

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

2293035 ONTARIO LIMITED

Applicant

and

HEALTHSCREEN SOLUTIONS INCORPORATED

Respondent

**SUPPLEMENTARY MOTION RECORD OF THE RECEIVER
(DISCHARGE MOTION)**

January 22, 2014

GARDINER ROBERTS LLP

Lawyers
Scotia Plaza
40 King Street West, Suite 3100
Toronto ON M5H 3Y2

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Lawyers for Deloitte & Touche Inc., the Court-
appointed Receiver of Healthscreen Solutions
Incorporated

TO: **THE SERVICE LIST**

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Court File No. CV-11-9365-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

2293035 ONTARIO LIMITED

Applicant

and

HEALTHSCREEN SOLUTIONS INCORPORATED

Respondent

**SUPPLEMENTARY REPORT TO THE SECOND REPORT OF
DELOITTE RESTRUCTURING INC.
IN ITS CAPACITY AS RECEIVER**

Dated January 21, 2014

INTRODUCTION

1. This is a supplementary report (the “**Supplementary Report**”) to the Second Report of Deloitte Restructuring Inc. dated November 15, 2013 (the “**Second Report**”), in its capacity as court-appointed Receiver (the “**Receiver**”) of all of the assets, undertakings and properties (the “**Property**”) of Healthscreen Solutions Incorporated (“**Healthscreen**” or the “**Company**”). This Supplementary Report is to be read in conjunction with, and in the context of, the Second Report previously filed with this Honourable Court.

2. The purpose of this Supplementary Report is:
 - a) to provide an update to the Court on the status of proceedings since the filing of the Second Report;
 - b) to seek an order regarding the distribution of funds to secured and priority creditors;
 - c) to seek an order to pay into court those CallerMD trust funds that have not been cashed by the doctors;
 - d) to seek an order unsealing Exhibits "G" and "H" to the First Report of the Receiver;
 - e) to seek an order approving the activities of the Receiver as detailed herein;
 - f) to seek the approval of the Receiver's Statement of Receipts and Disbursements for the period from September 2, 2011 to January 20, 2014;
 - g) to seek this Honourable Court's approval of the fees and disbursements of the Receiver and its counsel for the periods from September 28, 2011 and September 23, 2011 respectively to date; and
 - h) to seek an order of the Court for the discharge of the Receiver.
3. A copy of the Appointment Order, together with related Court documents and the Notice to Creditors dated September 9, 2011 have been posted on the Receiver's website at <http://www.deloitte.com/ca/healthscreen>.
4. Unless otherwise provided, capitalized terms not otherwise defined in this Supplementary Report are as defined in the Appointment Order.

5. This report is prepared for the use of the Court and stakeholders for the purpose of assisting the Court in making a determination whether to grant the relief requested by the Receiver. The report is based on the Receiver's analysis of information provided to it by management and directors of Healthscreen, which included both unaudited and audited financial information and internal financial reporting. The Receiver's procedures did not constitute an audit or review engagement of Healthscreen's books and records and financial reporting. The Receiver has relied on Healthscreen's financial reporting and on Healthscreen's financial statements and records in reaching the conclusions set out in this report.
6. Unless otherwise stated, all dollar amounts contained in the Supplementary Report are expressed in Canadian dollars.
7. On November 19, 2013, the Motion Record of the Receiver (Discharge Motion) was served to the Service List with a returnable date of December 11, 2013.
8. On December 11, 2013, the motion was adjourned to January 24, 2014 on an unopposed basis as this Honourable Court was advised that certain secured creditors propose to issue a bankruptcy application returnable January 14th or 15th, 2014. Attached as ***Exhibit "A"*** is a copy the endorsement indicating that counsel advised that the application could result in the reversal of priorities. The affected party CRA was to be served with the bankruptcy application.
9. On December 11, 2013, an Application for Bankruptcy Order and Affidavit of Truth was filed with a hearing date of January 21, 2014. Attached as ***Exhibit "B"*** is a copy of the

Application for Bankruptcy Order and Affidavit of Truth that was served to the Service List on December 17, 2013.

10. On January 21, 2014, a Bankruptcy Order was issued. Attached as ***Exhibit "C"*** is a copy of the Bankruptcy Order.
11. As a result of the issuance of the Bankruptcy Order, it is the opinion of the Receiver and the Receiver's legal counsel that the proposed pro-rata distribution to deemed trust claims in priority to WEPPA is no longer valid. Paragraph 47 of the Second Report outlined the proposed distribution and is reproduced below:

Deemed trust claims	\$
CRA-source deductions	3,790.86
CRA-GST/HST	178,449.89
MOR (lien claim)–Healthscreen	105,297.43
MOR–Healthscreen	32,326.30
MOR-1589681 Ontario Limited	11,596.80
Vacation Pay owed to Employees	41,236.45
Total	\$372,697.73

12. Of the deemed trust claims noted above, only the source deduction claim in the amount of \$3,790.86 remains once there is a bankruptcy.
13. In paragraph 24 of the Second Report, of the amounts paid by WEPPA, WEPPA claimed a super priority over the current assets in the amount of \$5,792.72. At the time the Second Report was filed, given that all of Healthscreen's current assets were subject to deemed trust claims, there were no current assets available to satisfy the WEPPA claim. With the issuance of the Bankruptcy Order, and the reversal of priorities, there are now current assets available to satisfy the WEPPA claim in the amount of \$5,792.72.

14. As noted in the First and Second Reports, Gardiner Roberts, independent counsel to the Receiver, performed an independent review of the security held by the Applicant and others who hold secured claims on the assets of Healthscreen.
15. Subject to certain standard assumptions, exceptions, and qualifications, Gardiner Roberts' independent review confirmed, in the following priority order, that:
 - a) RBC has a first ranking position over the assets and undertakings of Healthscreen. The RBC debt currently relates to VISA indebtedness of approximately \$37,000;
 - b) 229 has good and valid security over the assets of the Company for all indebtedness owed to 229. The initial indebtedness was for \$5,104,000. Interest and costs accumulated on that debt and were extinguished upon the Sale Transaction;
 - c) MOR has a priority secured claim for approximately \$145,000 relating to sales tax (includes interest). MOR registered under the PPSA on March 28, 2011;
 - d) Justin Belobaba has a secured claim for \$50,000 plus interest and costs; and
 - e) Azedomine Inc. has a secured claim for \$55,553 plus interest and costs;
16. In the Receivership, there were no funds available to satisfy the claims of the secured creditors due to the significant deemed trust claims noted above. Once the Receiver was advised of the Application for Bankruptcy, the Receiver contacted the secured creditors and requested that the secured creditors file claims with the Receiver. The Receiver has received the following secured claims:
 - a) RBC in the amount of \$46,357.01, a copy of which is attached as ***Exhibit "D"***;
 - b) Ministry of Revenue pursuant to its lien claim in the amount of \$138,777.81, a copy of which is attached as ***Exhibit "E"***;

- c) Justin Belobaba in the amount of \$91,502.98, a copy of which is attached as ***Exhibit "F"***. With accrued interest to January 20, 2014, the amount of the claim is \$91,736.70;
- d) Azedomine Inc. in the amount of \$100,653.27, a copy of which is attached as ***Exhibit "G"***; Note there are insufficient funds to pay the secured claim of Azedomine Inc. in full.
17. Attached as ***Exhibit "H"*** is the Receiver's Statement of Receipts and Disbursements for the period September 2, 2011 to January 20, 2014 (the "**Receivership Period**") for the operating account. As at January 20, 2014, the closing cash balance is \$374,307.88 of which \$1,294.77 represents trust funds belonging to CallerMD doctors.
18. As a Bankruptcy Order was issued on January 21, 2014, the Receiver recommends an amended distribution as summarized below.

