

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

ASTRAZENECA CANADA INC.

Plaintiff

- and -

**SAMEH SADEK also known as SAM SADEK,
ST. MAHARIAL PHARMACY INC. dba MD HEALTH PHARMACY,
ST. MAHARIAL CLINIC INC., SRX INVESTMENT INC.,
SHEPHERD RX PHARMACY INC. and LILIAN FAM**

Defendants

**FIFTH REPORT OF THE RECEIVER
ALVAREZ & MARSAL CANADA INC.**

MAY 30, 2019

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1.0 INTRODUCTION

Overview

- 1.1 This fifth report of the Receiver (the “**Fifth Report**”) is filed by Alvarez & Marsal Canada Inc. (“**A&M**”), in its capacity as Court-appointed Receiver (the “**Receiver**”) of the assets, undertakings and properties of each of Sameh Sadek also known as Sam Sadek (“**Sadek**”), St. Maharial Pharmacy Inc. dba MD Health Pharmacy (“**SMP**”), St. Maharial Clinic Inc. (“**SMC**”), SRX Investment Inc. (“**SRX**”), Shepherd RX Pharmacy Inc. (“**Shepherd**”) and Lilian Fam (“**Fam**”, and collectively, the “**Defendants**” and, individually, a “**Defendant**”).
- 1.2 Pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated September 11, 2018 (as amended and restated by the Order of the Honourable Mr. Justice McEwen dated October 17, 2018, the “**Appointment Order**”), A&M was appointed as the Receiver of the Domestic Property (as defined in the Appointment Order) of the Defendants, with certain additional powers relating to Foreign Property (as defined in the Appointment Order).
- 1.3 The Receiver was appointed by way of a motion made by the plaintiff, AstraZeneca Canada Inc. (“**AstraZeneca**”), a large pharmaceutical company and creditor of the Defendants, pursuant to section 101 of the *Courts of Justice Act* (Ontario). These proceedings commenced by AstraZeneca are referred to herein as the “**Receivership Proceedings**”.
- 1.4 To date, the Receiver has provided, and filed with the Court in the Receivership Proceedings, four reports each dated October 9, 2018 (the “**First Report**”), November 20, 2018 (the “**Second Report**”), February 13, 2019 (the “**Third Report**”), and April 11, 2019 (the “**Fourth Report**” and, collectively with the First, Second and Third Reports, the “**Previous Reports**”), respectively, which, among other things, summarize the activities of

the Receiver following its appointment pursuant to the Appointment Order. The Previous Reports can be accessed on the Receiver's Case Website at: www.alvarezandmarsal.com/mdhealth.

Purpose of this Fifth Report

- 1.5 This Fifth Report has been prepared to provide an update on the Receivership Proceedings to stakeholders, as well as to provide additional information with respect to the Claims Process which was approved by an order of the Court on March 1, 2019 (the "**Claims Procedure Order**").
- 1.6 In preparing this Fifth Report, the Receiver has, in some instances, relied exclusively upon the Defendants' books and records that could be located by the Receiver, unaudited and draft financial information available, certain financial information obtained by third parties, and discussions with various individuals (collectively, the "**Information**"). Since the time of its appointment, the Receiver has had no communication or otherwise with management or any employees of any of the corporate Defendants. The Receiver has had no meaningful communication with Sadek, and only minimal communication with Fam and her legal counsel. 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 ("**CAS**") pursuant to the *Chartered Professional Accountants of Canada Handbook* and, accordingly, the Receiver expresses no opinion or other form of assurance contemplated under the CAS in respect of the Information.
- 1.7 This Fifth Report has been prepared for this Court and the Defendants' stakeholders to provide general information and an update relating to these Receivership Proceedings,

including a summary of the Receiver's realization efforts and the results to-date of the Claims Process. This Fifth Report should not be relied upon for any other purpose. The Receiver will not assume responsibility or liability for losses incurred as a result of the circulation, publication, reproduction or use of this Fifth Report contrary to the provisions of this paragraph.

- 1.8 Capitalized terms used but not defined in this Fifth Report shall have the meaning ascribed to them in the Appointment Order or the Previous Reports, as applicable. All references to dollars are in Canadian currency unless otherwise noted.
- 1.9 In accordance with the Appointment Order, copies of materials and prescribed notices delivered and/or filed in these Receivership Proceedings are available on the Receiver's Case Website.

2.0 BRIEF BACKGROUND

- 2.1 A background summary of the Defendants, including a description of the activities and circumstances leading to the appointment of the Receiver, is contained in the motion materials (the “**AstraZeneca Motion Materials**”) filed by AstraZeneca and further summarized by the Receiver in its First Report, both of which can be found on the Case Website. A copy of the First Report, without appendices, is attached hereto as **Appendix “A”**.
- 2.2 The two individual Defendants, namely, Sadek and Fam, are spouses and, as of the date of this Fifth Report, the Receiver understands that Sadek does not reside in the country. As described in the Third Report, Fam has returned to Canada, and, to the best of the Receiver’s knowledge, she is currently residing in the country.

Overview of the Mareva Proceedings

- 2.3 As described in the AstraZeneca Motion Materials, it is alleged that between June 2017 and March 2018 AstraZeneca, a biopharmaceutical distribution company, paid MD Health approximately \$7.73 million on the basis that Sadek and Fam had filled approximately 7,980 prescriptions for AstraZeneca medications.
- 2.4 AstraZeneca contends that the Defendants defrauded AstraZeneca by submitting false claims for non-existent prescriptions. Accordingly, AstraZeneca commenced an action against the Defendants, including bringing a motion for certain injunctive relief and, subsequently, obtained the Mareva Orders, as more particularly described in the First Report.
- 2.5 The Mareva Orders granted by this Court provided for certain injunctive relief, including, among other things:

- (a) restraining the Defendants, with the sole exception of Shepherd, from dealing with their assets;
- (b) prohibiting Sadek and Fam from leaving the jurisdiction;
- (c) requiring the Defendants to disclose certain information relating to their existing assets;
- (d) freezing bank accounts at certain financial institutions and requiring those financial institutions to disclose to AstraZeneca any and all records concerning the Defendants' assets and accounts; and
- (e) granting Certificates of Pending Litigation over certain properties owned by the Defendants, as described further below.

- 2.6 As at the date of this Fifth Report, the Mareva Orders remain in full force and effect.
- 2.7 As described in the Third Report, Fam returned to Ontario and made herself available to cross-examinations by legal counsel to AstraZeneca, in order to comply with the Mareva Orders. Fam's legal counsel, O'Connor MacLeod Hanna LP ("**OMH LLP**"), moved to set aside the noting in default of Fam dated August 29, 2018 (the "**Fam Default**"), and a return date for this motion was scheduled for April 17, 2019.
- 2.8 On April 17, 2019, this Court issued an Order (the "**April 17 Order**"), which, among other things, (i) set aside the Fam Default and directed Fam to serve and file a Statement of Defence by no later than May 2, 2019, and (ii) permitted Fam to open a bank account (the "**Fam Account**") for the purpose of depositing employment income and government benefit cheques, and from which account Fam was permitted to spend up to \$5,000.00 per month for ordinary expenses.

- 2.9 The April 17 Order also directed the Receiver to release from the proceeds of realization and deposit a single lump-sum payment of \$20,000.00 into the Fam Account. A copy of the April 17 Order is attached hereto as **Appendix “B”**.

Orders issued to date in the Receivership Proceedings

- 2.10 Since the appointment of the Receiver, the Court has issued the following Orders, all of which can be found, together with any Endorsements issued in connection therewith, on the Case Website:

- (a) on October 17, 2018, the Court issued an Order (the “**October 17 Order**”) amending and restating the Appointment Order;
- (b) on November 29, 2018, the Court issued a further Order, among other things, approving the sale of the real property municipally known as 8 Calico Court, Halton Hills, Ontario; and
- (c) on March 1, 2019, the Court issued, *inter alia*, the following Orders:
 - i. an Order, among other things, approving the sale of the real property municipally known as 5045 Churchill Meadows Boulevard, Mississauga, Ontario (the “**Churchill Meadows Property**”);
 - ii. an Order, among other things, approving the sale of the real property municipally known as 2334 Hammond Road West, Mississauga, Ontario (the “**Hammond Property**”); and
 - iii. an Order approving a procedure for the determination and resolution of claims filed against the Defendants and authorizing the Receiver to

administer the claims procedure in accordance with its terms (the “**Claims Procedure Order**”).

3.0 RECEIVER'S ACTIVITIES SINCE THE THIRD REPORT TO DATE

3.1 Since the date of the Third Report (the last report wherein the Receiver provided an update on its activities in the Receivership Proceedings), the Receiver has continued its efforts to realize on the Domestic Property. The Receiver's activities since its Third Report include, among other things, the following:

- (a) liaising and coordinating with the financial institutions who maintained the Defendants' bank accounts to provide account statements and other documentation relating to the Defendants' bank account activity;
- (b) liaising with the Ontario College of Pharmacists ("OCP") with respect to the OCP's enforcement proceedings relating to certain of the Defendants;
- (c) liaising with the Real Properties Broker (as defined below) with respect to the sale of the Churchill Meadows Property and the Hammond Property;
- (d) reviewing the books and records obtained by the Receiver relating to the corporate Defendants;
- (e) liaising with the Receiver's insurance broker on insurance matters;
- (f) making enquiries with certain parties with respect to certain Foreign Property as described in Section 4.0 below;
- (g) administering the Claims Process in accordance with the Claims Procedure Order as described in Section 6.0 below;
- (h) corresponding with Fam with respect to facilitating the opening of a bank account and other matters as required by the April 17 Order;

- (i) corresponding and meeting with the Receiver's legal counsel, A&B, with respect to administration and general receivership matters, including liaising and addressing queries and requests for information from stakeholders;
- (j) responding to requests from OMH LLP regarding: (A) the release of personal items belonging to Fam located at the Hammond Property; (B) scheduling appointments to vary the Appointment Order; and (C) the return of certain personal documentation and information in the possession of the Receiver relating to Fam;
- (k) corresponding with AstraZeneca's legal counsel, Blake Cassels & Graydon LLP ("**Blakes**"), with respect to general receivership matters and information requests;
- (l) maintaining the Case Website;
- (m) maintaining the Receiver's trust bank accounts and Statement of Receipts and Disbursements; and
- (n) responding to stakeholders and other enquiries.

3.2 Additional activities with respect to realizing on the Domestic Property and other matters are described in more detail below.

Hammond Property

3.3 As described in the First Report, on September 11, 2018, the Receiver secured the Hammond Property and began preparing the property for sale. The Receiver's activities at this property since the date of the Third Report include, among other things, (i) attending at the residence on a regular basis to inspect the premises and ensure that the property was secure, and (ii) arranging for up-keep and maintenance to be conducted at the residence, as required.

- 3.4 As described in the Third Report, the Receiver entered into an agreement of purchase and sale to sell the Hammond Property. The sale transaction was approved by this Court on March 1, 2019 and, subsequently, closed on March 14, 2019. The Receiver filed a Receiver's Certificate with the Court on March 15, 2019.

Churchill Meadows Property

- 3.5 As described in the First Report, on September 11, 2018, the Receiver secured the Churchill Meadows Property. The Receiver's activities at the Churchill Meadows Property since the date of the Third Report include, among other things, the following:

- (a) communicating with the tenants residing at the Churchill Meadows Property with respect to lease payments, the sales efforts for the property, and their obligations pursuant to a lease agreement entered into by Fam and the tenants prior to the Receiver's appointment;
- (b) entering into a lease termination agreement dated April 17, 2019, whereby the tenants and the Receiver mutually agreed to terminate the lease effective on May 1, 2019; and
- (c) corresponding with Re/Max Realtron Realty Inc. (the "**Real Properties Broker**") and the purchaser of the property to revise the transaction closing date and move it up from July 3, 2019 to May 2, 2019.

- 3.6 As described in the Third Report, the Receiver entered into an agreement of purchase and sale to sell the Churchill Meadows Property. The sale transaction was approved by this Court on March 1, 2019 and, subsequently, closed on May 2, 2019. The Receiver filed a Receiver's Certificate with the Court on May 2, 2019.

Realization Efforts Completed

- 3.7 With exception of the BM Funds (as defined below), following the closing of the above-referenced sale transactions, the Receiver's realization efforts with respect to the Domestic Property (as such term is defined in the Appointment Order) are complete.

Additional Stakeholders

- 3.8 As previously reported to the Court, the Receiver has maintained open communication with certain of the Defendants' purported secured creditors and judgment creditors, namely, CWB and McKesson, through their respective legal counsel, in order to keep them apprised of the Receivership Proceedings generally.

