NO. S-237444
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

ALIREY CORP.

PETITIONER

AND:

2716725 ONTARIO INC., 10111132 MANITOBA LTD. (DBA MEDNOW MB), MEDNOW CLINIC SERVICES INC., MEDNOW INC., MEDNOW EAST INC., MEDNOW MEDICAL INC., MEDNOW ONTARIO LIMITED, MEDNOW PHARMACY AB LTD., MEDNOW OPERATIONS INC., MEDNOW PHARMACY INC., MEDNOW PHARMACY MB LTD., MEDNOW PHARMACY SERVICES INC., MEDNOW TECHNOLOGY INC., MEDNOW VIRTUAL CARE LTD.

RESPONDENTS

NOTICE OF APPLICATION

Name of the Applicant: **Ernst & Young Inc. ("EY"), the court-appointed receiver and manager (in such capacity, the "Receiver") without security, of all of the assets, undertakings, and property (the "Property") of each of the Respondents (collectively, the "Debtors").**

To: Service List, attached hereto as **Schedule "A"** (the "**Service List**")

TAKE NOTICE that an application will be made by the Applicant, the Receiver, to the Honourable Justice Walker at the courthouse at 800 Smithe Street, Vancouver, British Columbia, on Wednesday, the 3rd day of April, 2024 at 10:00 a.m., for the orders set out in Part 1 below.

The Applicant estimates that the application will take 60 minutes.

☐ This matter is within the jurisdiction of an associate judge.

☒ This matter is not within the jurisdiction of an associate judge. The Honourable Justice Walker is seized of these proceedings and it has been booked through trial scheduling.

PART 1: ORDERS SOUGHT

1. An order substantially in the form attached hereto as **Schedule "B"** (the "**Sale Approval and Vesting Order**"), among other things:

   (a) approving the completion and consummation of the sale transaction (the "**Transaction**") contemplated by the Stalking Horse Asset Purchase Agreement, made effective November 30, 2023 (the "**Sale Agreement**"), between the Debtors, by and through the Receiver, as vendors, and Alirey Corp. ("**AlireyCorp**") and 1000699590 Ontario Inc. ("**1000Co**", and collectively with AlireyCo, the "**Purchasers**"), as purchasers; and,

   (b) effective immediately upon the Receiver filing a certificate with the Court, substantially in the form attached as **Schedule** "**B"** to the Sale Approval and Vesting Order, vesting the purchased assets described in the Sale Agreement (the "**Purchased Assets**"), in the Purchasers' Nominees (as defined below), free and clear of all claims and encumbrances.

2. An order substantially in the form attached hereto as **Schedule "C"** (the "**Approval and Discharge Order**"), among other things:

   (a) approving the activities and conduct of the Receiver, as described in the First Receiver's Report, dated November 30, 2023 (the "**First Report**") and the Second Receiver's Report, dated March 26, 2024 (the "**Second Report**", and collectively with the First Report, the "**Receiver's Reports**"));

   (b) declaring that, as of the date of the Receiver's Reports and based on the evidence that is currently before the Court, the Receiver has satisfied (i) all of its duties and obligations as Receiver; and, (ii) its obligations under and pursuant to the terms of the Orders granted in the within proceedings up to and including the date hereof;

   (c) amending the Receivership Order (as defined below) to increase the maximum amount the Receiver is permitted to borrow, from $1,475,000 to $1,512,500;

   (d) approving the Receiver's final statement of receipts and disbursements with respect to the Debtors and the Property, for the period ending March 24, 2024, as set out in paragraph 73 and Appendix “C” to the Second Report (the “**Final SRD**”);

(e) approving the fees and disbursements of the Receiver (the “**Receiver’s Fees**”) and the Receiver’s external counsel, McCarthy Tétrault LLP (the “**Receiver’s Counsel**” and the “**Receiver’s Counsel’s Fees**”), for the period from the commencement of the Receiver’s mandate, along with the estimated fees of the Receiver and the Receiver’s Counsel up to the closing and completion of the Transaction (the “**Estimated Completion Fees**”), as set out in paragraphs 80 - 85 and Appendices “**D**” and “**E**” to the Second Report and described in further detail in the Affidavit of H. Lance Williams, sworn on March 26, 2024 (the “**Receiver’s Counsel’s Fee Affidavit**”) and the Affidavit of Peter Venetsanos, sworn on March 26, 2024 (the “**Receiver’s Fee Affidavit**” and collectively with the Receiver’s Counsel’s Fee Affidavit, the “**Fee Affidavits**”); and,

(f) ordering and declaring that, immediately upon the Receiver filing a certificate with the Court, substantially in the form attached as **Schedule** “**A”** to the Approval and Discharge Order (the “**Discharge Certificate**”), confirming that (i) the Transaction has been completed to the satisfaction of the Receiver, and (ii) all outstanding amounts secured by the Receiver’s Charge (as defined in the Receivership Order (as defined herein)) have been satisfied:

(i) the Receiver shall be discharged, and declaring that, notwithstanding the discharge of the Receiver, the Receiver remains empowered with residual jurisdiction to take such steps and actions as it deems necessary to address any ancillary or incidental matters, as required in connection with its capacity as Receiver following the termination of the within proceedings, EY shall continue to have the benefit of all orders made in these proceedings in relation to its capacity as Receiver; and,

(ii) EY shall be released and discharged from any and all liability that EY now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of EY while acting in its capacity as Receiver herein, and without limiting the generality of the foregoing, EY shall be forever released and discharged from any and all liability relating to matters that were raised, or which could have been raised, in the within proceedings.

3. Such other relief as this Honourable Court may deem just.

PART 2: FACTUAL BASIS

Background

1. The Debtors are a publicly traded healthcare technology company made up of 19 subsidiaries and affiliates. The Debtors provide virtual pharmacy and telemedicine services as well as doctor home visits through an interdisciplinary approach to healthcare. The Debtors' services include at-home delivery of medications, nurse practitioner and doctor consultations both online and in a patient's home, and a digital interface to transfer and refill prescriptions and get consultation from pharmacists related to prescriptions and overall pharmacy needs via chat.

2. The Debtors' indebtedness owing to AlireyCorp was $3,256,650 as at November 3, 2023, plus fees, interest, and other amounts accruing under the various agreements between the Debtors and AlireyCorp (the "**Alirey Indebtedness**"). The Debtors cannot repay this secured debtor, and accordingly, AlireyCorp sought the appointment of the Receiver.

Affidavit #1 of Ali Reyhany Bozorg, made November 3, 2023 at para. 24.

3. On November 3, 2023 (the "**Appointment Date**"), the Supreme Court of British Columbia (the "**Court**") granted an order (the "**Receivership Order**"), which, among other things, appointed EY as the Receiver of the Property pursuant to section 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the "**BIA"**) and section 39 of the *Law and Equity Act*, R.S.B.C. 1996 c. 253 (the "**LEA**") and granted the Receiver the authority to list, market, and sell the Property.

SISP and Sale Agreement

4. On December 6, 2023, upon the Receiver's application, the Honourable Justice Walker of the Court pronounced an Order Made After Application (the "**SISP Order**"), which, among other things:

   (a) approved the sales and investment solicitation process attached as Schedule "**B**" to the SISP Order (the "**SISP**");

(b) authorized the Receiver to carry out the SISP and to take such steps and execute such documentation as may be necessary or incidental to the SISP;

(c) approved the Sale Agreement, to serve as the "**Stalking Horse Bid**" (as defined in the SISP) within the SISP, provided, for greater certainty, that if the Sale Agreement is selected as the Successful Bid (as defined in the SISP), the approval of this Honourable Court to consummate the Transaction shall be sought by way of further application on notice to the Service List maintained by the Receiver in these proceedings; and,

(d) amended the Receivership Order, to increase the maximum amount of the Receiver's Borrowings Charge, as set out and defined in paragraph 22 of the Receivership Order, from $1,000,000 to $1,475,000.

