. BOX 926, DEPOT #1
HAMILTON, ONTARIO
L8N 3P9

TELEPHONE 905-523-1333
TELEFAX 905-523-5878

H.S.T. REGISTRATION NO. 873984314 RT - 0001

RE: AMAX HEALTH INC., RECEIVERSHIP

TO ALL PROFESSIONAL services rendered in connection with the above-noted matter to Dec 31/19

DATE	TIMEKEEPER	HOURS	DESCRIPTION
10 /01/19	DI	0.20	<i>Reviewing and Revising Articles; Instructions regarding execution;</i>
10 /01/19	MM	0.10	<i>Receive and review correspondence regarding Articles and execution by receiver;</i>
10 /03/19	TH	0.30	<i>Letters received; considering and advising on the legal implications of CRA's arbitrary assessment;</i>
10 /04/19	CY	0.45	<i>Instructions to TH regarding further investigations regarding arbitrary assessment and deemed trust; considering and advising on deemed trust;</i>
10 /04/19	TH	2.20	<i>Considering and advising on the legal implications of deemed trust;</i>
10 /07/19	MJV	0.60	<i>Receiving and reviewing CRA correspondence; considering and advising with respect to priority issues;</i>
10 /07/19	MJV	0.10	<i>Emails from and to A. Howard;</i>
10 /07/19	MJV	0.10	<i>Email to receiver regarding Amax articles of amendment;</i>
10 /07/19	MJV	0.40	<i>Telephone attendance with A. Dhanani discussing issues at hand;</i>
10 /07/19	CY	1.20	<i>Considering and advising on deemed trust issues; telephone conference with MJV and A. Dhanani;</i>
10 /07/19	TH	0.80	<i>Considering and advising on the legal implications of Crown Priority;</i>
10 /08/19	MJV	0.10	<i>Email to receiver;</i>

Account payable upon receipt. In accordance with the Section 33 of the Solicitors Act, interest will be charged at the annual rate stated calculated from 30 days after delivery of this account. A receipted account will not be mailed unless requested by you

10 /08/19	MJV	0.10	<i>Emails from and to RSM;</i>
10 /09/19	MJV	0.10	<i>Receipt of executed articles of amendment; instructions to clerk;</i>
10 /09/19	MJV	0.80	<i>Emails from and to receiver; reviewing and revising receiver's Third Report;</i>
10 /09/19	MJV	1.20	<i>Drafting factum;</i>
10 /10/19	MJV	1.90	<i>Reviewing and revising Receiver's draft third report; report email to RSM; considering and advising with respect to service issues; email to receiver with respect to same; drafting SH fee affidavit; considering and advising with respect to priority issues;</i>
10 /10/19	MJV	2.30	<i>Drafting factum;</i>
10 /10/19	MJV	0.10	<i>Emails from and to receiver;</i>
10 /11/19	MJV	0.20	<i>Correspondence from and to receiver regarding service issues;</i>
10 /11/19	NA	1.25	<i>Attendance at Hamilton Ontario Government Services to file Articles of Amendment to change name;</i>
10 /14/19	DI	0.20	<i>Reviewing filed articles; Instructions regarding report;</i>
10 /15/19	MJV	0.60	<i>Further communications of legal issues; reviewing and revising factum;</i>
10 /15/19	MJV	0.10	<i>Correspondence to purchaser's counsel;</i>
10 /16/19	MJV	2.10	<i>Receiving and reviewing draft Third Report; correspondence to receiver; drafting notice of motion and Order; revising fee affidavit; instructions regarding service and filing of motion record;</i>
10 /17/19	MJV	0.30	<i>Amending draft Order; reviewing and revising motion record; reporting to RSM;</i>
10 /21/19	MJV	0.20	<i>Emails from and to Toyota Credit;</i>
10 /23/19	MJV	0.60	<i>Telephone attendance with and emails from and to C. Godkewitch; addressing and advising with respect to service issues; reviewing and revising Order; telephone attendance with Registrar;</i>
10 /23/19	MJV	0.70	<i>Reviewing record; preparing for motion;</i>
10 /24/19	MJV	3.30	<i>Attendance before Madam Justice Carpenter-Gunn to argue motion and obtain Order; attending to issuance of Order;</i>
10 /24/19	MJV	0.30	<i>Reporting to RSM Canada; correspondence to the service list;</i>
10 /24/19	MJV	0.10	<i>Emails from and to RSM;</i>
10 /25/19	MJV	0.20	<i>Emails from and to Byre Murray;</i>
10 /25/19	MJV	0.30	<i>Emails from and to RSM Canada; telephone attendance on judicial secretary;</i>