4.0 FOREIGN PROPERTY

Aruba Condominiums

- 4.1 On March 16, 2019, the Receiver was contacted by Johnson Notary Services (“**Johnson**”) with respect to an agreement of purchase and sale (“**Aruba APS**”) that had been entered into by Sadek for the purchase of a property located in Aruba by SRX. The registered property, locally known as Salinja Cerca 47-B, was to be purchased for a price of USD\$495,000. In accordance with the terms of the Aruba APS, SRX sent a deposit in the amount USD\$49,500 to one of Johnson’s local escrow accounts.
- 4.2 A notice of default was issued by the seller on January 21, 2019 for non-compliance with the financial obligations arising from the Aruba APS. The seller decided to dissolve the purchase agreement and claim the deposit of USD\$49,500 from the notary’s escrow account as damages for breach of the agreement, which was contemplated by the terms of the Aruba APS.
- 4.3 The Receiver was provided with notice of the seller’s intention on March 16, 2019, and Johnson requested that the Receiver confirm whether it intended to satisfy the terms of the Aruba APS on behalf of the buyer or dissolve the transaction.
- 4.4 On March 18, 2019, the Receiver advised Johnson that it had no intention of completing the sale transaction contemplated by the Aruba APS, and requested a copy of Aruba APS for review in accordance with the Receiver’s mandate to review any and all transactions involving the Defendants.
- 4.5 On March 29, 2019, the Receiver further advised Johnson that it did not have the authority to pursue the matter in Aruba and would not be seeking a recognition order in that

jurisdiction. Johnson confirmed that the penalty would be paid from the funds in escrow in accordance with the Aruba APS, which was expressly provided for in the Aruba APS.

Other Foreign Property

- 4.6 The Receiver has not received or obtained any additional information or responses pertaining to any other known Foreign Property since the date of the Third Report. The Receiver will report to the Court if further information becomes available.

5.0 BM RETAINER FUNDS

- 5.1 As described in the Previous Reports, on August 8, 2018, SRX paid a retainer in the amount of \$150,000 to Blaney McMurtry LLP (“**BM**”) in connection with certain legal services purportedly rendered by BM to certain of the Defendants prior to and in response to the Mareva Proceedings (the “**BM Funds**”). Also, as described in the Previous Reports, the Receiver, though its counsel, has spent considerable time and effort to attempt to resolve this issue and/or encourage the appropriate parties to seek the necessary relief from this Court. A copy of a letter from the Receiver’s counsel, A&B, to BM dated October 4, 2018, which set out the Receiver’s initial position with respect to this issue, is attached hereto as **Appendix “C”**.
- 5.2 Pursuant to the October 17 Order, the Court directed that \$53,201.95 of the BM Funds be deemed to be Domestic Property (as defined in the Appointment Order) and transferred to the Receiver. These funds were subsequently transferred by BM to the Receiver.
- 5.3 The balance of the BM Funds, being \$96,798.05 (the “**Remaining BM Funds**”), remain frozen pursuant to the Mareva Orders and cannot be released or otherwise moved by BM until further order of the Court. Until such time, BM is not entitled to apply the Remaining BM Funds to its accounts or otherwise dispose of the Remaining BM Funds.
- 5.4 Since the date of the Third Report, the Receiver, again through its counsel, has continued its efforts to attempt to consensually resolve this issue in a satisfactory manner. However, to date, a resolution to this issue has not been reached. At this stage, the Receiver believes that, absent a satisfactory resolution in the very near term, this issue will need to be addressed by this Court at a subsequent attendance.

6.0 CLAIMS PROCESS AND NEXT STEPS

Results of Claims Process

- 6.1 On March 1, 2019, the Court issued the Claims Procedure Order approving the claims process (the “**Claims Process**”) to identify and determine claims of creditors of the Defendants. A copy of the issued and entered Claims Procedure Order is attached hereto as **Appendix “D”**.
- 6.2 In accordance with the provisions of the Claims Procedure Order, the Receiver has undertaken the following:
- (a) on March 4, 2019, posted a copy of the Claims Package to the Receiver’s Case Website;
 - (b) arranged for the Notice to Creditors to be published in *The Globe and Mail, National Edition* on March 7, 2019;
 - (c) on March 4, 2019, caused a copy of the Claims Package to be mailed to each party on the Service List and any other Known Creditors; and
 - (d) provided Claims Packages to parties who requested same.
- 6.3 The Claims Procedure Order provided for a claims bar date of April 15, 2019 (the “**Claims Bar Date**”).
- 6.4 A summary of the Claims received by the Receiver prior to the Claims Bar Date is provided below:

Sameh Sadek, et al

Summary of Claims Filed against the Defendants by Claim Type

Total Claims 23

Summary of Net Claims Filed

Claim Type	# of Claims Filed	Amount				Total
		Deemed Trust Claims	Constructive Trust Claims	Secured Claims	Unsecured Claims	
Pharmaceutical Company	4	-	14,450,137	-	360,928	14,811,065
Lender	3	-	-	800,122	-	800,122
Government Agency	3	12,916	-	-	16,211	29,127
Defendant (Fam)	1	-	-	-	512,641	512,641
General	12	-	-	-	367,059	367,059
Total	23	12,916	14,450,137	800,122	1,256,840	16,520,015

(1) The Receiver notes that one claim filed by a Claimant was subsequently withdrawn.

6.5 A detailed summary of the claims filed in the Claims Process is attached hereto as **Appendix “E”**.

6.6 The Receiver is in the process of completing its review and adjudicating the Claims as filed. To date, the Receiver has admitted 20 claims as filed (including certain contingent claims) totalling \$16,360,015.

6.7 The Receiver has issued three Notices of Revision or Disallowance (“**NRDAs**” and each an “**NRDA**”) to Claimants. One of those claims has now been deemed partially disallowed pursuant to the NRDA issued, as the time for the Claimant to respond to the NRDA has expired.

6.8 Two Claimants have filed Notices of Dispute in respect of the NRDAs that they were issued. The Receiver continues to correspond with these Claimants in an effort to resolve their respective Claims. In the event that these disputes are not settled within the time period set by the Receiver, a motion to the Court will be scheduled for a final determination of the Claims at issue.

Next Steps

- 6.9 At this point, the Receiver intends to complete its review and classification of the Claims filed under the Claims Process. Following which, the Receiver will prepare a proposed scheme of distribution, based upon its determination of the Claims, and bring a motion to Court seeking an Order, among other things, (i) authorizing the Receiver to make a final distribution pursuant to the Receiver's proposed distribution scheme, and (ii) discharging and releasing the Receiver (the "**Proposed Distribution and Discharge Motion**").
- 6.10 The Receiver anticipates that the Proposed Distribution and Discharge Motion will be scheduled within the next few weeks, in order to bring these Receivership Proceedings to an end.

7.0 RECEIVER'S INTERIM RECEIPTS AND DISBURSEMENTS

7.1 A summary of the Receiver's interim receipts and disbursements from September 11, 2018 to May 16, 2019 is set out below:

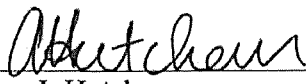
ST. MAHARIAL PHARMACY INC. ET AL	
Receiver's Summary Receipts and Disbursements Schedule For the period September 11 to May 16, 2019	
RECEIPTS:	
Property Sale Proceeds	\$4,110,743.91
Company/Individual Funds	766,946.25
Return of Deposits	354,564.13
Sale of Vehicles	81,500.00
Return of Retainer Funds - Blaney McMurtry	53,201.95
Tenant Rent	14,000.00
Gov't of Canada cheques	6,578.89
Deposit Interest	15,484.37
Total Receipts	\$5,403,019.50
DISBURSEMENTS:	
Professional Fees	\$532,202.65
Commission on sale of property	159,256.00
HST Paid	89,530.82
Lilian Fam payment (April 17 Order)	20,000.00
Property taxes	16,848.74
Insurance	14,630.88
Maintenance / Housewares	8,565.40
Utilities	3,748.48
Security	2,461.75
Bank Charges	1,725.95
Office expense	515.83
Receiver's Filing Fee	70.00
Total Disbursements	\$849,556.50
Net account balance	\$4,553,463.00

8.0 SUMMARY COMMENTS

- 8.1 As discussed, this Fifth Report was prepared primarily to provide stakeholders, and the Court, with an update on the results of each of the Claims Process and the Receiver's realization efforts.
- 8.2 The Receiver will return to Court in the near term to file the Proposed Distribution and Discharge Motion once it has completed its review of the Claims and developed a distribution scheme. At such time, the Receiver will provide the Court with its recommendation regarding the appropriate distribution of the realization proceeds.

All of which is respectfully submitted this 30th day of May, 2019.

**Alvarez & Marsal Canada Inc., solely in its capacity as
Court-appointed Receiver of Sameh Sadek also known as Sam Sadek, St. Maharial
Pharmacy Inc. dba MD Health Pharmacy, St. Maharial Clinic Inc., SRX Investment Inc.,
Shepherd RX Pharmacy Inc. and Lilian Fam,
and not in its personal capacity**

Per: 
Alan J. Hutchens
Senior Vice-President

APPENDIX “A”

Court File No. CV-18-602745-00-CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**IN THE MATTER OF SECTION 101 OF THE
COURTS OF JUSTICE ACT, R.S.O. 1990, C. C. 43.**

BETWEEN:

ASTRAZENECA CANADA INC.

Plaintiff

- and -

**SAMEH SADEK also known as SAM SADEK,
ST. MAHARIAL PHARMACY INC. dba MD HEALTH PHARMACY,
ST. MAHARIAL CLINIC INC., SRX INVESTMENT INC.,
SHEPHERD RX PHARMACY INC. and LILIAN FAM**

Defendants

**FIRST REPORT OF THE RECEIVER
ALVAREZ & MARSAL CANADA INC.**

OCTOBER 9, 2018

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1.0 INTRODUCTION

- 1.1 This first report (the “**First Report**”) is filed by Alvarez & Marsal Canada Inc. (“**A&M**”) in its capacity as Court-appointed Receiver (the “**Receiver**”) of the assets, undertakings and properties of Sameh Sadek also known as Sam Sadek (“**Sadek**”), St. Maharial Pharmacy Inc. dba MD Health Pharmacy, St. Maharial Clinic Inc., SRX Investment Inc., Shepherd RX Pharmacy Inc. and Lilian Fam (“**Fam**”, and collectively, the “**Defendants**” and, individually, a “**Defendant**”).
- 1.2 Pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated September 11, 2018 (the “**Appointment Order**”), A&M was appointed Receiver, without security, of all the Domestic Property (as defined below) of the Defendants, with certain additional powers relating to the Foreign Property (as defined below) of the Defendants. A copy of the Appointment Order is attached hereto as **Appendix “A”**.
- 1.3 This First Report is filed in support of the Receiver’s motion seeking, among other things, the following Orders from this Court:
- (a) amending and restating the Appointment Order to grant certain powers to the Receiver that were inadvertently excluded from the Commercial List Model National Receiver Order;
 - (b) approving the agreement of purchase and sale (as amended, the “**Georgetown Sale Agreement**”) between Fam, as vendor, and Shawn Zarb, as purchaser, dated September 17, 2018, with respect to the real property municipally known as 8 Calico Court, Halton Hills, Ontario (the “**Georgetown Property**”), and authorizing

the Receiver to complete the transaction contemplated by the Georgetown Sale Agreement (the "**Transaction**");

- (c) sealing the Confidential Appendices (as defined herein) until the completion of the Transaction or further Order of this Court;
- (d) declaring that all monies and assets held in the TD Canada Trust ("**TD**") account, bearing account number #1579-6XXXX27 (the "**DS Account**"), shall be deemed to be Domestic Property and transferred by TD to the Receiver forthwith;
- (e) declaring that certain funds held by Blaney McMurtry LLP ("**BM**"), in trust, in the amount of \$53,201.95 shall be deemed to be Domestic Property and transferred by BM to the Receiver forthwith; and
- (f) approving the activities of the Receiver from September 11, 2018 to the date of this First Report.

- 1.4 In preparing this First Report, the Receiver has relied upon the Defendants' books and records that could be located by the Receiver, unaudited and draft financial information available, certain financial information obtained by third parties, and discussions with various individuals (collectively, the "**Information**"). Since the time of its appointment, the Receiver has had no direct communication or otherwise with management or any employees to any of the corporate Defendants, nor with Sadek. The Receiver has had no meaningful communication with Fam. 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 ("**CAS**") pursuant to the *Chartered Professional Accountants of Canada Handbook* and, accordingly the Receiver

expresses no opinion or other form of assurance contemplated under CAS in respect of the Information.

- 1.5 This First Report has been prepared for the use of this Court to provide general information and an update relating to these receivership proceedings for the purpose of assisting the Court in making a determination as to whether to approve the relief sought in the Receiver's Notice of Motion dated October 9, 2018. This First Report should not be relied upon for any other purpose. The Receiver will not assume responsibility or liability for losses incurred as a result of the circulation, publication, reproduction or use of this First Report contrary to the provisions of this paragraph.
- 1.6 Capitalized terms used but not defined in this First Report shall have the meaning ascribed to them in the Appointment Order. All references to dollars are in Canadian currency unless otherwise noted.
- 1.7 Copies of materials filed in these receivership proceedings are available on the Receiver's Case Website at: www.alvarezandmarsal.com/mdhealth.

