

**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 October 24, 2019)

October 17, 2019

SCARFONE HAWKINS LLP

One James Street South

14th Floor

P.O. Box 926, Depot 1

Hamilton, Ontario L8N 3P9

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Lawyers for the Receiver,

RSM Canada Limited

RCP-E 14E (March 31, 2010)

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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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MINISTRY OF FINANCE

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Attention: Darianne Arreza, Collections Department, Finance Division

MONERIS SOLUTIONS CORPORATION

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West Tower

Toronto, Ontario

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Attention: Natalia Deineka, Collection & Bankruptcy Administrator

Tel: 416-734-1298

Email:

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

CANADIAN IMPERIAL BANK OF COMMERCE

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and

AMAX HEALTH INC.

Respondent

TABLE OF CONTENTS

T A B

1. Notice of Motion, returnable October 24, 2019
2. Third Report of the Receiver, dated October 17, 2019
 - a. Appendix A - Appointment Order
 - b. Appendix B - First Report of the Receiver, dated July 17, 2019
 - c. Appendix C – Order, dated July 25, 2019
 - d. Appendix D – Second Report of the Receiver, dated August 22, 2019
 - e. Appendix E - Approval and Vesting Order, dated September 3, 2019
 - f. Appendix F - Quebec Legal Opinion, dated August 28, 2019
 - g. Appendix G - CIBC Email re balance outstanding, dated October 8, 2019
 - h. Appendix H - Receiver's Interim Statement of Receipts & Disbursements
 - i. Appendix I - Affidavit of Bryan A. Tannenbaum, sworn October 16, 2019
 - j. Appendix J - Affidavit of Zachary Pringle, sworn October 17, 2019
 - k. Appendix K - Affidavit of Lazar Sarna, sworn October 7, 2019

Court File No. 19-69485

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

CANADIAN IMPERIAL BANK OF COMMERCE

Applicant

and

AMAX HEALTH INC.

Respondent

NOTICE OF MOTION

RSM Canada Limited, in its capacity as Court-Appointed Receiver of Amax Health Inc. (the "Receiver") will make a motion to a Judge on Thursday, October 24, 2019, at 10:00 a.m. or so soon after that time as the Motion can be heard at the court house, 45 Main Street East, 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 abridging the time for service and filing of this notice of motion and motion record, if necessary, such that the motion is properly returnable on Thursday, October 24, 2019;
- (b) An Order substantially in the form attached as Schedule "A";
- (c) An Order accepting and approving the Third Report of the Receiver, dated October 17, 2019 (the "Second Report");
- (d) An Order approving the conduct, activities and actions of the Receiver as described in the Third Report;
- (e) An Order approving the Receiver's interim statement of receipts and disbursements as at September 30, 2019;
- (f) An Order authorizing the Receiver to make distributions to the Applicant, Canadian Imperial Bank of Commerce, provided that the aggregate amount of all distributions made to the Applicant shall not, without further Order of the Court, exceed the aggregate of all obligations owed to the Applicant by the Respondent, Amax Health Inc.
- (g) An Order approving and allowing the fees and disbursements of the Receiver in respect of the period of August 1, 2019 to September 30, 2019 and those of its counsel, Scarfone Hawkins LLP, in respect of the period of August 10, 2019, 2019 to September 30, 2019 together with the fees and

disbursements of the Receiver's Quebec counsel, Sarna Neudorfer to August 28, 2019;

- (h) Such further and other relief as this Honourable Court may deem just and appropriate in the circumstances.

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 Amax on June 4, 2019 (the "Initial Order");
- (b) The Receiver has taken possession of the Property and initiated a process for the sale of the Property and to otherwise realize on the Property;
- (c) The Receiver is entitled to pass its accounts and those of its counsel from time to time pursuant to the terms of the Initial Order; and
- (d) Rules 2.03, 3.02 and 37 of the *Rules of Civil Procedure*.
- (e) Section 47 of the *Bankruptcy & Insolvency Act*;
- (f) With this Court's approval, the Receiver has completed the Asset Purchase Agreement, dated August 22, 2019 with 15509349 Canada Inc. as purchaser;
- (g) The Receiver has obtained independent legal opinions as to the validity and priority of the Applicant's security and wishes to make distributions to the

Applicant in the maximum aggregate of all amounts owed to it by the Respondent;

- (h) 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 Third Report.
- (b) Such further and other evidence as counsel may advise and this Honourable Court may permit.

October 17, 2019

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Lawyers for the respondent,
Amax Health Inc.

TO: THE SERVICE LIST ATTACHED

RCP-E 37A (July 1, 2007)

SCHEDULE "A"

Court File No. 19-69485

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE
JUSTICE

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)
)

THURSDAY, THE 24TH
DAY OF OCTOBER, 2019

B E T W E E N:

(Court Seal)

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 and accepting the Third Report of the Receiver, dated October 17, 2019, authorizing the Receiver to make distributions to the Applicant and for other relief, was heard this day at the court house, 45 Main Street E., Hamilton, Ontario, L8N 2B7.

ON READING the Third Report of the Receiver, dated October 17, 2019 (the "Third Report"), and on hearing submissions of counsel for the Receiver, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Valerie Luis, sworn October 17, 2019, filed,

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 20, 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.

(Signature of Judge)

RCP-E 59A (July 1, 2007)

ONTARIO
SUPERIOR COURT OF JUSTICE
PROCEEDING COMMENCED AT HAMILTON

ORDER

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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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RCP-E 4C (July 1, 2007)

Court File No. 19-69485

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

Table of Contents

I. INTRODUCTION	1
Purpose of the Third Report.....	3
Terms of Reference	4
II. BACKGROUND	5
III. RECEIVER'S ACTIVITIES SINCE THE SECOND REPORT	6
IV. CLOSING OF THE SALE OF ASSETS	7
V. LIEN CLAIMS OF PROVINCE OF BRITISH COLUMBIA AND WORKSAFE BC. ..	7
Province of British Columbia Lien Claim	7
WorkSafeBC	8
VI. LEGAL OPINION OF QUEBEC COUNSEL RE CIBC SECURITY	8
Bankruptcy	9
VII. MONERIS SOLUTIONS CORPORATION	9
VIII. PROPOSED DISTRIBUTION	10
IX. RECEIVER'S INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS.	11
X. FEES AND DISBURSEMENTS OF THE RECEIVER AND COUNSEL	12
XI. CONCLUSION	13

Appendices

Appointment Order.....	A
First Report of the Receiver dated July 17, 2019, without appendices.....	B
July 25 Order.....	C
Second Report of the Receiver dated August 22, 2019, without appendices....	D
Approval and Vesting Order	E
Quebec Legal Opinion	F
CIBC correspondence re balance outstanding.....	G
Receiver's Interim Statement of Receipts and Disbursements	H
Affidavit of Bryan A. Tannenbaum.....	I
Affidavit of Zachary Pringle	J
Affidavit of Lazar Sarna.....	K

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.

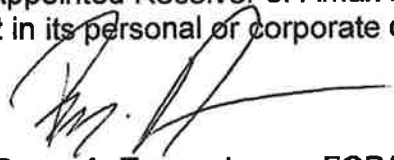
XI. CONCLUSION

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 A

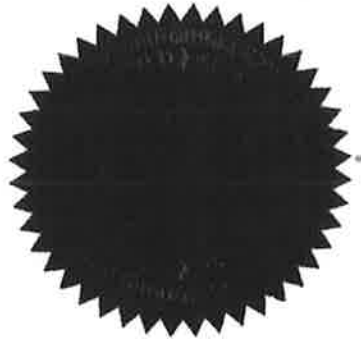
Court File No. 19-69485

**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.

- 2 -

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

- 3 -

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;

- 4 -

- (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;

- 5 -

- (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.

- 6 -

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,

- 8 -

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 11/04/2019
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.

-15-

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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14th Floor
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L8N 3P9

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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

Table of Contents

I. INTRODUCTION	1
Purpose of the First Report	2
Terms of Reference	3
II. BACKGROUND	4
III. SECURED LENDERS	5
CIBC	6
RCAP Leasing Inc.	7
Toyota Credit Canada Inc.	7
IV. RECEIVER'S ACTIVITIES TO DATE	8
Possession Taking and Security	8
Books and Records	9
Insurance	9
Company's Retention and Termination of Staff	10
Employee Claims and the Wage Earner Protection Program Act ("WEPPA") ..	13
Accounts Receivable Collections	14
30-Day Goods	15
V. SALES PROCESS	15
VI. NOTICE AND STATEMENT OF RECEIVER	17
VII. RECEIVER'S INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS ..	17
Receiver's Borrowings	18
VIII. DISTRIBUTION TO SECURED LENDER	18
IX. FEES AND DISBURSEMENTS OF THE RECEIVER AND COUNSEL	18
X. CONCLUSION	19

Appendices

Appointment Order	A
Amax Corporation Profile Report	B
Ontario PPSA Search	C
Alberta PPSA Search	D
Quebec PPSA Search	E
CIBC Account Statement	F
Legal Opinion	G
Marketing Brochure and Newspaper Advertisements	H
Confidentiality Agreement	I
Receiver's Interim Statement of Receipts and Disbursements	J
Affidavit of Arif Dhanani	K
Affidavit of Zachary Pringle	L

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;

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- (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.

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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;

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- 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.

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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

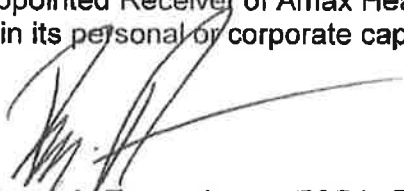
of Amax's indebtedness to CIBC, including interest thereon; authorizing the Receiver to make the CIBC Distributions; and

- 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

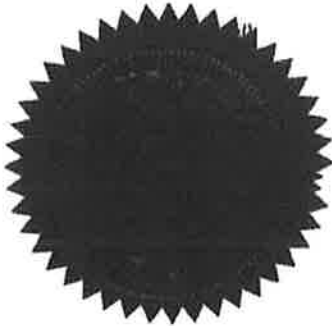
APPENDIX C

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE *Mr.*)
JUSTICE *M. D. Parayest:*)

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,

-2-

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.

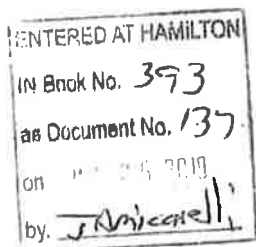
and the sealed envelope shall be sealed until further order of the Court. Upon the Court making such further order under this paragraph, the Receiver shall forthwith advise the

-3-

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.




(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 (L.S.O # 23925FR)
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Tel: 905-523-1333
Fax: 905-523-5878

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

APPENDIX D

Court File No. 19-69485

**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

Table of Contents

I. INTRODUCTION	1
Purpose of the Second Report.....	2
Terms of Reference	3
II. BACKGROUND	4
III. RECEIVER'S ACTIVITIES SINCE THE FIRST REPORT.....	5
IV. SALES PROCESS	5
Marketing Process and Offers Received.....	5
Agreement of Purchase and Sale	6
V. OTHER MATTERS.....	7
Federal and Provincial Tax Filings	7
Province of British Columbia Tax Lien	8
Alberta Legal Opinion.....	8
Bankruptcy	9
VI. RECEIVER'S INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS. 10	
VII. FEES AND DISBURSEMENTS OF THE RECEIVER AND COUNSEL.....	10
VIII. CONCLUSION	11

Appendices

Appointment Order	A
Amax Corporation Profile Report	B
Alberta Legal Opinion.....	C
Receiver's Interim Statement of Receipts and Disbursements	D
Affidavit of Bryan A. Tannenbaum.....	E
Affidavit of Zachary Pringle	F
Offer Summary	Confidential - 1
Agreement of Purchase and Sale	Confidential - 2

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](#).