10 /25/19	MJV	0.60	<i>Attendance before Madam Justice Carpenter-Gunn with amended Order;</i>
10 /28/19	MJV	0.10	<i>Correspondence to the Service List with the amended Order;</i>
10 /30/19	MJV	0.20	<i>Receipt and review of draft correspondence to BC Ministry of Finance; receiving and reviewing amendments of J. Berger; email to RSM;</i>
10 /31/19	MJV	0.20	<i>Correspondence from and to receiver;</i>
11 /05/19	MJV	0.10	<i>Emails from and to receiver;</i>
11 /05/19	MJV	0.10	<i>Correspondence to Weir Foulds;</i>
11 /22/19	MJV	0.20	<i>Emails from and to RSM; receipt and review of correspondence to BC Ministry of Finance;</i>
11 /22/19	MJV	0.10	<i>Email from and to receiver;</i>
11 /22/19	MJV	0.10	<i>Letter from BC Minister of Finance;</i>
11 /29/19	MJV	0.20	<i>Telephone attendance with Toyota Credit;</i>

TIMEKEEPER SUMMARY

Timekeeper	ID	Hours	Rate	Total
MICHAEL J. VALENTE	MJV	18.70	\$475.00	\$8,882.50
COLLEEN YAMASHITA	CY	1.65	\$350.00	\$577.50
DANIELLE IAMPIETRO	DI	0.40	\$460.00	\$184.00
MARK MILANETTI	MM	0.10	\$200.00	\$20.00
NOAH ARESTA	NA	1.25	\$145.00	\$181.25
TRENT HOWARD	TH	3.30	\$145.00	\$478.50
TOTAL FEES:				<u>\$10,323.75</u>

FEE	PLUS H.S.T.	DISBURSEMENTS	H.S.T EXEMPT	H.S.T NON-EXEMPT	PLUS H.S.T.	GRAND TOTAL
\$10,323.75	\$1,342.09					\$11,665.84

Account payable upon receipt. In accordance with the Section 33 of the Solicitors Act, interest will be charged at the annual rate stated calculated from 30 days after delivery of this account. A receipted account will not be mailed unless requested by you

SET DOWN MOTION(S)	\$320.00	\$320.00
ARTICLES OF AMENDMENT	\$150.00	\$150.00
PHOTOCOPIES	\$168.00	\$168.00
TABS/BINDING COSTS	\$21.25	\$21.25
COURIER CHARGE(S)	\$178.00	\$178.00
LONG DISTANCE CALLS	\$6.26	\$6.26
Transaction Levy: Application/Notice of App.	\$50.00	\$50.00

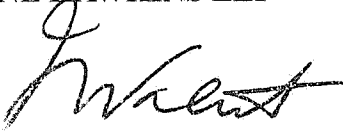
\$10,323.75	\$1,342.09	\$470.00	\$423.51	\$55.06	\$12,614.41
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BALANCE DUE TO THIS OFFICE: \$12,614.41
PREVIOUS AMOUNT OWING \$33,359.26
PREVIOUS PAYMENTS \$33,359.26
BALANCE DUE NOW \$12,614.41

THIS IS OUR ACCOUNT,

Per:

SCARFONE HAWKINS LLP



MICHAEL J. VALENTE
 MJV / /
 E. & O.E.