Order Made After Application of Justice Walker, pronounced on December 6, 2023 at paras. 2 - 5 [SISP Order].

5. The SISP contemplated a two-phase stalking horse bid process which was designed to market the Property to potential purchasers, maximize the value of the Property and continue the operation of the Debtors as a going concern.

6. Among other steps and activities, as described in further detail in the SISP, the First Report, and the Second Report, the SISP contemplated the following material deadlines:

(a) interested potential bidders were to submit a non-binding letter of intent by January 26, 2024 (the "**Phase 1 Bid Deadline**") that satisfied the requirements for a Qualified LOI (as defined in the SISP); and,

(b) the Receiver would determine which, if any, Qualified LOI(s) (as defined in the SISP) would proceed to Phase 2 of the SISP by no later than six (6) business days following the Phase 1 Bid Deadline. In the event no Qualified LOI(s) (as defined in the SISP) were received, or the Qualified LOI(s) received were not likely to proceed to become Qualified Bid(s) (as defined in the SISP) that may, individually or in the aggregate, constitute a Superior Offer (as defined in the SISP), the Receiver would terminate the Sale Process and seek the approval of this Honourable Court to implement the Stalking Horse Bid.

7. The Receiver carried out the SISP in accordance with its terms. Among other things:

(a) the Receiver prepared marketing materials including, *inter alia*, (i) a summary of the opportunity (the “**Teaser**”); (ii) a confidential information memorandum (“**CIM**”) summarizing the opportunity and providing detailed financial and operational information; (iii) a form of confidentiality agreement (“**CA**”); and, (iv) a standardized non-binding form of letter of intent (“**LOI**”) to promote the comparability of the offers;

(b) the Receiver (i) compiled a list (the “**Potential Bidders List**”) of 141 potential bidders (“**Potential Bidders**”), with the assistance of the Strategic Advisor (as defined below) and certain of the Debtors’ key employees; including local and national pharmacies, local and national health care operators, and financial parties, including those that specifically invest within the healthcare industry; and, (ii) populated an electronic data room (the “**Data Room**”) with key financial, corporate, operational and other pertinent information for Qualified Bidders (as defined in the SISP) to review following execution of a CA:

(c) the SISP commenced on December 12, 2024, when the Receiver circulated the Teaser and CA to each of the Potential Bidders (and in certain cases contacted such parties by phone) and provided notice to the Potential Bidders of the Phase I Bid Deadline to submit non-binding LOIs;

(d) the Receiver followed up with each Potential Bidder that did not respond to its initial solicitation, by phone and/or email;

(e) the Receiver qualified ten (10) parties as Qualified Bidders following the execution of a CA by such parties. All such Qualified Bidders were provided with a copy of the CIM and access to the Data Room. The Receiver also fielded numerous inquiries from other Potential Bidders that ultimately declined to participate in the SISP; and,

(f) the Receiver made itself available on short notice during the 45-day due diligence period to answer any respond to information requests, and to assist Potential Bidders with the due diligence necessary to formulate a Qualified Bid. Any documents provided to a Potential Bidder during this phase of the SISP Process and in response to these due diligence inquiries were uploaded to the

Data Room so that the information and documents would be available for all Potential Bidders.

Second Report of the Receiver, dated March, 2024
at paras. 54 - 58 [Second Report].

8. No Qualified LOI(s) (as defined in the SISP) were received on or before the Phase 1 Bid Deadline.

Second Report at paras. 58, 62.

9. Accordingly, the Receiver terminated the SISP, and advised the Purchasers (in their capacity as the Stalking Horse Bidder, as defined in the SISP) that the Receiver would seek this Honourable Court's approval to complete and consummate the Stalking Horse Bid.

Second Report at para. 62.

10. The Sale Agreement contemplates, among other things: (a) the purchase of substantially all of the material Property of the Debtors, but excluding certain specified Excluded Assets (as defined in the Sale Agreement); and (b) the payment of any Priority Obligations (as defined in the Sale Agreement and including, for reference, any amounts owing under the Priority Charges and any other claims in priority to the Sale Agreement), the assumption of various liabilities of the Debtors in connection with certain purchased assets, and a credit bid in the full amount of the Stalking Horse Bidder Claims, as such term is defined in the Sale Agreement, including: (i) the Alirey Indebtedness; and (ii) all amounts advanced by 1000Co to the Receiver under the Receivership Order which are secured by Receiver's Certificates (as defined in the Receivership Order).

11. The Purchasers have incorporated four (4) special purpose nominees (collectively, the "**Nominees**"), as contemplated by the Sale Agreement. Specifically, the Nominees are: (i) Mednow Digital Inc., the nominee in respect of assets of Mednow Inc. and Mednow Virtual Care Ltd.; (ii) Mednow Digital Pharmacy (BC) Inc., the nominee in respect of assets of Mednow Pharmacy Inc.; (iii) Mednow Digital Pharmacy (ON) Inc., the nominee in respect of assets of Mednow Ontario Limited; and, (iv) Medvisit Inc., the nominee in respect of assets of 2716725 Ontario Inc.

Second Report at para. 65.

12. The proposed form of Sale Approval and Vesting Order reflects the allocation of the Purchased Assets, as between the Nominees, as advised by the Purchaser.

13. The Receiver has obtained a legal opinion from the Receiver's Counsel confirming that, subject to standard assumptions and qualifications, the security in favour of the Purchaser has been registered and is valid and enforceable.

Second Report at para. 35.

14. There is some question as to the enforceability of the security with respect to a discrete $175,000 portion of the Alirey Indebtedness which relates to a debenture issued by Mednow Inc. on October 31, 2023. However: (i) the Receiver was able to identify and trace all advances made by Alirey and has confirmed that such advances were made; (ii) the Sale Agreement contemplates a credit bid in the total amount of the Alirey Indebtedness. To the extent the security is not enforceable with respect to the $175,000 debenture, the effect would be a reduction of the purchase price by a corresponding amount, without reducing recoveries for any other creditor; (iii) no other bids were received within the SISP and the purchase price remains within the anticipated range of value; and, (iv) the Receiver's view is that, even assuming that the security is not enforceable with respect to the $175,000 amount, there is no material change to the transaction overall, which remains the highest and best available bid in the circumstances.

Second Report at para. 35.

Receiver's Activities

15. The activities and conduct of the Receiver are set out and described in further detail in the Receiver's Reports.

16. The Receiver's activities since the Appointment Date include, but are not limited to, the following:

(a) attending to various statutory requirements under the BIA including, among other things, the filing and distribution of certain requisite notices;

(b) taking various steps to safeguard the Debtors' funds held within their fifteen (15) operating accounts, including, among others, removing all existing pre-

Appointment Date signing authorities, freezing pre-authorized debits, except for those authorized by the Receiver, and freezing disbursements from being paid from the accounts, except as authorized by the Receiver;

(c) engaging with the Debtors' insurer to amend the Debtors' insurance policies to reflect the Receiver's interest in the Property and ensure that the Receiver is noted as the first loss payee in the event of an insurable loss;

(d) completing the disclaimer of certain property leases at various locations throughout Canada, which were no longer being occupied by the Debtors;

(e) entering into a consultant agreement with the former Chief Revenue Officer of Mednow Inc. (in such capacity, the "**Strategic Advisor**"), with respect to certain operating and strategic matters;

(f) overseeing the continued operations of the Debtors' business as a going concern;

(g) taking possession and operational control of the Debtors' online and brick-and-mortar pharmacies;

(h) attending at the Debtors' pharmacies to, *inter alia*, conduct inventory counts, consult with and provide information to the Debtors' employees, stabilize the Debtors' business, and attend to relate actions and matters;

(i) attending to discussions with, and responding to inquiries from, the Debtors' stakeholders, including, *inter alios*, suppliers and other creditors, employees, and others;

(j) completing weekly update meetings with, *inter alios*, key staff of the Debtors, Alirey, 1000Co, and the Strategic Advisor;

(k) attending to inquiries from pre-filing creditors of the Debtors;

(l) conducting the SISP, in accordance with its terms, and engaging with the Purchasers concerning the Sale Agreement and related matters;

(m) preparing the Final SRD;

(n) assisting certain terminated employees of the Debtors with the Wage Earners Protection Program and providing information regarding same, and attending to other employee-related matters;

(o) attending to correspondence with various creditors and their counsel; and,

(p) instructing the Receiver's Counsel with respect to the security review referred to herein, and attending to related review and analysis with respect to the Alirey Indebtedness.