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.

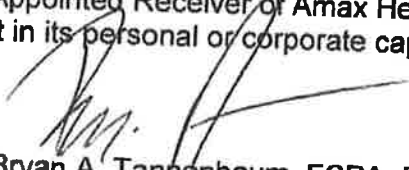
VIII. CONCLUSION

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

BETWEEN:

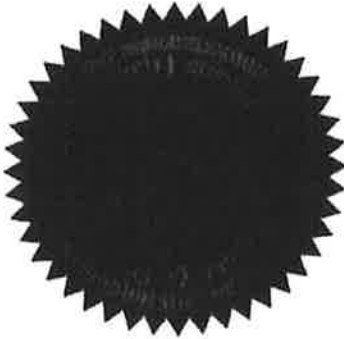
CANADIAN IMPERIAL BANK OF COMMERCE

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;

- 4 -

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.

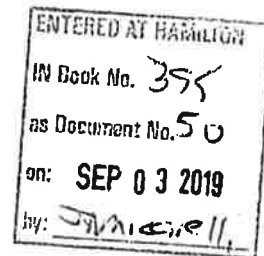
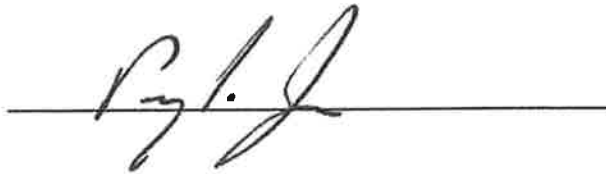
And the sealed envelope shall be sealed until the completion of the Sale Agreement or further order of this Court. Upon the Court making such further order under this

- 5 -

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.



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

- 2 -

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

SARNA NEUDORFER S.E.N.C.

ATTORNEYS-AVOCATS
4473 STE-CATHERINE WEST
MONTREAL, QUEBEC, CANADA H3Z 1R6
TEL. 514-842-4550; FAX. 514-842-3876
Email/Courriel: lazarsarna@gmail.com

August 28, 2019

Sent by e-mail

RSM Canada Limited
Arif Dhanani Vice President
11 King St. W., Suite 700, Box 27
Toronto, ON M5H 4C7
arif.dhanani@rsmcanada.com
Sent by e-mail

Re Account Name: Amax Health Inc. Letter of Opinion on CIBC Credit Facilities Letter dated January 8, 2019 and Moveable Hypothec dated January 11, 2019

Our file no. LS288-19

Dear Mr. Dhanani,

You have requested our opinion as to the validity and enforceability of the security held by Canadian Imperial Bank of Commerce ("CIBC") on the moveable property of Amax Health Inc. (the "Debtor") in the Province of Quebec. We write to you in your capacity as representative of RSM Canada Limited (hereinafter the "Receiver") of that property, your having been appointed by order of the Honourable Mr. Justice Whitten issued June 4, 2019,

1. Revolving Line of Credit Facility Letter dated January 8, 2019 ("Credit Facilities Letter")

a. We have reviewed the Credit Facilities Letter dated January 8, 2019 which provides for the following:

-Credit Limit in the amount of CDN \$1,000,000.00, interest at Prime Rate plus 1.00 % per annum, revolving, payable on demand.

b. The Credit Facilities Letter on its face was executed by Mike Essex for the CIBC and Peter Jagoon, CEO, for the Debtor on January 11, 2019. Although the signature line at page 5 of 15 indicates the signature as of 'Jan 11..' without specifying the year, the footer of the document throughout refers to the year 2019. We proceed on the assumption that the manuscript correction to the footers have been done and, or accepted by the parties.

c. It is our opinion that the obligations established by the above Credit Facilities Letter dated January 8, 2019, are valid, binding, and enforceable obligations of the Debtor, in accordance with its terms, subject to assumptions and qualifications set out below.

2. Moveable Hypothec ("Security Agreement") dated January 11, 2019

a. We have reviewed the Security Agreement dated January 11, 2019, provided by the Debtor. The Security Agreement on its face was executed by Peter Jugoon, for the Debtor. Mr. Jugoon is described in the Credit Facilities Letter as being the CEO of the Debtor.

b. By its terms, the Security Agreement secures all moveable property of the Debtor in the Province of Quebec. Paragraph 3 declares that the *"Collateral is located in the Province of Quebec"*.

c. In our opinion, the obligations and security interests established by the Security Agreement dated January 11, 2019, are valid, binding, enforceable, and perfected in favour of CIBC, in accordance with its terms, subject to the assumptions and qualifications set out below. The Civil Code of Quebec at article 2696 and following expressly permits the establishment of moveable hypothecs without delivery, which is the present case.

d. We note that the Credit Facilities Letter dated January 8, 2019, expressly provides that the Security Agreement is to be registered in Quebec. As we are only licensed to practice law in Quebec, we have not conducted any searches and provide no opinion as to the validity, enforceability of the Security Agreement beyond the Province of Quebec.

3. Assumptions

In the above opinions, in absence of any evidence to the contrary, we have assumed the following:

a. The signatures on all of the documents examined are genuine, that the individuals signing such documents had the legal capacity to do so at the time of signing; and that all of the documents submitted to us as photocopies conform to the authentic original documents; and that all of the documents were fully completed prior to execution and delivery;

b. The Debtor held legal and beneficial title to the moveable property charged by and subject to the Security Agreement referenced herein, and at all material times said moveable property was located within the Province of Quebec;

c. At the time the credit and security agreements were executed and delivered by the Debtor, it was a subsisting corporation under the laws of the Province of Ontario, and it and its officers had all necessary corporate power and authority to enter into each of the documents to which it is a party and to perform all of the obligations provided therein;

- d. The Credit Facilities Agreement and the Security Agreement were duly authorized, executed and delivered to and in favour of CIBC by the Debtor without amendment or collateral agreement;
- e. The Credit Facilities Agreement and the Security Agreement were provided to CIBC on the basis of informed consent and for value and did not involve preferential transactions capable of being challenged as such;
- f. CIBC holds proper evidence of the amount of the indebtedness owed to it by the Debtor and the date(s) which the indebtedness was incurred;
- g. None of the Agreements referenced herein have been assigned, released, discharged or otherwise impaired, either in whole or in part;
- h. All of the information provided to us by all federal and provincial government agencies and departments was correct on the currency dates thereof, and such information remains correct to the date thereof;
- i. The Debtor has not changed its business name or filed articles of amendment to amend its business name;
- j. CIBC and the Receiver are not aware of any documents, facts or circumstances that would make the Assumptions above to be erroneous.

4. Qualifications

The above opinions are subject to the following qualifications:

- a. We are solicitors qualified to practice law in the Province of Quebec and we express no opinion herein as to any laws, or other matters governed by any laws other than of the Province of Quebec and the federal laws of Canada as applicable, as of the date hereof.
- b. Our opinion is based solely upon a review of the search results of the searches referenced herein.
- c. Our search of the *Registre des droits personnels et réels mobiliers* (RDPRM) as of August 28, 2019 indicates that the sole moveable hypothecary creditor registered on the moveable property of the Debtor is the CIBC. The property therein described matches that stipulated at para. 2A of the Security Agreement but adds (in translation) *the proceeds of all sales, rentals or other dispositions; all contractual rights present and future; all insurance and expropriation proceeds; all other absolute and conditional rights; and all titles, documents, ledgers, invoices and accounts relating to the above.*
- d. The RDPRM records, as of January 25, 2019 (Inscription 19-0074377-0001), the CIBC as being the creditor of a moveable hypothec in the amount of \$1,150,000 including an amount equal to 15% of the capital with interest at a rate of 25% per year.

e. The RDPRM records security on another debtor named Amaxis Inc., but we have determined that this is an entity other than the Debtor.

f. Although the Security Agreement describes the usual address of Amax Health Inc. as being 22 rue Jean Marc Seguin, Rigaud, Quebec J0P 1P0, the Debtor has not registered that it is doing business in the Province of Quebec at the *Registraire des entreprises*, the official register of companies doing business in the Province. The failure to have registered does not have an impact on the enforceability of the CIBC security.

g. Since the Province of Quebec does not have a general system for recording ownership and title to moveable property other than the hypothecary claims on the RDPRM, no opinion is given with respect to title to any of the moveable property of the Debtor or cross-corporate guarantors if any.

h. We have not conducted any title searches or off title searches in connection with respect to any immovable rights registered in the Province of Quebec: this report is not to be considered a report on title to said immovable (real) property.

i. We express no opinion as to the validity, enforceability or priority of any other party.

j. The enforceability of the Agreements referenced herein are subject to the rules of prescription (limitations) set out at articles 2875 to 2933 Civil Code of Quebec. Based on the dates of those documents, the prescriptive periods have not expired.

k. The opinions contained herein are given solely for the benefit of the addressee, and may not be relied upon, in whole or in part, by any other person or party without the prior written consent of the undersigned.

We look forward to your comments and further instructions.

Yours truly,

SARNA NEUDORFER



per LAZAR SARNA
LS/jw

APPENDIX G

Dhanani, Arif

From: Tucci, Ben <Ben.Tucci@CIBC.ca>
Sent: Tuesday, October 8, 2019 12:13 PM
To: Dhanani, Arif
Cc: Tannenbaum, Bryan
Subject: AMAX HEALTH INC

Here are the new payout figures;

Operating overdraft = \$723,502.57 plus overdraft interest and service charges accrued but not yet paid of \$834.74 = \$724,337.31

Visa = \$44,621.13

Total required if paid out today = \$768,958.44

Operating overdraft per diem = 98.12

Visa per diem = \$24.45

Thanks, BEN

Ben J. Tucci, Senior Director
CIBC Special Loans, Canada
Credit Risk Management
25 King Street West, 16th Floor
Toronto, Ontario
M5L 2A1
Tel: 416-780-5437
Fax: 416-214-8749
Business Cell: 416-722-2279
Personal Cell: 519-841-1917



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From: Dhanani, Arif <arif.dhanani@rsmcanada.com>
Sent: Monday, October 07, 2019 10:27 AM
To: Tucci, Ben <Ben.Tucci@CIBC.ca>

APPENDIX H

**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 September 30, 2019**

Receipts

Collections - New Sales	\$ 576,368
Collections - Accounts Receivable	621,550
Transfers from other banks	37,793
Sale of assets	565,182
Funding from Secured Lender	50,000
Petty cash and miscellaneous refunds	774
Total receipts	<u>\$ 1,851,667</u>

Disbursements

Payroll and consulting fees	\$ 151,613
Rent	80,852
Payroll taxes/WSIB/WCB	55,786
Repayment to secured lender	50,000
Packaging & Freight	39,720
Credit card processing fees	28,050
GST/HST/PST/QST paid	24,243
Lock change/advertising/travel/interest/other	19,747
Temporary Workers	9,295
Critical Suppliers/IT Services	9,566
Insurance	8,243
Utilities	5,073
Payroll processing fees	241
Legal Fees - Scarfone Hawkins LLP	24,158
Total Disbursements	<u>\$ 506,587</u>

Excess receipts over disbursements

	<u><u>\$ 1,345,080</u></u>
--	-----------------------------------

APPENDIX I

Court File No. 19-69485

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

BETWEEN:

CANADIAN IMPERIAL BANK OF COMMERCE

Applicant

-and-

AMAX HEALTH INC.