Funds available as at January 20, 2014	\$374,307.88
Less:	
CallerMD trust funds to be paid into court	(1,294.77)
Receiver fees	(38,282.14)
Legal Fees	<u>(13,108.00)</u>
Funds available for distribution to deemed trust claims and secured creditors	\$321,622.97
Deemed trust and Secured claims	
CRA-source deductions	3,790.86
WEPPA	5,759.72
RBC	46,357.01
MOR (lien claim)–Healthscreen	138,777.82
Justin Belobaba	91,736.70
Azedomine Inc.	<u>35,200.86</u>
Total	<u>\$321,622.97</u>
Remaining Funds	-

19. The Appointment Order directs and empowers the Receiver to pass its accounts from time to time, and to include any necessary fees and disbursements of its legal counsel in the passing of its accounts.
20. In paragraph 54 of the Second Report, the total fees and disbursements of the Receiver for the period September 28, 2011 to November 15, 2013 were \$229,662.94 plus HST in the amount of \$29,856.18, totalling \$259,519.12. Full particulars of the Receiver's fees and disbursements were set out in the Affidavit of Catherine Hristow sworn on November 15, 2013 which was attached as *Exhibit "O"* to the Second Report. The Receiver estimates fees for the period November 15, 2013 to January 24, 2014 in the amount of \$4,300.00 plus HST of \$559.00, for a total of \$4,859.00. The total fees and disbursements incurred by Receiver for the period September 28, 2011 to January 24, 2014 is \$264,378.12.
21. In paragraph 55 of the Second Report, the total fees and disbursements incurred for services provided by Gardiner Roberts for the period September 24, 2011 to November 15, 2013 were \$69,874.58 plus HST in the amount of \$9,060.92 totalling \$78,935.55. Full particulars of Gardiner Roberts' fees and disbursements are reported the affidavit of Timothy Duncan sworn on November 15, 2013 which was attached as *Exhibit "P"* to the Second Report. Gardiner Roberts has provided an estimate of fees from November 15, 2013 to January 24, 2014 in the amount of \$2,800.00 plus HST of \$364.00, for a total of \$3,164.00. The total fees and disbursements incurred by Gardiner Roberts for the period September 24, 2011 to January 24, 2014 is \$82,099.55.

SUMMARY AND RECOMMENDATIONS

22. The Receiver respectfully recommends that this Honourable Court grant an Order:

- a) payment of deemed trust and secured claims;
- b) payment of remaining CallerMD trust claims into court;
- c) approving the activities of the Receiver to date as detailed herein;
- d) approving the Receiver's Statement of Receipts and Disbursements for the period from September 2, 2011 to January 20, 2014;
- e) approving the fees and disbursements of the Receiver and its legal counsel to the dates indicated in the Fee Affidavits and the Supplementary Report; and,
- f) Discharge the Receiver after the issuance of the deemed trust and secured claims.

All of which is respectfully submitted at Toronto, Ontario this 21th day of January, 2014.

Deloitte Restructuring Inc.

solely in its capacity as the Court-appointed
receiver of Healthscreen Solutions Incorporated
and without personal or corporate liability

Per:



for

Adam Bryk
Senior Vice President

Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

2293035.

Plaintiff(s)

AND

Defendant(s)

Case Management ☐ Yes ☐ No by Judge: _____

Counsel	Telephone No:	Facsimile No:
J. Rosehat .		
W. Taskicwag		

- ☐ Order ☐ Direction for Registrar (No formal order need be taken out)
- ☐ Above action transferred to the Commercial List at Toronto (No formal order need be taken out)
- ☐ Adjourned to: _____
- ☐ Time Table approved (as follows):

Mtn to discharge Receiv adjourned, on an unopposed basis, to January 24, 2014. (30 minutes)

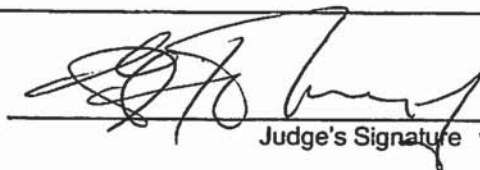
Secured credits proposes to issue bankruptcy application returnable June 14 or 15th, 2014.

Counsel have advised that application could result in reversal of priorities.

Affected party, CRA, to be served with bankruptcy application

December 11, 2013

Date



Judge's Signature

☐ Additional Pages _____



Court File No.: **31-OR-208002-T**

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)

IN THE MATTER OF THE BANKRUPTCY OF
HEALTHSCREEN SOLUTIONS INCORPORATED, a Corporation Duly Incorporated
 under the Laws of the Province of Ontario, of the City of St. Catharines, in the Province of
 Ontario

APPLICATION FOR BANKRUPTCY ORDER
 (Sections 43 and 44)

Justin Belobaba ("**Belobaba**") hereby applies to the Court for an Order that Healthscreen Solutions Incorporated ("**Healthscreen**") be adjudged bankrupt and that a bankruptcy order be made in respect of the property of Healthscreen, a corporation incorporated pursuant to the laws of Ontario with its head office in the City of St. Catharines, in the province of Ontario and says:

1. That Healthscreen has at some time during the year preceding the filing of this application carried on business at 80 Bloor Street West, Toronto, Ontario within the jurisdiction of this Court.

2. That Healthscreen is justly and truly indebted to Belobaba in the sum of \$90,967.74 as of November 19, 2013 with interest accruing thereon.

3. That Healthscreen within the six months next preceding the date of the filing of this application has committed the following act of bankruptcy, namely:

- (a) It has ceased to meet its liabilities generally as they have come due in that it has failed to meet its obligations to Belobaba and to ~~Azedomine Inc.~~

4. That Belobaba is a secured creditor of Healthscreen and that the value of Belobaba's security is estimated to be \$60,000.

5. That Crowe Soberman Inc. is qualified to act as trustee of the property of Healthscreen and has agreed to act as such and is acceptable to the under mentioned creditor:

Dated at City of Mississauga, this 9th day of December, 2013.

SIGNED, BY THE APPLICANT
in my presence

Wojtek Jaskiewicz

)
)
)
)
)
)
)

Justin Belobaba

Issued at the City of Toronto, in the Province of Ontario, this 11th day of December, 2013.

Per:

Registrar in Bankruptcy
Master M. Jean

Date: _____

	Court File No. <u>31-OR-20802-T</u>
TO: HEALTHSCREEN SOLUTIONS INCORPORATED	ONTARIO SUPERIOR COURT OF JUSTICE IN BANKRUPTCY AND INSOLVENCY
<p>TAKE NOTICE that an Application for Bankruptcy Order be made in respect of your property will be heard before the presiding Honourable Judge in Bankruptcy of this Honourable Court, at such Court Room as designated by the Court List (or if unopposed, before the Registrar in Bankruptcy of this Honourable Court) at 330 University Avenue, in the City of Toronto, on <u>Tue.</u> the <u>21st</u> day of <u>Jan.</u> 201<u>4</u>, at the hour of 10:00 o'clock in the forenoon, or so soon thereafter as the Application can be heard.</p> <p>AND TAKE NOTICE that if Notice of cause against the Application is not filed in Court and a copy thereof served on the solicitor for the Applicant at least two (2) days before the hearing and if you do not appear at the hearing, the Court may make a Bankruptcy Order on such proof of the statements in the Application as the Court shall think sufficient.</p> <p>DATED at Toronto, Ontario, this _____ day of December, 2013.</p>	<p>IN THE MATTER OF THE BANKRUPTCY OF HEALTHSCREEN SOLUTIONS INCORPORATED, a corporation duly incorporated under the laws of the Province of Ontario, of the City of St. Catharines, in the province of Ontario</p> <hr/> <p>APPLICATION FOR BANKRUPTCY ORDER AND AFFIDAVIT OF TRUTH</p> <hr/> <p>PALLET VALO LLP Lawyers & Trade-Mark Agents 77 City Centre Drive, West Tower Suite 300 Mississauga, Ontario L5B 1M5</p> <p>Wojtek Jaskiewicz (LSUC# 49809L) Tel: (905) 273-3300 Fax: (905) 273-6920</p> <p><u>- JUSTIN BELOBABA</u> Lawyers for <u>Azedomine Inc.</u></p>

Court File No.:

**ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)**

**IN THE MATTER OF THE BANKRUPTCY OF
HEALTHSCREEN SOLUTIONS INCORPORATED**, a Corporation Duly Incorporated
under the Laws of the Province of Ontario, of the City of St. Catharines, in the Province of
Ontario

**AFFIDAVIT OF TRUTH OF STATEMENTS IN APPLICATION FOR
BANKRUPTCY ORDER**

I, Justin Belobaba, ("**Belobaba**") the creditor named in the Application for Bankruptcy Order
hereunto annexed, MAKE OATH AND SAY:

1. That Healthscreen Solutions Incorporated is justly and truly indebted to me in the sum of
\$90,967.74 as stated in the said Application.
2. That the facts as alleged in the said Application are within my own knowledge true.