First Report of the Receiver, dated November 30, 2023
at paras. 33 - 60 [First Report];

Second Report at paras. 35, 37 - 38, 41 - 44, 52, 54 - 59, 70 - 76, 90.

Fees and Disbursements of the Receiver and the Receiver's Counsel

17. Pursuant to paragraph 21 of the Receivership Order, the Receiver and the Receiver's Counsel are to be paid their reasonable fees and disbursements, in each case at their standard rates and charges. The Receivership Order further provides that Receiver and the Receiver's Counsel shall pass their accounts from time to time, and for this purpose the accounts of the Receiver and the Receiver's Counsel were referred to a judge of the Court and may be heard on a summary basis.

Receivership Order at para. 21.

18. A summary of the fees and disbursements of the Receiver and the Receiver's Counsel, incurred at their ordinary hourly rates, is included at paragraphs 80 - 85 and Appendices "**F**" and "**G**" to the Second Report. Further details with respect to such fees and disbursements are set out in the Fee Affidavits.

19. The table below summarizes the Receiver's Fees, which are broken down as follows (i) $258,996.42 in respect of fees and disbursements; and, (ii) GST in the amount of $12,949.83:

Invoice Number	Invoice Date	Fees ($)
CA12C500010173	January 23, 2024	$203,927.33
CA12C500010298	February 20, 2024	$38,289.83
CA12C500010399	March 21, 2024	$29,729.09
Total:		**$271,946.25**

Second Report at paras. 80 - 82 and Appendix F”;
Receiver’s Fee Affidavit at para. 3 and Exhibits “A” - D”

20. The table below summarizes the Receiver’s Counsel’s Fees, which are broken down as follows: (i) $88,625.00 in respect of invoiced fees; (ii) $2,953.72 in respect of invoiced disbursements; and $10,748.36 in respect of invoices taxes:

Invoice Number	Invoice Date	Fees ($)
8573106	December 20, 2023	$60,885.44
8574357	December 31, 2023	$27,175.74
8575681	February 20, 2024	$4,863.50
8577093	March 21, 2024	$9,402.40
Total:		**$103,327.08**

Second Report at paras. 83 - 85 and Appendix “G”;
Receiver’s Counsel’s Fee Affidavit at para. 3 and Exhibits A” - “D”.

21. The Receiver has reviewed the Receiver’s Counsel’s invoices in respect of the above and has determined that they were reasonably necessary and appropriate in the circumstances, that all services described in the invoices were rendered to the Receiver, and that all charges are fair and reasonable and consistent with rates charged by law firms of similar size in Vancouver for similar work.

Second Report at para. 85.

22. The Second Report includes a summary of the Estimated Completion Fees, subject to certain assumptions as detailed therein, as follows: (i) $5,000 in respect of the Receiver's Estimated Completion Fees; and, (ii) $11,605 in respect of the Receiver's Counsel's Estimated Completion Fees.

Second Report at paras. 82, 84 and Appendices "D" and "E".

Receiver's Borrowings Charge

23. The maximum principal amount of the Receiver's Borrowings Charge set out in paragraph 22 of the Receivership Order, as amended by paragraph 5 of the SISP Order, is $1,475,000.

24. The Receiver's Report includes the Final SRD with respect to the period ending March 24, 2024, along with a detailed estimate of costs to complete these proceedings. An increase in the Receivers' Charge from $1,475,000 to $1,512,500 is necessary in light of the anticipated closing timeline with respect to the Transaction.

Second Report at paras. 73 - 78, Appendix "C".

PART 3: LEGAL BASIS

Approval of the Sale Agreement

25. Paragraph 2 of the Receivership Order grants the Receiver the power to, among other things:

> market any or all of the Property, including advertising and soliciting offers in respect of the Property of any part or parts thereof and negotiating such terms and conditions of sale as the receiver considers appropriate

Order (Receivership) of Justice Walker,
pronounced November 3, 2023 at para. 2.

26. Both subsection 243(1) of the BIA and section 39 of the LEA provide the court with jurisdiction to grant a receiver the authority to take any action that the Court considers advisable where the Court determines that it is just and convenient to do so, including approving a sales process. Paragraph 2 of the SISP Order expressly authorized the Receiver to carry out the SISP.

SISP Order at para. 2.

27. In determining whether a sale should be approved within insolvency proceedings, including receivership proceedings, this Honourable Court has frequently referred to the factors described by the Ontario Court of Appeal in *Royal Bank v Soundair Corp.*:

> "1. [The Court] should consider whether the receiver has made a sufficient effort to get the best price and has not acted improvidently.
>
> 2. It should consider the interests of all parties.
>
> 3. It should consider the efficacy and integrity of the process by which offers are obtained.
>
> 4. It should consider whether there has been unfairness in the working out of the process."

Royal Bank v. Soundair Corp. (1991), 1991 CanLII 2727 (ON CA), 7 C.B.R. (3d) 1 (Ont. C.A.), at p. 6 [*Soundair*];

See also, *e.g.*:
Kruger v. Wild Goose Vintners Inc., 2021 BCSC 1406 at para. 26;

Farm Credit Canada v. Gidda, 2015 BCSC 2188, at paras. 17 - 19;

Cox v. Seymour Village Management Inc., 2015 BCSC 275 at paras. 13 - 14.

28. A commercially reasonable, efficacious, and fair marketing process was conducted, by the Receiver, in accordance with the SISP and the SISP Order.

29. Specifically, among other things, as described in further detail in the Receiver's Reports:

(a) a fair, transparent, and reasonable sales process was conducted which sufficiently solicited parties interested in the opportunity;

(b) the Property was widely exposed to the market, as well as potentially interested parties known to the Receiver, for a sufficient length of time;

(c) the SISP was structured to maximize value for the estate;

(d) the SISP was supported by the Debtors' largest secured creditor, AlireyCorp and was prepared in consultation with AlireyCorp, the Debtors' strategic advisor, and certain key employees; and,

(e) the Receiver carried out the SISP, in accordance with its terms, all as approved pursuant to the SISP Order.

First Report at paras. 52, 77;

Second Report at paras. 54 - 58, 62, 70.

30. No party has asserted any unfairness in the working out of the SISP.

31. The Receiver is of the opinion that the Sale Agreement is reasonable and ought to be approved.

Second Receiver's Report at paras. 71(c), 72.

32. The price to be paid for the Purchase Assets pursuant to the Sale Agreement represents the highest and best price that can be obtained for the Purchased Assets in the circumstances, and consummation of the Transaction, as proposed, is in the best interests of the estate of the Debtors and the stakeholders of the Debtors, as:

(a) the Sale Agreement will provide that the majority of the Debtors' business is able to continue as a going concern, under new ownership, to the benefit of the Debtors' stakeholders, including, among others, their employees, trade creditors, and customers;

(b) no higher or better offer for the Purchased Assets was received within the SISP; and,

(c) the Sale Agreement is commercially reasonable.

33. The use of a Receiver's certificate, to be filed upon the Receiver being satisfied that the Transaction has closed, as a prerequisite to the vesting of the Purchased Assets in the Purchaser, is consistent with the British Columbia Model Approval and Vesting Order and appropriate in the circumstances, particularly given that certain regulatory approvals will be required to complete the Transaction.