Respondent

**AFFIDAVIT OF BRYAN A. TANNENBAUM
(Sworn October 16, 2019)**

I, BRYAN A. TANNENBAUM, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS:**

1. I am the 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 invoice rendered by the Receiver for fees incurred by the Receiver in respect of the receivership proceedings for the period August 1, 2019 to September 30, 2019 (the "Period"). The fees charged the Period were \$60,875.50, plus disbursements of \$1,087.72 and HST of \$8,055.22, for a total of \$70,018.44. The average hourly rate charged during the Period was \$293.38.

4. The invoice is 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 invoice 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 16th day of October, 2019



Commissioner for Taking Affidavits
(or as may be)



BRYAN A. TANNENBAUM

EXHIBIT "A"
Detailed Invoice

This is Exhibit "A" to the Affidavit of
Bryan A. Tannenbaum, sworn on October 16, 2019



A Commissioner for the taking of Affidavits, etc.

*Daniel Raphael Welsz, a Commissioner, s/o:
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 October 3, 2019

Client File 786-788-3
Invoice 3
No.

For professional services rendered with respect to the appointment of RSM Canada Limited as Court-appointed Receiver of Amax Health Inc. for the period ended September 30, 2019.

Date	Professional	Description
08/01/2019	Ibrahim Hatia	Indirect Tax - Calls and meeting with J. Berger; discussions with B. Qin; research on application of rules.
08/01/2019	Brenda Wong	Review correspondence from BC Ministry of Finance and discussion with J. Berger re Amax's PST/HST position; call from Service Canada re employee's Record of Employment ("ROE"); respond to employee call re proof of claim form.
08/01/2019	Donna Nishimura	Deposit cheques at the bank.
08/01/2019	Arif Dhanani	Email to counsel re email from WeirFoulds LLP re closing funds, review response thereto and send email to WeirFoulds requesting confirmation of deposit of closing funds.
08/01/2019	Usama Emad	Updates to the S245 creditors listing based on invoices and payables forwarded by Amax Warehouse manager.
08/01/2019	Jeff Berger	Review of correspondence from the province of BC re PST owing; call with the BC Ministry re same; call with J. Gordon re books and records to support the balances recorded in the company's tax sub ledgers; review of email from J. Gordon providing his analysis of same.
08/06/2019	Ryan Lim	Calgary warehouse attendance to observe and monitor premises.
08/06/2019	Brenda Wong	Review and respond to creditor inquiries re amounts owed to them; review cheque received from Servus Credit Union and prepare paperwork for processing of same; call with Natalia from Moneris re chargeback; review incoming mail; respond to M. Baum re cheques received today; review online statements for Moneris fees and payments; call from employee inquiring re why her WEPP claim was denied; review employee Proof of Claim ("POC") and supporting documentations and email to B. Almasi to inquire re BC employee accrued vacation.
08/06/2019	Arif Dhanani	Discussion with B. Wong re Wage Earner Protection Program ("WEPP") and other administrative matters, review emails in this regard from D. Reay and

Date	Professional	Description
		between B. Wong and U. Emad and respond to same; respond to email from Quebec photocopier lessor; call with M. Baum re receivables collections; review J. Berger memo to file re federal and provincial taxes and comment thereon.
08/06/2019	Jeff Berger	Draft memo re HST issues and the Receiver's ability to file outstanding historical returns; review and discuss with A. Dhanani.
08/06/2019	Usama Emad	Email correspondence regarding employee, D. Reay WEPP claim issues and Receiver's position.
08/07/2019	Ryan Lim	Email report.
08/07/2019	Brenda Wong	Review D. Reay POC and send follow up email re question on accrued vacation, review explanation from B. Almasi, and send email response to D. Reay re required corrections to his POC; respond to email from creditor requesting payment for repairs at the Calgary facility.
08/07/2019	Daniel Weisz	Review proposed changes to agreement of purchase and sale ("APS") and comments to A. Dhanani.
08/07/2019	Arif Dhanani	Review various invoices forwarded by L. Jaggan, approve same and facilitate payment thereof; review Amax APS changes sent by WeirFoulds and comment thereon; respond to email from B. Wong with respect to creditor asking for payment; email to U. Emad re alarm system at Quebec office and contacting service provider; call with M. Valente and J. Berger re APS changes made by WeirFoulds and next steps.
08/07/2019	Jeff Berger	Review of draft APS from WeirFoulds and provide comments re same; call with A. Dhanani and M. Valente to discuss changes to the draft APS; call with J. Gordon re reports needed from system to support certain sales tax balances; email to RCAP re arranging for pickup of trade show booth.
08/07/2019	Usama Emad	Updates to the S245 creditors listing based on invoices and payables forwarded by Amax warehouse manager; discussion with J. Berger regarding testing approach for taxes, including income tax credits and plan to go on-site for testing; documented approach and sent to J. Berger for review; requesting detailed listings from Amax employee; requesting update from Alectra on Receiver's account; correspondence with WCB Alberta regarding Receiver's account and providing legal documents for amalgamation.
08/08/2019	Ryan Lim	Calgary warehouse attendance for monitoring and observation.
08/08/2019	Anne Baptiste	Prepare disbursement cheques; processing debit transactions; process receipts; filing re banking.
08/08/2019	Arif Dhanani	Responding to L. Jaggan on movement of inventory and D. Thompson; draft termination letter re D. Thompson and call with L. Jaggan re inventory and termination of D. Thompson; emails from/to U. Emad re alarm system in Quebec and D. Reay cell phone; review email from counsel with APS revisions and comment thereon.
08/08/2019	Jeff Berger	Discuss sales tax analysis and sampling with U. Emad; review of amended APS from M. Valente; update the Receiver's Second Report.
08/08/2019	Usama Emad	Discussion with J. Berger regarding testing plan for ITCs tax issue, including validating the location of physical records on-site; documented findings, including set up of testing template for samples; reviewed reports provided by Amax employee, selected samples based on reports; pulled samples,

October 3, 2019
 Invoice 3
 Page 3

Date	Professional	Description
		reviewed invoices and documented testing; provided J. Berger with update on findings; call with WCS Alberta regarding payroll related questions for Alberta employees; call with former employee regarding employee phone line; correspondence with Quebec security company regarding monthly invoice change.
08/09/2019	Jeff Berger	Receipt and review of email from creditor re claims process; respond to same.
08/09/2019	Brenda Wong	Review A/R collection cheques received and send email to M. Baum re same; review email from C. Speelman and forward to L. Jaggan for review.
08/09/2019	Arif Dhanani	Meet with J. Berger re status of HST and provincial tax documentation and support and Court report, including issue of lien filed by Province of BC, subsequent to commencement of receivership; write to counsel re status of legal opinions for Alberta and Quebec; email to counsel re booking a further Court date for approval of sale of assets.
08/09/2019	Usama Emad	Followed up with Amax staff regarding samples selected for testing related to the ITC tax analysis; commence drafting memo for the ITC tax analysis, documented sampling and testing approaches, including findings to date; submitted D. Reay's WEPP claim, and provided an update to the employee for the submission.
08/12/2019	Usama Emad	Followed up with Amax staff regarding samples selected for testing related to the ITC tax analysis; continued testing additional ITC samples while on-site at Amax; concluded on all samples that were located and completed testing; finalized the draft memo on the ITC tax analysis, documented results, conclusion and recommendation; ran Moneris transactions reports from online portal, formatted and sent to B. Wong; followed up with Amax staff regarding declined Moneris transactions; prepared WEPP package for R. Almasi, including proof of claim form and Schedule A; followed up with and confirmed new WSIB account for the Receiver; returned voicemail for Fortis BC regarding receivership documents requested; responded to former employee inquiry regarding holiday pay issue.
08/12/2019	Jeff Berger	Review ITC testing results and discuss same with U. Emad and A. Dhanani; update HST memo.
08/12/2019	Brenda Wong	Calculate payroll for August 15 pay run and send to A. Dhanani for review; finalize payroll and submit request for ROE and process wire transfer request for funding of same; review correspondence; obtain Global Payments statement for July and August 1 to 9; obtain online statement for CIBC for August 1 to 9 and review for credit card charges/payments; email to Global requesting details for chargeback; email to M. Baum re NSF cheque; call from employee re how to fill out her proof of claim form; emails with M. Baum and L. Jaggan re chargeback; review information from L. Jaggan re hours worked by former employee in March and April; respond to former employee re applying for WEPP.
08/12/2019	Arif Dhanani	Review and approve August 15, 2019 payroll; review and respond to U. Emad email re question from former employee re vacation pay; review various invoices forwarded by L. Jaggan and approve same for payment.
08/13/2019	Brenda Wong	Review and respond to email from B. Almasi re his claim; email and call from Aztec Renovations re its unpaid invoice; discussion with U. Emad re WSIB/WCB and EHT obligation; email to J. Berger re cash balances at

Date	Professional	Description
		August 9; review WCB/WSIB correspondence; respond to employee inquiry re status of her WEPP claim.
08/13/2019	Daniel Weisz	Review and sign cheques, process online payroll payment.
08/13/2019	Arif Dhanani	Call with counsel re timing of court attendance and report and discussion of various issues raised by asset purchaser.
08/13/2019	Usama Emad	Speak with former employee regarding company phone; return call to Service Canada regarding employee ROE issue; return call to collection agency working for Medicom; sort through Amax mail; call with Director of Operations regarding WSIB payments for Ontario employees and inquiry regarding EHT payments, discuss the same with B. Wong; follow up with WSIB contact regarding remittances and payments for Amax; review of WEPP proof of claim for two former employees, finalize claims, submit to Service Canada and update employees on the submission; reconcile CIBC trust account to the Moneris payments for cash flow monitoring; and prepare R&D as of August 9th for Receiver's report, discuss same with J. Berger.
08/14/2019	Brenda Wong	Email and discussion with L. Jaggan re employee claim; review supporting documentation provided by employees for their claims and respond re outstanding issues and follow-up.
08/14/2019	Usama Emad	Discuss action for EHT with B. Wong; call with Service Canada regarding employee matter.
08/14/2019	Arif Dhanani	Call with counsel re APS changes made by purchaser's counsel and comments thereon; discussion with J. Berger on various matters including court report and RCAP Leasing communication re abandonment of interest in show booth.
08/14/2019	Jeff Berger	Email to RCAP leasing re removal of equipment; receipt and review of response from RCAP leasing re abandonment of rights and discharge of security interest, and discuss same with A. Dhanani; email to M. Valente re RCAP security discharge; trademark search for Cheeta brand; update the Receiver's second report; review of August 9, 2019 R&D and discuss same with U. Emad.
08/15/2019	Arif Dhanani	Review further amendments to APS and send comments to counsel.
08/15/2019	Donna Nishimura	Deposit cheques at the bank.
08/15/2019	Usama Emad	Provide Calgary asset listing to Director of Operations at Amax; prepare cheque requisition for expense.
08/16/2019	Anne Baptiste	Prepare deposit requisitions; process receipts; prepare disbursement cheques.
08/16/2019	Brenda Wong	Review correspondence from creditors, Canada Revenue Agency ("CRA") and WSIB.
08/16/2019	Usama Emad	Follow up with Konica regarding contract/lease for equipment and obtain contract; sort various mail related to Amax and prepared support to pay bills as needed - Enbridge, Enmax; prepare WEPP package for D. Thompson.
08/16/2019	Ryan Lim	Attendance at Calgary warehouse to monitor and observe premises.
08/19/2019	Brenda Wong	Obtain online statement and review for Moneris transactions; review draft WEPP forms for mailing to employee; review/follow up re correspondence received.
08/19/2019	Donna Nishimura	Deposit cheques at the bank.