SWORN OR AFFIRMED before
me at the City of Mississauga,
in the Province of Ontario,
this 9th day of December, 2013

)
)
)
)
)


Justin Belobaba

A Commissioner for taking affidavits

Wojtek Jaskiewicz

Court File No.	TO: HEALTHSCREEN SOLUTIONS INCORPORATED	
IN THE MATTER OF THE BANKRUPTCY OF HEALTHSCREEN SOLUTIONS INCORPORATED, a Corporation Duly Incorporated under the Laws of the Province of Ontario, of the City of St. Catharines, in the Province of Ontario	APPLICATION FOR BANKRUPTCY ORDER AND AFFIDAVIT OF TRUTH	<p>TAKE NOTICE that an Application for Bankruptcy Order be made in respect of your property will be heard before the presiding Honourable Judge in Bankruptcy of this Honourable Court, at such Court Room as designated by the Court List (or if unopposed, before the Registrar in Bankruptcy of this Honourable Court) at 330 University Avenue, in the City of Toronto, on <u>TUES</u> the <u>21st</u> day of <u>JAN</u> 2014, at the hour of 10:00 o'clock in the forenoon, or so soon thereafter as the Application can be heard.</p> <p>AND TAKE NOTICE that if Notice of cause against the Application is not filed in Court and a copy thereof served on the solicitor for the Applicant at least two (2) days before the hearing and if you do not appear at the hearing, the Court may make a Bankruptcy Order on such proof of the statements in the Application as the Court shall think sufficient.</p> <p>DATED at Toronto, Ontario, this _____ day of December, 2013.</p>
	<p>PALETT VALO LLP Lawyers & Trade-Mark Agents 77 City Centre Drive, West Tower Suite 300 Mississauga, ON L5B 1M5</p> <p>Wojtek Jaskiewicz (LSUC# 49809L) Tel: (905) 273-3300 Fax: (905) 273-6920</p> <p>Lawyers for Azedomine Inc.</p>	



Court File No.: 31-OR-208002-T

**ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)**

MASTER

JEAN

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)
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)

TUESDAY, THE 21st

DAY OF JANUARY, 2014

**IN THE MATTER OF THE BANKRUPTCY OF
HEALTHSCREEN SOLUTIONS INCORPORATED**, a Corporation Duly
Incorporated under the Laws of the Province of Ontario, of the City of St. Catharines, in
the Province of Ontario

BANKRUPTCY ORDER

THE APPLICATION of Justin Belobaba ("**Belobaba**") for an Order that Healthscreen Solutions Incorporated ("**Healthscreen**") be adjudged bankrupt and that a bankruptcy order be made in respect of the property of Healthscreen was heard this day at 393 University Avenue, Toronto.

ON READING the Application of Belobaba, the Affidavit of Belobaba in support of the Application, the consent of Crowe Soberman Inc. to act as Trustee in Bankruptcy and upon hearing the submissions of counsel for the Applicant, no one else appearing, although property served as evidenced by the Affidavits of Service of Moe Ghani and Nadia Gatta, filed

1. It is ordered that Healthscreen be adjudged bankrupt and that a bankruptcy order be made in respect of the property of Healthscreen.
2. It is ordered that Crowe Soberman Inc. be and hereby is appointed to act as Trustee in Bankruptcy for the estate of Healthscreen.
3. It is ordered that the costs of and incidental to the application and to this order be paid to the applicant out of the assets of the estate of the said bankrupt forthwith after taxation thereof.



Masker Jean

	Court File No. 31-OR-208002-T
	<p align="center">ONTARIO SUPERIOR COURT OF JUSTICE IN BANKRUPTCY AND INSOLVENCY</p>
	<p align="center">IN THE MATTER OF THE BANKRUPTCY OF HEALTHSCREEN SOLUTIONS INCORPORATED, a Corporation Duly Incorporated under the Laws of the Province of Ontario, of the City of St. Catharines, in the Province of Ontario</p> <hr/> <p align="center">BANKRUPTCY ORDER</p> <hr/> <p>PALLETT VALO LLP Lawyers & Trade-Mark Agents 77 City Centre Drive, Suite 300 Mississauga, ON L5B 1M5</p> <p>Wojtek Jaskiewicz (LSUC# 49809L) Tel: (905) 273-3300 Fax: (905) 273-6920</p> <p>Lawyers for Justin Belobaba</p>

Gowling Lafleur Henderson LLP · Lawyers · Patent and Trade-mark Agents

gowlings

One Main Street West
Hamilton, ON L8P 4Z5
P 905 540-8208

January 16, 2014

Deloitte Touché LLP
181 Bay Street, Suite 1400
Toronto, ON
M5J 2V1

Attention Catherine Hristow
Vice President

Dear Ms Hristow:

Re: Royal Bank of Canada v. Healthscreen Solutions Incorporated (the "Receivership")

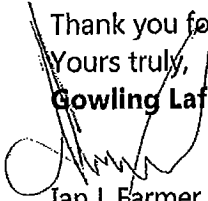
We advise that Royal Bank of Canada has retained Gowling Lafleur Henderson LLP as lawyers to act on its behalf in relation to the above noted Receivership. We therefore attach a Proof of Claim on behalf of our client and request that you kindly forward all documentation to the attention of the undersigned.

We thank you for your assistance with this matter and should you have any questions or concerns, please do not hesitate to contact the undersigned.

Thank you for your attention to this matter.

Yours truly,

Gowling Lafleur Henderson LLP



Ian L. Farmer
File #H172295

PROOF OF CLAIM

(Subsection 50.1(1), paragraphs 51(1)(e) and 66.14(b)
and subsections 81.2(1), 102(2), 124(2) and 128(1))

In the matter of the bankruptcy (or proposal or receivership of the property) of
Healthscreen Solutions Incorporated of the City of Toronto, in the Province of Ontario,
and the claim of Royal Bank of Canada, creditor.

All Notices or correspondence regarding this claim must be forwarded to the following
address:

c/o Gowling Lafleur Henderson LLP
1 Main St West
Hamilton, Ontario
L8P 4Z5

Attention Domagoj (Dom) Glavota
Phone 905 540-3240
Fax 905-523-2941
Email dom.glavota@gowlings.com

I, Domagoj (Dom) Glavota, of the City of Hamilton, certify as follows:

1. That I am a lawyer with Gowling Lafleur Henderson LLP, Solicitors and duly authorized agents for Royal Bank of Canada.
2. That I have knowledge of all the circumstances connected with the claim referred to in this form.
3. That the said debtor was at the date of bankruptcy (or the proposal or the receivership), namely January **20, 2014**, and still is indebted to the above-named creditor (referred to in this form as "the creditor") in the sum of **\$46,357.01** as shown by the statement of account attached hereto and marked "Schedule A", after deducting any counterclaims to which the debtor is entitled. *(The attached statement of account must specify the vouchers or other evidence in support of the claim.)*
4. *(Check and complete appropriate category.)*

A. UNSECURED CLAIM

That in respect of the said debt, the creditor does not hold any assets of the debtor as security and

(Check appropriate description)

- ☐ The creditor does not claim a right to a priority
- ☐ The creditor claims a right to a priority under section 136 of the Bankruptcy and Insolvency Act. *(Set out on an attached schedule details to support priority claim.)*

X B. SECURED CLAIM \$46,357.01

That in respect of the said debt, the creditor holds assets of the debtor valued at \$46,357.01 as security.

A General Security Agreement dated July 4, 2007.

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

☐ **C. CLAIM BY FARMER, FISHERMAN, OR AQUACULTURIST**

That the creditor hereby makes a claim under subsection 81.2(1) of the *Bankruptcy and Insolvency Act* for the unpaid amount of \$ _____ (Attach a copy of sales agreement and delivery documents.)

☐ **D. CLAIM AGAINST DIRECTOR \$ _____**

(To be completed when a proposal provides for the compromise of claim against directors)

That I hereby make a claim under subsection 50(13) of the Act, particulars of which are as follows:

(Give full particulars of the claim, including the calculations upon which the claim is based)

5. That to the best of my knowledge and belief, the creditor is not related to the debtor within the meaning of section 4 of the *Bankruptcy and Insolvency Act*.
6. That the following are the payments that the creditor has received from and the credits that the creditor has allowed to the debtor within the three months (or, if the creditor and the debtor are related within the meaning of section 4 of the *Bankruptcy and Insolvency Act*, within the 12 months) immediately preceding the date of bankruptcy:

(Provide details of payments and credits.)


(Applicable only in the case of the bankruptcy of an individual)

- ☐ I request to be advised of any material change in the financial situation of the bankrupt, pursuant to subparagraph 102(3)(b)1) of the Act.
- ☐ I request to be advised of any amendment made regarding the amount that the bankrupt is required to pay, pursuant to subsection 68(4) of the Act.
- ☐ I request that a copy of the report filed by the trustee regarding the bankrupt's application for discharge pursuant to subsection 170(1) of the Act be sent to the above address


Dated at Hamilton on January 15, 2014.