34. In light of the above-noted considerations, the Receiver submits that the Sale Agreement should be approved.

Approval of the Receiver's Activities and Conduct

35. The Receiver's Reports outline specific activities taken by the Receiver to date, for which the Receiver is seeking approval by this Court.

36. The Court has the inherent jurisdiction to review the activities of a court-appointed receiver and, if satisfied that the receiver has acted reasonably, prudently, and not

arbitrarily, to approve the activities set out in the applicable receiver's report(s). This assessment is made on an objective basis.

Leslie & Irene Dube Foundation Inc. v P218 Enterprises Ltd., 2014 BCSC 1855, at para. 54.

37. There are good policy reasons for the Court to provide a level of protection to a receiver by approving its activities, provided that the benefit of approval is limited to the receiver itself.

Hanfeng Evergreen Inc. (Re), 2017 ONSC 7161 at para. 17.

38. The activities of the Receiver are detailed in the Receiver's Reports, pursuant to which the Receiver has reported to the Court and all other interested parties and stakeholders throughout these proceedings. The Receiver carried out a transparent, timely, and efficient sale process with respect to the Property, and acted reasonably to preserve and maximize the value of the Property, to the benefit of all of the Debtors' stakeholders. All of the Receiver's activities to date were necessary or appropriate and were conducted in accordance with its powers under the Receivership Order, the SISP Order, and all other relevant orders in the within proceedings.

39. The Receiver respectfully submits that its activities, as described in the Reports, have been carried out in a reasonable, prudent, and not arbitrary manner, and accordingly, the Receiver seeks approval of same.

Approval of the Receiver's Fees and the Receiver's Counsel's Fees

40. The Receivership Order expressly provides that the accounts of the Receiver and the Receiver's Counsel be referred to a judge of this Honourable Court and that the passage of those accounts be heard on a summary basis.

Receivership Order at para. 21.

41. There is no fixed rate or scale for determining a receiver's compensation. The governing principles is that a receiver's compensation should be measured by the fair and reasonable value of its services.

Belyea v. Federal Business Development Bank, [1983] N.B.J. No. 41 (NB CA) [*Belyea*]; *Confectionately Yours Inc., Re*, [2002] O.J. No. 3569 at para. 44.

42. The British Columbia Court of Appeal adopted this principle in *Bank of Montreal v. Nican Trading Co.*, 1990 CanLII 454, [1990] B.C.J. No. 340 (BC CA) ("***Nican***").

43. The Court of Appeal listed the following relevant considerations in determining whether a receiver's compensation is fair and reasonable:

"(a) the value of the assets

(b) complications and difficulties encountered by the Receiver

(c) degree of assistance provided by [the debtor company] Nican

(d) time spent by the Receiver

(e) Receiver's knowledge, experience and skill

(f) diligence and thoroughness

(g) responsibilities assumed

(h) results

(i) cost of comparable services"

Bank of Montreal v. Nican Trading Co., 1990 CanLII 454, [1990] B.C.J. No. 340 (BC CA) at pp. 9 - 10.

44. Similar factors are considered with respect to the accounts of legal counsel to a receiver:

"The court must scrutinize the accounts carefully to assure that the appropriate lawyers are performing services to the receiver on the same basis and factors as the receivers. Where legal accounts have no relevance to the receivership, the court will reduce the fees. Similar factors are considered on the taxation or assessment of the legal accounts, namely:

(1) the time expended;

(2) the complexity of the receivership;

(3) the degree of responsibility assumed by the lawyers;

(4) the amount of money involved, including reference to the debt, amount of proceeds after realization, payments to the creditors;

(5) the degree and skill of the lawyers involved;

(6) the results achieved;

(7) the ability of the client to pay; and

(8) the client's expectations as to the fee."

Redcorp Ventures Ltd. (Re), 2016 BCSC 188 at para. 33, citing F. Bennett, *Bennett on Receiverships*, 2nd ed. (Scarborough: Carswell, 1999).

45. The Receiver respectfully submits that the Receiver's fees and disbursements, and the fees and disbursements of the Receiver's Counsel, are reasonable and appropriate given the activities carried out by such persons in these proceedings, the complexity of the Debtors' business and these proceedings, and the quantum and nature of the Alirey Indebtedness and the Property. All services undertaken by the Receiver's Counsel were completed at the request of the Receiver and were necessary for the administration of the Debtors' estates.

46. Specifically, in respect of the Receiver's fees, the Receiver submits that:

(a) the fees were properly and necessarily incurred, and commensurate with fees charged by other firms of similar size and experience for work of a similar nature and complexity, in British Columbia;

(b) the work completed by the Receiver was appropriately delegated to professionals with the appropriate seniority and hourly rates;

(c) the results of the Receiver's efforts to date are reasonable and to the benefit of the Debtors' estates and stakeholders;

(d) the Receiver's activities, as set out in the Receiver's Reports, have been performed diligently and with an appropriate degree of thoroughness;

(e) the Receiver's fees are reasonable in light of the value of the Property; and,

(f) the Receiver's services were performed in a prudent and economical manner.

47. In respect of the Receiver's Counsel's fees, the Receiver submits that:

(a) the fees were properly and necessarily incurred, and commensurate with fees charged by other firms of similar size and experience for work of a similar nature and complexity, in British Columbia;

(b) the work completed by the Receiver's Counsel was appropriately delegated to professionals with the appropriate seniority and hourly rates;

(c) the Receiver's Counsel's services were performed in a prudent and economical manner; and,

(d) the Receiver's Counsel's invoices were provided, to the Receiver, when issued. The Receiver has reviewed the invoices and confirmed that it approves the same.

48. The Receiver also seeks approval of the Estimated Completion Fees and submits that:

(a) the Estimated Completion Fees are reasonable in the circumstances and in light of the remaining matters to be completed in connection with the completion of the Transaction, the administration of the Debtors' estates, and remaining ancillary matters; and,

(b) the same factors as set out in paragraphs 46 and 47, above, apply with respect to the Estimated Completion Fees, *mutatis mutandis*.

Receiver's Borrowings Charge

49. In addition to the general power under sections 31 and 243(1) of the BIA and section 39 of the LEA, this Court has the jurisdiction to make the requested order pursuant to section 243(6) of the BIA:

> **243(6) Orders respecting fees and disbursements:**
>
> If a receiver is appointed under subsection (1), the court may make any order respecting the payment of fees and disbursements of the receiver that it considers proper, including one that gives the receiver a charge, ranking ahead of any or all of the secured creditors, over all or part of the property of the insolvent person or bankrupt in respect of the receiver's claim for fees or disbursements, but the court may not make the order unless it is satisfied that the secured creditors who would be materially affected by the order were given reasonable notice and an opportunity to make representations.

BIA, s. 243(6).

50. The Alberta Court of Appeal stated the following, in reference to *Robert F Kowal Investments Ltd. v Deeder Electric Ltd.*, 1975 CarswellOnt 123 (C.A.) ("*Kowal*"), and the legal principles applicable to the elevation of a receiver's charge above existing charges:

> Kowal refers to a general rule that secured creditors may not be subject to the charges and expenses of a receivership. This is so because 'the general purpose of a general receivership is to preserve and realize the property for the benefit of creditors in general...' There are, however, exceptions to that general rule, three of which were enumerated in *Kowal*:
>
> > If a receiver has been appointed at the request or with the consent or approval of the holders of security, the receiver will be given priority over the secured creditors for charges and expenses properly incurred; or
> >
> > If a receiver has been appointed to preserve and realize assets for the benefit of all interested parties, including secured creditors, the receiver will be given priority over the secured creditors for charges and expenses incurred; or
> >
> > If the receiver has expended money for the necessary preservation or improvement of the property, the receiver may be given priority for those expenditures over secured creditors.
>
> *Edmonton (City) v Alvarez & Marsal Canada Inc.*, 2019 ABCA 109 at para 14.