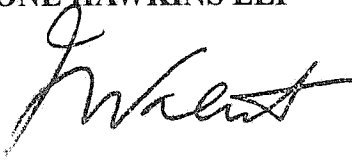
Val Luis

TRUST STATEMENT

DATE	ITEM	DISBURSEMENTS	RECEIPTS
	TOTAL	<hr/> \$0.00	<hr/> \$0.00
	TRUST BALANCE		\$0.00

SCARFONE HAWKINS LLP

Per:



MICHAEL J. VALENTE

RSM CANADA LIMITED
11 KING STREET WEST
SUITE 700, BOX 27
TORONTO, ONTARIO
M5C 4C7 CANADA

ARIF DHANANI, VICE PRESIDENT

INVOICE NUMBER:
162600
DATE:
May 29, 2020
OUR FILE NO.:
19L0200

Scarfone Hawkins LLP

IN ACCOUNT WITH

LAWYERS AND TRADE-MARK AGENTS
ONE JAMES STREET SOUTH
14TH FLOOR
P.O. BOX 926, DEPOT #1
HAMILTON, ONTARIO
L8N 3P9

TELEPHONE 905-523-1333
TELEFAX 905-523-5878

H.S.T. REGISTRATION NO. 873984314 RT - 0001

RE: AMAX HEALTH INC., RECEIVERSHIP

TO ALL PROFESSIONAL services rendered in connection with the above-noted matter to May 29/20

DATE	TIMEKEEPER	HOURS	DESCRIPTION
02 /03/20	MJV	0.10	<i>Emails from and to RSM;</i>
02 /27/20	MJV	0.10	<i>Email to A. Dhanani;</i>
03 /02/20	MJV	0.30	<i>Emails from and to and telephone attendance with A. Dhanani discussing issues at hand;</i>
03 /12/20	MJV	0.50	<i>Receiving and reviewing draft Fourth Report; instructions to clerk;</i>
03 /13/20	MJV	0.10	<i>Conducting British Columbia PPSA search;</i>
03 /13/20	MJV	0.20	<i>Reporting to receiver;</i>
03 /18/20	MJV	0.10	<i>Reporting to receiver regarding BC Ministry of Finance registrations;</i>
05 /25/20	MJV	0.10	<i>Email from and to your Arif Dhanani;</i>
05 /26/20	MJV	0.60	<i>Reviewing and revising Fourth Report;</i>
05 /26/20	MJV	1.90	<i>Drafting notice of motion and discharge Order; drafting fee affidavit;</i>
05 /26/20	MJV	0.40	<i>Reviewing and revising same; email to Receiver;</i>
05 /26/20	MJV	0.10	<i>Emails from and to receiver;</i>
05 /27/20	MJV	1.20	<i>Drafting factum;</i>

Account payable upon receipt. In accordance with the Section 33 of the Solicitors Act, interest will be charged at the annual rate stated calculated from 30 days after delivery of this account. A receipted account will not be mailed unless requested by you

05 /27/20	MJV	0.10	<i>Emails from and to receiver;</i>
05 /28/20	MJV	1.80	<i>Drafting, reviewing and revising factum and instructions regarding book of authorities;</i>
05 /28/20	MJV	0.10	<i>Telephone attendance with Trial Co-ordinator;</i>
05 /29/20	MJV	0.80	<i>Reviewing and revising motion materials; instructions to clerk; reviewing and revising Service List;</i>

TIMEKEEPER SUMMARY

Timekeeper	ID	Hours	Rate	Total
MICHAEL J. VALENTE	MJV	8.50	\$490.00	\$4,165.00
TOTAL FEES:				<u>\$4,165.00</u>

FEE	PLUS H.S.T.	DISBURSEMENTS	H.S.T EXEMPT	H.S.T NON-EXEMPT	PLUS H.S.T.	GRAND TOTAL
\$4,165.00	\$541.45					\$4,706.45
		PHOTOCOPIES		\$25.00		\$25.00
		PPSA SEARCH(ES)/REGISTRATION		\$122.50		\$122.50
\$4,165.00	\$541.45		\$0.00	\$147.50	\$19.18	\$4,873.13

BALANCE DUE TO THIS OFFICE:	\$4,873.13
PREVIOUS AMOUNT OWING	\$12,614.41
PREVIOUS PAYMENTS	\$11,665.84
BALANCE DUE NOW	\$5,821.70

THIS IS OUR ACCOUNT,

Per:

SCARFONE HAWKINS LLP

MICHAEL J. VALENTE
 MJV / /
 E. & O.E.