Witness

Creditor
Royal Bank of Canada
Special Loans and Advisory Services
20 King Street West, 9th Floor
Toronto, ON M5H 1C4
by its lawyers
Gowling Lafleur Henderson LLP
per



Ian L. Farmer



Domagoj (Dom) Glavota

NOTE:
affidavits.

If an affidavit is attached, it must have been sworn to before a person qualified to take

WARNINGS: A trustee may, pursuant to subsection 128(3) of the *Bankruptcy and Insolvency Act*, redeem a security on payment to the secured creditor of the debt or the value of the security as assessed, in a proof of security, by the secured creditor.

Section 201(1) of the *Bankruptcy and Insolvency Act* provides severe penalties for making any false claim, proof, declaration or statement of account.

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**SCHEDULE A
STATEMENT OF ACCOUNT**

In the Matter of the Bankruptcy of Healthscreen Solutions Incorporated

**RE: Healthscreen Solutions Incorporated
As at January 20, 2014
File No. H177295**

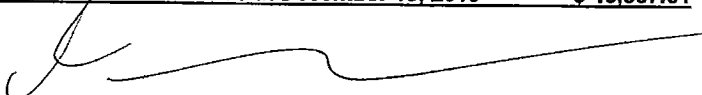
Healthscreen Solutions Incorporated is indebted to the Royal Bank of Canada (RBC) pursuant to a Demand Loan as recorded below.

**Healthscreen Solutions Incorporated
Demand Loan (#97466167-001)**

Balance outstanding as at January 20, 2014	\$ 32,198.49
Accrued Interest owing at the rate of 19.99. % per annum.	
Balance as at January 20, 2014	\$ 10,694.50

Legal Fees and Disbursements	\$ 3,021.00
Disbursements	\$ 44.50
HST	\$ 398.52

TOTAL OUTSTANDING as at December 19, 2013 \$ 46,357.01



Domagoj (Dom) Glavota: Partner
Gowling Lafleur Henderson LLP
Counsel to and agent for RBC

840-444-889

GENERAL SECURITY AGREEMENT

E-FORM 924 (01/2007)

1. SECURITY INTEREST

(a) For value received, the undersigned ("Debtor"), hereby grants to ROYAL BANK OF CANADA ("RBC"), a security interest (the "Security Interest") in the undertaking of Debtor and in all of Debtor's present and after acquired personal property including, without limitation, in all Goods (including all parts, accessories, attachments, special tools, additions and accessions thereto), Chattel Paper, Documents of Title (whether negotiable or not), Instruments, Intangibles, Money and Securities and all other Investment Property now owned or hereafter owned or acquired by or on behalf of Debtor (including such as may be returned to or repossessed by Debtor) and in all proceeds and renewals thereof, accretions thereto and substitutions therefore (hereinafter collectively called "Collateral"), and including, without limitation, all of the following now owned or hereafter owned or acquired by or on behalf of Debtor:

- (i) all inventory of whatever kind and wherever situate;
- (ii) all equipment (other than Inventory) of whatever kind and wherever situate, including, without limitation, all machinery, tools, apparatus, plant, furniture, fixtures and vehicles of whatsoever nature or kind;
- (iii) all Accounts and book debts and generally all debts, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured including letters of credit and advices of credit, which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by Debtor ("Debts");
- (iv) all lists, records and files relating to Debtor's customers, clients and patients;
- (v) all deeds, documents, writings, papers, books of account and other books relating to or being records of Debts, Chattel Paper or Documents of Title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
- (vi) all contractual rights and insurance claims;
- (vii) all patents, industrial designs, trade-marks, trade secrets and know-how including without limitation environmental technology and biotechnology, confidential information, trade-names, goodwill, copyrights, personality rights, plant breeders' rights, integrated circuit topographies, software and all other forms of intellectual and industrial property, and any registrations and applications for registration of any of the foregoing (collectively "Intellectual Property"); and
- (viii) all property described in Schedule "C" or any schedule now or hereafter annexed hereto.

(b) The Security Interest granted hereby shall not extend or apply to and Collateral shall not include the last day of the term of any lease or agreement therefor but upon the enforcement of the Security Interest, Debtor shall stand possessed of such last day in trust to assign the same to any person acquiring such term.

(c) The terms "Goods", "Chattel Paper", "Document of Title", "Instrument", "Intangible", "Security", "Investment Property", "proceeds", "Inventory", "accession", "Money", "Account", "financing statement" and "financing charge statement" whenever used herein shall be interpreted pursuant to their respective meanings when used in The Personal Property Security Act of the province referred to in Clause 14(s), as amended from time to time, which Act, including amendments thereto and any Act substituted therefor and amendments thereto is herein referred to as the "P.P.S.A.". Provided always that the term "Goods" when used herein shall not include "consumer goods" of Debtor as that term is defined in the P.P.S.A., the term "Inventory" when used herein shall include livestock and the young thereof after conception and crops that become such within one year of execution of this Security Agreement and the term "Investment Property", if not defined in the P.P.S.A., shall be interpreted according to its meaning in the Personal Property Security Act (Ontario). Any reference herein to "Collateral" shall, unless the context otherwise requires, be deemed a reference to "Collateral or any part thereof".

2. INDEBTEDNESS SECURED

The Security Interest granted hereby secures payment and performance of any and all obligations, indebtedness and liability of Debtor to RBC (including interest thereon) present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, wheresoever and howsoever incurred and any ultimate unpaid balance thereof and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again and whether Debtor be bound alone or with another or others and whether as principal or surety (hereinafter collectively called the "Indebtedness"). If the Security Interest in the Collateral is not sufficient, in the event of default, to satisfy all Indebtedness of the Debtor, the Debtor acknowledges and agrees that Debtor shall continue to be liable for any Indebtedness remaining outstanding and RBC shall be entitled to pursue full payment thereof.

3. REPRESENTATIONS AND WARRANTIES OF DEBTOR

Debtor represents and warrants and so long as this Security Agreement remains in effect shall be deemed to continuously represent and warrant that:

- (a) the Collateral is genuine and owned by Debtor free of all security interests, mortgages, liens, claims, charges, licenses, leases, infringements by third parties, encumbrances or other adverse claims or interests (hereinafter collectively called "Encumbrances"), save for the Security Interest and those Encumbrances shown on Schedule "A" or hereafter approved in writing by RBC, prior to their creation or assumption;
- (b) all Intellectual Property applications and registrations are valid and in good standing and Debtor is the owner of the applications and registrations;
- (c) each Debt, Chattel Paper and Instrument constituting Collateral is enforceable in accordance with its terms against the party obligated to pay the same (the "Account Debtor"), and the amount represented by Debtor to RBC from time to time as owing by each Account Debtor or by all Account Debtors will be the correct amount actually and unconditionally owing by such Account Debtor or Account Debtors, except for normal cash discounts where applicable, and no Account Debtor will have any defence, set off, claim or counterclaim against Debtor which can be asserted against RBC, whether in any proceeding to enforce Collateral or otherwise;

(d) the locations specified in Schedule "B" as to business operations and records are accurate and complete and with respect to Goods (including inventory) constituting Collateral, the locations specified in Schedule "B" are accurate and complete save for Goods in transit to such locations and inventory on lease or consignment; and all fixtures or Goods about to become fixtures and all crops and all oil, gas or other minerals to be extracted and all timber to be cut which forms part of the Collateral will be situated at one of such locations; and

(e) the execution, delivery and performance of the obligations under this Security Agreement and the creation of any security interest in or assignment hereunder of Debtor's rights in the Collateral to RBC will not result in a breach of any agreement to which Debtor is a party.