51. Here, the Receiver submits that the proposed borrowings fall under all three of the exceptions.

52. The quantum of the proposed borrowings is necessary in light of the anticipated timing of the closing of the Transaction, which requires certain regulatory approvals.

Receiver's Discharge

53. Upon the completion of the Transaction and the payment of all amounts outstanding under the Receiver's Charge, the administration of the Debtors' estates will be substantially complete. It is reasonable, appropriate, prudent, and economical to address the discharge of the Receiver at the same hearing, to minimize the costs borne by the Debtors' estates with respect to professional fees.

PART 4: MATERIAL TO BE RELIED ON

1. Order (Receivership) of Justice Walker, pronounced November 3, 2023;
2. Order Made After Application of Justice Walker, pronounced December 6, 2023;
3. Affidavit #1 of Amir Ali Reyhany-Bozorg, made November 2, 2023;

4. First Receiver's Report, dated November 30, 2023;

5. Second Receiver's Report, dated March 26, 2024;

6. Fee Affidavit of Peter Venetsanos, made March 26, 2024;

7. Fee Affidavit of H. Lance Williams, made March 26, 2024; and

8. Such further and other materials as counsel may advise and this Court may permit.

TO THE PERSONS RECEIVING THIS NOTICE OF APPLICATION: If you wish to respond to this notice of application, you must, within 5 business days after service of this notice of application or, if this application is brought under Rule 9-7, within 8 business days after service of this notice of application,

(a) file an application response in Form 33,

(b) file the original of every affidavit, and of every other document, that

    (i) you intend to refer to at the hearing of this application, and

    (ii) has not already been filed in the proceeding, and

(c) serve on the applicant 2 copies of the following, and on every other party of record one copy of the following:

    (i) a copy of the filed application response;

    (ii) a copy of each of the filed affidavits and other documents that you intend to refer to at the hearing of this application and that has not already been served on that person;

    (iii) if this application is brought under Rule 9-7, any notice that you are required to give under Rule 9-7(9).

DATED: March 26, 2024

Counsel for the Applicant
McCarthy Tétrault LLP
for (Nathan Stewart)

***To be completed by the court only*:**

Order made

☐ in the terms requested in paragraphs ……………………….. of Part 1 of this Notice of Application

☐ with the following variations and additional terms:

…………………………………………………………………………………………………
…………………………………………………………………………………………………
…………………………………………………………………………………………………
…………………………………………………………………………………………………
…………………………………………………………………………………………………
…………………………………………………………………………………………………
…………………………………………………………………………………………………
…………………………………………………………………………………………………

Date: ______________________

____
Signature of ☐ Judge
☐ Associate Judge

APPENDIX

THIS APPLICATION INVOLVES THE FOLLOWING:

☐ discovery: comply with demand for documents

☐ discovery: production of additional documents

☐ other matters concerning document discovery

☐ extend oral discovery

☐ other matter concerning oral discovery

☐ amend pleadings

☐ add/change parties

☐ summary judgment

☐ summary trial

☐ service

☐ mediation

☐ adjournments

☐ proceedings at trial

☐ case plan orders: amend

☐ case plan orders: other

☐ experts

☒ none of the above

SCHEDULE "A"

NO. S-237444
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

ALIREY CORP.

PETITIONER

AND:

2716725 ONTARIO INC., 10111132 MANITOBA LTD. (DBA MEDNOW MB), MEDNOW CLINIC SERVICES INC., MEDNOW INC., MEDNOW EAST INC., MEDNOW MEDICAL INC., MEDNOW ONTARIO LIMITED, MEDNOW PHARMACY AB LTD., MEDNOW OPERATIONS INC., MEDNOW PHARMACY INC., MEDNOW PHARMACY MB LTD., MEDNOW PHARMACY SERVICES INC., MEDNOW TECHNOLOGY INC., MEDNOW VIRTUAL CARE LTD.

RESPONDENTS

SERVICE LIST

Burns Fitzpatrick LLP 400 – 570 Granville Street Vancouver, BC V6C 3P1 **Attention: Dennis Fitzpatrick** Email: dfitzpatrick@burnsfitz.com *Counsel to the Petitioner*	**McCarthy Tétrault LLP** Suite 2400, 745 Thurlow Street Vancouver, BC V6E 0C5 **Attention: H. Lance Williams** **Ashley Bowron** Email: lwilliams@mccarthy.ca abowron@mccarthy.ca sdanielisz@mccarthy.ca *Counsel to the Receiver, Ernst & Young Inc.*
Ernst & Young Inc. 1133 Melville Street, Suite 1900 Vancouver, BC V6E 4E5 **Attention: Peter Venetsanos** **Kevin B. Brennan** Email: Peter.Venetsanos@parthenon.ey.com Kevin.B.Brennan@parthenon.ey.com Kaleb.Dekker@parthenon.ey.com *Receiver*	**Norton Rose Fulbright Canada LLP** 222 Bay Street,, Suite 3000, P.O. Box 53 Toronto, ON M5K 1E7 **Attention: James Renihan** Email: james.renihan@nortonrosefulbright.com *Counsel to Gilead Sciences Canada, Inc.*

<table>
<tr><td>Field Law
400 – 444 7 Avenue SW
Calgary, AB T2P 0X8

Attention: J. Graham Martinelli

Email: gmartinelli@fieldlaw.com

Counsel to Dundee Flex Properties Inc.</td><td>Thornton Group Finnigan LLP
100 Wellington Street West
Suite 3200, P.O. Box 329
Toronto, ON M5K 1K7

Attention: Puya Fesharaki

Email: pfesharaki@tgf.ca

Counsel to HSBC Bank Canada</td></tr>
<tr><td>Eric Fortin / Ariel Khabie
9420-7164 Quebec inc.
3020 – 5005 boul. Lapinière
Brossard (Québec) J4Z 0N5

Email: akhabie@kastello.ca
efortin@kastello.ca
sgibeault@kastello.ca</td><td>D'Arcy & Deacon LLP
2200 – One Lombard Place
Winnipeg, MB R3B 0X7

Attention: Kenneth J. Muys

Email: kmuys@darcydeacon.com

Counsel to AC Manitoba Investments Ltd.</td></tr>
<tr><td>Eastern Avenue Studio's Inc.
Rosie Bonofiglio
3200 Highway 7
Vaughn, ON L4K 5Z5

Email: jneely@smartcentres.com</td><td></td></tr>
<tr><td colspan="2">Parties Having a Registered Security Interest</td></tr>
<tr><td rowspan="2">McKesson Canada Corporation
4440 – 78th Avenue S.E.
Calgary, AB T2C 2Z5

2300 Meadowvale Blvd.
Mississauga, ON L5N 5P9

6355 Viscount Road
Mississauga, ON L4V 1W2</td><td>Imperial Distributors of Canada Inc.
150 – 13711 Mayfield Place
Richmond, BC V6V 2G9</td></tr>
<tr><td>Meridian OneCap Credit Corp.
Suite 1500, 4710 Kingsway
Burnaby, BC V5H 4M2</td></tr>
<tr><td>The Bank of Nova Scotia
10 Wright Boulevard
Stratford, ON N5A 7X9</td><td></td></tr>
</table>

E-Mail Service List

lwilliams@mccarthy.ca; abowron@mccarthy.ca; sdanielisz@mccarthy.ca; dfitzpatrick@burnsfitz.com; Peter.Venetsanos@parthenon.ey.com; Kevin.B.Brennan@parthenon.ey.com; Kaleb.Dekker@parthenon.ey.com; james.renihan@nortonrosefulbright.com; gmartinelli@fieldlaw.com; pfesharaki@tgf.ca; akhabie@kastello.ca; efortin@kastello.ca; sgibeault@kastello.ca; kmuys@darcydeacon.com; jneely@smartcentres.com

SCHEDULE “B”

NO. S-237444
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

ALIREY CORP.