Val Luis

TRUST STATEMENT

DATE	ITEM	DISBURSEMENTS	RECEIPTS
	TOTAL	<hr/>	<hr/>
		\$0.00	\$0.00
	TRUST BALANCE		\$0.00

SCARFONE HAWKINS LLP

Per:

MICHAEL J. VALENTE

Exhibit "B"

EXHIBIT "B"

Fee Summary:

Professional	Level	Hours	Rate	Fees
Michael J. Valente	Partner	27.2	\$490.00	\$13,047.50
Colleen Yamashita	Partner	1.65	\$350.00	\$ 577.50
Danielle Iampietro	Partner	0.40	\$460.00	\$ 184.00
Mark Milanetti	Associate	0.10	\$200.00	\$ 20.00
Articling Students	AS	4.55	\$145.00	\$ 659.75
Total Hours & professional Fees		33.90		\$14,488.75
HST @ 13.0%				\$ 1,883.54
TOTAL:				\$16,372.29

CALCULATION OF AVERAGE HOURLY BILLING RATE OF SCARFONE HAWKINS LLP

Billing Period	Total Fees	HST	Hours	Average Hourly Rate
October 1/19 to May 29/20	\$14,488.75	\$1,883.54	33.90	\$427.40

CANADIAN IMPERIAL BANK OF COMMERCE
Applicant

-and- **AMAX HEALTH INC.**
Respondents

Court File No. 19-69485

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT HAMILTON

AFFIDAVIT OF KAUSH PARAMESWARAN

SCARFONE HAWKINS LLP

Barristers & Solicitors
One James Street South
14th Floor
P.O. Box 926, Depot 1
Hamilton, Ontario
L8N 3P9

Michael J. Valente (LSUC # 23925R)

mvalente@shlaw.ca

Tel: 905-523-1333

Fax: 905-523-5878

Lawyers for the receiver, RSM Canada Limited

RCP-E 4C (July 1, 2007)

APPENDIX N

**ONTARIO
SUPERIOR COURT OF JUSTICE**

**IN THE MATTER BETWEEN CANADIAN IMPERIAL BANK OF COMMERCE
(APPLICANT) AND AMEX HEALTH INC. (RESPONDENT)**

**AFFIDAVIT OF AMANDA PLASTINA
(sworn October 7, 2019)**

I, **AMANDA PLASTINA**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am a partner with the law firm of Norton Rose Fulbright Canada LLP ("**Norton Rose**"), special counsel to RSM Canada Limited, in its capacity as receiver in these proceedings (the "**Receiver**"), and as such, have knowledge of the matters herein deposed to.
2. I hereby confirm that attached as Exhibit "A" is a true copy of the account of Norton Rose for the period of August 9, 2019 ending September 26, 2019. I confirm that this account accurately reflects the services provided by Norton Rose in this matter for this period and the fees and disbursements claimed by it for this period.

SWORN BEFORE ME at the City of Toronto, on October 7, 2019.



Commissioner for taking Oaths



Amanda Plastina

EXHIBIT "A"

Norton Rose Account

(See Attached)

INVOICE

Invoice Number 9090161567
Matter Number 1001085569
Invoice Date September 26, 2019
NRF Contact Amanda Plastina
Your Reference NA - Paper Invoice

NORTON ROSE FULBRIGHT

Norton Rose Fulbright Canada LLP
222 Bay Street, Suite 3000, P.O. Box 53
Toronto ON M5K 1E7
Canada
Tel: +1 416-216-4000
Fax: +1 416-216-3930
www.nortonrosefulbright.com
GST/HST No. 111340006
Accounts Contact:
nrcreceivables@nortonrosefulbright.com

For the attention of: Arif Dhanani,
Vice President

RSM Canada Limited
11 King St. West, Suite 700
Box 27
Toronto ON M5H 4C7

Amax Health Inc.

Professional Services Rendered to August 31, 2019

Charges
CAD

SUMMARY

Taxable Fees	3,042.50
Taxable Disbursements	87.00
Taxable Amount	3,129.50
HST 13.000%	406.84
Non-Taxable Disbursements	58.00
TOTAL AMOUNT DUE AND PAYABLE	CAD 3,594.34

Payable in 30 days
PAYMENT INFORMATION

RBC Financial Group, 1 Place Ville Marie, Montreal, Québec, CANADA H3C 3B5, Bank 003, Transit 00001, ACC. No. 161-327-2, Swift Code # ROYCCAT2. Include invoice number on transfer order.