4. COVENANTS OF THE DEBTOR

So long as this Security Agreement remains in effect Debtor covenants and agrees:

(a) to defend the Collateral against the claims and demands of all other parties claiming the same or an interest therein; to diligently initiate and prosecute legal action against all infringers of Debtor's rights in Intellectual Property; to take all reasonable action to keep the Collateral free from all Encumbrances, except for the Security Interest, licenses which are compulsory under federal or provincial legislation and those shown on Schedule "A" or hereafter approved in writing by RBC, prior to their creation or assumption, and not to sell, exchange, transfer, assign, lease, license or otherwise dispose of Collateral or any interest therein without the prior written consent of RBC; provided always that, until default, Debtor may, in the ordinary course of Debtor's business, sell or lease inventory and, subject to Clause 7 hereof, use money available to Debtor;

(b) to notify RBC promptly of:

- (i) any change in the information contained herein or in the Schedules hereto relating to Debtor, Debtor's business or Collateral,
- (ii) the details of any significant acquisition of Collateral,
- (iii) the details of any claims or litigation affecting Debtor or Collateral,
- (iv) any loss or damage to Collateral,
- (v) any default by any Account Debtor in payment or other performance of its obligations with respect to Collateral, and
- (vi) the return to or repossession by Debtor of Collateral;

(c) to keep Collateral in good order, condition and repair and not to use Collateral in violation of the provisions of this Security Agreement or any other agreement relating to Collateral or any policy insuring Collateral or any applicable statute, law, by-law, rule, regulation or ordinance; to keep all agreements, registrations and applications relating to Intellectual Property and intellectual property used by Debtor in its business in good standing and to renew all agreements and registrations as may be necessary or desirable to protect Intellectual Property, unless otherwise agreed in writing by RBC; to apply to register all existing and future copyrights, trade-marks, patents, integrated circuit topographies and industrial designs whenever it is commercially reasonable to do so;

(d) to do, execute, acknowledge and deliver such financing statements, financing change statements and further assignments, transfers, documents, acts, matters and things (including further schedules hereto) as may be reasonably requested by RBC of or with respect to Collateral in order to give effect to these presents and to pay all costs for searches and filings in connection therewith;

(e) to pay all taxes, rates, levies, assessments and other charges of every nature which may be lawfully levied, assessed or imposed against or in respect of Debtor or Collateral as and when the same become due and payable;

(f) to insure collateral in such amounts and against such risks as would customarily be insured by a prudent owner of similar Collateral and in such additional amounts and against such additional risks as RBC may from time to time direct, with loss payable to RBC and Debtor, as insureds, as their respective interests may appear, and to pay all premiums therefor and deliver copies of policies and evidence of renewal to RBC on request;

(g) to prevent Collateral, save inventory sold or leased as permitted hereby, from being or becoming an accession to other property not covered by this Security Agreement;

(h) to carry on and conduct the business of Debtor in a proper and efficient manner and so as to protect and preserve Collateral and to keep, in accordance with generally accepted accounting principles, consistently applied, proper books of account for Debtor's business as well as accurate and complete records concerning Collateral, and mark any and all such records and Collateral at RBC's request so as to indicate the Security Interest;

(i) to deliver to RBC from time to time promptly upon request:

- (i) any Documents of Title, Instruments, Securities and Chattel Paper constituting, representing or relating to Collateral,
- (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to Collateral for the purpose of inspecting, auditing or copying the same,
- (iii) all financial statements prepared by or for Debtor regarding Debtor's business,
- (iv) all policies and certificates of insurance relating to Collateral, and
- (v) such information concerning Collateral, the Debtor and Debtor's business and affairs as RBC may reasonably request.

5. USE AND VERIFICATION OF COLLATERAL

Subject to compliance with Debtor's covenants contained herein and Clause 7 hereof, Debtor may, until default, possess, operate, collect, use and enjoy and deal with Collateral in the ordinary course of Debtor's business in any manner not inconsistent with the provisions hereof; provided always that RBC shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner RBC may consider appropriate and Debtor agrees to furnish all assistance and information and to perform all such acts as RBC may reasonably request in connection therewith and for such purpose to grant to RBC or its agents access to all places where Collateral may be located and to all premises occupied by Debtor.

6. SECURITIES, INVESTMENT PROPERTY

If Collateral at any time includes Securities, Debtor authorizes RBC to transfer the same or any part thereof into its own name or that of its nominee(s) so that RBC or its nominee(s) may appear of record as the sole owner thereof; provided that, until default, RBC shall deliver promptly to Debtor all notices or other communications received by it or its nominee(s) as such registered owner and, upon demand and receipt of payment of any necessary expenses thereof, shall issue to Debtor or its order a proxy to vote and take all action with respect to such Securities. After default, Debtor waives all rights to receive any notices or communications received by RBC or its nominee(s) as such registered owner and agrees that no proxy issued by RBC to Debtor or its order as aforesaid shall thereafter be effective.

Where any Investment Property is held in or credited to an account that has been established with a securities intermediary, RBC may, at any time after default, give a notice of exclusive control to any such securities intermediary with respect to such Investment Property.

7. COLLECTION OF DEBTS

Before or after default under this Security Agreement, RBC may notify all or any Account Debtors of the Security Interest and may also direct such Account Debtors to make all payments on Collateral to RBC. Debtor acknowledges that any payments on or other proceeds of Collateral received by Debtor from Account Debtors, whether before or after notification of this Security Interest to Account Debtors and whether before or after default under this Security Agreement, shall be received and held by Debtor in trust for RBC and shall be turned over to RBC upon request.

8. INCOME FROM AND INTEREST ON COLLATERAL

(a) Until default, Debtor reserves the right to receive any Money constituting income from or interest on Collateral and if RBC receives any such Money prior to default, RBC shall either credit the same against the Indebtedness or pay the same promptly to Debtor.

(b) After default, Debtor will not request or receive any Money constituting income from or interest on Collateral and if Debtor receives any such Money without any request by it, Debtor will pay the same promptly to RBC.

9. INCREASES, PROFITS, PAYMENTS OR DISTRIBUTIONS

(a) Whether or not default has occurred, Debtor authorizes RBC:

(i) to receive any increase in or profits on Collateral (other than Money) and to hold the same as part of Collateral. Money so received shall be treated as income for the purposes of Clause 8 hereof and dealt with accordingly;

(ii) to receive any payment or distribution upon redemption or retirement or upon dissolution and liquidation of the issuer of Collateral; to surrender such Collateral in exchange therefor and to hold any such payment or distribution as part of Collateral.

(b) If Debtor receives any such increase or profits (other than Money) or payments or distributions, Debtor will deliver the same promptly to RBC to be held by RBC as herein provided.

10. DISPOSITION OF MONEY

Subject to any applicable requirements of the P.P.S.A., all Money collected or received by RBC pursuant to or in exercise of any right it possesses with respect to Collateral shall be applied on account of Indebtedness in such manner as RBC deems best or, at the option of RBC, may be held unappropriated in a collateral account or released to Debtor, all without prejudice to the liability of Debtor or the rights of RBC hereunder, and any surplus shall be accounted for as required by law.

11. EVENTS OF DEFAULT

The happening of any of the following events or conditions shall constitute default hereunder which is herein referred to as "default":

(a) the nonpayment when due, whether by acceleration or otherwise, of any principal or interest forming part of Indebtedness or the failure of Debtor to observe or perform any obligation, covenant, term, provision or condition contained in this Security Agreement or any other agreement between Debtor and RBC;

(b) the death of or a declaration of incompetency by a court of competent jurisdiction with respect to Debtor, if an individual;

(c) the bankruptcy or insolvency of Debtor; the filing against Debtor of a petition in bankruptcy; the making of an assignment for the benefit of creditors by Debtor; the appointment of a receiver or trustee for Debtor or for any assets of Debtor or the institution by or against Debtor of any other type of insolvency proceeding under the Bankruptcy and Insolvency Act or otherwise;

(d) the institution by or against Debtor of any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against or winding up of affairs of Debtor;

(e) if any Encumbrance affecting Collateral becomes enforceable against Collateral;

(f) if Debtor ceases or threatens to cease to carry on business or makes or agrees to make a bulk sale of assets without complying with applicable law or commits or threatens to commit an act of bankruptcy;

(g) if any execution, sequestration, extent or other process of any court becomes enforceable against Debtor or if distress or analogous process is levied upon the assets of Debtor or any part thereof;

h) If any certificate, statement, representation, warranty or audit report heretofore or hereafter furnished by or on behalf of Debtor pursuant to or in connection with this Security Agreement, or otherwise (including, without limitation, the representations and warranties contained herein) or as an inducement to RBC to extend any credit to or to enter into this or any other agreement with Debtor, proves to have been false in any material respect at the time as of which the facts therein set forth were stated or certified, or proves to have omitted any substantial contingent or unliquidated liability or claim against Debtor; or if upon the date of execution of this Security Agreement, there shall have been any material adverse change in any of the facts disclosed by any such certificate, representation, statement, warranty or audit report, which change shall not have been disclosed to RBC at or prior to the time of such execution.