PETITIONER

AND:

2716725 ONTARIO INC., 10111132 MANITOBA LTD. (DBA MEDNOW MB), MEDNOW CLINIC SERVICES INC., MEDNOW INC., MEDNOW EAST INC., MEDNOW MEDICAL INC., MEDNOW ONTARIO LIMITED, MEDNOW PHARMACY AB LTD., MEDNOW OPERATIONS INC., MEDNOW PHARMACY INC., MEDNOW PHARMACY MB LTD., MEDNOW PHARMACY SERVICES INC., MEDNOW TECHNOLOGY INC., MEDNOW VIRTUAL CARE LTD.

RESPONDENTS

ORDER MADE AFTER APPLICATION
(APPROVAL AND VESTING ORDER)

BEFORE THE HONOURABLE	)	WEDNESDAY, THE 3RD DAY
	)	
JUSTICE WALKER	)	OF APRIL, 2024
	)	

ON THE APPLICATION of the Applicant, Ernst & Young Inc., the court-appointed receiver and manager (in such capacity, the “**Receiver**”) without security, of all of the assets, undertakings and property of the Respondents (collectively, the “**Debtors**”), coming on for hearing at Vancouver, British Columbia, on the 3rd day of April, 2024; AND ON HEARING Nathan Stewart, counsel for the Receiver, and those other counsel listed on **Schedule “A”** hereto; AND UPON READING the material filed, including the First Receiver’s Report, dated November 30, 2023 (the “**First Report** “) and the Second Receiver’s Report, dated March 26, 2024 (the “**Second Report**”);

THIS COURT ORDERS AND DECLARES THAT:

1. The time for service of the Notice of Application for this order is hereby abridged such that the Notice of Application is properly returnable today and service of the Notice of Application on any interested party is herby dispensed with.

2. The sale transaction (the "**Transaction**") contemplated by the Stalking Horse Asset Purchase Agreement dated effective November 30, 2023 (the "**Sale Agreement**") between the Debtors, by and through the Receiver and Alirey Corp. and 1000699590 Ontario Inc. (collectively, the "**Purchaser**"), a copy of which is attached as Appendix "F" to the First Report, is hereby approved, and the Sale Agreement is commercially reasonable. The execution of the Sale Agreement by the Receiver is hereby authorized and approved, and the Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance to the Purchaser's nominees, Mednow Digital Inc., Mednow Digital Pharmacy (ON) Inc., Mednow Digital Pharmacy (BC) Inc., and Medvisit Inc. (collectively, the "**Nominees**"), of the assets described in the Sale Agreement (the "**Purchased Assets**").

3. Upon delivery by the Receiver to the Purchaser of a certificate substantially in the form attached as **Schedule** "**B**" hereto (the "**Receiver's Certificate**"), all of the Debtors' right, title and interest in and to the Purchased Assets described in the Sale Agreement shall vest absolutely in the Nominees, in accordance with the allocation of the Purchased Assets set out in **Schedule "E"** hereto, in fee simple, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of this Court dated November 3, 2023; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* of British Columbia or any other personal property registry system; and (iii) those Claims listed on **Schedule "C"** hereto (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 "D"** hereto), 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. 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 from and after the delivery of the Receiver's Certificate all Claims 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 had possession or control immediately prior to the sale.

5. The Receiver is to file with the Court a copy of the Receiver's Certificate forthwith after delivery thereof.

6. Pursuant to Section 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act* or Section 18(10)(o) of the *Personal Information Protection Act* of British Columbia, the Receiver is hereby authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the company's records pertaining to the Debtors' past and current employees, including personal information of those employees contemplated by Section 6.7 of the Sale Agreement. 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 Debtors.

7. Subject to the terms of the Sale Agreement, vacant possession of the Purchased Assets, including any real property, shall be delivered by the Receiver to the Nominees at 12:00 noon on the Closing Date (as defined in the Sale Agreement), subject to the permitted encumbrances as set out in the Sale Agreement and listed on **Schedule "D"**.

8. The Receiver, with the consent of the Purchaser, shall be at liberty to make amendments or modifications to the Sale Agreement that would not be materially prejudicial to the interest of the Debtors' stakeholders and to extend the Closing Date to such later date as those parties may agree without the necessity of a further Order of this Court.

9. Notwithstanding:

(a) these proceedings;

(b) any applications for a bankruptcy order in respect of the Debtors now or hereafter made pursuant to the *Bankruptcy and Insolvency Act* and any bankruptcy order issued pursuant to any such applications; and

(c) any assignment in bankruptcy made by or in respect of the Debtors,

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtors and shall not be void or voidable by creditors of the Debtors, nor shall it constitute or be deemed to be a transfer at undervalue, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the *Bankruptcy and Insolvency Act* 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.

10. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body, wherever located, 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.

11. The Receiver or any other party have liberty to apply for such further or other directions or relief as may be necessary or desirable to give effect to this Order.

THE FOLLOWING PARTIES APPROVE OF THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

Lawyer for the Applicant
McCarthy Tétrault LLP
(Nathan Stewart)

BY THE COURT

REGISTRAR

SCHEDULE "A"

LIST OF COUNSEL

Name of Counsel	**Party Represented**

SCHEDULE “B”

NO. S-237444
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

ALIREY CORP.

PETITIONER

AND:

2716725 ONTARIO INC., 10111132 MANITOBA LTD. (DBA MEDNOW MB),
MEDNOW CLINIC SERVICES INC., MEDNOW INC., MEDNOW EAST INC.,
MEDNOW MEDICAL INC., MEDNOW ONTARIO LIMITED,
MEDNOW PHARMACY AB LTD., MEDNOW OPERATIONS INC.,
MEDNOW PHARMACY INC., MEDNOW PHARMACY MB LTD.,
MEDNOW PHARMACY SERVICES INC., MEDNOW TECHNOLOGY INC.,
MEDNOW VIRTUAL CARE LTD.

RESPONDENTS

RECEIVER’S CERTIFICATE

1. All capitalized terms used in this Receiver’s Certificate and not otherwise defined shall have the meaning ascribed to them in the Order Made After Application (Approval and Vesting Order) pronounced by the Honourable Justice Walker of the Supreme Court of British Columbia (the “**Court**”), in the within proceedings, on April 3, 2024 (the “**Sale Approval and Vesting Order**”).

2. Pursuant to the Sale Approval and Vesting Order, the Court provided for the vesting of the Purchased Assets, in the Purchaser, upon the filing of this certificate by the Receiver, confirming that the Transaction has been completed, to the satisfaction of the Receiver.

THE RECEIVER HEREBY CONFIRMS AND CERTIFIES THE FOLLOWING:

1. The Transaction has been completed, to the satisfaction of the Receiver.

DATE THIS _____ DAY OF _________________, 2024

ERNST & YOUNG INC., in its capacity as the court-appointed receiver and manager of the assets, properties, and undertakings of the Respondents, and not in its personal or corporate capacity.

Per: ______________________________
Name:
Title:

SCHEDULE "C"

ENCUMBRANCES

British Columbia Personal Property Registry

2716725 Ontario Inc.

Secured Party	Base Reg No.	Registration Date / Expiry Date
Alirey Corp.	944695P	Dec 1, 2023 / Dec 1, 2027

Mednow Clinic Services Inc.

Secured Party	Base Reg No.	Registration Date / Expiry Date
Alirey Corp.	329704P	Jan 30, 2023 / Jan 30, 2025
Alirey Corp.	720400P	Aug 10, 2023 / Aug 10, 2026
Alirey Corp.	885615P	Nov 1, 2023 / Nov 1, 2027

Mednow Inc.