Invoice Date September 26, 2019

Invoice Number 9090161567

Matter Description Amax Health Inc.

Matter Number 1001085569

Amax Health Inc.

TIME DETAILS

<u>DATE</u>	<u>NAME</u>	<u>HOURS</u>	<u>DESCRIPTION</u>
08/09/2019	Mooney, J	0.30	Call with NRF Toronto regarding security review.
08/09/2019	Plastina, A	0.30	Call with NRF Calgart regarding security review.
08/12/2019	Ha, H	0.90	Receiving instructions from J.Mooney. Drafting email for the Alberta searches request. Reviewing Loan Documents.
08/12/2019	Mooney, J	0.80	Correspondence with J. Ha regarding public searches. Meeting with J. Ha regarding same.
08/12/2019	Plastina, A	0.50	Review of security report and provided comments.
08/13/2019	Assis, L	0.60	Receipt of instructions. Ordering various due diligence searches on Amax Health Inc. Conducting Alberta PPR and Corporate search. Requesting pre-screen Nuans across Canada. Forwarding search results to J. Mooney and J. Ha. Reporting that Corporation is registering in Ontario.
08/13/2019	Assis, L	0.20	Ordering Workplace Health & Safety Branch search on Amax Health Inc.
08/13/2019	Assis, L	0.20	Receipt of Bank Act search results. Forwarding same to J. Ha.
08/13/2019	Mooney, J	0.20	Correspondence with L. Assis and J. Ha regarding public searches.
08/14/2019	Assis, L	0.30	Receipt of Queen's Bench and Provincial search results. Forwarding same to J. Ha.
08/19/2019	Ha, H	0.50	Draft Schedule for the Alberta Security Review summarizing searches results
08/19/2019	Mooney, J	1.70	Draft security review. Email correspondence with NRF deal team regarding same.
08/19/2019	Plastina, A	0.50	Reviewed and provided comments on revised security report.
08/19/2019	Wang, R	0.20	Review WCB certificate. Advise J. Mooney on WCB certificate.
08/20/2019	Mooney, J	0.40	Finalize security revise and deliver same.
Total		7.60	

TIME SUMMARY

<u>NAME</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>
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This invoice may include fees and disbursements of the member firms of Norton Rose Fulbright. Such fees and disbursements of member firms other than Norton Rose Fulbright Canada LLP are invoiced and collected by Norton Rose Fulbright Canada LLP as agent of the relevant member firm. Norton Rose Fulbright Canada LLP is a limited liability partnership established in Canada. Norton Rose Fulbright Canada LLP, Norton Rose Fulbright LLP, Norton Rose Fulbright Australia, Norton Rose Fulbright South Africa Inc. and Norton Rose Fulbright US LLP are separate legal entities and all of them are members of Norton Rose Fulbright, a Swiss Verein. Norton Rose Fulbright helps coordinate the activities of the members but does not itself provide legal services to clients. For more information, see nortonrosefulbright.com.

Invoice Date September 26, 2019
Matter Description Amax Health Inc.
Matter Number 1001085569

Invoice Number 9090161567

Partner

Plastina, A	1.30	720.00	936.00
		Sub Total	936.00

<u>NAME</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>
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Associate

Mooney, J	3.40	390.00	1,326.00
Wang, R	0.20	450.00	90.00
		Sub Total	1,416.00

<u>NAME</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>
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Paralegal

Assis, L	1.30	235.00	305.50
		Sub Total	305.50

<u>NAME</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>
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Trainee

Ha, H	1.40	275.00	385.00
		Sub Total	385.00

Total		7.60	3,042.50
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DISBURSEMENT SUMMARY

<u>DESCRIPTION</u>	<u>QTY</u>	<u>AMOUNT</u>
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Non-Taxable

Search Fee	1.00	58.00
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Taxable

Search Fee	1.00	87.00
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TOTAL		145.00
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This invoice may include fees and disbursements of the member firms of Norton Rose Fulbright. Such fees and disbursements of member firms other than Norton Rose Fulbright Canada LLP are invoiced and collected by Norton Rose Fulbright Canada LLP as agent of the relevant member firm. Norton Rose Fulbright Canada LLP is a limited liability partnership established in Canada. Norton Rose Fulbright Canada LLP, Norton Rose Fulbright LLP, Norton Rose Fulbright Australia, Norton Rose Fulbright South Africa Inc. and Norton Rose Fulbright US LLP are separate legal entities and all of them are members of Norton Rose Fulbright, a Swiss Verein. Norton Rose Fulbright helps coordinate the activities of the members but does not itself provide legal services to clients. For more information, see nortonrosefulbright.com.