12. ACCELERATION

RBC, in its sole discretion, may declare all or any part of Indebtedness which is not by its terms payable on demand to be immediately due and payable, without demand or notice of any kind, in the event of default, or if RBC considers itself insecure or that the Collateral is in jeopardy. The provisions of this clause are not intended in any way to affect any rights of RBC with respect to any Indebtedness which may now or hereafter be payable on demand.

13. REMEDIES

(a) Upon default, RBC may appoint or reappoint by instrument in writing, any person or persons, whether an officer or officers or an employee or employees of RBC or not, to be a receiver or receivers (hereinafter called a "Receiver", which term when used herein shall include a receiver and manager) of Collateral (including any interest, income or profits therefrom) and may remove any Receiver so appointed and appoint another in his/her stead. Any such Receiver shall, so far as concerns responsibility for his/her acts, be deemed the agent of Debtor and not RBC, and RBC shall not be in any way responsible for any misconduct, negligence or non-feasance on the part of any such Receiver, his/her servants, agents or employees. Subject to the provisions of the instrument appointing him/her, any such Receiver shall have power to take possession of Collateral, to preserve Collateral or its value, to carry on or concur in carrying on all or any part of the business of Debtor and to sell, lease, license or otherwise dispose of or concur in selling, leasing, licensing or otherwise disposing of Collateral. To facilitate the foregoing powers, any such Receiver may, to the exclusion of all others, including Debtor, enter upon, use and occupy all premises owned or occupied by Debtor wherein Collateral may be situated, maintain Collateral upon such premises, borrow money on a secured or unsecured basis and use Collateral directly in carrying on Debtor's business or as security for loans or advances to enable the Receiver to carry on Debtor's business or otherwise, as such Receiver shall, in its discretion, determine. Except as may be otherwise directed by RBC, all Money received from time to time by such Receiver in carrying out his/her appointment shall be received in trust for and paid over to RBC. Every such Receiver may, in the discretion of RBC, be vested with all or any of the rights and powers of RBC.

(b) Upon default, RBC may, either directly or through its agents or nominees, exercise any or all of the powers and rights given to a Receiver by virtue of the foregoing sub-clause (a).

(c) RBC may take possession of, collect, demand, sue on, enforce, recover and receive Collateral and give valid and binding receipts and discharges therefor and in respect thereof and, upon default, RBC may sell, license, lease or otherwise dispose of Collateral in such manner, at such time or times and place or places, for such consideration and upon such terms and conditions as to RBC may seem reasonable.

(d) In addition to those rights granted herein and in any other agreement now or hereafter in effect between Debtor and RBC and in addition to any other rights RBC may have at law or in equity, RBC shall have, both before and after default, all rights and remedies of a secured party under the P.P.S.A. Provided always, that RBC shall not be liable or accountable for any failure to exercise its remedies, take possession of, collect, enforce, realize, sell, lease, license or otherwise dispose of Collateral or to institute any proceedings for such purposes. Furthermore, RBC shall have no obligation to take any steps to preserve rights against prior parties to any instrument or Chattel Paper whether Collateral or proceeds and whether or not in RBC's possession and shall not be liable or accountable for failure to do so.

(e) Debtor acknowledges that RBC or any Receiver appointed by it may take possession of Collateral wherever it may be located and by any method permitted by law and Debtor agrees upon request from RBC or any such Receiver to assemble and deliver possession of Collateral at such place or places as directed.

(f) Debtor agrees to be liable for and to pay all costs, charges and expenses reasonably incurred by RBC or any Receiver appointed by it, whether directly or for services rendered (including reasonable solicitors and auditors costs and other legal expenses and Receiver remuneration), in operating Debtor's accounts, in preparing or enforcing this Security Agreement, taking and maintaining custody of, preserving, repairing, processing, preparing for disposition and disposing of Collateral and in enforcing or collecting Indebtedness and all such costs, charges and expenses, together with any amounts owing as a result of any borrowing by RBC or any Receiver appointed by it, as permitted hereby, shall be a first charge on the proceeds of realization, collection or disposition of Collateral and shall be secured hereby.

(g) RBC will give Debtor such notice, if any, of the date, time and place of any public sale or of the date after which any private disposition of Collateral is to be made as may be required by the P.P.S.A..

(h) Upon default and receiving written demand from RBC, Debtor shall take such further action as may be necessary to evidence and effect an assignment or licensing of Intellectual Property to whomsoever RBC directs, including to RBC. Debtor appoints any officer or director or branch manager of RBC upon default to be its attorney in accordance with applicable legislation with full power of substitution and to do on Debtor's behalf anything that is required to assign, license or transfer, and to record any assignment, license or transfer of the Collateral. This power of attorney, which is coupled with an interest, is irrevocable until the release or discharge of the Security Interest.

14. MISCELLANEOUS

(a) Debtor hereby authorizes RBC to file such financing statements, financing change statements and other documents and do such acts, matters and things (including completing and adding schedules hereto identifying Collateral or any permitted Encumbrances affecting Collateral or identifying the locations at which Debtor's business is carried on and Collateral and records relating thereto as situated) as RBC may deem appropriate to perfect on an ongoing basis and continue the Security Interest, to protect and preserve Collateral and to realize upon the Security Interest and Debtor hereby irrevocably constitutes and appoints the Manager or Acting Manager from time to time of the herein mentioned branch of RBC the true and lawful attorney of Debtor, with full power of substitution, to do any of the foregoing in the name of Debtor whenever and wherever it may be deemed necessary or expedient.

(b) Without limiting any other right of RBC, whenever Indebtedness is immediately due and payable or RBC has the right to declare Indebtedness to be immediately due and payable (whether or not it has so declared), RBC may, in its sole discretion, set off against Indebtedness any and all amounts then owed to Debtor by RBC in any capacity, whether or not due, and RBC shall be deemed to have exercised such right to set off immediately at the time of making its decision to do so even though any charge therefor is made or entered on RBC's records subsequent thereto.

(c) Upon Debtor's failure to perform any of its duties hereunder, RBC may, but shall not be obligated to,

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perform any or all of such duties, and Debtor shall pay to RBC, forthwith upon written demand therefor, an amount equal to the expense incurred by RBC in so doing plus interest thereon from the date such expense is incurred until it is paid at the rate of 15% per annum.

(d) RBC may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with Debtor, debtors of Debtor, sureties and others and with Collateral and other security as RBC may see fit without prejudice to the liability of Debtor or RBC's right to hold and realize the Security Interest. Furthermore, RBC may demand, collect and sue on Collateral in either Debtor's or RBC's name, at RBC's option, and may endorse Debtor's name on any and all cheques, commercial paper, and any other instruments pertaining to or constituting Collateral.

(e) No delay or omission by RBC in exercising any right or remedy hereunder or with respect to any indebtedness shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. Furthermore, RBC may remedy any default by Debtor hereunder or with respect to any indebtedness in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by Debtor. All rights and remedies of RBC granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.

(f) Debtor waives protest of any instrument constituting Collateral at any time held by RBC on which Debtor is in any way liable and, subject to Clause 13(g) hereof, notice of any other action taken by RBC.

(g) This Security Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns. In any action brought by an assignee of this Security Agreement and the Security Interest or any part thereof to enforce any rights hereunder, Debtor shall not assert against the assignee any claim or defence which Debtor now has or hereafter may have against RBC. If more than one Debtor executes this Security Agreement the obligations of such Debtors hereunder shall be joint and several.

(h) RBC may provide any financial and other information it has about Debtor, the Security Interest and the Collateral to any one acquiring or who may acquire an interest in the Security Interest or the Collateral from the Bank or any one acting on behalf of the Bank.

(i) Save for any schedules which may be added hereto pursuant to the provisions hereof, no modification, variation or amendment of any provision of this Security Agreement shall be made except by a written agreement, executed by the parties hereto and no waiver of any provision hereof shall be effective unless in writing.

(j) Subject to the requirements of Clauses 13(g) and 14(k) hereof, whenever either party hereto is required or entitled to notify or direct the other or to make a demand or request upon the other, such notice, direction, demand or request shall be in writing and shall be sufficiently given, in the case of RBC, if delivered to it or sent by prepaid registered mail addressed to it at its address herein set forth or as changed pursuant hereto, and, in the case of Debtor, if delivered to it or if sent by prepaid registered mail addressed to it at its last address known to RBC. Either party may notify the other pursuant hereto of any change in such party's principal address to be used for the purposes hereof.