Secured Party	Base Reg No.	Registration Date / Expiry Date
Alirey Corp.	329687P	Jan 30, 2023 / Jan 30, 2025
Alirey Corp.	694365P	July 28, 2023 / July 28, 2028
Alirey Corp.	720389P	Aug 10, 2023 / Aug 10, 2026

Alirey Corp.	885602P	Nov 1, 2023 / Nov 1, 2027

Mednow medical Inc.

Secured Party	Base Reg No.	Registration Date / Expiry Date
Alirey Corp.	329710P	Jan 30, 2023 / Jan 30, 2025
Alirey Corp.	720388P	Aug 10, 2023 / Aug 10, 2026
Alirey Corp.	885612P	Nov 1, 2023 / Nov 1, 2027

Mednow Operations Inc.

Secured Party	Base Reg No.	Registration Date / Expiry Date
Alirey Corp.	329691P	Jan 30, 2023 / Jan 30, 2025
Alirey Corp.	720394P	Aug 10, 2023 / Aug 10, 2026
Alirey Corp.	885607P	Nov 1, 2023 / Nov 1, 2027

Mednow Pharmacy Inc.

Secured Party	Base Reg No.	Registration Date / Expiry Date
Alirey Corp.	329700P	Jan 30, 2023 / Jan 30, 2025
Alirey Corp.	720384P	Aug 10, 2023 / Aug 10, 2026

Alirey Corp.	885596P	Nov 1, 2023 / Nov 1, 2027

Mednow Pharmacy MB Ltd.

Secured Party	Base Reg No.	Registration Date / Expiry Date
Alirey Corp.	329701P	Jan 30, 2023 / Jan 30, 2025
Alirey Corp.	720383P	Aug 10, 2023 / Aug 10, 2026
Alirey Corp.	885585P	Nov 1, 2023 / Nov 1, 2027

Mednow Pharmacy Services Inc.

Secured Party	Base Reg No.	Registration Date / Expiry Date
Alirey Corp.	329719P	Jan 30, 2023 / Jan 30, 2025
Alirey Corp.	720379P	Aug 10, 2023 / Aug 10, 2026
Alirey Corp.	885573P	Nov 1, 2023 / Nov 1, 2027

Mednow Technology Inc.

Secured Party	Base Reg No.	Registration Date / Expiry Date
Alirey Corp.	329714P	Jan 30, 2023 / Jan 30, 2025
Alirey Corp.	720377P	Aug 10, 2023 / Aug 10, 2026

Alirey Corp.	885569P	Nov 1, 2023 / Nov 1, 2027

Mednow Virtual Care Ltd.

Secured Party	Base Reg No.	Registration Date / Expiry Date
Alirey Corp.	329696P	Jan 30, 2023 / Jan 30, 2025
Alirey Corp.	720370P	Aug 10, 2023 / Aug 10, 2026
Alirey Corp.	885563P	Nov 1, 2023 / Nov 1, 2027

Manitoba Personal Property Registry

Mednow MB

Secured Party	Reg No.	Registration Date / Expiry Date
Alirey Corp.	202318216209	Nov 1, 2023 / Oct 31, 2027
Alirey Corp.	202313237003	Aug 10, 2023 / July 31, 2026
Alirey Corp.	202301501708	Jan 30, 2023 / Jan 30, 2025

Ontario Personal Property Registry

2716725 Ontario Inc.

Secured Party	File No. and Reg No.	Registration Date / Expiry Date
Alirey Corp.	500866506 / 20231201 1313 2734 0942	Dec 1, 2023 / Dec 1, 2027

Mednow East Inc.

Secured Party	File No. and Reg No.	Registration Date / Expiry Date
Alirey Corp.	790355664 / 20230130 1623 1590 9129	Jan 30, 2023 / Jan 30, 2025
Alirey Corp.	796130694 / 20230811 1021 1590 5881	Aug 11, 2023 / Aug 11, 2026
Alirey Corp.	798664905 / 20231101 1856 1590 6696	Nov 1, 2023 / Nov 1, 2027

Mednow Ontario Limited

Secured Party	File No. and Reg No.	Registration Date / Expiry Date
Alirey Corp.	790355673 / 20230130 1623 1590 9130	Jan 30, 2023 / Jan 30, 2025
Alirey Corp.	796130658 / 20230811 1020 1590 5880	Aug 11, 2023 / Aug 11, 2026

Alirey Corp.	798664851 / 20231101 1849 1590 6695	Nov 1, 2023 / Nov 1, 2027

Mednow Pharmacy AB Ltd.

Secured Party	File No. and Reg No.	Registration Date / Expiry Date
Alirey Corp.	790355691 / 20230130 1624 1590 9132	Jan 30, 2023 / Jan 30, 2025
Alirey Corp.	796130766 / 20230811 1021 1590 5882	Aug 11, 2023 / Aug 11, 2026
Alirey Corp.	798665094 / 20231101 1939 1590 6697	Nov 1, 2023 / Nov 1, 2027

SCHEDULE “D”

PERMITTED ENCUMBRANCES

British Columbia Personal Property Registry

Mednow Pharmacy Inc.

Secured Party	Base Reg No.	Registration Date / Expiry Date
McKesson Canada Corporation	444933M	Sept 3, 2020 / Sept 3, 2025
McKesson Canada Corporation	444934M	Sept 3, 2020 / Sept 3, 2025
Imperial Distributors Canada Inc.	912328N	Aug 10, 2022 / Aug 10, 2027

Manitoba Personal Property Registry

100111132 Manitoba Ltd.

Secured Party	Reg No.	Registration Date / Expiry Date
McKesson Canada Corporation	202202290207	Feb 15, 2022 / Feb 15, 2027
McKesson Canada Corporation	202202290002	Feb 15, 2022 / Feb 15, 2027

Ontario Personal Property Registry

Mednow Inc.

Secured Party	File No. and Reg No.	Registration Date / Expiry Date
The Bank of Nova Scotia	773753535 / 20210623 0958 1219 1423	June 23, 2021 / June 23, 2025
Meridian Onecap Credit Corp.	783992727 / 20220615 1008 5064 9881	June 15, 2022 / June 15, 2030

Mednow East Inc.

Secured Party	File No. and Reg No.	Registration Date / Expiry Date
McKesson Canada Corporation	765844389 / 20200917 1002 1462 7701	Sept 17, 2020 / Sept 17, 2025
McKesson Canada Corporation	765844398 / 20200917 1002 1462 7702	Sept 17, 2020 / Sept 17, 2025

Mednow Ontario Limited

Secured Party	File No. and Reg No.	Registration Date / Expiry Date
McKesson Canada Corporation	779781276 / 20220120 1001 1462 9262	Jan 20, 2022 / Jan 20, 2027
McKesson Canada Corporation	779781285 / 20220120 1001 1462 9263	Jan 20, 2022 / Jan 20, 2027

SCHEDULE “E”

VESTING OF PURCHASED ASSETS IN NOMINEES

Capitalized terms used in this Schedule “E” and not otherwise defined herein or in the Order Made After Application (Approval and Vesting Order) pronounced by the Honourable Justice Walker of the Supreme Court of British Columbia, in the within proceedings, on April 3, 2024 (the “**Sale Approval and Vesting Order**”), to which this Schedule “E” is attached, shall have the same meaning as is ascribed to such terms in the Sale Agreement.