October 3, 2019
 Invoice 3
 Page 5

Date	Professional	Description
08/19/2019	Arif Dhanani	Pre-call with Receiver's counsel; conference call with Receiver's counsel and asset purchaser's counsel re APS and asset removal; emails from/to F. Legare re sale of Amax assets; review of changes made to APS by counsel and comment on same; emails from/to U. Emad re alarm monitoring services at Seapark location.
08/19/2019	Usama Emad	Update S.245 list of creditors for invoices sent by Director of Operations; request follow up with alarm monitoring company for Quebec and Ontario location to request change in invoicing; process payment for said invoices; discuss with A. Dhanani the Konica contract for leased equipment; inquire with Amax staff related to employee WEPP claim requiring more details on submitted expenses and vacation owed.
08/19/2019	Jeff Berger	Review accounts receivable listing and discuss same with M. Baum.
08/20/2019	Brenda Wong	Prepare WSIB return for June 4-30; review status of WCB Alberta and WCB BC premiums; call and email to WCB AB re Receiver's remittances and Amax reporting and filing status; calculate WCB AB pre-receivership premiums payable; check online for Global Payments transactions to August 16; follow up with P. Jugoon re employee vacation claim; review draft R&D.
08/20/2019	Arif Dhanani	Review second report of the Receiver, comment thereon and email same to J. Berger; discussion with B. Tannenbaum re GST/HST/PST testing and amounts.
08/20/2019	Usama Emad	Discuss with B. Wong the status of WCB Alberta account for the Receiver; call with WSIB contact Joanne regarding inquiry for historical WSIB remittances for Amax; discuss with Amax staff vacation pay claim for employee WEPP claim to determine Receiver's position; prepare cheque requisition for advertising expense; update the R&D as of August 16 for Amax; follow up with Servus regarding account balance; run Moneris reports for transactions and reconciled to CIBC account.
08/21/2019	Brenda Wong	Review A/R records to identify deposit not recorded; review and respond to email from B. Almasi re claim.
08/21/2019	Arif Dhanani	Review of independent legal opinion on CIBC security for Province of Alberta, forward same to J. Berger and counsel; meet with J. Berger re Receiver's report and call from L. Jaggan; review of draft vesting order and schedule 1.1 (c) to APS sent by counsel and provide to counsel comments thereon; review of email from counsel re deemed trusts and reversal thereof in bankruptcy, respond to email with questions regarding Province of BC's registration and lien; finalize Receiver's Second Report, including appendices thereto, draft affidavit of fees.
08/21/2019	Usama Emad	Contact ADP regarding security services offered for Calgary location; notify ADP of receivership and request revised invoice; send in formal request and court documents via email; and provided update to A. Dhanani; draft response to former employee regarding WEPP claim; call Service Canada regarding employee issues for two employees, no response, left a message.
08/21/2019	Jeff Berger	Call with M. Baum and L. Jaggan re information required for the outstanding receivable balances; call with various collection agencies re collection of outstanding receivables.
08/21/2019	Ryan Lim	Attendance at Calgary warehouse to observe and monitor.
08/22/2019	Anne Baptiste	Prepare disbursement cheques; processing receipts; filing re banking.

Date	Professional	Description
08/22/2019	Daniel Weisz	Review Receiver's second report to the court and discussion with A. Dhanani on same; review draft fee affidavit and discussion with A. Dhanani on same; finalize report and fee affidavit.
08/22/2019	Arif Dhanani	Review changes to vesting order and APA and approve same; coordinate finalization of Receiver's report and appendices.
08/22/2019	Jeff Berger	Finalize the Receiver's Second Report and compile the appendices thereto; discuss same with A. Dhanani and M. Valente.
08/23/2019	Brenda Wong	Review correspondence; review email from L. Jaggan re employee's March hours worked and for which paid; email to employee re affidavit required to support her proof of claim; review payroll records re 2019 earnings for Ontario employees.
08/23/2019	Arif Dhanani	Facilitate posting of Receiver's motion materials on Receiver's web site.
08/23/2019	Ryan Lim	Attend at Calgary warehouse to observe and monitor.
08/26/2019	Ryan Lim	Attend at Calgary warehouse to receive fire alarm inspection professional.
08/26/2019	Brenda Wong	Review online statement for credit card transactions; calculate payroll for this week's pay, process payroll and submit wire transfer request for funding of same; review WorkSafe BC correspondence; calls to WorkSafe BC and Deluxe Payroll to inquire re premiums remitted by Deluxe; fax and email to Deluxe to request premiums be remitted to WorkSafe BC and to advise of new account number.
08/26/2019	Arif Dhanani	Emails to/from R. Lim with respect to attendances at Calgary location, closing sale with purchaser of assets and required attendance at Calgary facility by RSM representative.
08/26/2019	Daniel Weisz	Process electronic transfer of payroll and discussion with CIBC re same.
08/26/2019	Donna Nishimura	Deposit cheques at the bank.
08/26/2019	Usama Emad	Set up Huddle work space to obtain support for A/R collections portfolio; call Director of Operations for Amax to provide details of the work space and instructions to upload; retrieve support and save onto the shared folder for Amax; call Collection Group of Canada and obtain rates for A/R management services; discuss and share all details with J. Berger; provide Ashley from WCB Alberta an update on total payroll for Alberta employees for Amax pre-receivership.
08/27/2019	Usama Emad	Review claims forms for D. Thompson's WEPP claims; update the WEPP worksheet for agreed upon values; submit final claim for D. Thompson and send an update to the employee for the submission; discuss with B. Wong the calculation for EHT remittance to the Ministry of Finance, and the calculation of pre-receivership WSIB; review payroll reports for various pay periods to summarize earnings and calculate ETH and WSIB; provide calculation to B. Wong for review; finalize listing for A/R collections portfolio, ahead of scheduling a call with M. Langemeyer of Collection Group of Canada; call with M. Langemeyer and J. Berger to discuss submission of A/R collections portfolio; draft the authorization letter and provide to J. Berger for review; follow up call with Telus collections group regarding outstanding amounts and status of correspondence from Telus bankruptcy.
08/27/2019	Brenda Wong	Review EHT calculation; call from creditor re its unpaid account.

Date	Professional	Description
08/27/2019	Arif Dhanani	Emails from/to WeirFoulds re asset removal, timeline and questions thereon; emails from/to counsel re emails from WeirFoulds; call with L. Jaggan re duties for week of September 3, 2019 and asset removal; call with M. Baum re termination; call with J. Gordon re termination; call with M. Valente re email from WeirFoulds; draft termination letters and send to each of M. Baum and J. Gordon; draft letters to landlords, send cheque requisitions to A. Baptiste and discussion with B. Wong re same; email exchange with R. Lim re Calgary warehouse and access for purchaser's team after August 29, 2019.
08/27/2019	Ryan Lim	Emails and planning for attendances at Calgary warehouse next week.
08/28/2019	Arif Dhanani	Emails from/to B. Wong re final payroll for September 15, 2019, commission calculations and shutting down utilities and other services mid-September upon vacancy of premises; email to L. Jaggan re wind-down plan; review of independent legal opinion received from counsel for Province of Quebec; email to counsel re same and issue of photocopier lease; email to WeirFoulds re time spent by Amax employee to speak with purchaser and formulate asset removal plan and reimbursement for same.
08/28/2019	Brenda Wong	Review emails re termination of employees and update payroll schedule; review revised proof of claim submitted by B. Almasi and update WEPP worksheet.
08/28/2019	Usama Emad	Follow up with Telus to confirm receipt of submission and court documents; meet with collection agency contact to speak about the Amax A/R portfolio; upload facility closing checklist onto Huddle; email L. Jaggan regarding the purpose and use of the file; and update the checklist for additional vendors; request customer list of addresses from Amax A/R Clerk.
08/28/2019	Jeff Berger	Review of wind-up plan for various locations and discussion with L. Jaggan and U. Emad re same.
08/28/2019	Ryan Lim	Attend at Calgary warehouse to observe and monitor premises.
08/29/2019	Brenda Wong	Email to employee re Receiver's review and assessment of employee's claim; review request by Global Payments to close the merchant account and obtain online statement to confirm no activity since mid-July.
08/29/2019	Usama Emad	Discuss with A. Dhanani the list of vendors for which contracts might exist and need to be contacted; discussed the same with Director of Operations for Amax; update the facility closing checklist; prepare payments for utilities related to the Quebec location; prepare WEPP packages for M. Baum, J. Gordon and L. Jaggan (Director of Operations); update WEPP calculation worksheet.
08/29/2019	Jeff Berger	Review email from M. Valente re court delay; call with L. Jaggan re delay; review of vendor accounts with U. Emad in anticipation of closing.
08/29/2019	Arif Dhanani	Email to Konica/Minolta re pick up of copier from Quebec premises and email to F. Legare with instructions in this regard; emails from/to M. Valente re Court and fire and evacuation of Court; email to U. Emad re utilities and services to be terminated upon vacancy of Amax's offices and timing thereof; call with J. Berger re approval and vesting order, timing and emails from WeirFoulds.
09/02/2019	Ryan Lim	Attend at Calgary warehouse; take videos and pictures of facility before giving access to B. Almasi re purchaser's asset removal; discussions with B. Almasi.
09/03/2019	Brenda Wong	Review online statement for Moneris activity; email to BMO to request transfer of remaining balances and close accounts; review Global Payments activity for

Date	Professional	Description
		August; review correspondence; respond to question from employee; review A/R collection numbers for July 15 to September 3.
09/03/2019	Arif Dhanani	Filing various emails; facilitate signing of Bring Down Certificate and Assignment Certificate; facilitate posting Sale Approval Order to Receiver's website; review Bring Down Certificate and Assignment Certificate signed by purchaser; review and execute HST election form; instruct L. Jaggan that purchaser can commence asset removal; emails from/to counsel re closing.
09/03/2019	Donna Nishimura	Deposit cheques at the bank.
09/03/2019	Usama Emad	Request updated statements from Moneris and Servus; organize site visits for the week, discuss the purpose of the visits with A. Dhanani; contact Amax Health A/R Clerk regarding final A/R listing for collections and prepare a reconciliation since the date of receivership; contact collections agency and provide the status update and finalize AR listing; sort, scan and save mail; prepare cheque request.
09/03/2019	Ryan Lim	Attend at Calgary warehouse to observe and monitor same.
09/04/2019	Brenda Wong	Calculate and post final payroll, emails with A. Dhanani re revisions; review WEPP forms for remaining 3 employees; call from unsecured creditor re claims process; review correspondence from Desjardins.
09/04/2019	Arif Dhanani	Review commission and payroll calculations forwarded by B. Wong for remaining employees; email to B. Wong with questions; review revised payroll and commission calculation and approve same; email to F. Legare re final commission calculation; emails to/from U. Emad re asset removal; draft landlord acknowledgements for Calgary and St. Catharines and send to R. Lim and U. Emad; respond to email from R. Lim re Calgary asset removal and walkthrough with landlord; email to P. Cho at WeirFoulds re walk through.
09/04/2019	Anne Baptiste	Prepare July bank reconciliation; filing re banking; prepare disbursement cheques.
09/04/2019	Usama Emad	Attend at St. Catharines location; take pictures of the offices and warehouse during the removal of assets; take pictures of leased copier, trade booth and measurements; met with L. Jaggan to review the facility closing checklist; share status update on tasks; discuss books and records of the company, the copier and arranging the walkthrough with the landlord discuss same with J. Berger and A. Dhanani; update the utilities tracker and provide to L. Jaggan for tracking of calls to service providers to cancel services.
09/04/2019	Ryan Lim	Attend at Calgary warehouse to observe and monitor premises; report to A. Dhanani on current and prior attendances.
09/05/2019	Arif Dhanani	Draft and send termination letter to L. Jaggan; call with purchaser's counsel re landlord walkthrough; review of email and document sent by Carson International and send same to counsel with email requesting input; review of memo prepared by RSM Calgary re walkthrough with landlord and respond thereto; review email from L. Jaggan re Lanetco and respond thereto; call with purchaser's counsel re trade show booth, copier and Lanetco; filing various emails.
09/05/2019	Brenda Wong	Close payroll, submit instructions for wire transfer to fund payroll and email to D. Weisz to request he approve the wire transfer.
09/05/2019	Donna Nishimura	Deposit cheques at the bank.