IN THE MATTER BETWEEN CANADIAN IMPERIAL BANK OF COMMERCE
(APPLICANT) AND AMEX HEALTH INC. (RESPONDENT)

Court File No: CV-19-69485

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Hamilton

**AFFIDAVIT OF AMANDA PLASTINA
Sworn October 7, 2019**

Norton Rose Fulbright Canada LLP
222 Bay Street, Suite 3000
P.O. Box 53
Toronto, Ontario, M5K 1E7

Amanda Plastina (LSUC#: 51120B)
Tel: 416.216.4036
Fax: 416.216.3930

APPENDIX O

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

CANADIAN IMPERIAL BANK OF COMMERCE

Applicant

and

AMEX HEALTH INC.

Respondent

AFFIDAVIT OF GRAHAM ALLOWAY

I, GRAHAM ALLOWAY, of the City of Toronto in the Province of Ontario, MAKE OATH AND SAY AS FOLLOWS:

1. I am lawyer with Alloway and Associates Professional Corporation and, as such, I have knowledge of the matters to which I hereinafter depose.
Alloway and Associates acted as counsel for RSM Canada Limited in its capacity as Receiver of Amex Health Inc.

2. Alloway and Associates has prepared Statements of Account in connection with its fees and disbursements as follows:
 - (a) An account dated October 3, 2019 for the period June 24, 2019 to September 30, 2019 in the amount of \$3,840.94, inclusive of HST and disbursements;

Court File No. CV-19-69485

CANADIAN IMPERIAL BANK OF COMMERCE

and

AMEX HEALTH INC.

Applicant

Respondent

**ONTARIO
SUPERIOR COURT OF
JUSTICE**

Proceeding commenced at
Hamilton

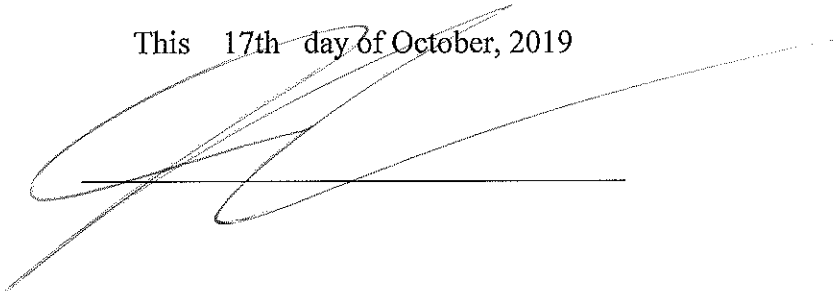
**AFFIDAVIT OF GRAHAM
ALLOWAY**

**ALLOWAY AND ASSOCIATES
Professional Corporation**
64 Prince Andrew Place
Toronto, ON M5R 2R2

Tel: 416-971-9293
Fax: 416-971-9349

Graham Alloway
Counsel for the Applicant

This is Exhibit "A"
to the affidavit Graham F. Alloway
sworn before me in the City of Toronto, Ontario
This 17th day of October, 2019

A large, stylized handwritten signature in black ink, written over a horizontal line. The signature is cursive and appears to be the name of the Commissioner for taking affidavits.

Commissioner for taking affidavits.

RSM Canada Limited
c/o Arif Dhanani
11 King St. W, Suite 700 Box 27
Toronto, Ontario M5H4C7 Canada

Date: October 3, 2019
HST No: 12745 7448 RT0001
File No: 2019705-004
Invoice #: 30151

RE: Amax Health Inc.

FOR PROFESSIONAL SERVICES RENDERED THROUGH September 30, 2019
To matters described in detail below; and

Generally, all necessary correspondence, telephone conferences and all other attendances not specifically enumerated herein on your behalf.