The Purchased Assets shall vest in the Nominees (as defined in the Sale Approval and Vesting Order) as follows:

(i) all Property of the Vendors, excluding (a) Excluded Assets, (b) Property of Mednow Pharmacy Inc., (c) Property of Mednow Ontario Limited, (d) Property of 2716725 Ontario Inc., and (e) Property of Mednow Virtual Care Ltd., shall vest in the Nominee, Mednow Digital Inc.;

(ii) all Property of Mednow Pharmacy Inc., but excluding any Excluded Assets, shall vest in the Nominee, Mednow Digital Pharmacy (BC) Inc.;

(iii) all Property of Mednow Ontario Limited, but excluding any Excluded Assets, shall vest in the Nominee, Mednow Digital Pharmacy (ON) Inc.; and,

(iv) all Property of Mednow Virtual Care Ltd. and 2716725 Ontario Inc., but excluding any Excluded Assets, shall vest in the Nominee, Medvisit Inc.

SCHEDULE “C”

NO. S-237444

VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

ALIREY CORP.

PETITIONER

AND:

2716725 ONTARIO INC., 10111132 MANITOBA LTD. (DBA MEDNOW MB),
MEDNOW CLINIC SERVICES INC., MEDNOW INC., MEDNOW EAST INC.,
MEDNOW MEDICAL INC., MEDNOW ONTARIO LIMITED,
MEDNOW PHARMACY AB LTD., MEDNOW OPERATIONS INC.,
MEDNOW PHARMACY INC., MEDNOW PHARMACY MB LTD.,
MEDNOW PHARMACY SERVICES INC., MEDNOW TECHNOLOGY INC.,
MEDNOW VIRTUAL CARE LTD.

RESPONDENTS

ORDER MADE AFTER APPLICATION
(APPROVAL AND DISCHARGE ORDER)

BEFORE THE HONOURABLE	))	WEDNESDAY, THE 3RD DAY
JUSTICE WALKER	))	OF APRIL, 2024

ON THE APPLICATION of the Applicant, Ernst & Young Inc. (“**EY**”), the court-appointed receiver and manager (in such capacity, the “**Receiver**”) without security, of all of the assets, undertakings and property of the Respondents (collectively, the “**Debtors**”), coming on for hearing at Vancouver, British Columbia, on the 3rd day of April, 2024; AND ON HEARING Nathan Stewart, counsel for the Receiver, and those other counsel listed on **Schedule “A”** hereto; AND UPON READING the material filed, including the First Receiver’s Report, dated November 30, 2023 (the “**First Report** “) and the Second Receiver’s Report, dated March 26, 2024 (the “**Second Report**”);

THIS COURT ORDERS AND DECLARES THAT:

1. The time for service of the Notice of Application for this order is hereby abridged such that the Notice of Application is properly returnable today and service of the Notice of Application on any interested party is herby dispensed with.

APPROVAL OF ACTIVITIES AND FEES

2. The Receiver's accounts for its fees and disbursements, as set out in paragraphs 80 to 82 and Appendix "D" of the Second Report, are hereby approved.

3. The accounts of the Receiver's legal counsel, McCarthy Tétrault LLP, for its fees and disbursements, as set out in paragraphs 83 to 85 and Appendix "E" of the Second Report, are hereby approved.

4. The estimated fees and disbursements of the Receiver and the Receiver's legal counsel, McCarthy Tétrault LLP, to be incurred up to and including the completion of the Transaction (as such term is defined in the Order Made After Application (Approval and Vesting Order) pronounced by the Honourable Justice Walker on even date in these proceedings (the "**Approval and Vesting Order**")), as set out in paragraphs 81 and 84 and Appendices "D" and "E" of the Second Report, are hereby approved, without the necessity of a formal passing of accounts in respect of any such fees incurred or charged after the date of this Order.

5. The Receiver's activities and conduct, as set out in the First Report, the Second Report, and in all of its other reports, supplements, affidavits, pleadings, and materials, filed in the within proceedings, and the final statement of receipts and disbursements as set out in as set out in paragraph 73 and Appendix "C" of the Second Report, are hereby ratified and approved.

6. As of the date of the Second Report, and based upon the evidence that is currently before the Court, the Receiver has satisfied (i) all of its duties and obligations as Receiver; and, (ii) its obligations under and pursuant to the terms of the Orders granted in the within proceedings up to and including the date hereof.

RECEIVER'S BORROWINGS CHARGE

7. The maximum principal amount of the Receiver's Borrowings Charge set out in paragraph 22 of the Order pronounced in these proceedings on November 3, 2023 (the

"**Receivership Order**"), as previously amended by paragraph 5 of the Order pronounced in these proceedings on December 6, 2023, is increased to $1,512,500 from $1,475,000, and all provisions of the Receivership Order relating to the Receiver's Borrowings Charge are amended accordingly, *mutatis mutandis*.

DISCHARGE AND RELEASE OF RECEIVER

8. Effective immediately upon the Receiver filing with this Court a certificate substantially in the form attached as **Schedule** "**B**" hereto (the "**Receiver's Discharge Certificate**"), confirming that (i) the Transaction (as defined in the Approval and Vesting Order) has been completed to the satisfaction of the Receiver, and (ii) all outstanding amounts secured by the Receiver's Charge (as defined in the Receivership Order) have been satisfied:

(a) EY, in its capacity as Receiver, is hereby discharged as receiver and manager of the Debtors and the Property;

(b) notwithstanding the discharge of the Receiver, the Receiver remains empowered with residual jurisdiction to take such steps and actions as it deems necessary to address any ancillary or incidental matters, as required in connection with its capacity as Receiver following the termination of the within proceedings, and EY shall continue to have the benefit of all orders made in these proceedings in relation to its capacity as Receiver; and,

(c) EY shall be released and discharged from any and all liability that EY now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of EY while acting in its capacity as Receiver herein, and without limiting the generality of the foregoing, EY shall be forever released and discharged from any and all liability relating to matters that were raised, or which could have been raised, in the within proceedings.

THE FOLLOWING PARTIES APPROVE OF THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

Lawyer for the Applicant
McCarthy Tétrault LLP
(Nathan Stewart)

BY THE COURT

REGISTRAR

SCHEDULE “A”

LIST OF COUNSEL

Name of Counsel	Party Represented

SCHEDULE "B"

NO. S-237444
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

ALIREY CORP.

PETITIONER

AND:

2716725 ONTARIO INC., 10111132 MANITOBA LTD. (DBA MEDNOW MB),
MEDNOW CLINIC SERVICES INC., MEDNOW INC., MEDNOW EAST INC.,
MEDNOW MEDICAL INC., MEDNOW ONTARIO LIMITED,
MEDNOW PHARMACY AB LTD., MEDNOW OPERATIONS INC.,
MEDNOW PHARMACY INC., MEDNOW PHARMACY MB LTD.,
MEDNOW PHARMACY SERVICES INC., MEDNOW TECHNOLOGY INC.,
MEDNOW VIRTUAL CARE LTD.

RESPONDENTS

RECEIVER'S DISCHARGE CERTIFICATE

1. All capitalized terms used in this Receiver's Certificate and not otherwise defined shall have the meaning ascribed to them in the Order Made After Application (Approval and Discharge) pronounced by the Honourable Justice Walker of the Supreme Court of British Columbia (the "**Court**"), in the within proceedings, on April 3, 2024 (the "**Approval and Discharge Order**").

2. Pursuant to the Approval and Discharge Order, the Court provided for the discharge of the Receiver, upon the filing of this certificate by the Receiver, confirming that: (i) the Transaction (as defined in the Approval and Vesting Order) has been completed, to the satisfaction of the Receiver; and, (ii) all outstanding amounts secured by the Receiver's Charge (as defined in the Receivership Order) have been satisfied.

THE RECEIVER HEREBY CONFIRMS AND CERTIFIES THE FOLLOWING:

1. The Transaction has been completed, to the satisfaction of the Receiver.

2. All outstanding amounts secured by the Receiver's Charge have been satisfied.

DATE THIS _____ DAY OF _________________, 2024

ERNST & YOUNG INC., in its capacity as the court-appointed receiver and manager of the assets, properties, and undertakings of the Respondents, and not in its personal or corporate capacity.

Per: ______________________________
Name:
Title: