

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE	)	TUESDAY, THE 11 TH
	)	
JUSTICE CAVANAGH	)	DAY OF JUNE, 2024

B E T W E E N:

BANK OF MONTREAL

Applicant

and

HOHS DRUGS LIMITED AND HUAN DANG

Respondents

**APPROVAL AND VESTING ORDER
(Regency Transaction)**

THIS APPLICATION made by Bank of Montreal (“**BMO**”) for an order, among other things: (i) approving the asset purchase agreement (the “**Purchase Agreement**”) between Grant Thornton Limited (“**GTL**”) in its capacity as the Court-appointed receiver and manager (the “**Receiver**”) of the property, assets, and undertaking of, and all of the issued and outstanding shares in the capital of, HOHS Drugs Limited (the “**Debtor**”) and 1000801194 Ontario Inc. (the “**Purchaser**”) dated April 17, 2024 and the transaction contemplated thereby (the “**Transaction**”); and (ii) vesting in the Purchaser all of the Debtor’s right, title and interest in and to the Purchased Assets (as defined in the Purchase Agreement); was heard this day at 330 University Avenue, Toronto, Ontario by judicial videoconference.

ON READING the Affidavit of Leo Chun sworn May 29, 2024 and the Exhibits thereto, the pre-filing report to the Court of GTL in its capacity as proposed Receiver dated June 3, 2024, and on hearing the submissions of counsel for BMO, GTL and all other counsel on the Counsel Slip, no one appearing for any other party although duly served as appears from the Affidavit of Service, filed,

DEFINED TERMS

1. **THIS COURT ORDERS** that capitalized terms used in this order and not otherwise defined herein shall have the meanings ascribed to them in the Purchase Agreement.

APPROVAL OF THE TRANSACTION AND VESTING OF ASSETS

2. **THIS COURT ORDERS** that the Purchase Agreement and the Transaction be and are hereby approved and the execution of the Purchase Agreement by the Receiver is hereby authorized and approved, with such minor amendments (including to the Schedules) as the parties may deem necessary. The Receiver is hereby authorized and directed to perform its obligations under the Purchase Agreement and to take such additional steps and execute such additional documents as may be necessary or desirable to effect the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

3. **THIS COURT ORDERS** that upon the delivery of the Receiver's certificate to the Purchaser substantially in the form attached as **Schedule "A"** hereto (the "**Receiver's Certificate**"), all of the Debtor's right, title and interest in and to the Purchased Assets described in the Purchased Agreement shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, pledges, rights or options to acquire, or other claims of any kind or nature whatsoever,

whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, whether or not they have attached or been perfected, registered or filed, and whether secured, unsecured or otherwise (collectively, the “**Claims**”), including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Conway dated June 11, 2024; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system, all of which are collectively referred to as the “**Encumbrances**”, which term shall not include the permitted encumbrances, easements and restrictive covenants listed on **Schedule “B”**) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

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

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

6. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver is authorized and permitted

to disclose and transfer to the Purchaser all human resources and payroll information in the Debtor's records pertaining to the Business. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.

7. **THIS COURT ORDERS** that, notwithstanding:

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

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

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

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

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

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

12. **THIS COURT ORDERS** that this order is effective from the date that it is made and is enforceable without any need for entry and filing.

**SCHEDULE “A”
RECEIVER’S CERTIFICATE**

Court File No. _____

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

BANK OF MONTREAL

Applicant

and

HOHS DRUGS LIMITED AND HUAN DANG

Respondents

RECITALS

A. Pursuant to an Order of the Honourable Justice Cavanagh of the Ontario Superior Court of Justice (the “**Court**”) dated June 11, 2024, Grant Thornton Limited was appointed as the receiver (the “**Receiver**”) of the property, assets, and undertaking of, and all of the issued and outstanding shares in the capital of, HOHS Drugs Limited (the “**Debtor**”).

B. Pursuant to an Order of the Court dated June 11, 2024, the Court approved the asset purchase agreement made as of April 17, 2024 (the “**Purchase Agreement**”) between the Receiver and 1000801194 Ontario Inc. (the “**Purchaser**”) and provided for the vesting in the Purchaser of the Debtor’s right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming: (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in Article 7 of the Purchase Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

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

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Cash Purchase Price payable at the Closing Time pursuant to the Purchase Agreement;
2. The conditions to Closing as set out in Article 7 of the Purchase Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

GRANT THORNTON LIMITED, solely in its capacity as the Court-appointed receiver of all of the issued and outstanding shares in the capital of HOHS Drugs Limited and of the assets, undertaking and properties of HOHS Drugs Limited, and not in its personal or corporate capacities

Per: _____

Name:

Title:

Schedule “B”
Permitted Encumbrances

N/A

BANK OF MONTREAL

and

HOHS DRUGS LIMITED and HUAN DANG

Court File No. CV-24-00721374-00CL

Applicant

Respondents

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding Commenced at
Toronto

APPROVAL AND VESTING ORDER
REGENCY TRANSACTION
(RETURNABLE JUNE 11, 2024)

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