Date	Professional	Description
09/05/2019	Usama Emad	Follow up on Servus and Moneris account statements; respond to individual account inquiry made by collection agent and provide supporting documents such as account statements, invoices and proof of delivery; set up a call with M. Langemeyer; met with J. Berger to discuss status of the facility closing checklist; submit M. Baum and J. Gordon's WEPP claims; complete cheque requests for expenses.
09/05/2019	Jeff Berger	Discussion with liquidator re potential sale of trade booth and photocopier; discuss same with A. Dhanani; meet with U. Emad to review status of wind-up activities (i.e., utility cancellations).
09/05/2019	Ryan Lim	Emails, final walkthrough with landlord.
09/06/2019	Brenda Wong	Prepare cheque requisition for posting of September 13 payroll; respond to emails from former employees and creditors; review email from Servus; receipt of Deluxe WorkSafe BC refund, review payroll records to calculate amount contributed, prepare 2019 returns and fax to WorkSafe BC; review correspondence from creditors; review Moneris statements.
09/06/2019	Donna Nishimura	Deposit cheques at the bank.
09/06/2019	Arif Dhanani	Call with L. Jaggan re delay in asset removal by purchaser; discussion with J. Berger re tradeshow booth and photocopier; sign letter to Carson International; review of email from B. Wong re WSIB and forward same to counsel; facilitate sign off of Receiver's Certificate and send to counsel.
09/06/2019	Usama Emad	Attend at St. Catharines location; meet with L. Jaggan to get a status update; call with M. Langemeyer regarding files transfer (invoices, etc.); reach out to IT for clearance on providing IP address; contact Enbridge to cancel services as of September 15, and request final bill.
09/09/2019	Brenda Wong	Review email from L. Jaggan re C. Brewer and follow up re same; respond to inquiry from Employer Services re former employee; prepare for bankruptcy filing and review creditors list; request ROEs for employees terminated September 3; respond to employee inquiry.
09/09/2019	Arif Dhanani	Emails from/to L. Jaggan re asset removal; review of email from purchaser's counsel re asset removal; emails to/from U. Emad re attending in St. Catharines; email to P. Cho re asset removal.
09/09/2019	Usama Emad	Calls to Enmax and and Alectra Utilities requesting final meter reading and invoice and account closure as of September 15; follow up with alarm monitoring companies, ADT, Secco in Quebec and Ensign regarding account closures effective September 15; update the utility tracker file as needed; follow up with CRA contact regarding CRA payroll audit; respond to inquiries from collections agency regarding A/R balances; review sales taxes collected and credit notes for Receiver's July 31, 2019 HST return; send analysis to J. Berger for review; discuss with A. Dhanani the plan for Amax St. Catharines attendance and landlord walkthrough later this week.
09/09/2019	Ryan Lim	Attend at Calgary warehouse to observe and monitor same.
09/10/2019	Brenda Wong	Review email from L. Jaggan re outstanding pre-receivership invoice and add to creditors list; respond to questions re employee's WEPP claim; review sales tax analysis and respond with suggested next steps, discussion with U. Emad re same.
09/10/2019	Donna Nishimura	Deposit cheque at the bank.

Date	Professional	Description
09/10/2019	Donna Nishimura	Arrange and format creditors list to be uploaded into Ascend for bankruptcy.
09/10/2019	Arif Dhanani	Review correspondence from counsel, including cheque for balance of purchase price for assets; record receipt of balance of purchase price and complete cheque requests for various disbursements, including legal fees; email to L. Jaggan confirming timing of attendance on September 12, 2019; review of email from U. Emad re alarm system in St. Catharines; call to Ensign Alarm Systems; email to Ensign Alarm Systems regarding demand for immediate re-establishment of service; call with L. Jaggan re alarm system.
09/10/2019	Usama Emad	Submit B. Almasi's WEPP claim and provide him with an update; follow up with alarm companies; call Cogeco and Telus to request final bill and cancellation of services; update the utilities tracker as needed; draft letter to Moneris regarding cancellation of accounts, membership, release of holdback reserve and request reversal of pre-receivership chargeback transactions; draft account closure letter for Servus Credit Union; provided Moneris and Servus letters to B. Wong for review; review B. Wong's comments on sales tax analysis prepared yesterday; discuss HST return with A. Dhanani and B. Wong; assist with creditors listing for unsecured creditors, and claims process following bankruptcy; prepare cheque request for Secco, alarm monitoring services for Quebec.
09/11/2019	Betsy Qin	Call with B. Wong re sales tax returns.
09/11/2019	Brenda Wong	Review email from BMO re cheques issued for transfer of residual balance in accounts; review draft letter to Servus; review and revise draft letter to Moneris; follow up re HST/GST/PST reporting requirements and review HST/GST calculation for June 4 to July 31; check online statement for September activity; submit application for BC PST account; preparing creditors list for bankruptcy filing.
09/11/2019	Donna Nishimura	Continue formatting creditors list and upload into Ascend for bankruptcy.
09/11/2019	Arif Dhanani	Email from/to L. Jaggan; discussion with B. Wong re Receiver's HST filing; email to U. Emad re HST return for Receiver; call with L. Jaggan re landlord walk through; meeting with U. Emad re attendance at 27 Seapark.
09/11/2019	Usama Emad	Respond to inquiries made by the Collections Group of Canada regarding A/R; prepare file sharing platform to share accounts receivable documents with Collection Group of Canada; send formal notice to Servus Credit Union to close accounts; discuss the plan for HST return filing with A. Dhanani and B. Wong; prepare the HST return template and support for the July 31, 2019 filing; first sample and test the HST listing based on the sales invoices and credit notes; prepare HST filing for B. Wong's review; prepare for St. Catharines attendance and walkthrough, including obtaining keys from J. Berger.
09/12/2019	Anne Baptiste	Process receipts; process wire transfer; processing debits; prepare disbursement cheques.
09/12/2019	Anne Baptiste	Reviewing and updating creditors listing.
09/12/2019	Arif Dhanani	Emails to/from U. Emad re landlord walkthrough; review of email from creditor of Amax and respond thereto; filing various emails.
09/12/2019	Usama Emad	Attend in St. Catharines for landlord walkthrough and final tasks related to the closing checklist; conduct walkthrough with L. Jaggan, purchasers representative and landlord; facilitate signing of release form by landlord and

Date	Professional	Description
		hand over keys to landlord; enquiry regarding the retrieval of the Moneris terminal; report on the outcome of the walkthrough to A. Dhanani and J. Berger; respond to collections inquiry from the agency on accepting payment of a portion of the balance.
09/12/2019	Donna Nishimura	Deposit cheques at the bank.
09/12/2019	Ryan Lim	Attend at Calgary warehouse to observe and monitor same.
09/13/2019	Usama Emad	Finalize HST return for July 31, 2019, make final edits and send to B. Wong for review; prepare the Provincial sales tax return for BC, submit to B. Wong for review; finalize the facility closing checklist and shared with A. Dhanani and J. Berger; update Huddle platform for sharing files with Collections Group of Canada; respond to account inquiries from Collections Group of Canada; follow up with Secco and ADP to confirm alarm monitoring cancelation for Quebec and St. Catharines facilities; contact the Amax St. Catharines landlord to inquire about intention with alarm services; contact Cogeco to re-request shipping label for modem.
09/13/2019	Arif Dhanani	Email from U. Emad re alarm system deprogramming in St. Catharines and respond thereto; review of hours log sent by L. Jaggan re time spent assisting purchaser; email to B. Wong re Moneris terminal; review of Receiver's HST return; responding to email from R. Lim in Calgary, draft letter to Calgary property manager and send same to R. Lim and instructions to release letter with keys; call with R. Lim re wrap up with respect to Calgary location.
09/13/2019	Brenda Wong	Review calculation of BC PST liability; email WEPP documentation to L. Jaggan.
09/13/2019	Ryan Lim	Calls and emails prepping for closing of Calgary location.
09/16/2019	Brenda Wong	Email to Arthur J Gallagher re cancellation of insurance policy; calculate additional pay owed to L. Jaggan and call to Deluxe re processing of same, close payroll and amend ROE; review correspondence from BMO, Ministry of Finance BC; call and email to Calgary Insurance Agent re Desjardins policy.
09/16/2019	Donna Nishimura	Deposit cheques at the bank.
09/16/2019	Arif Dhanani	Call with Calgary property manager re alarm, call with R. Lim re same.
09/16/2019	Usama Emad	Coordinate alarm disconnection with Ensign and landlord; respond to employee inquiry and submissions for WEPP, J. Gordon and M. Baum.
09/17/2019	Brenda Wong	Review and respond to email from Desjardins re cancellation of insurance policy.
09/17/2019	Usama Emad	Respond to unsecured creditor regarding update on claims process; finalize appointment for Ensign alarm disconnection and request revised invoice.
09/18/2019	Brenda Wong	Respond to Desjardins re losses since June 1; review and respond to email from former employee claiming he is owed expenses and commission; respond to creditor inquiry requesting update.
09/19/2019	Donna Nishimura	Deposit cheques at the bank.
09/19/2019	Brenda Wong	Respond to call from L. Jaggan re completion of proof of claim form.
09/20/2019	Anne Baptiste	Process receipts; prepare disbursement cheques, update creditors listing.
09/20/2019	Daniel Weisz	Review and sign cheques.
09/20/2019	Brenda Wong	Obtain and review online bank statements.