OUR FEE HEREIN:	\$3,328.00
HST on Fees	\$432.64

DISBURSEMENTS

Searches	7.50	
Searches *Govt Fee*	16.00	
Searches	38.00	
Photocopies	11.40	
Total Disbursements		\$72.90
HST- Disbursements		\$7.40

* tax-exempt
PST only

TOTAL DUE AND OWING	\$3,840.94
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ALLOWAY AND ASSOCIATES
Professional Corporation

ACCOUNT DUE UPON RECEIPT

PLEASE RECORD THE INVOICE & FILE NUMBER ON YOUR PAYMENT.

Pursuant to the Solicitors Act, interest will be charged on any unpaid balance
at the rate of 3.5% per annum from one month after the date of the invoice.

64 Prince Andrew Place, Toronto, ON M3C 2H4 | Tel: (416) 971-9293 | E-mail: Accounting@alloway.net

DATE	DESCRIPTION	HOURS	AMOUNT	LAWYER
Jun-24-19	Preparation of correspondence to receiver;	0.20	\$79.00	JCD
	Receipt and review of correspondence from receiver;	0.10	\$39.50	JCD
	Receipt and review of receivership order;	0.30	\$118.50	JCD
	Attending to opening of file;	0.40	\$60.00	BRL
Jun-25-19	Receipt and review of correspondence from receiver;	0.10	\$39.50	JCD
	Receipt and review of non-negotiable documents;	0.50	\$197.50	JCD
	Requisition of searches;	0.40	\$60.00	BRL
	Preparation of security report outline;	0.50	\$75.00	BRL
Jun-26-19	Receipt and review of search results;	0.20	\$79.00	JCD
	Preparation of report on CIBC security;	2.00	\$790.00	JCD
Jun-27-19	Review and revise security report;	0.40	\$158.00	JCD
	Preparation of correspondence to receiver;	0.20	\$79.00	JCD
Jul-23-19	Telephone discussion with A. Dhanani;	0.50	\$247.50	GFA
	Receipt and review of Correspondence from A. Dhanani re: leased equipment;	0.20	\$99.00	GFA
Aug-06-19	Telephone discussion with A. Plastina of NRF;	0.30	\$148.50	GFA
Aug-07-19	Telephone discussion with J.Franklin re: security over Quebec personal property;	0.50	\$247.50	GFA
	Receipt and review of Correspondence from J, Franklin;	0.50	\$247.50	GFA
Aug-18-19	Receipt and review of Correspondence from A. Dhanani;	0.10	\$49.50	GFA
Aug-20-19	Receipt and review of Correspondence from A. Plastina;	0.20	\$79.00	JCD
Aug-21-19	Preparation of Correspondence to A. Dhanani;	0.10	\$39.50	JCD
	Preparation of Correspondence to L. Sarna re: Quenec security agreements and lease;	0.40	\$158.00	JCD
Aug-26-19	Preparation of Correspondence to A. Dhanani;	0.10	\$39.50	JCD
Aug-28-19	Receipt and review of Correspondence from A. Dhanani re: leased equipment;	0.20	\$79.00	JCD
	Preparation of Correspondence to L. Sarna re leased equipment;	0.20	\$79.00	JCD
	Receipt and review of Correspondence from L. Sarna;	0.10	\$39.50	JCD

TIME SUMMARY

<u>NAME</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>
Graham F. Alloway	2.10	\$495.00	\$1,039.50
James C. Davies	5.30	\$395.00	\$2,093.50
Boshan R. Li	1.30	\$150.00	\$195.00

CANADIAN IMPERIAL BANK OF COMMERCE
Applicant

-and- **AMAX HEALTH INC.**
Respondent

Court File No. 19-69485

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT HAMILTON

MOTION RECORD
(RETURNABLE JUNE 17, 2020)

SCARFONE HAWKINS LLP

One James Street South
14th Floor
P.O. Box 926, Depot 1
Hamilton, Ontario
L8N 3P9

Michael J. Valente (LSUC # 23925R)

mvalente@shlaw.ca

Tel: 905-523-1333

Fax: 905-523-5878

Lawyers for the Receiver, RSM Canada Limited

RCP-E 4C (May 1, 2016)