2.0 BACKGROUND

- 2.1 The background with respect to the Defendants, as well as a description of the activities and circumstances leading to the appointment of the Receiver are contained in the application record filed by AstraZeneca Canada Inc. ("**AstraZeneca**"). In particular, the affidavits of:
- (a) Tim Rutherford sworn September 7, 2018; and
 - (b) Doug Quan sworn September 10, 2018,
- both of which were filed by AstraZeneca in support of its application to appoint the Receiver (collectively, the "**AstraZeneca Application Record**"). The AstraZeneca Application Record, and other Court-filed documents and notices in these proceedings have been posted on the Case Website.
- 2.2 The two individual Defendants, Sadek and Fam, are spouses who formerly resided in the Province of Ontario. The Receiver understands that both of Sadek and Fam are currently out of the country.
- 2.3 St. Maharial Pharmacy Inc., which carried on business as MD Health Pharmacy ("**MD Health**"), was incorporated under the laws of the Province of Ontario on October 28, 2008. Based upon a review of the corporate profile report for MD Health, Sadek is listed as the sole director and officer and, together with Fam, worked as pharmacists at MD Health. The pharmacy operated from leased premises located in Brampton, Ontario. A copy of MD Health's corporate profile report is attached hereto as **Appendix "B"**.
- 2.4 Sadek is also an officer and director of the following additional Defendants, each of which is a corporation existing under the laws of the Province of Ontario:

- (a) Shepherd RX Pharmacy Inc. ("**Shepherd RX**"), which was incorporated on September 12, 2011. Based upon a review of the corporate profile report of Shepherd RX, Fam and Sadek are listed as the officers and directors. A copy of Shepherd RX's corporate profile report is attached hereto as **Appendix "C"**;
- (b) St. Maharial Clinic Inc. ("**SMC**"), which was incorporated on October 21, 2016. Based upon a review of the corporate profile report of SMC, Sadek is listed as the sole officer and director. A copy of SMC's corporate profile report is attached hereto as **Appendix "D"**; and
- (c) SRX Investment Inc. ("**SRX**"), which was incorporated on September 18, 2017. Based upon a review of the corporate profile report of SRX, Sadek is listed as the sole officer and director. A copy of SRX's corporate profile report is attached hereto as **Appendix "E"**.

2.5 At the time of the Appointment Order, none of the corporate Defendants were operational and/or carrying on business.

The Mareva Orders

2.6 As described in the AstraZeneca Application Record, AstraZeneca is an Ontario biopharmaceutical distribution company. Between June 2017 and March 2018, AstraZeneca paid MD Health approximately \$7.73 million on the basis that Sadek and Fam had filled some 7,980 prescriptions for AstraZeneca medications.

2.7 AstraZeneca contends that the Defendants, collectively, defrauded AstraZeneca of the approximately \$7.73 million by submitting false claims for non-existent prescriptions. Accordingly, Astrazeneca commenced an action against the Defendants, including bringing a motion for certain injunctive relief.

2.8 On August 9, 2018, this Court granted an Order in the nature of a Mareva injunction (the “**August 9th Order**”) which, among other things:

- (a) restrained the Defendants, save Shepherd RX, from dealing with their assets;
- (b) prohibited Sadek and Fam from leaving the jurisdiction;
- (c) required the Defendants to disclose certain information relating to their existing assets;
- (d) froze bank accounts at certain financial institutions and required those banks to disclose to AstraZeneca any and all records concerning the Defendants’ assets and accounts; and
- (e) granted Certificates of Pending Litigation over certain properties owned by the Defendants, as detailed below.

2.9 On August 17, 2018, the Court granted an additional Order (the “**August 17th Order**”) which, among other things, removed the Defendants’ entitlement to an amount for living and legal expenses if not already exercised, and confirmed that the August 9th Order otherwise remained in full force and effect.

2.10 The Court granted a further Order, on September 5, 2018 (the “**September 5th Order**” and, together with the August 9th Order and the August 17th Order, the “**Mareva Orders**”), which required certain additional financial institutions to freeze assets of the Defendants and to produce records concerning the Defendants’ assets and accounts to AstraZeneca. A copy of the Mareva Orders are attached hereto at **Appendix “F”**.

2.11 As at the date of this First Report, the Mareva Orders remain in full force and effect.

Receivership Proceedings

- 2.12 On application by AstraZeneca to the Court, Justice Dunphy issued the Appointment Order appointing A&M as the Receiver, without security, of all the assets, undertakings and properties of the Defendants, including all proceeds thereof to the extent that such assets, undertakings and properties are located in Canada (the “**Domestic Property**”).
- 2.13 In addition, the Appointment Order further empowers and authorizes the Receiver to act in respect of all of the assets, undertakings and properties of the Defendants located outside of Canada (the “**Foreign Property**” and together with the Domestic Property, the “**Property**”). The Appointment Order authorizes the Receiver to undertake any investigations deemed necessary by the Receiver with respect to the location and/or disposition of assets reasonably believed to be, or to have been, Foreign Property, including, without limitation, the transfer of any funds of the Defendants to any related party or unrelated parties.

3.0 AMENDMENT TO APPOINTMENT ORDER

- 3.1 Following its appointment, the Receiver realized that the Appointment Order inadvertently excluded certain powers that are typically granted to a Court-appointed receiver in these circumstances, namely, the power of the Receiver to cease to perform any contracts of any of the Defendants.
- 3.2 The Receiver is requesting that, consistent with the Commercial List Model National Receiver Order, the Court amend and restate the Appointment Order (the “**Amended and Restated Appointment Order**”) to provide the Receiver with the power to cease to perform any contracts of any of the Defendants, if deemed necessary by the Receiver.

4.0 RECEIVER'S ACTIVITIES TO DATE

4.1 On September 11, 2018, the Receiver commenced taking control of the Domestic Property.

The Receiver's activities since its appointment include, among other things, the following:

- (a) freezing the Defendants' known bank accounts and opening new trust bank accounts in the name of the Receiver;
- (b) liaising and coordinating with the banks who maintained the Defendants' bank accounts to: (i) transfer the Domestic Property to the Receiver's trust account; and (ii) provide account statements and other documentation relating to bank account activity;
- (c) conducting a preliminary review of the Defendants' bank records and transfer activity;
- (d) reviewing the books and records of the Defendants that have been located at certain of the Defendants' owned and leased properties;
- (e) securing the Domestic Property, including changing locks, arranging for security and disconnecting remote access to computer systems;
- (f) liaising with the Receiver's insurance brokers to arrange for appropriate insurance coverage for the Domestic Property;
- (g) liaising with the Ontario College of Pharmacists ("OCP") with respect to patient records and pharmaceuticals found at the Mississauga Property and the Pharmacy (as both are defined below);
- (h) preparing and coordinating the mailing of the Notice and Statement of Receiver required pursuant to subsections 245(1) and 246(1) of the *Bankruptcy and Insolvency Act* (Canada);

- (i) arranging for the Defendants' mail to be forwarded and directed to the Receiver;
- (j) registering a copy of the Appointment Order on title to the Domestic Property;
- (k) making enquiries with various parties with respect to certain Foreign Property as described in section 6.0 below;
- (l) meetings and correspondence with AstraZeneca's legal counsel, Blake Cassels & Graydon LLP ("**Blakes**"), with respect to receivership matters;
- (m) coordinating the development of and posting of relevant documents to the Case Website; and
- (n) responding to stakeholders and other enquiries.

4.2 Additional activities with respect to the Domestic Property as well as other matters are described in more detail below:

186 Main Street South, Brampton, Ontario (the "Pharmacy")

- 4.3 On September 10, 2018, prior to the Appointment Order being granted, A&M visited the Pharmacy premises to review whether there were any ongoing operations, if the property had been secured or released, and to attempt to find contact information for any persons that were associated with the property (i.e. the pharmacist, property manager or landlord).
- 4.4 The Receiver found that the Pharmacy premises had been vacated and that there appeared to be no active tenants. The signage posted on the entrance to the Pharmacy noted MD Health Pharmacy operations had been closed for business as of May 4, 2018, and that the closure was related to renovations and a change to management. Additional signage posted on the front entrance noted that certain of the medical doctors who operated out of the MD Health Clinic at the same location had vacated the premises on or about June 30, 2018. The Receiver found that the Pharmacy had been locked and secured and that there was no

indication of any forced entry. The Receiver understands that rent for the Pharmacy continued to be paid to the landlord through to the end of August 2018.

4.5 On September 11 and 12, 2018, the Receiver made a number of enquiries of the real estate agent listed to lease properties for the strip mall where the Pharmacy is located and the property manager for contact details for Allenby Gardens Home Corp. (the “**Pharmacy Landlord**”). On September 13, 2018, the Receiver was contacted by the Pharmacy Landlord with respect to the Appointment Order and to confirm that the property had been abandoned and that the tenant was in default of its September rent obligations. Over the subsequent week, the Receiver liaised with the Pharmacy Landlord and the OCP to coordinate efforts to enter the premises and remove items of interest to the Receiver and the OCP.

4.6 On September 25, 2018, the Receiver attended at the Pharmacy with personnel from the OCP, as well as a representative from Orion Group Properties Ltd. (the “**Property Manager**”), the property manager. The Receiver’s activities at the Pharmacy included, among other things, the following:

- (a) liaising with internal legal counsel for the Pharmacy Landlord regarding the current status of the premises, coordinating the transfer of pharmacy patient records and pharmaceuticals to the OCP, transferring the medical patient records and files to the medical doctors who previously worked at the clinic (the “**Medical Doctors**”), and terminating the lease agreement;
- (b) liaising with the Medical Doctors with respect to the retrieval of patient records and files that had been left onsite;

- (c) inspecting the current status of the property and ensuring it was secure and had been vacated by the tenants;
- (d) supervising and assisting the OCP with the packaging and removal of patient records;
- (e) conducting a visual inspection, including photographing the Pharmacy premises;
- (f) evaluating the value of chattels that had been located on the premises and determining that it was in the estate's best interest for the Receiver to abandon said chattels; and
- (g) removing and securing any books and records belonging to the Defendants that were located at the Pharmacy.

4.7 On October 2, 2018, the Pharmacy Landlord issued a notice of termination to St. Maharial Pharmacy Inc. and Sadek for non-payment of rent. Given that the Appointment Order requires the consent of the Receiver, or leave of the Court, the Receiver does not oppose the termination of the lease; particularly since the business is no longer operational and there does not appear to be any realizable value with respect to the residual assets abandoned at the premises.

2334 Hammond Road, Mississauga, Ontario (the "Mississauga Property")

4.8 On September 11, 2018, the Receiver secured the Mississauga Property and began preparing the property for sale. The Receiver's activities at this property included, among other things, the following:

- (a) securing the residence, including changing the locks, reprogramming the alarm system and engaging a third-party security monitoring company;

- (b) taking photographs and conducting a detailed inventory of the contents located at the property;
- (c) removing and securing prescription and non-prescription pharmaceuticals as well as pharmacy-related documentation such as patient records from the premises. In accordance with Paragraph 6A of the Appointment Order, arranging for the transfer of custody of these pharmaceuticals and records to the OCP;
- (d) reviewing the books and records relating to the Defendants located at the Mississauga Property;
- (e) arranging for all personal property to be consolidated, boxed and stored on the property;
- (f) arranging for appropriate insurance coverage with the Receiver's insurance broker;
- (g) contacting utility and service providers to ensure continuation of essential services necessary to facilitate a sale of the residence;
- (h) securing the three vehicles left at the premises;
- (i) attending the residence on a regular basis to inspect the premises and ensure the property is secure;
- (j) arranging for realtors to view the property for purposes of submitting listing proposals to sell the property, evaluating proposals received from the realtors and engaging a broker to list the property; and
- (k) registering a copy of the Appointment Order on title.

5045 Churchill Meadows Boulevard, Mississauga, Ontario (the "Mississauga Semi")

4.9 On September 11, 2018, the Receiver secured the Mississauga Semi. The Receiver's activities at this property included, among other things, the following:

- (a) providing the current tenants with a copy of the Appointment Order;
- (b) communicating with the tenants and reviewing the existing lease agreement entered into between the tenants and Fam;
- (c) conducting a visual inspection, including photographing the residence;
- (d) arranging for appropriate insurance coverage with the Receiver's insurance broker;
- (e) evaluating proposals received from realtors and engaging a broker to list the property; and
- (f) registering a copy of the Appointment Order on title.

The Georgetown Property

4.10 After attending at the Mississauga Property and reviewing certain documentation located therein, the Receiver identified a previously unknown property in Georgetown, Ontario, which had been purchased by Fam on July 19, 2018. The Georgetown Property was purchased for approximately \$905,000, a copy of the parcel register is attached hereto at **Appendix "G"**.

4.11 On September 21, 2018, the Receiver secured the Georgetown Property. The Receiver's activities at this property included, among other things, the following:

- (a) securing the residence, including changing locks and securing the windows;
- (b) arranging for appropriate insurance coverage with the Receiver's insurance broker;
- (c) conducting a visual inspection, including photographing the residence;

- (d) attending the residence on a regular basis to inspect the premises and ensure the property is secure;
- (e) communicating with the real estate broker engaged by Fam to sell the property (as described in more detail in Section 5.0 below);
- (f) reviewing the Georgetown Sale Agreement between Fam and the purchaser (as described in more detail in Section 5.0 below), including the amendments and waivers thereto;
- (g) communicating with the purchaser with respect to the Receiver's intention to close the transaction and obtain Court approval for the sale; and
- (h) registering a copy of the Appointment Order on title.

Georgetown Pre-Construction Property (the "Pre-Construction Property")

- 4.12 After reviewing certain documentation located at the Mississauga Property, the Receiver also identified that on August 28, 2017, Fam entered into an agreement of purchase and sale (the "**Pre-Construction APS**") for the purchase of a previously unknown pre-construction property located in Georgetown, Ontario (in addition to the Georgetown Property). The Receiver notes that on certain addendums, SRX has been noted as the purchaser and, as such, the Receiver is continuing to investigate the transaction and the documents executed in connection therewith. The scheduled closing date for this property is October 2019.
- 4.13 The Pre-Construction Property is part of a new home development being developed by Remington Georgetown Inc. ("**Remington**"). Upon discovery of the Pre-Construction APS, the Receiver contacted Remington and its legal counsel, Bratty and Partners, and requested that they provide the Receiver with an accounting of the funds being held by

Remington as deposits along with all documentation related to the proposed sale transaction. At that time, Remington confirmed to the Receiver that construction on the Pre-Construction Property has not yet begun and the schedule for commencement of construction was still pending.

- 4.14 Based on the accounting provided by Remington to the Receiver, to date, \$495,000 in deposits have been paid by the purchaser to Remington. In addition, approximately \$24,000 has been paid to Remington with respect to purchased extras. The Receiver and its legal counsel, Aird & Berlis LLP ("A&B"), are evaluating the Receiver's rights under the Pre-Construction APS and will continue to keep the Court apprised of any developments.

Secured Creditors

- 4.15 The following chart provides a summary of creditors that have registrations against the Defendants pursuant to the *Personal Property Security Act* (Ontario) ("PPSA") as at the date of the Appointment Order:

Defendant	Creditor	Registration	Security
<i>Sameh Sadek</i>	CWB Maxium Financial Inc.	Present and after-acquired property ("PAAP")	GSA, Share Pledge Agreement
	Maxium Financial Services Inc.	PAAP	GSA
<i>St. Maharial Pharmacy Inc. dba MD Health Pharmacy</i>	McKesson Canada Corporation	Inventory	
	Kohl & Frisch Limited	Inventory, equipment, accounts and other	
	Maxium Financial Services Inc.	PAAP	GSA, Assignment of Accounts
	Stuart Budd & Sons Ltd.	Consumer goods, motor vehicle	
	CWB Maxium Financial Inc.	PAAP	GSA, Assignment of Accounts
	MD Health Medical Centre (Brampton) Inc.	Inventory, equipment, accounts, other and motor vehicle	
<i>St. Maharial Clinic Inc.</i>	CWB Maxium Financial Inc.	PAAP	GSA, Assignment of Accounts
<i>SRX Investment Inc.</i>	None		
<i>Shepherd RX Pharmacy Inc.</i>	Stuart Budd & Sons Ltd.	Consumer goods, motor vehicle	
<i>Lillian Fam</i>	Maxium Financial Services Inc.	PAAP	

- 4.16 Copies of the certified PPSA search results with currency dates of October 4 and October 5, 2018 are attached hereto as **Appendix "H"**.
- 4.17 Of the secured creditors listed above, the Receiver, to date, has only received a response from representatives of CWB Maxium Financial Inc. (including its predecessor entity Maxium Financial Inc., "**CWB**") with respect to its loan arrangements with certain of the Defendants and the security packages related thereto.
- 4.18 While the security interests held by each of CWB (collectively, the "**Maxium Security**") appear to have been duly registered pursuant to the PPSA, the Receiver has not yet conducted a full review of the loan and security documents but has requested its legal counsel, A&B, to conduct such a review and report to the Receiver with an opinion as to the validity and enforceability of the Maxium Security prior to any distributions.

Canada Revenue Agency (Potential Priority Claims)

- 4.19 The Receiver understands that on September 17, 2018, Canada Revenue Agency ("**CRA**") issued a Requirement to Pay notice to TD with respect to St. Maharial's outstanding tax liability for unpaid source deductions. The amount owing by St. Maharial with respect to unremitted source deductions is approximately \$18,900. The Receiver has written to CRA to advise of the receivership proceedings and the stay of proceedings pursuant to the Appointment Order.
- 4.20 The Receiver understands from CRA that a number of St. Maharial's tax returns with respect to business income, GST/HST, and payroll source deductions have not been filed and are therefore outstanding. The Receiver is actively corresponding with CRA to obtain additional information with respect to the outstanding returns.

- 4.21 The Receiver also understands that CRA has sent a letter to Fam advising her that there is an outstanding GST/HST assessment against Shephard RX in the amount of \$184,340.14. CRA has put Fam on notice that as a director of the corporation she may be held personally liable for the corporation's failure to remit payment for the outstanding obligation.

Ms. Fam's Scheduling Appointment to Amend the Orders

- 4.22 On September 21, 2018, AstraZeneca's legal counsel was advised via email that Fam had retained O'Connor MacLeod Hanna LLP ("OCMH") to act as her legal counsel in connection with the Mareva Orders and these receivership proceedings. On October 2, 2018, OCMH submitted a hearing request form for a 9:30 a.m. appointment seeking to schedule a hearing to vary or set aside the Mareva Orders and certain provisions of the Appointment Order as they related to Fam.
- 4.23 On October 5, 2018, the Honourable Ms. Justice Chiappetta issued an endorsement denying leave to Fam and refusing to set a hearing date stating in Her Honour's endorsement that "...the Court is not prepared to schedule a hearing date for Ms. Fam to argue that the Aug 9, 2018 order should be varied unless and until she has complied with and brings herself in good standing with the Orders of Justice Dunphy...". A copy of the endorsement is attached as **Appendix "I"**.

5.0 REALIZATION EFFORTS

The Mississauga Property and the Mississauga Semi (collectively the “Mississauga Properties”) Sales Process (the “Mississauga Properties Sales Process”)

- 5.1 As part of the Receiver’s efforts to develop an asset realization plan, on September 17, 2018, the Receiver sent a request for proposals to seven real estate brokers for the listing and sale of the Mississauga Properties.
- 5.2 The Receiver received and evaluated each of the proposals received from the seven brokers based on the broker’s experience, sales strategy, commission pricing and marketing reach. The Receiver selected a broker from Re/Max Realtron Realty Inc. (the “**Mississauga Properties Broker**”) based on the competitive nature of the proposal and the broker’s experience.
- 5.3 The Receiver entered into listing agreements with the Mississauga Properties Broker on September 27, 2018.
- 5.4 The Mississauga Property was listed for sale on October 9, 2018. A copy of the property listing is attached hereto as **Appendix “J”**.
- 5.5 The Mississauga Semi is being prepared for listing and it is expected that it will be on the market in the near term.

Georgetown Property

- 5.6 As described above, the Receiver discovered that Fam owned the Georgetown Property. The Georgetown Property is a new-build residential home located in a new housing development in Georgetown, Ontario. The House is approximately 2,500 – 3,000 square feet with four bedrooms and four bathrooms, located on a 36 x 117 foot lot.
- 5.7 Further investigation by the Receiver uncovered that, at the direction of Fam, the Georgetown Property had been listed for sale by Intercity Realty Brokerage Inc. (the

“Georgetown Broker”). The Georgetown Broker provided the Receiver with a copy of: (i) a signed listing agreement dated August 28, 2018; (ii) copies of the property listing; and (iii) the Georgetown Sale Agreement. The Georgetown Sale Agreement was entered into on Fam’s behalf by Mr. Pierre Sadek, Fam’s power of attorney. The Transaction is currently scheduled to close on October 18, 2018. A copy of the Georgetown Sale Agreement is attached as Confidential Appendix “1”.

- 5.8 The Receiver, along with A&B, have reviewed the proposed Transaction and accompanying documents. Based on the current market for comparable homes in the Georgetown area and discussions with both the Georgetown Broker and the Mississauga Properties Broker, the purchase price contemplated in the Georgetown Sale Agreement represents a fair price for the Georgetown Property. The Receiver further believes that it is in the best interests of the Defendants’ stakeholders if the proposed Transaction closes and the net proceeds are delivered and held in trust by the Receiver.
- 5.9 The Receiver is requesting that the commercial terms of the Georgetown Sale Agreement and all appendices related to the Georgetown Sale Agreement be sealed until the completion of the Transaction. The Georgetown Sale Agreement and the appendices thereto contain confidential and commercially sensitive information that could prejudice the Defendants’ stakeholders, particularly if the Transaction does not close.
- 5.10 On October 6, 2018, A&B received an email from Mr. Zarb, the purchaser, advising it and the Receiver that the financing condition had not been waived by him and, as such, requested the return of the deposit currently being held in trust by the Georgetown Broker. Contrary to Mr. Zarb’s assertions regarding the waiver of the financing condition, the Receiver is in receipt of a signed waiver from the Mr. Zarb confirming this condition

was waived. The Receiver has responded to both Mr. Zarb and the Georgetown Broker accordingly, including reserving its rights and remedies under the Georgetown Sale Agreement in the event that Mr. Zarb fails to close the Transaction in accordance with the terms of the Georgetown Sale Agreement.

- 5.11 The Receiver is hopeful that the Transaction will proceed as scheduled and will continue to discuss same with the purchaser and Georgetown Broker.

6.0 FOREIGN PROPERTY

Aruba Condominiums

- 6.1 After reviewing certain documentation located at the Mississauga Property, the Receiver also identified certain documentation that indicated Sadek had entered into agreements of purchase and sale for two pre-construction condominiums located in Aruba. The condominiums (“Unit #413” and “Unit #505”) are both located in the Bay Harbour complex, which is being developed by Poundwise Investments & Developments VBA (the “Developer”). The Bay Harbour complex is scheduled to be completed in 2020.
- 6.2 The agreement of purchase and sale for Unit #413 (the “413-APS”) listed the purchase price for the unit at USD \$241,180. The 413-APS is dated June 27, 2018. Based on a review of the Defendants’ banking records and documentation found, it is believed that the entire purchase price has been paid as a deposit on the property to the developer.
- 6.3 The agreement of purchase and sale for Unit #505 (the “515-APS”) listed the purchase price for the unit at USD \$584,054. The 515-APS is dated June 27, 2018. Based on a review of the Defendants’ banking records and documentation found, it is believed that USD \$453,040 has been paid in deposits, with a further USD \$131,013 due on closing.
- 6.4 On September 19, 2018, counsel to the Receiver wrote to the Developer and its legal counsel to inform them of the Receivership Proceedings and to request that no actions be taken with respect to the units or agreements without advance written notice to the Receiver. A copy of the correspondence is attached as **Appendix “K”**.
- 6.5 As at the date of this First Report, the Receiver has not received any response from any party with respect to this Foreign Property.

Egyptian Bank Accounts

- 6.6 The Receiver was advised that Sadek held a bank account in Egypt with HSBC Bank Egypt (“**HSBC Egypt**”). The Receiver is also aware of wire transfers made from SRX’s Canadian bank accounts to Sadek’s HSBC Egypt account (the “**Sadek Account**”). On September 28, 2018, A&B sent a letter to HSBC Egypt requesting all details of the Sadek Account be provided to the Receiver along with any additional information related to accounts registered to any of the Defendants at HSBC Egypt.
- 6.7 As at the date of this First Report, the Receiver has not received any formal response from HSBC Egypt with respect to the Sadek Account or any of the additional information requested.

Other

- 6.8 The Receiver is continuing to investigate and make enquiries with respect to other Foreign Property that may be in possession of the Defendants. The Receiver will report to the Court as the investigations evolve and further information becomes available.

7.0 DS TD BANK ACCOUNT

- 7.1 Pursuant to paragraph 40 of the Appointment Order, TD was ordered to freeze and prevent any removal or transfer of monies or assets held in any account #1579-6XXXX27 (the “**DS Account**”), until further Order of the Court. Paragraph 41 ordered that TD was to disclose and deliver up to the Receiver and AstraZeneca any and all records held by it concerning the DS Account.
- 7.2 On September 11, 2018, the Receiver wrote to TD advising them of the Appointment Order, and requested that the accounts be frozen and all information with respect to the accounts be delivered to the Receiver.
- 7.3 TD subsequently provided the Receiver with the account statements for the DS Account. The DS Account was opened on June 5, 2018. The account activity from June 5, 2018 to August 7, 2018 is not irregular and the account balance is maintained at or below \$500. On August 9, 2018, the date of the August 9th Order, the DS Account received 36 transfers totalling \$176,145.00 from two SRX bank accounts #5XXXX27 and #5XXXX62 (these transfers are marked as ‘TFR-TO SON’ in the SRX accounts), bringing the balance in the account on August 9, 2018 to \$176,207.11.
- 7.4 Between August 13, 2018, and September 5, 2018, \$35,449.22 was withdrawn from the account leaving a remaining balance of \$140,757.89 in the account. A redacted copy of the DS Bank Account is attached hereto as **Appendix “L”**.
- 7.5 The Receiver recommends that the funds held in the DS Account should be deemed to be Domestic Property, as such term is defined in the Appointment Order, and be transferred to the Receiver to be held in trust.

8.0 BM RETAINER FUNDS HELD IN TRUST (THE "BM FUNDS")

- 8.1 On August 8, 2018, SRX paid a retainer in the amount of \$150,000 (the "**Retainer Funds**") to BM in connection with their representation of certain of the Defendants in the Mareva Proceedings. The Retainer Funds are currently subject to a freezing order, as outlined in the Mareva Orders.
- 8.2 BM has advised the Receiver that outstanding invoices related to the representation described above totaled \$96,798.05.
- 8.3 The Receiver is requesting that the Court direct the immediate release of \$53,201.95 of Retainer Funds to the Receiver, which represents the balance of the Retainer Funds, as advised by BM.
- 8.4 The Receiver has reserved the right and intends to review the invoices rendered by BM to confirm that no further amounts of the Retainer Funds should be paid to the Receiver over and above \$53,201.95.

9.0 RECEIVER'S RECEIPTS AND DISBURSEMENTS

9.1 A summary of the Receiver's receipts and disbursements from September 11, 2018 to October 4, 2018 is set out below:

ST. MAHARIAL PHARMACY INC. ET AL	
Receiver's Summary Receipts and Disbursements Schedule	
For the period September 11 to October 4, 2018	
RECEIPTS:	
Company/Individual Funds	\$620,884.36
Deposit Interest	32.07
Total Receipts	\$620,916.43
DISBURSEMENTS:	
Maintenance / Housewares	\$3,350.40
Home insurance	2,401.72
Security	1,865.85
HST paid	689.29
Bank charges	140.95
Total Disbursements	\$8,448.21
Net Account Balance	\$612,468.22

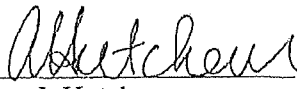
9.2 To date, the Receiver has collected funds from the Defendants' accounts that were held at TD, Simplii Financial and HSBC Bank Canada.

10.0 SUMMARY COMMENTS AND RECOMMENDATIONS

10.1 Based on the foregoing, the Receiver respectfully recommends that the Court make an order granting the relief sought in the Receiver's Notice of Motion and detailed in Section 1.3 of this First Report.

All of which is respectfully submitted this 9th day of October, 2018.

**Alvarez & Marsal Canada Inc., solely in its capacity as
Court-appointed Receiver of Sameh Sadek also known as Sam Sadek, St. Maharial
Pharmacy Inc. dba MD Health Pharmacy, St. Maharial Clinic Inc., SRX Investment Inc.,
Shepherd RX Pharmacy Inc. and Lilian Fam,
and not in its personal capacity**


Per: Alan J. Hutchens
Senior Vice-President

APPENDIX “B”

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE
MR. JUSTICE HAINEY

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WEDNESDAY, THE 17TH
DAY OF APRIL, 2019

BETWEEN:



ASTRAZENECA CANADA INC.

Plaintiff

and

SAMEH SADEK also known as Sam Sadek, ST. MAHARIAL PHARMACY INC.
DBA MD HEALTH PHARMACY, ST. MAHARIAL CLINIC INC., SRX
INVESTMENT INC., SHEPHERD RX PHARMACY INC. and LILIAN FAM

Defendants

ORDER

THIS MOTION, made by the Defendant, Lilian Fam, for an order setting aside the noting in default of Lilian Fam ("**Ms. Fam**"), varying the orders of Justice Dunphy dated August 9, 17 and September 5, 2018 (the "**Mareva Orders**"), and the Orders of Justice Dunphy and Justice McEwen, respectively, dated September 11 and October 17, 2018 (the "**Receivership Orders**") and related relief, was heard this day at the court house, 330 University Avenue, 8th Floor, Toronto, Ontario, M5G 1R7.

ON READING the Affidavit of Lilian Fam dated February 28, 2019, and the Responding Motion Record of the Plaintiff dated April 3, 2019, and upon being advised of the consent of Ms. Fam, the Plaintiff and the Receiver, Judgment having been rendered against all other defendants,

1. **THIS COURT ORDERS** that the noting in default dated August 29, 2018, is hereby set aside as against only the defendant Lilian Fam.

2. **THIS COURT ORDERS** that Ms. Fam shall serve and file a Statement of Defence by no later than May 2, 2019.

3. **THIS COURT ORDERS** that, subject to paragraphs 4, 5, 7, 8 and 9 of this Order, the Receivership Orders, the Mareva Orders and the Claims Procedure Order of Hainey J. dated March 1, 2019, otherwise remain in full force and effect.

4. **THIS COURT ORDERS** that Ms. Fam is hereby permitted to open a bank account at a Canadian registered bank into which she may deposit employment income and government benefit cheques going forward from the date of this Order (the "**Fam Account**").

5. **THIS COURT ORDERS** that Ms. Fam shall provide monthly statements for the Fam Account to the Receiver and counsel to the Plaintiff within two (2) business days of month end.

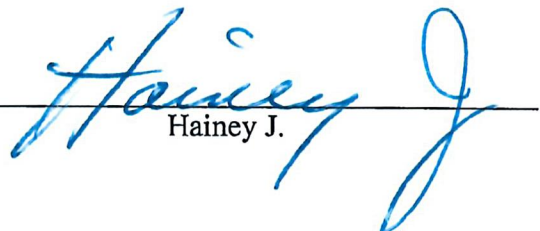
6. **THIS COURT ORDERS AND DECLARES** that Ms. Fam has admitted that she has no interest in or claim to the proceeds of the assets seized by the Receiver set out in **Schedule "A"** hereto, and that Ms. Fam shall not take a contrary position in the ongoing Claims Procedure. The admission of Ms. Fam is without prejudice to the claims of the Plaintiff and any other creditors to claim the proceeds of other assets not so admitted by Ms. Fam herein.

7. **THIS COURT ORDERS** that Ms. Fam is permitted to spend up to \$5,000.00 per month for ordinary expenses from the Fam Account, provided that Ms. Fam shall be permitted to spend in excess of \$5,000.00 per month with the prior written consent of the Receiver and the Plaintiff, acting reasonably.

8. **THIS COURT ORDERS AND DIRECTS** the Receiver to release or deposit a single, lump-sum payment of \$20,000.00 to the Fam Account following confirmation of the establishment of same pursuant to paragraph 4 above.

9. **THIS COURT ORDERS** that paragraphs 10 and 11 of Justice Dunphy's Order of August 9, 2018, are deleted with respect to Lilian Fam only, and that Ms. Fam may retrieve her passports from the Superior Court Registrar.

10. **THIS COURT ORDERS** that costs of this Motion shall be in the cause.


Hailey J.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

APR 25 2019

PER / PAR: 

Schedule "A"

Assets collected by the Receiver which Ms. Fam has admitted she has no interest in or claim to.

Asset	Book Value	Realization Amount
Proceeds of Fam accounts at HSBC Bank bearing account numbers: CAHKBC082--150; CAHKBC082--203; and CAHKBC082-550	\$473,184	\$473,184
5045 Churchill Meadows Boulevard, Mississauga, Ontario (the " Churchill Meadows Property ")	Listing Amount: \$789,900	The purchase price set out in the agreement of purchase and sale for the Churchill Meadows Property (the " Churchill APS ") is subject to a sealing order by the Court. <i>Ms. Fam only admits no interest or claim to \$300,000.00 in relation to this property.</i>
8 Calico Court, Georgetown, Ontario	Listing Amount: \$1,079,000	\$1,000,000 (excl. commission and other costs)
2018 Land Rover, VIN SALYM2RVXJA729788	\$25,000	\$71,000
2015 Mini Cooper, VIN WMWX S 5 C53 FT830733	\$19,200	\$10,500
Georgetown Pre-Construction Property	\$519,000	\$350,044



APPENDIX “C”

AIRD BERLIS

Ian Aversa
Direct: 416.865.3082
Email: iaversa@airdberlis.com

October 4, 2018

BY EMAIL (lbrzezinski@blaney.com)

WITH PREJUDICE

BLANEY MCMURTRY LLP

2 Queen Street East, Suite 1500
Toronto, ON M5C 3G5

Attention: Lou Brzezinski

Dear Mr. Brzezinski:

Re: **Receivership of Sameh Sadek also known as Sam Sadek, St. Maharial Pharmacy Inc. dba MD Health Pharmacy, St. Maharial Clinic Inc., SRX Investment Inc., Shepherd RX Pharmacy Inc. and Lillian Fam (collectively, the "Defendants" and, individually, a "Defendant")**
(Court File No. CV-18-602745-00CL)

As you are aware, we are the lawyers for Alvarez & Marsal Canada Inc. ("A&M"), in its capacity as the court-appointed receiver (in such capacity, the "**Receiver**") of the assets, undertakings and properties of the Defendants. As you are also aware, A&M was appointed as the Receiver pursuant to the Order of the Honourable Mr. Justice Dunphy of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") made on September 11, 2018 (the "**Appointment Order**").

We write in response to: (i) your letter to us dated September 24, 2018, a copy of which is enclosed; (ii) your without prejudice letter to us dated October 3, 2018 (the "**October 3rd Letter**"); and (iii) our without prejudice telephone conversation on October 3, 2018. Thank you for providing us with the documents enclosed with the October 3rd Letter and, subsequently, redacted copies of certain invoices rendered by your firm that were referenced in those documents, which you delivered to us on a without prejudice basis today.

As you are aware, the Appointment Order empowers and authorizes the Receiver to, amongst other things, "*take possession of and exercise control over the Domestic Property (as defined in the Appointment Order) and any and all proceeds, receipts and disbursements arising out of or from the Domestic Property*" and "*receive and collect all monies and accounts now owed or hereafter owing to the [Defendants] and to exercise all remedies of the [Defendants] in collecting such monies*", which the Receiver believes includes the \$150,000 retainer funds (the "**Retainer Funds**") that we understand your firm received from SRX Investments Inc. on August 8, 2018, and which you have advised us were delivered in connection with your representation of St. Maharial Pharmacy Inc., a Defendant, in the *Mareva* application brought by AstraZeneca Canada Inc. (the "**Mareva Proceedings**") and an earlier application brought by ESI Canada (the "**ESI Proceedings**" and, together with the *Mareva Proceedings*, the "**AstraZeneca Proceedings**").

As you noted in the October 3rd Letter, the Retainer Funds are currently subject to a freezing order, being the *Mareva* Order and corresponding Endorsement issued by Justice Dunphy in the *Mareva* Proceedings (collectively, the "**Mareva Order**"). We understand that it is your position that, because the Retainer Funds were delivered in connection with services rendered or to be rendered by your firm with respect to the AstraZeneca Proceedings, you should be permitted to apply the Retainer Funds against certain outstanding invoices rendered by your firm with respect to your representation of St. Maharial Pharmacy Inc. in the AstraZeneca Proceedings, which outstanding invoices you have advised us total \$96,798.05.

Please be advised that, in light of the Appointment Order, the Receiver intends to request at an upcoming hearing currently scheduled for October 17, 2018 that the Court direct the immediate release of \$53,201.95 of the Retainer Funds to the Receiver, which represents what you have advised us is the 'balance' of the Retainer Funds over and above what is purportedly outstanding to your firm on account of services rendered.

The Receiver also intends to review the invoices rendered by your firm that you delivered to us on a without prejudice basis to determine whether any further amounts of the Retainer Funds should be paid to the Receiver in addition to \$53,201.95, and the Receiver reserves any and all of its rights and remedies under the Appointment Order and at law in that regard. In the interim, we trust that the Retainer Funds will remain frozen pursuant to the *Mareva* Order.

We trust the above is satisfactory and thank you in advance for your attention and cooperation. Should you wish to discuss any of the foregoing, please contact the undersigned.

Yours truly,

AIRD & BERLIS LLP

Ian Aversa

IA/sj

cc: Greg Karpel and Al Hutchens, Alvarez & Marsal Canada Inc.
cc: Kyle Plunkett and Shakaira John, Aird & Berlis LLP

Encl.

33875855.4

AIRD BERLIS



Blaney McMurtry LLP | Lawyers
2 Queen Street East | Suite 1500
Toronto, Ontario M5C 3G5

Ⓣ 416-593-1221

Ⓜ Blaney.com

Lou Brzezinski
D: 416-593-2952 F: 416-594-5084
lbrzezinski@blaney.com

September 24, 2018

BY EMAIL

Ian Aversa
Aird & Berlis LLP
Barristers and Solicitors
Suite 1800 - 181 Bay Street
Toronto, ON M5J 2T9

Dear Mr. Aversa:

Re: Astrazeneca v. Sameh Sadek et al
Court File No. CV-18-602745-00-CL

Our firm was retained by the defendants to appear on their behalf on August 10, 2017, with respect to a motion brought by Astrazeneca for a *Mareva* injunction. At that time, Mr. Justice Dunphy granted the *Mareva* injunction, but directed that it would only be for ten days, and there would be a comeback on August 17, 2018.

As a result of the granting of the *Mareva* injunction, all of the assets, property and funds belonging to the defendants were frozen. This included the funds (C\$150,000.00) we received from the defendants for the purposes of paying outstanding accounts and as an ongoing retainer.

Because the *Mareva* essentially froze the funds we had received in our trust account, we held them in suspension pending the return of the motion on August 17, 2018.

At that time, we appeared before Mr. Justice Dunphy to obtain a direction to be able to disclose the amount of our retainer to counsel for Astrazeneca and to advise the court that we were holding the retainer funds received from the defendants in trust. At our appearance, we asked that we be allowed to use the funds to pay for our outstanding accounts up until that date.

Mr. Justice Dunphy agreed that the funds could be used, provided that the balance would be frozen. Enclosed is a copy of His Honour's endorsement for the record.

Subsequent to that hearing, I met with Seumus Woods, counsel for Astrazeneca, to advise him of the amount of our retainer and the approximate amount of money that was used in accordance the endorsement of Mr. Justice Dunphy.

In this regard, we enclose our accounting with respect to the funds received and their application up until August 17, 2018.

It is our position, however, that because of the specific endorsement of Justice Dunphy, the funds are to remain frozen in our account. We would be pleased to assist you in any way we can to address this matter, but until we have a court order setting aside the freezing order of Justice Dunphy, we are obliged to keep the funds frozen.

Yours very truly,

Blaney McMurtry LLP

A handwritten signature in cursive script, appearing to read "Lou Brzezinski".

Lou Brzezinski

LB/jb
Encls.

COUNSEL SLIP

Court File No. CW-18-602745-0001

Date: Aug 17th 2018

No. On List 6

@ 10 am

Title of Proceeding Astrazeneca Canada Inc

- v -
Sadek

Counsel for:

Plaintiff(s) ☒
Applicant(s) ☐
Petitioner(s) ☐

Seumers Woods (416) 863-3876

Erin Hault (416) 863-4011

Phone No. _____

seumers.woods@blakes.com
erin.hault@blakes.com

Fax No. 416 863-2853

Counsel for:

Defendant(s) ☐
Respondent(s) ☐

Phone No. _____

Fax No. _____

Related Party (ESI Canada Inc.)

Libby Nixon (416) 869-6835

lnixon@stikeman.com

L. Brzezinski, A. Teodorescu (T) 416-593-2952

Blaney McMurtry LLP (F) 416-594-5084

S.F. OUNPATY J

17 Aug 2018

It would appear that the individual defendants have gone into hiding or left the country. My Aug 9 order was validly served on counsel on their behalf in court although such counsel's retainer was limited to

appearing on the motion.

My Aug 9 order remains in force.
I have signed an order validating
serv. it and providing prospective
job service via email. Para 3A
if any order is deleted effective
today.

Blaney Mc Murty shall hold
in trust and frozen per my Aug 9
order whatever balance of their
retainer has not been used
(and shall report same to pt.). The
balance will be dealt w/ in due course.
Blaney are not on the record generally
and no motion removing them is
required. Costs of today reserved. Pt.
may schedule a further 9:30 when there
are developments warranting it (or ~~submit~~^{for} def. judge).
L. D.

SADEK ATS ASTRAZENECA

TRUST LEDGER

Date	Description	Debit	Credit
August 8, 2018	Received retainer from Sadek		\$150,000.00
August 17, 2018	Paid to Blaney McMurtry LLP for:		
	INV 635657 (remaining balance)		
	Work from April 13, 2018 to May 30, 2018	\$ 3,225.54	
	INV 638211		
	Work from June 6, 2018 to June 28, 2018	35,718.60	
	INV 640046		
	Work from July 6, 2018 to August 17, 2018	16,853.25	
September 7, 2018	Paid to Blaney McMurtry LLP for:		
	INV 641666		
	Work from July 3, 2018 to August 7, 2018	5,563.86	
September 11, 2018	Paid to Blaney McMurtry for:		
	INV 641652		
	Work from July 6, 2018 to August 17, 2018	35,436.80	
September 21, 2018	Balance in trust	<u>53,201.95</u>	
Total:		\$150,000.00	\$150,000.00

APPENDIX “D”

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE _____

JUSTICE

HAINES

)
)
)

FRIDAY, THE 1ST DAY

OF MARCH, 2019

B E T W E E N:

ASTRAZENECA CANADA INC.

Plaintiff

- and -

**SAMEH SADEK also known as SAM SADEK,
ST. MAHARIAL PHARMACY INC. dba MD HEALTH PHARMACY,
ST. MAHARIAL CLINIC INC., SRX INVESTMENT INC.,
SHEPHERD RX PHARMACY INC. and LILIAN FAM**

Defendants

CLAIMS PROCEDURE ORDER

THIS MOTION, made by Alvarez & Marsal Canada Inc. (“A&M”), in its capacity as the Court-appointed receiver (in such capacity, the “**Receiver**”), without security, of all the assets, undertakings and properties of Sameh Sadek (also known as Sam Sadek), St. Maharial Pharmacy Inc. dba MD Health Pharmacy, St. Maharial Clinic Inc., SRX Investment Inc., Shepherd RX Pharmacy Inc. and Lilian Fam (collectively, the “**Defendants**”), for an order approving a procedure for the determination and resolution of claims filed against the Defendants and authorizing the Receiver to administer the claims procedure in accordance with its terms, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Motion Record of the Receiver, including the Third Report of the Receiver dated February 13, 2019 (the “**Third Report**”), and on hearing the submissions of counsel for the Receiver and all other parties listed on the Counsel Slip, and no one appearing for any other person on the service list, although duly served as appears from the affidavit of service of Paula Hoosain sworn February 13, 2019, filed,

SERVICE

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

DEFINITIONS

2. **THIS COURT ORDERS** that for the purposes of this Order, the following terms shall have the following meanings:

- (a) “**Appointment Date**” means September 11, 2018;
- (b) “**Appointment Order**” means the Order made by the Honourable Justice Dunphy dated September 11, 2018, as amended and restated by the Order made by the Honourable Justice McEwen dated October 17, 2018, in the Receivership Proceedings;
- (c) “**Business Day**” means a day, other than a Saturday, Sunday or a statutory holiday, on which banks are generally open for business in Toronto, Ontario;
- (d) “**Claim**” means any right of any Person against any of the Defendants in connection with any indebtedness, liability or obligation of any kind of any of the Defendants, whether liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known or unknown, by guarantee, surety or otherwise and whether or not such right is executory in nature, including the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future that could

be asserted by way of set-off, counterclaim or otherwise, which indebtedness, liability or obligation is based in whole or in part on facts existing on or prior to the date of this Order or which would have been claims provable in bankruptcy had the Defendants, as the case may be, become bankrupt on the date of this Order, including, for the avoidance of doubt, any Claim arising on or after the Appointment Date prior to the date of this Order (each, a “**Creditor Claim**” and, collectively, the “**Creditor Claims**”); provided, however, that “**Claim**” shall not include an Excluded Claim.

- (e) “**Claims Bar Date**” means 5:00 p.m. (Toronto time) on **April 15, 2019**, or any later date ordered by the Court;
- (f) “**Claims Package**” means a package of information to be provided by the Receiver, which package shall include a copy of this Order without attachments, an Instruction Letter, a Proof of Claim and such other materials as the Receiver may consider appropriate or desirable;
- (g) “**Claims Procedure**” means the procedures outlined in this Order, including the Schedules;
- (h) “**Claims Procedure Order**” means this Order;
- (i) “**Court**” means the Ontario Superior Court of Justice (Commercial List);
- (j) “**Creditor**” means any Person having a Claim;
- (k) “**Excluded Claim**” means any claim secured by the Receiver’s Charge or the Borrowing Charge (both as defined in the Appointment Order), and any claim by Sameh Sadek (also known as Sam Sadek) against any of the Defendants;
- (l) “**Instruction Letter**” means a letter to Creditors regarding the Claims Procedure containing instructions regarding the completion and return of a Proof of Claim, substantially in the form attached as **Schedule “B”** hereto;
- (m) “**Known Creditors**” means:

- (i) those Creditors which the books and records of the Defendants disclose were owed monies by the Defendants as of the date of this Order and which monies remain unpaid in whole or in part;
 - (ii) any Person which commenced a legal proceeding against any of the Defendants which legal proceeding was commenced and served upon any of the Defendants prior to the Appointment Date;
 - (iii) any Person which is party to a lease, contract, employment agreement or other agreement of any of the Defendants which was terminated or disclaimed by any of the Defendants; and
 - (iv) any other Creditor actually known to the Receiver as of the date of this Order;
- (n) **"Notice of Dispute"** means a notice delivered to the Receiver by a Creditor disputing a Notice of Revision or Disallowance, which notice shall be substantially in the form attached hereto as **Schedule "E"** and shall set out the reasons for the dispute;
- (o) **"Notice of Revision or Disallowance"** means a notice informing a Creditor that the Receiver has revised or disallowed all or any part of such Creditor's Claim, which notice shall be substantially in the form attached hereto as **Schedule "D"** and shall set out the reasons for such revision and/or disallowance;
- (p) **"Notice to Creditors"** means the notice publicizing this Claims Procedure to be published in accordance with this Order, substantially in the form of the notice attached as **Schedule "A"**;
- (q) **"Person"** means any individual, general or limited partnership, firm, association, joint venture, trust, entity, corporation, limited or unlimited liability company, unincorporated organization, trade union, pension plan administrator, pension plan regulator, governmental authority or agency, employee or other association, or any other juridical entity howsoever designated or constituted;

- (r) **“Proof of Claim”** means the form of Proof of Claim to be completed and filed by a Creditor setting forth its purported Claim, substantially in the form attached as **Schedule “C”**;
- (s) **“Proven Claim”** means the amount and classification of any Creditor’s Claim as finally determined in accordance with this Claims Procedure;
- (t) **“Receivership Proceedings”** means, collectively, the receivership proceedings commenced in respect of the Defendants pursuant to the Appointment Order; and
- (u) **“Receiver’s Website”** means www.alvarezandmarsal.com/mdhealth.

NOTICE TO CREDITORS AND OTHERS

3. THIS COURT ORDERS that:

- (a) the Receiver shall, no later than two (2) Business Days following the making of this Order, post a copy of this Order (together with all Schedules) on the Receiver’s Website;
- (b) the Receiver shall send to each of the Known Creditors (in each case, for which it has an address) a copy of the Claims Package by March 8, 2019;
- (c) the Receiver shall, no later than March 8, 2019, cause to be published the Notice to Creditors in *The Globe and Mail, National Edition*; and
- (d) the Receiver shall, provided such request is received prior to the Claims Bar Date, deliver as soon as reasonably possible following receipt of a request therefore a copy of the Claims Package to any Person claiming to be a Creditor and requesting such material.

PROOFS OF CLAIM

4. THIS COURT ORDERS that all Creditors shall file with the Receiver a Proof of Claim within the time periods herein stipulated.

DEADLINE FOR FILING PROOF OF CLAIM

5. **THIS COURT ORDERS** that all Proofs of Claim, together with supporting documentation in respect of such Claim, must be filed with the Receiver by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission, so that such Proof of Claim is received by the Receiver by no later than the Claims Bar Date.

6. **THIS COURT ORDERS** that any Creditor that does not file a Proof of Claim, together with supporting documentation in respect of such Claim,

- (a) shall be and is hereby forever barred from asserting or enforcing any Claim against any of the Defendants in connection with the Receivership Proceedings;
- (b) shall not be entitled to receive any distributions from any of the Defendants' estates; and
- (c) shall not be entitled to any further notice in, and shall not be entitled to participate as a creditor in, the Receivership Proceedings.

DETERMINATION OF CLAIMS AGAINST THE DEFENDANTS

7. **THIS COURT ORDERS** that the Receiver shall review all Proofs of Claim filed on or before the Claims Bar Date and may accept, revise or disallow (in whole or in part) the amount and/or status of a Claim set out in any Proof of Claim. If the Receiver determines to revise or disallow a Claim, the Receiver shall send a Notice of Revision or Disallowance to the Creditor. At any time, the Receiver may request additional information with respect to any Claim, and may request that the Creditor file a revised Proof of Claim.

8. **THIS COURT ORDERS** that the Receiver may attempt to consensually resolve the classification and amount of any Claim with the Creditor prior to accepting, revising or disallowing such Claim.

9. **THIS COURT ORDERS** that where a Proof of Claim has been revised or disallowed (in whole or in part) by a Notice of Revision or Disallowance, the revised or disallowed portion of that Claim shall not establish a Proven Claim unless the Creditor has disputed the revision or

disallowance and proven the revised or disallowed Claim (or portion thereof) in accordance with paragraphs 12-14 of this Order.

NOTICES OF DISPUTE

10. **THIS COURT ORDERS** that if a Creditor disputes the Notice of Revision or Disallowance and intends to contest the Notice of Revision or Disallowance then such Creditor shall deliver a Notice of Dispute by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission so that such Notice of Dispute is received by the Receiver by no later than 5:00 p.m. (Toronto time) on the Business Day which is fourteen (14) days after delivery of the Notice of Revision or Disallowance or such later date as the Receiver may agree in writing or the Court may order. The filing of a Notice of Dispute with the Receiver within the time limited therefore shall constitute an application to have the amount or status of such Claim determined as set out in paragraphs 12-14 hereof.

11. **THIS COURT ORDERS** that where a Creditor that receives a Notice of Revision or Disallowance fails to file a Notice of Dispute with the Receiver within the time limited therefore, the amount and status of such Creditor's Claim shall be deemed to be as set out in the Notice of Revision or Disallowance and such amount and status, if any, shall constitute such Creditor's Proven Claim.

RESOLUTION OF CLAIMS

12. **THIS COURT ORDERS** that as soon as practicable after the delivery of the Notice of Dispute to the Receiver, the Receiver may:

- (a) attempt to consensually resolve the classification and amount of the Claim with the Creditor; and/or
- (b) schedule an appointment with the Court for the purpose of scheduling a motion to have the classification and/or amount of the Claim determined by the Court, and at such motion the Creditor shall be deemed to be the applicant and the Receiver shall be deemed to be the respondent.

13. **THIS COURT ORDERS** that notwithstanding the other provisions of this Order, the Receiver may make a motion to the Court for a final determination of a Claim at any time, whether or not a Notice of Revision or Disallowance has been sent by the Receiver.

14. **THIS COURT ORDERS** that in the event that the dispute between the Creditor and the Receiver is not settled within a time period or in a manner satisfactory to the Receiver or the Creditor, the Receiver or the Creditor may make a motion to the Court for the final determination of the Creditor's Claim.

ADEQUACY OF INFORMATION/CURRENCY

15. **THIS COURT ORDERS** that:

- (a) the Receiver may, where it is satisfied that a Claim has been adequately proven, waive strict compliance with the requirements of this Order as to completion and execution of Proofs of Claim; and
- (b) any Creditor Claims denominated in a currency other than Canadian dollars shall, for the purposes of this Order, be converted to, and constitute obligations in, Canadian dollars, such calculation to be effected by the Receiver using the Bank of Canada Daily Exchange Rate on September 11, 2018.

NOTICE OF TRANSFEREES

16. **THIS COURT ORDERS** that the Receiver shall not be obligated to give notice to or otherwise deal with a transferee or assignee of a Claim as the Creditor in respect thereof unless:

- (a) actual written notice of transfer or assignment, together with satisfactory evidence of such transfer or assignment, shall have been received by the Receiver; and
- (b) the Receiver shall have acknowledged in writing such transfer or assignment, and thereafter such transferee or assignee shall for the purposes hereof constitute the "Creditor" in respect of such Claim.

Any such transferee or assignee of a Claim, and such Claim, shall be bound by any notices given or steps taken in respect of such Claim in accordance with this Order prior to the written acknowledgement by the Receiver of such transfer or assignment.

17. **THIS COURT ORDERS** that if the holder of a Claim has transferred or assigned the whole of such Claim to more than one Person or part of such Claim to another Person or Persons, such transfer or assignment shall not create a separate Claim or Claims and such Claim shall continue to constitute and be dealt with as a single Claim notwithstanding such transfer or assignment, and the Receiver shall in each such case not be bound to acknowledge or recognize any such transfer or assignment and shall be entitled to give notices to and to otherwise deal with such Claim only as a whole and then only to and with the Person last holding such Claim in whole as the Creditor in respect of such Claim. Provided that a transfer or assignment of the Claim has taken place in accordance with paragraph 16 of this Order and the Receiver has acknowledged in writing such transfer or assignment, the person last holding such Claim in whole as the Creditor in respect of such Claim may by notice in writing to the Receiver direct that subsequent dealings in respect of such Claim, but only as a whole, shall be with a specified Person and, in such event, such Creditor, such transferee or assignee of the Claim and the whole of such Claim shall be bound by any notices given or steps taken in respect of such Claim by or with respect to such Person in accordance with this Order.

18. **THIS COURT ORDERS** that the Receiver is under no obligation to give notice to any Person other than the Creditor holding the Claim and shall, without limitation, have no obligation to give notice to any Person holding a security interest, lien, or charge in, or a pledge or assignment by way of security in, a Claim.

19. **THIS COURT ORDERS** that the transferee or assignee of any Claim:

- (a) shall take the Claim subject to the rights and obligations of the transferor/assignor of the Claim, and subject to the rights of any of the Defendants against any such transferor or assignor, including any rights of set-off which any Defendants had against such transferor or assignor, and

- (b) cannot use any transferred or assigned claim to reduce any amount owing by the transferee or assignee to any of the Defendants, whether by way of set-off, application, merger, consolidation or otherwise.

PROTECTIONS FOR RECEIVER

20. **THIS COURT ORDERS** that in carrying out the terms of this Order:

- (a) the Receiver shall have all of the protections given to it by the Appointment Order or as an officer of this Court, including the stay of proceedings in its favour;
- (b) the Receiver shall incur no liability or obligation as a result of the carrying out of the provisions of this Order;
- (c) the Receiver shall be entitled but not obligated to rely on the Defendants' books and records, as applicable, and any information provided by the Defendants, all without independent investigation; and
- (d) the Receiver shall not be liable for any claims or damages resulting from any errors or omissions in such books or records.

DIRECTIONS

21. **THIS COURT ORDERS** that the Receiver may, at any time, and with such notice as this Court may require, seek directions from this Court with respect to this Order, the Claims Procedure set out herein and the forms attached as Schedules hereto, including with respect to the appointment of a claims officer if the Receiver deems it necessary or appropriate.

SERVICE AND NOTICE

22. **THIS COURT ORDERS** that the Receiver be at liberty to deliver the Claims Package, and any letters, notices or other documents to Creditors or other interested Persons, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission to such Persons at the address as last shown on the records of the Defendants and that any such service or notice by courier, personal delivery or electronic or digital transmission shall

be deemed to be received on the next Business Day following the date of forwarding thereof, or if sent by prepaid ordinary mail, on the fourth (4th) Business Day after mailing.

23. **THIS COURT ORDERS** that any notice or other communication (including, without limitation, Proofs of Claim and Notices of Dispute) to be given under this Order by a Creditor to the Receiver shall be in writing substantially in the form, if any, provided for in this Order and will be sufficiently given only if given by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission addressed to:

Alvarez & Marsal Canada Inc.
in its capacity as the Court-appointed receiver of Sameh Sadek (also known as Sam Sadek), St. Maharial Pharmacy Inc. dba MD Health Pharmacy, St. Maharial Clinic Inc., SRX Investment Inc., Shepherd RX Pharmacy Inc. and Lilian Fam
Royal Bank Plaza, South Tower
200 Bay Street, Suite 2900
Toronto, Ontario
Canada M5J 2J1

Attention: Zach Gold
E-mail: zgold@alvarezandmarsal.com

Any such notice or other communication by a Creditor shall be deemed received only upon actual receipt thereof during normal business hours on a Business Day.

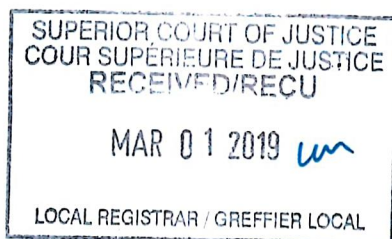
MISCELLANEOUS

24. **THIS COURT ORDERS** that this Claims Procedure Order does not and is not intended to provide for the calculation or methodology of determining distributions but solely for providing a process for submitting and adjudicating Claims. The Receiver will request additional relief from this Court with respect to determining a final basis for calculating and determining ultimate distributions to Creditors.

25. **THIS COURT ORDERS** that the Receiver may set-off (whether by way of legal, equitable or contractual set-off) against the Claims of any Creditor, any claims of any nature whatsoever that any of the Defendants may have against such Creditor arising prior to the entry of this Claims Procedure Order, provided that such set-off satisfies the requirements for legal, equitable or contractual set-off to the extent permitted by applicable law as may be determined by the Court. If there is any dispute between the Receiver and the applicable Creditor, however,

neither the failure to assert set-off nor the allowance of any Claim hereunder shall constitute a waiver or release by the Receiver of any such claim that the Receiver may have against such Creditor.

26. **THIS COURT ORDERS AND REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada 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.



A handwritten signature in black ink, appearing to read "Honey", written over a horizontal line.

SCHEDULE "A"

NOTICE TO CREDITORS

IN THE MATTER OF THE RECEIVERSHIP OF SAMEH SADEK also known as SAM SADEK, ST. MAHARIAL PHARMACY INC. dba MD HEALTH PHARMACY, ST. MAHARIAL CLINIC INC., SRX INVESTMENT INC., SHEPHERD RX PHARMACY INC. and LILIAN FAM

**AND IN THE MATTER OF A MOTION PURSUANT TO SECTION 101 OF THE
COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED**

RE: NOTICE OF CLAIMS PROCEDURE

PLEASE TAKE NOTICE that this notice is being published pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) made March 1, 2019 (the "**Claims Procedure Order**"). Any and all creditors of any of Sameh Sadek (also known as Sam Sadek), St. Maharial Pharmacy Inc. dba MD Health Pharmacy, St. Maharial Clinic Inc., SRX Investment Inc., Shepherd RX Pharmacy Inc. and Lilian Fam (collectively, the "**Defendants**") should have received a claims package by mail from Alvarez & Marsal Canada Inc., Court-appointed receiver (in such capacity, the "**Receiver**") of the Defendants. Creditors may also obtain the Claims Procedure Order and a claims package from the Receiver's website at www.alvarezandmarsal.com/mdhealth or by contacting the Receiver by telephone at (416) 847-5153 or by facsimile at (416) 847-5201.

Completed documents must be received by the Receiver by 5:00 p.m. (Toronto time) on April 15, 2019 (the "Claims Bar Date"). It is your responsibility to complete the appropriate documents and ensure that the Receiver receives your completed documents by the Claims Bar Date.

CLAIMS WHICH ARE NOT RECEIVED BY THE CLAIMS BAR DATE WILL BE BARRED AND EXTINGUISHED FOREVER.

DATED at Toronto this ____ day of March, 2019.

SCHEDULE "B"

INSTRUCTION LETTER FOR THE CLAIMS PROCEDURE

IN THE MATTER OF THE RECEIVERSHIP OF SAMEH SADEK also known as SAM SADEK, ST. MAHARIAL PHARMACY INC. dba MD HEALTH PHARMACY, ST. MAHARIAL CLINIC INC., SRX INVESTMENT INC., SHEPHERD RX PHARMACY INC. and LILIAN FAM

**AND IN THE MATTER OF A MOTION PURSUANT TO SECTION 101 OF THE
COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED**

A. CLAIMS PROCEDURE

By Order of the Ontario Superior Court of Justice (Commercial List) made March 1, 2019 (the "**Claims Procedure Order**"), Alvarez & Marsal Canada Inc., the Court-appointed receiver and manager (in such capacity, the "**Receiver**") of Sameh Sadek (also known as Sam Sadek), St. Maharial Pharmacy Inc. dba MD Health Pharmacy, St. Maharial Clinic Inc., SRX Investment Inc., Shepherd RX Pharmacy Inc. and Lilian Fam (collectively, the "**Defendants**"), has been authorized to conduct a claims procedure (the "**Claims Procedure**") for the determination of certain claims against the Defendants.

This letter provides instructions for understanding the completing of a Proof of Claim, as applicable. Please note that capitalized terms which are not defined in this Instruction Letter shall have the meanings ascribed to them in the Claims Procedure Order.

The Claims Procedure is intended for any Person with any Claim of any kind or nature whatsoever, other than an Excluded Claim, whether unliquidated, contingent or otherwise against one or more of the Defendants. Please review the Claims Procedure Order on the Receiver's Website (www.alvarezandmarsal.com/mdhealth) for the complete definition of Claim and Excluded Claim.

If you have any questions regarding the Claims Procedure, please consult the Receiver's Website or contact the Receiver at the address provided below.

All notice and enquiries with respect to the Claims Procedure should be addressed to

Alvarez & Marsal Canada Inc.
in its capacity as the Court-appointed receiver of Sameh Sadek (also known as Sam Sadek), St. Maharial Pharmacy Inc. dba MD Health Pharmacy, St. Maharial Clinic Inc., SRX Investment Inc., Shepherd RX Pharmacy Inc. and Lilian Fam
Royal Bank Plaza, South Tower
200 Bay Street, Suite 2900
Toronto, Ontario
Canada M5J 2J1

Attention: Zach Gold
E-mail: zgold@alvarezandmarsal.com

B. SUBMITTING A PROOF OF CLAIM

If you believe that you have a Claim against any of the Defendants and you will have to file a Proof of Claim with the Receiver. **Your Proof(s) of Claim must be received by 5:00 p.m. (Toronto time) on April 15, 2019, the Claims Bar Date. Pursuant to the Claims Procedure Order, failure to submit a Proof of Claim by the Claims Bar Date will result in such Claim being barred and extinguished, released and discharged forever.**

Additional Proof of Claim forms and other information, including the Claims Procedure Order, can be obtained from the Receiver's Website at www.alvarezandmarsal.com/mdhealth, or by contacting the Receiver by telephone at 416.847.5153 or facsimile at 416.847.5201 and providing particulars as to your name, address and contact information.

It is your responsibility to ensure that the Receiver receives your Proof of Claim, as the case may be, by the Claims Bar Date.

SCHEDULE "C"

PROOF OF CLAIM AGAINST SAMEH SADEK ALSO KNOWN AS SAM SADEK, ST. MAHARIAL PHARMACY INC. DBA MD HEALTH PHARMACY, ST. MAHARIAL CLINIC INC., SRX INVESTMENT INC., SHEPHERD RX PHARMACY INC. AND LILIAN FAM (COLLECTIVELY, THE "DEFENDANTS") PURSUANT TO THE CLAIMS PROCEDURE ORDER DATED MARCH 1, 2019

A. PARTICULARS OF CREDITOR:

1. Full Legal Name of Creditor: _____
2. Full Mailing Address of the Creditor (the original Creditor and not the Assignee):

3. Telephone number: _____
4. E-mail address: _____
5. Facsimile number: _____
6. Attention (Contact Person): _____
7. Has the Claim been sold or assigned by the Creditor to another party [check (✓) one]?

Yes: _____ No: _____

B. PARTICULARS OF ASSIGNEE(S) (IF ANSWER TO QUESTION 7 IS YES):

8. Full Legal Name of Assignee(s): _____
(If Claim has been assigned, insert full legal name of assignee(s) of Claim (if all or a portion of the Claim has been sold). If there is more than one assignee, please attach a separate sheet with the require information)
9. Full Mailing Address of Assignee(s):

10. Telephone number of Assignee(s): _____
11. E-mail address: _____
12. Facsimile number: _____
13. Attention (Contact Person): _____

C. PROOF OF CLAIM:

I, _____
[name of Creditor or Representative of the Creditor],

of _____ do hereby certify that:
[City or Province]

(a) I [check (✓) one]

☐ am the Creditor of the Defendants; OR

☐ am _____ (state position or title) of
_____ (name of creditor);

(b) I have knowledge of all the circumstances connected with the Claim referred to below;

(c) The Defendants were and still are indebted to the Creditor as follows:

(i) TOTAL CLAIM: \$ _____ CAD

(Claims in a foreign currency are to be converted to Canadian Dollars at the Bank of Canada noon spot rate as at January 12, 2015. The Canadian Dollar/U.S. Dollar rate of exchange on that date was CDN\$/US\$1.00); and

(ii) CLAIM IS AGAINST THE FOLLOWING ENTITY/INDIVIDUAL

[check all that apply]

SAMEH (SAM) SADEK: _____

ST. MAHARIAL PHARMACY INC dba MD HEALTH PHARMACY:

ST. MAHARIAL CLINIC INC: _____

SRX INVESTMENT INC.: _____ LILIAN FAM: _____

SHERPHERD RX PHARMACY INC.: _____

D. NATURE OF CLAIM:

(check (✓) one and complete appropriate category)

☐ A. UNSECURED CLAIM OF \$ _____

That in respect of this debt, I do not hold any security and

(Check (✓) appropriate description)

☐ Regarding the amount of \$ _____, I do not claim a right to a priority.

☐ Regarding the amount of \$ _____, I claim a right to a priority under section 136 of the Bankruptcy and Insolvency Act (Canada) (the "BIA") or would claim such a priority if this Proof of Claim were being filed in accordance with that Act.

(Set out on an attached sheet details to support priority claim.)

☐ B. SECURED CLAIM OF \$ _____

That in respect of this debt, I hold security valued at \$ _____ particulars of which are as follows:

(Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.)

E. PARTICULARS OF CLAIM:

Other than as already set out herein the particulars of the undersigned's total Claim are attached.

(Provide all particulars of the Claim and supporting documentation, including amount, description of transaction(s) or agreement(s) giving rise to the Claim, name of any guarantor which has guaranteed the Claim, and amount of invoices, particulars of all credits, discounts, etc. claimed, description of the security, if any, granted by the Defendants to the Creditor and estimated value of such security, and particulars of any interim period claim.)

This Proof of Claim must be received by the Receiver by no later than 5:00 p.m. (Toronto time) on April 15, 2019 ("Claims Bar Date"), by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission at the following address:

Alvarez & Marsal Canada Inc.
in its capacity as the Court-appointed receiver of Sameh Sadek (also known as Sam Sadek), St. Maharial Pharmacy Inc. dba MD Health Pharmacy, St. Maharial Clinic Inc., SRX Investment Inc., Shepherd RX Pharmacy Inc. and Lilian Fam

F. FILING OF CLAIM:

G. EXCLUDED CLAIMS

Dated at _____ this _____ day of _____, 2019.
(city) (day) (month)

Signature of Creditor

SCHEDULE "D"

NOTICE OF REVISION OR DISALLOWANCE OF CLAIM **REFERENCE NUMBER _____**

Please read carefully the Instruction Letter accompanying this Notice.

TO: [insert name of creditor]

Alvarez & Marsal Canada Inc., in its capacity as the Court-appointed receiver and manager (in such capacity, the "**Receiver**") of Sameh Sadek (also known as Sam Sadek), St. Maharial Pharmacy Inc. dba MD Health Pharmacy, St. Maharial Clinic Inc., SRX Investment Inc., Shepherd RX Pharmacy Inc. and Lilian Fam (collectively, the "**Defendants**"), hereby gives you notice that the Receiver has reviewed your Proof of Claim, as the case may be, and has revised or rejected your Claim or any part thereof or any information relating thereto, as follows:

The Proof of Claim as Submitted (if applicable)	The Claim as Accepted

Reasons for Revision or Disallowance:

[insert explanation]

If you do not agree with this Notice of Revision or Disallowance, please take notice of the following:

1. **If you dispute this Notice of Revision or Disallowance, you must, no later than 5:00 p.m. (Toronto time) on _____, being the Business Day which is fourteen days after the Notice of Revision or Disallowance is sent by the Receiver (see paragraph 11 of the Claims Procedure Order), notify the Receiver by delivery of a Notice of Dispute in accordance with the accompanying Instruction Letter. The form of Notice of Dispute is enclosed.**
2. **IF YOU DO NOT DELIVER A NOTICE OF DISPUTE WITHIN THE PRESCRIBED TIME PERIOD, THIS NOTICE OF REVISION OR DISALLOWANCE WILL BE BINDING UPON YOU AND YOUR CLAIM SHALL BE DEEMED TO BE AS SET OUT IN THIS NOTICE OF REVISION OR DISALLOWANCE.**

DATED at Toronto, this ____, day of _____, 2019.

**ALVAREZ & MARSAL CANADA INC.,
IN ITS CAPACITY AS THE COURT-APPOINTED RECEIVER OF THE
DEFENDANTS**

SCHEDULE "E"**NOTICE OF DISPUTE**

Please read carefully the Instruction Letter accompanying the Notice of Revision or Disallowance.

We hereby give you notice of our intention to dispute the Notice of Revision or Disallowance bearing Reference Number _____ and dated _____ issued in respect of our claim.

Reasons for Dispute (attach additional sheet and copies of all supporting documentation if necessary):

Name of Creditor: _____

(Signature of individual completing this Dispute)

Date

(Please print name)

Telephone Number: _____

Email address: _____

Facsimile Number: _____

Full Mailing Address: _____

THIS FORM IS TO BE RETURNED BY PREPAID ORDINARY MAIL, COURIER, PERSONAL DELIVERY OR ELECTRONIC OR DIGITAL TRANSMISSION AND MUST BE RECEIVED NO LATER THAN 5:00 P.M. (TORONTO TIME) ON _____, BEING THE BUSINESS DAY WHICH IS FOURTEEN (14) DAYS AFTER THE NOTICE OF REVISION OR DISALLOWANCE IS SENT BY THE

RECEIVER (PURSUANT TO PARAGRAPH 11 OF THE CLAIMS PROCEDURE ORDER) TO:

Alvarez & Marsal Canada Inc.
in its capacity as the Court-appointed receiver of Sameh Sadek (also known as Sam Sadek), St. Maharial Pharmacy Inc. dba MD Health Pharmacy, St. Maharial Clinic Inc., SRX Investment Inc., Shepherd RX Pharmacy Inc. and Lilian Fam
Royal Bank Plaza, South Tower
200 Bay Street, Suite 2900
Toronto, Ontario
Canada M5J 2J1

Attention: Zach Gold
E-mail: zgold@alvarezandmarsal.com

APPENDIX “E”

APPENDIX "E"

Claim Number	Claim Type	Defendant Claim Filed Against	Deemed Trust Claim	Constructive Trust Claim	Secured Claim	Unsecured Claim	Total
1	General	Sadek, SMC	-	-	-	35,061	35,061
2	General	Fam	-	-	-	904	904
3	General	Fam	-	-	-	1,083	1,083
4	General	SMC	-	-	-	8,873	8,873
5	Lender	Sadek, SMP, SMC, Fam	-	-	100,000	-	100,000
6	Lender	Sadek, SMP, SMC, Fam	-	-	60,000	-	60,000
7	Pharmaceutical Company	All Defendants	-	1,003,577	-	-	1,003,577
8	General	SRX, Fam	-	-	-	1,220	1,220
9	General	Fam	-	-	-	2,608	2,608
10	General	SRX	-	-	-	1,040	1,040
11	General	Sadek, SMP, Fam	-	-	-	71,606	71,606
12	General	Sadek	-	-	-	42,940	42,940
13	Lender	Sadek, SMP, SMC	-	-	640,122	-	640,122
14	General	Fam	-	-	-	247	247
15	Pharmaceutical Company	All Defendants	-	7,941,111	-	331,685	8,272,796
16	Defendant (Fam)	Fam	-	-	-	512,641	512,641
17	Pharmaceutical Company	Sadek, SMP	-	380,931	-	29,243	410,173
18	General	Sadek, SMP, SMC, Fam	-	-	-	200,000	200,000
19	Pharmaceutical Company	All Defendants	-	5,124,519	-	-	5,124,519
20	General	SMP	-	-	-	1,478	1,478
22	Government Agency	Sadek	-	-	-	841	841
23	Government Agency	SMP	6,489	-	-	12,200	18,689
24	Government Agency	SMC	6,427	-	-	3,170	9,596
			12,916	14,450,137	800,122	1,256,840	16,520,015

Notes:

1. Claims #5 and #6 are subject to Notices of Dispute filed by the Claimant. The chart above shows the claims as filed by the Claimant.
2. Claim #13 has been deemed partially disallowed pursuant to the NRDA issued, as the time for the Claimant to respond to the NRDA has expired. The chart above shows the claim as allowed.
3. Claim #21 was withdrawn by the Claimant.

ASTRAZENECA CANADA INC.
Plaintiff

-and-

SAMEH SADEK also known as SAM SADEK, et al.
Defendants

Court File No. CV-18-602745-00-CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceedings commenced at Toronto

**FIFTH REPORT OF THE RECEIVER
ALVAREZ & MARSAL CANADA INC.**

AIRD & BERLIS LLP
Brookfield Place
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

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Shakaira John (LSUC # 72263D)

Tel: (416) 865-4637

Fax: (416) 863-1515

Email: sjohn@airdberlis.com

Lawyers for Alvarez & Marsal Canada Inc., in its capacity as the court-appointed Receiver of Sameh Sadek also known as Sam Sadek, et al.