Date	Professional	Description
09/20/2019	Usama Emad	Coordinate payment of final bill for Ensign alarm disconnection; inquire regarding outstanding payment to Enmax, and respond to Dina (Enmax) regarding cheque details, including number and date sent.
09/23/2019	Brenda Wong	Respond to employee email re question on how to complete the proof of claim; respond to call from C. Adair re status; review correspondence from BC Ministry of Finance and ON WSIB; prepare BC PST monthly returns for June to September 2019; follow up re Alectra final bill received.
09/23/2019	Arif Dhanani	Review of correspondence from QuadReal Property Management and facilitate deposit of refund from same for rent overpayment; review of correspondence from L. Jaggan and facilitate reimbursement for payment for waste dumpster.
09/23/2019	Jeff Berger	Draft the Receiver's Third Report.
09/23/2019	Usama Emad	Submit L. Jaggan's WEPP claim, and update L. Jaggan on the Receiver's submission.
09/24/2019	Jeff Berger	Review of email from M. Valente re CRA deemed trust claim and lien; discuss same with A. Dhanani.
09/24/2019	Brenda Wong	Process request for wire transfer to fund September 30 payroll; review online bank activity for last week; emails to Moneris re terminal to be returned and release of holdback; emails with U. Emad re CRA trust exam; emails with CIBC re investing funds in a GIC and prepare letter of direction re same; call to Alectra Utilities to request copy of June/July bill, review bill for payment; review email from Gallagher, complete and return cancellation form; check Ascend and CIBC online statement for clearing of Enmax payment.
09/24/2019	Daniel Weisz	Process electronic payroll.
09/24/2019	Arif Dhanani	Review of email from B. Wong re no interest on CIBC account and request of B. Wong that funds be invested in short term GIC.
09/24/2019	Usama Emad	Save payment support provided by collections company; call with CRA Trust examiner to coordinate payroll trust audit, and HST outstanding returns; coordinate attendance for CRA examiner to RSM office; discuss same with B. Wong and A. Dhanani; request stop payment on previous cheque for Enmax.
09/25/2019	Brenda Wong	Emails with CIBC re putting stop payment on a cheque and processing stop payment online; emails with Moneris re June credit cards to be reprocessed; review email re CRA audit and follow up re information required; review memo re ITCs and discussion with J. Berger re same; call from creditor inquiring re status.
09/25/2019	Donna Nishimura	Deposit cheque at the bank.
09/25/2019	Arif Dhanani	Review of email from Scarfone Hawkins re PST lien and priority, discussion with B. Wong re same and respond to email from Scarfone Hawkins.
09/25/2019	Usama Emad	Call C. Noble to confirm CRA trust exam timing and the support needed during her visit; discuss same with B. Wong and J. Berger; discuss the location of records needed; book a room for the visit; respond to employee inquiry, C. Coss and B. Fredsberg re status of WEPP, remind them of the process and their own submission.
09/25/2019	Jeff Berger	Discussion with B. Wong re HST information required for trust exam on September 30, 2019.

Date	Professional	Description
09/26/2019	Usama Emad	Discuss outstanding amounts owed to Bell Canada for Amax with J. Berger; use outstanding invoice submission to calculate amounts owed and prorate for period after receivership; provide J. Berger the analysis and cheque request for review; contact Quebec alarm company rep from Secco regarding active alarm inquiry; prepare new cheque request for amounts owed to Enmax, and update Dina.
09/26/2019	Jeff Berger	Draft the Receiver's Third Report.
09/27/2019	Jeff Berger	Continue drafting the Receiver's Third Report and forward same to A. Dhanani for review.
09/27/2019	Brenda Wong	Review available records and print reports for CRA trust exam on Monday; check online statement for processing of GIC purchase and prepare paperwork for processing of same; email to CIBC re forms requested to be completed by Receiver.
09/27/2019	Anne Baptiste	Reconcile August bank statement; prepare disbursement cheques; process receipts.
09/27/2019	Arif Dhanani	Emails to/from F. Legare re Quebec office, Bell and alarm; email to CIBC with short update and request for payout statement as at September 30, 2019 with per diems thereafter.
09/27/2019	Usama Emad	Follow up with Secco to confirm the cancellation of the alarm monitoring services for Quebec Amax location.
09/30/2019	Brenda Wong	Meeting with CRA auditor re payroll and HST trust exam; call to Deluxe to request preparation of 2019 T4s; review T4 Audit report and email comments to Deluxe and call with Deluxe re same.
09/30/2019	Arif Dhanani	Emails to/from CIBC re payout statement; email from/to counsel.
		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.

October 3, 2019
 Invoice 3
 Page 14

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Daniel R. Weisz, CPA, CA, CFF, CIRP, LIT	Senior Vice President	4.8	\$ 525	\$ 2,520.00
Arif N. Dhanani, CPA, CA, CIRP, LIT	Vice President	43.2	\$ 395	17,064.00
Brenda Wong, CIRP, LIT	Senior Manager	34.2	\$ 395	13,509.00
Jeffrey K. Berger, CPA, CA	Manager	32.2	\$ 295	9,499.00
Ryan Lim, CPA, CA	Manager	9.2	\$ 295	2,714.00
Ibrahim Hatia, CPA, CMA	Sr. Director (Indirect Tax)	1.0	\$ 730	730.00
Betsy Qin, CPA, CA	Manager (Indirect Tax)	0.3	\$ 450	135.00
Usama Emad, CPA	Senior Associate	66.1	\$ 195	12,889.50
Donna Nishimura	Estate Administrator	3.2	\$ 110	352.00
Anne Baptiste	Estate Administrator	13.3	\$ 110	1,463.00
Total hours and professional fees		207.5		\$ 60,875.50
Disbursements				
Travel		\$ 950.01		
Couriers		137.71		
Total disbursements				1,087.72
Total professional fees and disbursements				\$ 61,963.22
HST @ 13%				8,055.22
Total payable				\$70,018.44

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
for the period August 1, 2019 to September 30, 2019**

Invoice No.	Billing Period	Total Fees	Disbursements	HST	Hours	Average Hourly Rate	Total
3	August 1, 2019 to September 30, 2019	\$ 60,875.50	\$ 1,087.72	\$ 8,055.22	207.50	\$ 293.38	\$ 70,018.44

This is Exhibit "B" to the Affidavit of
Bryan A. Tannenbaum, sworn on October 16, 2019



A Commissioner for the taking of Affidavits, etc.

**Daniel Raphael Walsz, a Commissioner, etc.
Province of Ontario, for RSM Canada LLP
and RSM Canada Limited.
Expires January 5, 2021.**

APPENDIX J

**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 ZACHARY PRINGLE

I, Zachary Pringle, of the city of Toronto, Province of Ontario, MAKE OATH AND SAY:

1. I am a lawyer qualified to practice law in the Province of Ontario, and am an associate with the law firm of Scarfone Hawkins LLP, lawyers to RSM Canada Limited ("RSM") in its capacity as Court appointed receiver of Amax Health Inc. ("Amax") (the "**Receiver**"), 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 \$33,359.26 inclusive of disbursements and HST was charged by Scarfone Hawkins LLP for the period commencing August 10, 2019 to September 30, 2019, inclusive (the "**Activity Period**"). Attached as **Exhibit "A"** to this my affidavit is a true copy of Scarfone Hawkins LLP account dated September 30, 2019 (the "**Account**").
4. The Account is a fair and accurate description of the services provided, the disbursements incurred and the amounts charged by Scarfone Hawkins LLP. A copy of

the Account has been provided to the Receiver. I am advised by the Receiver that the Receiver has reviewed the Account and it considers the fees and disbursements fair and reasonable.


5. To the best of my knowledge 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 set out in the account are in the normal hourly rates charged by Scarfone Hawkins LLP for services rendered in relation to similar proceedings.

7. Attached as **Exhibit "B"** is a schedule summarizing the Invoice including the total billable hours charged, the total fees charged and the average hourly rate charged. Our firm expended a total of 74.9 hours in connection with this matter for the Activity Period.

8. 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 17th day of
October, 2019



*Commissioner for Taking Affidavits
(or as may be)*

Kaush Parameswaran
LSUC 63186Q



ZACHARY PRINGLE

This is **Exhibit "A - B"** referred to in the Affidavit of
ZACHARY PRINGLE sworn October 17, 2019.



Commissioner for Taking Affidavits (or as may be)

Kaush Parameswaran
LSUC 63186Q

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

ARIF DHANANI, VICE PRESIDENT

INVOICE NUMBER:
 154394
 DATE:
 September 30, 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 Sep 30/19

DATE	TIMEKEEPER	HOURS	DESCRIPTION
08 /12/19	MJV	0.10	<i>Email to purchaser's counsel;</i>
08 /12/19	MJV	0.20	<i>Correspondence from receiver;</i>
08 /12/19	CY	2.40	<i>Drafting motion materials for asset approval and ancillary relief;</i>
08 /13/19	MJV	0.60	<i>Correspondence from RSM; telephone attendance with A. Dhanani;</i>
08 /13/19	MJV	0.40	<i>Considering and advising with respect to priority issues;</i>
08 /14/19	MJV	1.80	<i>Receipt and review of revisions to Asset Purchase Agreement and collateral closing documents; memo to file; telephone attendance with A. Dhanani discussing amendments to Agreements; receipt and review of trade mark application;</i>
08 /14/19	MJV	0.60	<i>Receipt and review of correspondence from BC Ministry of Finance; receipt and review of BC PPSA search; considering and advising with respect to priority issue;</i>
08 /14/19	CY	0.40	<i>Reviewing ongoing matters and correspondence exchanged with RSM and Cho; reviewing priority issue notice of application;</i>
08 /15/19	MJV	0.10	<i>Emails from and to purchaser's counsel;</i>
08 /15/19	MJV	0.10	<i>Emails from and 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

08 /15/19	MJV	1.30	<i>Reviewing and revising Asset Purchase Agreement and collateral agreements; correspondence to receiver;</i>
08 /15/19	MJV	0.20	<i>Emails from and to receiver; amending the Service List;</i>
08 /15/19	MJV	0.60	<i>Considering and advising with respect to priority issues;</i>
08 /15/19	MJV	0.20	<i>Correspondence from and to purchaser's counsel; reporting to receiver;</i>
08 /15/19	MJV	0.30	<i>Considering and advising with respect to priority issues;</i>
08 /15/19	CY	1.90	<i>Reviewing correspondence from BC government; considering and advising on priority dispute and PPSA registration;</i>
08 /16/19	MJV	0.20	<i>Emails from and to purchaser's counsel and receiver;</i>
08 /19/19	MJV	0.30	<i>Telephone attendance with A. Dhanani;</i>
08 /19/19	MJV	0.50	<i>Telephone attendance with P. Cho, A. Howard and A. Dhanani;</i>
08 /19/19	MJV	0.10	<i>Telephone attendance with receiver;</i>
08 /19/19	MJV	0.40	<i>Reviewing and revising Asset Purchase Agreement;</i>
08 /19/19	MJV	0.10	<i>Correspondence to receiver;</i>
08 /19/19	MJV	0.30	<i>Emails from and to receiver; email to Weir Foulds;</i>
08 /19/19	MJV	0.10	<i>Email to Alloway and Associates;</i>
08 /19/19	MJV	0.40	<i>Considering and advising with respect to priority issues;</i>
08 /19/19	MJV	0.20	<i>Emails from and to receiver;</i>
08 /19/19	CY	1.40	<i>Considering and advising on deemed trust priority;</i>
08 /20/19	MJV	0.10	<i>Emails from and to receiver;</i>
08 /20/19	MJV	0.30	<i>Considering and advising with respect to priority issue notice of application;</i>
08 /20/19	MJV	1.70	<i>Drafting Schedules to Agreement of Purchase and Sale; drafting Approval and Vesting Order and Schedules; correspondence to Weir Foulds;</i>
08 /20/19	MJV	0.30	<i>Receipt and review of RCAP Leasing discharge; providing our opinion to the receiver; emails from and to RSM; email to purchaser's counsel;</i>
08 /20/19	CY	1.90	<i>Further reviewing and considering case law and statutory authority regarding deemed trust priority dispute;</i>
08 /21/19	MJV	0.40	<i>Reviewing and revising Vesting Order;</i>
08 /21/19	MJV	0.40	<i>Considering and advising with respect to priority issue;</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

08 /21/19	MJV	0.20	<i>Receipt and review of Alberta security opinion;</i>
08 /21/19	MJV	0.20	<i>Reviewing and revising Asset Schedule;</i>
08 /21/19	MJV	1.30	<i>Drafting notice of motion and affidavit; reviewing and revising same; emails to purchaser's counsel and to and from RSM; instructions to law clerk; telephone attendance with S.C.O Registrar;</i>
08 /21/19	MJV	1.60	<i>Drafting factum; instructions regarding compilation of book of authorities;</i>
08 /21/19	MJV	0.60	<i>Drafting, reviewing and revising our priority opinion to Receiver;</i>
08 /21/19	MJV	0.20	<i>Emails from and to receiver;</i>
08 /21/19	MJV	0.50	<i>Reviewing and revising factum; reviewing and revising the Service List;</i>
08 /21/19	MJV	0.30	<i>Reviewing and revising affidavit;</i>
08 /21/19	MJV	0.90	<i>Receiving and reviewing draft Second Report; email to Receiver with our comments respecting same;</i>
08 /21/19	MJV	0.40	<i>Emails from and to receiver regarding Report and priority issue;</i>
08 /21/19	MJV	0.30	<i>Receiving and reviewing comments of purchaser's counsel to Vesting Order; revising Vesting Order; email to Weir Foulds;</i>
08 /21/19	MJV	0.40	<i>Receiving and reviewing Receiver's comments to Vesting Order; amending Vesting Order;</i>
08 /21/19	MJV	0.20	<i>Emails from and to Weir Foulds; emails from and to Receiver;</i>
08 /21/19	MJV	0.30	<i>Receiving and reviewing revised Second Report; email to Receiver;</i>
08 /21/19	MJV	0.30	<i>Receiving and reviewing proposed revisions of Purchaser to Vesting Order; emails from and to Weir Foulds; revising Vesting Order;</i>
08 /21/19	MJV	0.10	<i>Emails from and to receiver regarding St. Catharines lease;</i>
08 /21/19	CY	0.45	<i>Drafting report to client on priority issue;</i>
08 /21/19	CY	0.20	<i>Reviewing and revising opinion to client regarding priority issue;</i>
08 /21/19	CY	1.20	<i>Reviewing correspondence received from and forwarded to RSM regarding PST claim; considering and advising on survival in bankruptcy; memorandum to TH;</i>
08 /22/19	MJV	0.30	<i>Receiving and reviewing revised Vesting Order; emails to Weir Foulds; emails from and to receiver;</i>
08 /22/19	MJV	0.40	<i>Telephone attendance with Manager of Court Services; email to Weir Foulds; emails from and to RSM;</i>
08 /22/19	MJV	0.30	<i>Telephone attendance with P. Cho; email to RSM;</i>
08 /22/19	MJV	0.30	<i>Emails from and to RSM; emails from and to Weir Foulds;</i>

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08 /22/19	MJV	0.50	<i>Receipt and review of final draft of Second Report; emails from and to receiver;</i>
08 /22/19	MJV	0.80	<i>Receiving and reviewing purchaser's edits to Asset Purchase Agreement and Vesting Order; emails from and to Weir Foulds; emails from and to RSM; revising APA and Order;</i>
08 /22/19	MJV	0.20	<i>Further edits to Second Report; email to RSM;</i>
08 /22/19	MJV	0.30	<i>Emails from and to Weir Foulds and RSM; telephone attendance with J. Berger;</i>
08 /22/19	MJV	0.30	<i>Emails from and to Weir Foulds;</i>
08 /22/19	MJV	0.70	<i>Receipt and review of revised Schedules to APA; emails from and to Weir Foulds and RSM; finalizing execution of Asset Purchase Agreement;</i>
08 /22/19	MJV	0.20	<i>Emails from and to Weir Foulds;</i>
08 /22/19	TH	2.70	<i>Considering and advising on the legal implications of priority in bankruptcy</i>
08 /22/19	TH	0.60	<i>Considering and advising on the legal implications of bankruptcy priorities</i>
08 /23/19	MJV	0.20	<i>Emails from and to RSM;</i>
08 /23/19	MJV	0.10	<i>Reporting to client;</i>
08 /23/19	MJV	0.20	<i>Instructions to clerk regarding preparation of Confidential Appendices;</i>
08 /23/19	MJV	0.40	<i>Considering and advising regarding priorities issue;</i>
08 /23/19	CY	1.20	<i>Receipt and review of memorandum and case law from TH regarding elevation of deemed trust by lien registration;</i>
08 /23/19	TH	4.80	<i>Considering and advising on the legal implications of Crown priority; letter forwarded to CY</i>
08 /26/19	MJV	0.30	<i>Receipt and review of BC Workplace correspondence; considering and advising with respect to priority issues;</i>
08 /27/19	MJV	0.30	<i>Receipt and review of correspondence between Weir Foulds and receiver;</i>
08 /27/19	MJV	0.40	<i>Telephone attendance with A. Dhanani;</i>
08 /27/19	MJV	0.30	<i>Telephone attendance with Toyota Credit;</i>
08 /27/19	MJV	0.20	<i>Email from Weir Foulds; considering and advising with respect to purchaser's proposed timeline;</i>
08 /27/19	MJV	0.20	<i>Receipt and review of correspondence from receiver and Weir Foulds;</i>
08 /27/19	CY	1.20	<i>Receipt and review of correspondence from WorkSafe BC; reviewing BC Workers Compensation legislation and related case law; considering and advising on claimed priority;</i>
08 /28/19	MJV	0.20	<i>Emails from and to purchaser's counsel;</i>

08 /28/19	MJV	0.10	<i>Emails from and to Toyota Credit;</i>
08 /28/19	MJV	0.10	<i>Emails from and to Weir Foulds;</i>
08 /28/19	MJV	0.80	<i>Reviewing materials; preparing for hearing;</i>
08 /28/19	MJV	0.40	<i>Correspondence from and to receiver;</i>
08 /28/19	MJV	0.20	<i>Receipt and review of emails between RSM and Weir Foulds;</i>
08 /29/19	MJV	0.40	<i>Further consideration and advises with respect to Crown priority issue;</i>
08 /29/19	MJV	2.50	<i>Attendance at motion; reporting to RSM; email to Weir Foulds;</i>
08 /29/19	MJV	0.10	<i>Emails from and to purchaser's counsel;</i>
08 /29/19	MJV	0.40	<i>Emails from and to RSM and Weir Foulds;</i>
08 /29/19	MJV	0.10	<i>Emails from and to receiver;</i>
08 /30/19	MJV	0.30	<i>Telephone attendance with receiver;</i>
08 /30/19	MJV	0.40	<i>Emails from and to receiver and purchaser's counsel;</i>
08 /30/19	MJV	0.20	<i>Considering and advising with respect to priority issue;</i>
08 /30/19	MJV	0.10	<i>Email from Alloway;</i>
08 /30/19	MJV	0.20	<i>Emails from and to Weir Foulds; email to RSM;</i>
08 /30/19	MJV	0.30	<i>Emails from and to Weir Foulds regarding closing proceeds; emails from and to RSM;</i>
08 /30/19	MJV	0.20	<i>Telephone attendance with purchaser's counsel;</i>
09 /03/19	MJV	2.80	<i>Attendance before Mr. Justice Parayeski to obtain sale approval Order;</i>
09 /03/19	MJV	0.10	<i>Correspondence to the Service List;</i>
09 /03/19	MJV	0.20	<i>Emails to receiver and Weir Foulds;</i>
09 /03/19	MJV	0.10	<i>Reporting to client;</i>
09 /03/19	MJV	0.30	<i>Receipt and review of ancillary closing documents; emails to receiver and Weir Foulds;</i>
09 /03/19	MJV	0.10	<i>Correspondence from and to Toyota Credit;</i>
09 /03/19	MJV	0.20	<i>Emails from and to receiver;</i>
09 /03/19	MJV	0.20	<i>Telephone attendance with P. Cho;</i>
09 /03/19	MJV	0.10	<i>Emails from and to receiver;</i>

09 /03/19	MJV	0.10	<i>Emails from and to Weir Foulds;</i>
09 /03/19	MJV	0.60	<i>Attending to the closing of the sale transaction;</i>
09 /03/19	MJV	0.10	<i>Email from and to RSM;</i>
09 /03/19	MJV	0.10	<i>Emails from and to RSM;</i>
09 /03/19	MJV	0.10	<i>Emails from and to Weir Foulds;</i>
09 /03/19	MJV	0.20	<i>Emails from and to receiver and Weir Foulds;</i>
09 /04/19	MJV	0.80	<i>Considering and advising with respect to priority issues; receiving and reviewing lease of LBC Capital; receiving and reviewing emails from LBC Capital; emails from and to receiver regarding same and landlord inspection; emails from and to purchaser's counsel;</i>
09 /05/19	MJV	0.20	<i>Receipt and review of Sarna Neudorfer security review opinion; email to receiver;</i>
09 /05/19	MJV	0.20	<i>Telephone attendance with D. Arrega;</i>
09 /05/19	MJV	0.20	<i>Emails from receiver regarding Calgary walk through; review of Carson HST acknowledgment and correspondence to receiver;</i>
09 /05/19	MJV	0.10	<i>Receipt of balance of purchase proceeds; reporting email to receiver;</i>
09 /05/19	MJV	0.20	<i>Email from Weir Foulds; telephone attendance with purchaser's counsel; reporting to RSM;</i>
09 /06/19	MJV	0.20	<i>Emails from and to RSM;</i>
09 /06/19	MJV	0.20	<i>Emails from and to RSM and Weir Foulds;</i>
09 /06/19	TH	0.80	<i>Considering and advising on the legal implications of priority scheme</i>
09 /09/19	MJV	0.30	<i>Emails from Weir Foulds; emails from and to RSM;</i>
09 /09/19	CY	0.40	<i>Receipt and review of memorandum and case law from TH regarding arbitrary PST assessments;</i>
09 /10/19	MJV	0.20	<i>Receiving and reviewing receiver's correspondence from and Ensign Electronic;</i>
09 /12/19	MJV	0.10	<i>Correspondence from and to Weir Foulds;</i>
09 /12/19	MJV	0.10	<i>Telephone attendance with purchaser's counsel;</i>
09 /13/19	MM	0.10	<i>Receive and review correspondence and instructions regarding corporate name and articles of amendment;</i>
09 /16/19	MJV	0.10	<i>Receipt and review of B.C. PPSA search;</i>
09 /16/19	MJV	0.10	<i>Correspondence from and to receiver;</i>
09 /16/19	MJV	0.10	<i>Correspondence to Ben Tucci re: Quebec security opinion;</i>

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09 /16/19	MM	0.20	<i>Considering and advising on the legal implications of retaining rights to name in receivership;</i>
09 /17/19	MJV	0.10	<i>Email to receiver;</i>
09 /17/19	MJV	0.10	<i>Correspondence from and to client;</i>
09 /17/19	MM	0.15	<i>Considering and advising on the legal implications of retaining rights to a name in receivership;</i>
09 /17/19	MM	0.30	<i>Considering and advising on the legal implications of retaining rights to a name in receivership;</i>
09 /17/19	MM	0.50	<i>Considering and advising on the legal implications of purchasing business name in bankruptcy;</i>
09 /17/19	MM	0.10	<i>Receive and review correspondence from CIBC;</i>
09 /17/19	MM	0.60	<i>Considering and advising on the legal implications of purchasing business name in bankruptcy;</i>
09 /17/19	MM	0.20	<i>Considering and advising on the legal implications of purchasing business name in bankruptcy;</i>
09 /17/19	MM	0.25	<i>Considering and advising on the legal implications of purchasing business name in bankruptcy;</i>
09 /17/19	MM	0.50	<i>Considering and advising on the legal implications of purchasing business name in bankruptcy;</i>
09 /19/19	MJV	1.20	<i>Drafting B.C. PST priority opinion to receiver;</i>
09 /19/19	DI	0.30	<i>Reviewing/analyze investigating ability to amend corporate debtor name; Instructions regarding Receivership Order;</i>
09 /19/19	MM	0.10	<i>Receive and review correspondence and instructions regarding receivership order;</i>
09 /19/19	MM	0.55	<i>Draft/Revise letter regarding Receivership order; Draft/Revise instructions regarding OBCA provisions and Order;</i>
09 /19/19	HE	1.90	<i>Considering and advising on the legal implications of court order for interim receiver trumping OBCA;</i>
09 /20/19	MJV	0.10	<i>Emails from and to receiver;</i>
09 /20/19	MM	0.10	<i>Receive and review correspondence regarding provisions of the BIA and provisions of a court order;</i>
09 /20/19	MM	0.55	<i>Considering and advising on the legal implications of changing a corporate name while insolvent; Draft/Revise letter regarding articles of amendment while insolvent;</i>
09 /20/19	MM	0.10	<i>Telephone attendance on call to Service Ontario;</i>
09 /20/19	MM	0.10	<i>Telephone attendance on call to Service Ontario;</i>
09 /20/19	MM	0.35	<i>Draft/Revise letter regarding filing articles of amendment;</i>
09 /20/19	MM	0.30	<i>Draft/Revise letter regarding filing of articles of amendment while insolvent;</i>
09 /23/19	MJV	0.10	<i>Reviewing and revising our B.C. sales tax priority opinion;</i>

09 /23/19	DI	0.10	<i>Review/analyze instructions regarding Articles of Amendment;</i>
09 /25/19	MJV	0.90	<i>Correspondence from trustee regarding priority issues; investigating and advising with respect to legal issues;</i>
09 /25/19	DI	0.10	<i>Letter received from Weir; Instructions regarding name change;</i>
09 /26/19	MJV	0.10	<i>Emails from and to purchaser's counsel;</i>
09 /27/19	MM	0.10	<i>Receive and review correspondence and instructions regarding articles of amendment;</i>
09 /27/19	MM	0.10	<i>Meeting regarding articles of amendment;</i>
09 /27/19	MM	0.30	<i>Review and revise resolutions;</i>
09 /27/19	MM	0.20	<i>Review and revise resolutions;</i>
09 /30/19	CY	0.20	<i>Reviewing correspondence forwarded to and received from RSM;</i>

TIMEKEEPER SUMMARY

Timekeeper	ID	Hours	Rate	Total
MICHAEL J. VALENTE	MJV	45.00	\$475.00	\$21,375.00
COLLEEN YAMASHITA	CY	12.85	\$350.00	\$4,497.50
DANIELLE IAMPIETRO	DI	0.50	\$460.00	\$230.00
MARK MILANETTI	MM	5.75	\$200.00	\$1,150.00
HOLLY ELICH	HE	1.90	\$145.00	\$275.50
TRENT HOWARD	TH	8.90	\$145.00	\$1,290.50
TOTAL FEES:				<u>\$28,818.50</u>

FEE	PLUS H.S.T.	DISBURSEMENTS	H.S.T EXEMPT	H.S.T NON-EXEMPT	PLUS H.S.T.	GRAND TOTAL
\$28,818.50	\$3,746.41					\$32,564.91
		FILE MOTION RECORD		\$320.00		\$320.00
		FEE -AMAX HEALTH INC. // Corporation Profile Report		\$8.00		\$8.00

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WESTLAW/E-CARSWELL ACCESS	\$118.06	\$118.06
PPSA SEARCH(ES)/REGISTRATION	\$130.50	\$130.50
COURIER CHARGE(S)	\$149.00	\$149.00
LONG DISTANCE CALLS	\$2.78	\$2.78
GOV'T DISB -AMAX HEALTH INC. // Corporation Profile Report	\$12.36	\$12.36

\$28,818.50	\$3,746.41	\$328.00	\$412.70	\$53.65	\$33,359.26
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BALANCE DUE TO THIS OFFICE: \$33,359.26
PREVIOUS AMOUNT OWING \$27,257.33
PREVIOUS PAYMENTS \$27,257.33
BALANCE DUE NOW \$33,359.26

THIS IS OUR ACCOUNT,

Per:

SCARFONE HAWKINS LLP



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

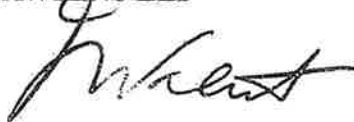
Val Luis

TRUST STATEMENT

DATE	ITEM	DISBURSEMENTS	RECEIPTS
August-30-2019	Received From: WEIRFOULDS LLP - WIRI SETTLEMENT FUNDS		\$509,048.80
September-04-2019	Paid To: SCARFONE HAWKINS LLP SH FEES AND DISBURSEMENTS	\$7,780.73	
September-04-2019	Paid To: SCARFONE HAWKINS LLP SH FEES AND DISBURSEMENTS	\$19,476.60	
September-05-2019	Received From: WEIR FOULDS LLP WIRE TRANSFER FEE		\$15.00
September-09-2019	Paid To: RSM CANADA LIMITED SETTLEMENT FUNDS	\$481,806.47	
	TOTAL	<u>\$509,063.80</u>	<u>\$509,063.80</u>
	TRUST BALANCE		\$0.00

SCARFONE HAWKINS LLP

Per:



MICHAEL J. VALENTE

EXHIBIT "B"

Fee Summary:

Professional	Level	Hours	Rate	Fees
Michael J. Valente	Partner	45.00	\$475.00	\$21,375.00
Colleen Yamashita	Partner	12.85	\$350.00	\$4,497.50
Danielle Iampietro	Partner	0.50	\$460.00	\$230.00
Mark Milanetti	Associate	5.75	\$200.00	\$1,150.00
Holly Elich Trent Howard	Articling Students	10.8	\$145.00	\$1,566.00
Total Hours & professional Fees		74.9		\$28,818.50
HST @ 13.0%				\$ 3,746.41
TOTAL:				\$32,564.91

**CALCULATION OF AVERAGE HOURLY BILLING RATE OF
SCARFONE HAWKINS LLP**

Billing Period	Total Fees	HST	Hours	Average Hourly Rate
August 10/19 to September 30//19	\$28,818.50	\$3,746.41	74.9	\$384.75

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 ZACHARY PRINGLE

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 K

Court File No. CV-19-69485

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

CANADIAN IMPERIAL BANK OF COMMERCE

Applicant

and

AMEX HEALTH INC.

Respondent

AFFIDAVIT OF LAZAR SARNA

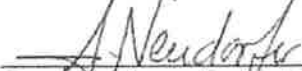
I, Lazar Sarna, of the City of Montreal in the Province of Quebec, MAKE OATH
AND SAY AS FOLLOWS:

1. I am lawyer with Sarna Neudorfer Attorneys-Advocates and, as such, I have knowledge of the matters to which I hereinafter depose. Sarna Neudorfer Attorneys-Advocates acted as counsel for RSM Canada Limited in its capacity as Receiver of Amex Health Inc.
2. Sarna Neudorfer Attorneys-Advocates has prepared Statements of Account in connection with its fees and disbursements as follows:
 - (a) An account dated August 28, 2019 in the amount of \$4,886.44, inclusive of HST and disbursements;


- 3. Attached hereto and marked as Exhibit "A" to this my affidavit is a copy of the Statement of Account dated August 28, 2019, along with a breakdown of timekeepers which have worked on this file. The average hourly rate is \$400.

- 4. The Affidavit is made in support of a motion to, *inter alia*, approve the attached accounts of Sarna Neudorfer Attorneys-Advocates and the fees and disbursements detailed therein, and for no improper purpose.

Sworn before me at
the City of Montreal in
the Province of Quebec
on October 7, 2019



Commissioner for Taking Affidavits
*Attorney
Barreau du Quebec
184 940-9*

)
)
)
)
)
)
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)


Lazar Sarna

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 Lazar Sarma

**Sarma Neudorfer
Attorney-Advocates
4473 Ste-Catherine West
Montreal, Quebec H3Z 1R6
Tel: 514-842-4550
Fax: 514-842-9876
Lazar Sarma
Counsel for the Applicant**

SARNA NEUDORFER S.E.N.C.

ATTORNEYS-AVOCATS
 4473 STE-CATHERINE WEST
 MONTREAL, QUEBEC, CANADA H3Z 1R6
 TEL. 514-842-4550; FAX. 514-842-3876
 Email/Courriel: sarnaneudorfer@hotmail.com; lazarsarna@gmail.com
 www.sarnaneudorfer.com

August 28, 2019

INVOICE No.: 4922.19.364

RSM Canada Limited
 c/o Arif Dhanani

Email: arif.dhanani@rsmcanada.com

Re: **Opinion**
 Our file: **1813744-19**

STATEMENT OF ACCOUNT

FOR PROFESSIONAL SERVICES RENDERED re:

Professional services in connection with the research, drafting and preparation of a letter of opinion regarding the security of the Canadian Imperial Bank of Commerce on the Quebec moveable property of Amax Health Inc.

OUR ACCOUNT:	\$ 4,250.00
T.P.S. (No 142258649RT - 5%)	212.50
T.V.Q. (No. 10200953329 - 9.975%)	423.94
DISBURSEMENTS	
TOTAL:	\$ 4,886.44

SARNA NEUDORFER

ATTORNEYS-AVOCATS

4473 STE-CATHERINE WEST
MONTREAL, QUEBEC, CANADA H3Z 1R6
TEL. 514-842-4550; FAX. 514-842-3876
Email/Courriel: info@sarnaneudorfer.com

TIME CHARGES

File: RSM Canada Limited
Our file 1813744-19

August 27, 2019

Hours and activity

6.6 hours

Review security documents,

Research of case law for opinion regarding security of Canadian Imperial Bank of Commerce (CIBC) on Quebec moveable property of Amex Health Inc.,

Attendance at le Registre des droits personnels et réels mobiliers (RDPRM) for review of entries and consultation

Attorney Lazar Sama

August 28, 2019

Hours and activity

4.4 hours

Continued review security documents and case law,

Research for opinion,

Drafting opinion and review of same for issuance.

Attorney: Lazar Sama

Hourly rate of Lazar Sama: \$400@hour

Invoice at \$4250 plus taxes

SARNA NEUDORFER S.E.N.C.

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August 28, 2019

INVOICE No.: 4922.19.364

RSM Canada Limited
 c/o Arif Dhanani

Email: arif.dhanani@rsmcanada.com

Re: Opinion
Our file: 1813744-19

STATEMENT OF ACCOUNT

FOR PROFESSIONAL SERVICES RENDERED re:

Professional services in connection with the research, drafting and preparation of a letter of opinion regarding the security of the Canadian Imperial Bank of Commerce on the Quebec moveable property of Amax Health Inc.

OUR ACCOUNT:	\$ 4,250.00
T.P.S. (No 142258649RT - 5%)	212.50
T.V.Q. (No. 10200953329 - 9.975%)	423.94
DISBURSEMENTS	
TOTAL:	\$ 4,886.44

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 OCTOBER 24, 2019)

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