(k) This Security Agreement and the security afforded hereby is in addition to and not in substitution for any other security now or hereafter held by RBC and is intended to be a continuing Security Agreement and shall remain in full force and effect until the Manager or Acting Manager from time to time of the herein mentioned branch of RBC shall actually receive written notice of its discontinuance; and, notwithstanding such notice, shall remain in full force and effect thereafter until all indebtedness contracted for or created before the receipt of such notice by RBC, and any extensions or renewals thereof (whether made before or after receipt of such notice) together with interest accruing thereon after such notice, shall be paid in full.

(l) The headings used in this Security Agreement are for convenience only and are not to be considered a part of this Security Agreement and do not in any way limit or amplify the terms and provisions of this Security Agreement.

(m) When the context so requires, the singular number shall be read as if the plural were expressed and the provisions hereof shall be read with all grammatical changes necessary dependent upon the person referred to being a male, female, firm or corporation.

(n) In the event any provisions of this Security Agreement, as amended from time to time, shall be deemed invalid or void, in whole or in part, by any Court of competent jurisdiction, the remaining terms and provisions of this Security Agreement shall remain in full force and effect.

(o) Nothing herein contained shall in any way obligate RBC to grant, continue, renew, extend time for payment or to accept anything which constitutes or would constitute indebtedness.

(p) The Security Interest created hereby is intended to attach when this Security Agreement is signed by Debtor and delivered to RBC.

(q) Debtor acknowledges and agrees that in the event it amalgamates with any other company or companies it is the intention of the parties hereto that the term "Debtor" when used herein shall apply to each of the amalgamating companies and to the amalgamated company, such that the Security Interest granted hereby

(i) shall extend to "Collateral" (as that term is herein defined) owned by each of the amalgamating companies and the amalgamated company at the time of amalgamation and to any "Collateral" thereafter owned or acquired by the amalgamated company, and

(ii) shall secure the "Indebtedness" (as that term is herein defined) of each of the amalgamating companies and the amalgamated company to RBC at the time of amalgamation and any "Indebtedness" of the amalgamated company arising. The Security Interest shall attach to "Collateral" owned by each company amalgamating with Debtor, and by the amalgamated company, at the time of the amalgamation, and shall attach to any "Collateral" thereafter owned or acquired by the amalgamated company when such becomes owned or is acquired.

(r) In the event that Debtor is a body corporate, it is hereby agreed that The Limitation of Civil Rights Act of the Province of Saskatchewan, or any provision thereof, shall have no application to this Security Agreement or any agreement or instrument renewing or extending or collateral to this Security Agreement. In the event that Debtor is an agricultural corporation within the meaning of The Saskatchewan Farm Security Act, Debtor agrees with RBC that all of Part IV (other than Section 46) of that Act shall not apply to Debtor.

(s) This Security Agreement and the transactions evidenced hereby shall be governed by and construed in accordance with the laws of the province in which the herein mentioned branch of RBC is located, as those laws may from time to time be in effect, including where applicable, the P.P.S.A.

15. COPY OF AGREEMENT

(a) Debtor hereby acknowledges receipt of a copy of this Security Agreement.

(b) Debtor waives Debtor's right to receive a copy of any financing statement or financing change statement registered by RBC or of any verification statement with respect to any financing statement or financing change statement registered by RBC. (Applies in all P.P.S.A. Provinces except Ontario).

16. Debtor represents and warrants that the following information is accurate:

INDIVIDUAL DEBTOR

SURNAME (LAST NAME)	FIRST NAME	SECOND NAME	BIRTH DATE YEAR MONTH DAY
ADDRESS OF INDIVIDUAL DEBTOR	CITY	PROVINCE	POSTAL CODE
SURNAME (LAST NAME)	FIRST NAME	SECOND NAME	BIRTH DATE YEAR MONTH DAY
ADDRESS OF INDIVIDUAL DEBTOR (IF DIFFERENT FROM ABOVE)	CITY	PROVINCE	POSTAL CODE

BUSINESS DEBTOR

NAME OF BUSINESS DEBTOR Healthscreen Solutions Incorporated			
ADDRESS OF BUSINESS DEBTOR Suite 101 110 J Hampden Dr.	CITY St. Catharines	PROVINCE ON	POSTAL CODE L2W 1A4

TRADE NAME (IF APPLICABLE)

TRADE NAME OF DEBTOR			
PRINCIPAL ADDRESS (IF DIFFERENT FROM ABOVE)	CITY	PROVINCE	POSTAL CODE

* IN WITNESS WHEREOF Debtor has executed this Security Agreement this 4 day of July, 2007.*

Healthscreen Solutions Incorporated

WITNESS

WITNESS

Seal

Seal


BRANCH ADDRESS

NIAGARA COMMERCIAL
89-91 ST PAUL ST 3RD FLR
ST CATHARINES ON
L2R 6X2

SCHEDULE "A"

(ENCUMBRANCES AFFECTING COLLATERAL)

NIL

113 

SCHEDULE "B"**1. Locations of Debtor's Business Operations**

Suite 101
110 B Hanover Dr.
St. Catharines, ON
L2W 1A4

2. Locations of Records relating to Collateral (if different from 1. above)

Same as above

3. Locations of Collateral (if different from 1. above)

Same as above

SCHEDULE "C"
(DESCRIPTION OF PROPERTY)

E-FORM 924 (01/2007)

2001-2002

Fax Télécopie



Date 2014-01-09 Time/Heure

To/Destinataire

Deloitte & Touche Inc

Att: Catherine Hristow

Tel./Tél. 416-775-8831 Ext./Poste

Fax/Télec. 416-601-6690

From/Expéditeur ou expéditrice

S. Gerkes

Tel./Tél. 905-433-6965 Ext./Poste

Fax/Télec. 905-436-4524

Pages to follow/N^{bre} de pages ci-jointes 6

Message

Per our discussion of today.

Please note, the balance \$144,265.38 on the POC and Statement of Account will be valid as at January 20/2014.

This facsimile may contain PRIVILEGED and CONFIDENTIAL INFORMATION only for use by the Addressees named above. If you are not the intended recipient of this facsimile or the employee or agent responsible for delivering it to the intended recipient, you are hereby notified that any dissemination or copying of this facsimile is strictly prohibited. If you have received this facsimile in error, please immediately notify us by telephone. Thank you.

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**Ontario**

Ministry of Finance
Collections Branch
Insolvency Unit
33 King St W
PO Box 627
Oshawa ON L1H 8H6

DELOITTE & TOUCHE INC.
1400-181 BAY ST
TORONTO ON M5J 2V1

- 01/09/14

Issue Date 09-Jan-2014

Business No. 120113048

Reference No. L1557898304

Proof of Claim

Retail Sales Tax: 120113048TR0002

Re: Receivership of HEALTHSCREEN SOLUTIONS INCORPORATED.

Attached is our Proof of Claim and Statement of Account in support thereof for \$144,265.38.

Please forward all notices and correspondence regarding this claim to me at the above address. In addition, please remit to me any retail sales tax collected on assets sold prior to July 1, 2010.

If you have any questions please contact me at the toll free number below, extension 18578.

S. Gerkes
Insolvency Officer

Enquiries

1 866 ONT-TAXS
1 866 668-8297

Fax 905 436-4524

Teletypewriter (TTY)
Internet

1 800 263-7776
ontario.ca/finance



Business No. 120113048
Reference No. L1557898304

The Bankruptcy and Insolvency Act

PROOF OF CLAIM

(Section 50.1(1), Subsections 65.2(4), 81.2(1), 102(2), 124(2), 128(1), and paragraphs 51(1)(e) and 86.14(b) of the Act)

All notices or correspondence regarding this claim must be forwarded to the following address:
Ministry of Finance, Collections Branch, Insolvency Unit, 33 King St W, PO Box 627, Oshawa ON L1H 8H5

In the matter of the Receivership of HEALTHSCREEN SOLUTIONS INCORPORATED of TORONTO, and the claim of Her Majesty the Queen in Right of Ontario as represented by the Minister of Finance creditor.

I, S. Gerkes of the City/Town of Oshawa in the Province of Ontario, do hereby certify:

1. That I am the duly authorized agent for Her Majesty the Queen in the Right of Ontario as represented herein by the Minister of Finance.
2. That I have knowledge of all the circumstances connected with the claim referred to below.
3. That the debtor was at the date of the Receivership, namely August 30, 2011, and still is indebted to the creditor in the sum of \$144,265.38, as specified in the statement(s) of account attached and marked "Schedule A" after deducting any counterclaims to which the debtor is entitled.
4. A. ☒ UNSECURED CLAIM of \$5,487.57
That in respect of this debt, I do not hold any assets of the debtor as security and
☒ Regarding the amount of \$5,487.57, 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 Act.
(Set out on an attached sheet details to support priority claim.)
B. ☐ CLAIM OF LANDLORD FOR DISCLAIMER OF A LEASE
That I hereby make a claim under Subsection 65.2(4) of the Act, particulars of which follows:
C. ☒ SECURED CLAIM of \$138,777.81.
That in respect of this debt, I hold assets of the debtor valued at \$138,777.81 as security, particulars of which are as follows:
SECURITY DETAILS - PPSA LIEN
D. ☐ CLAIM BY FARMER, FISHERMAN OR AQUACULTURIST of \$0.00
That I hereby make a claim under Subsection 81.2(1) of the Act for the unpaid amount of \$.
E. ☐ CLAIM AGAINST DIRECTOR of \$.
That I hereby make a claim under Section 43 of the *Retail Sales Tax Act*, particulars of which are as follows: N/A

Enquiries

1 866 ONT-TAXS
1 866 668-8297

Fax 905 436-4524

Teletypewriter (TTY) 1 800 263-7776
Internet ontario.ca/finance



Business No. 120113048
Reference No. L1557898304

Page 2 of PROOF OF CLAIM

RE: HEALTHSCREEN SOLUTIONS INCORPORATED

5. That to the best of my knowledge and belief, the creditor is not related to the debtor within the meaning of Section 4 of the Act.
6. That the following are the payments received from, and the credits that have been allowed to, the debtor within the three months (or if the creditor and the debtor are related within the meaning of Section 4 of the Act, within the 12 months) immediately before the date of the initial bankruptcy event within the meaning of Section 2 of the Act:

(X) I request to be advised of any material change in the financial situation of the bankrupt, pursuant to subparagraph 102(3)(b)(i) of the Act.


(X) I request to be advised of any amendment made regarding the amount that the bankrupt is required to pay, pursuant to Subsection 68(4) of the Act.

(X) I request that a copy of the report filed by the trustee regarding the bankrupts' application for discharge pursuant to Subsection 170(1) of the Act be sent to the above address.

Dated at OSHAWA, ONTARIO, this 9th day of January, 2014.



Witness



Creditor

Note: If an affidavit is attached, it must have been sworn to before a person qualified to take affidavits.

Warnings: A trustee may, pursuant to Subsection 128(3) of the *Bankruptcy and Insolvency Act*, redeem a security on payment to the secured creditor of the debt or the value of the security as assessed, in a proof of security, by the secured creditor.
Subsection 201(1) of the *Bankruptcy and Insolvency Act* provides severe penalties for making any false claim, proof, declaration or statement of account.

Enquiries

1 866 ONT-TAXS
1 866 688-8297

Fax 905 436-4524

Teletypewriter (TTY) 1 800 263-7776
Internet ontario.ca/finance



Business No. 120113048
Reference No. L1557898304

**STATEMENT OF ACCOUNT
SCHEDULE "A"**

Statement of Liability as at August 30, 2011

Re: HEALTHSCREEN SOLUTIONS INCORPORATED

Retail Sales Tax
120113048TR0002

Tax payable as at: 30-Aug-2011 \$144,265.38

Enquiries

1 866 ONT-TAXS
1 866 668-8297

Fax 905 438-4524

Teletypewriter (TTY) 1 800 263-7778
Internet ontario.ca/finance



Ontario

Ministry of Finance
33 King St W
PO Box 620
Oshawa ON L1H 8E9

RST - IL001

HEALTHSCREEN SOLUTIONS INCORPORATED
1200-80 BLOOR ST W
TORONTO ON M5S 2V1

Issue Date 09-Jan-2014

Business No. 120113048TR0002

Reference No. L1746740288

Statement of Account - Retail Sales Tax
Account Balance \$144,265.38

According to our records, you have an outstanding balance on your account as indicated above. In order to avoid any additional interest, the account balance must be received by the Ministry of Finance on or before 31-Jan-2014.

Please note that outstanding balances are subject to collection action.

If payment has been made, please disregard this notice.

If you have any questions or require additional information, please visit our website or call the Ministry of Finance at the number listed below.

Tax Period End	Assessment	Tax Owed	Penalty/Fee	Interest	Credit/Payment	Balance
31-Mar-2010	RST Return	\$24,985.97	\$2,498.60	\$2,411.55	\$27,879.60	\$2,016.52
30-Apr-2010	RST Return	\$41,602.29	\$4,160.23	\$10,861.58	\$0.00	\$56,624.10
31-May-2010	RST Return	\$28,698.23	\$2,869.82	\$7,337.71	\$0.00	\$38,905.76
30-Jun-2010	RST Return	\$30,539.98	\$3,053.90	\$7,638.65	\$0.00	\$41,231.43
	Audit	\$4,457.95	\$0.00	\$1,029.62	\$0.00	\$5,487.57

Enquiries 1 866 ONT-TAXS
1 866 668-8297

Fax 1 866 888-3850

Teletypewriter (TTY) 1 800 263-7776
Internet ontario.ca/finance



Ontario

Ministry of Finance
33 King St W
PO Box 620
Oshawa ON L1H 8E9

Detach and return with your full payment. A

Retail Sales Tax
Account Payment

L001-01


Business No.	Reference No.	Balance Due
120113048TR0002	L1746740288	\$144,265.38

Payments may be made:

- using ONT-TAXS online at ontario.ca/finance
- in person at certain ServiceOntario locations
- in person at your Ontario financial institution free of charge
- by mail to 33 King St W, PO Box 620, Oshawa ON L1H 8E9
Make your cheque or money order in Canadian funds payable to the Minister of Finance.

HEALTHSCREEN SOLUTIONS INCORPORATED
1200-80 BLOOR ST W
TORONTO ON M5S 2V1

003 RST 120113048TR0002 20100630 13177818886 0 00014426538 0

Account No. (if applicable) / N° de compte (si pertinent)		Registration Account Code/Code du compte d'enregistrement	
Financing Change Statement/Change Statement		2011/03/28 087 00010	
État de modification du financement/État de modification		1031B20110328B	
Registration No. (for office use only) / N° d'enregistrement (usage interne) YYYY/AAAA MM/AM DD/JJ Time/Heure Branch/Bureau Sequence/Séquence			
 Ontario Ministry of Consumer and Business Services / Ministère des Services aux Consommateurs et aux Entreprises Form 3C (06/95)			
Registered Under (office use only) / Enregistré aux termes de (usage interne) PPSA			
Reference File Number / N° de dossier de référence: 668581056		Renewal (B) OR Deadline (C) / Renouvellement (B) OU Échéance (C) Enter Number of Additional Years to Renewal (see reverse) / Indiquer le nombre d'années supplémentaires à l'expiration (voir au verso)	
First Given Name/Prénom: _____ Initial/Initiale: _____ Surname/Nom de famille: _____			
Individual Debtor (see reverse) / Débiteur particulier (voir au verso): _____ Business Debtor (see reverse) / Débiteur commercial (voir au verso): HEALTHSCREEN SOLUTIONS INCORPORATED			
Ontario Corporation No. / N° enregistré de la société: _____			
Secured Party/Lien Gagé/Registered Agent / Créancier garanti/Préposé agréé/Agent d'enregistrement: _____			
Address/Adresse: _____ City, etc./Ville, etc.: _____ Prov./Prov.: _____ Postal Code/Code postal: _____			
Authorized Signature/Signature autorisée Name and Signature of Secured Party/Lien Gagéant or Manager/Partie/Lien Gagéant AND Name and Signature of Agent of Secured Party/Lien Gagéant / Nom et signature du créancier garanti/Préposé ET nom et signature de l'agent du créancier garanti/Préposé agréé			

MINISTRY OF REVENUE, REVENUE COLLECTIONS BRANCH, R. KIRSHNER
300-1400 BLAIR PL
OTTAWA ON K1J 9B8

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(Cut along dotted line / Déterminez à la ligne pointillée)

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1C	1	00	668581056				
1C	1	01	CAUTION FILING/AVERTIS: PAGE: 1 OF/DE: 1 MV SCHEDULE				
1C	1	01	ATTACHED/LISTE VA: REG NUM/NO ENREGIST: 20110328 1237 1031 7175				
1C	1	01	REG UNDER/T. ENREG: P REG PERIOD/PERIODE: 05				
1C	1	03	HEALTHSCREEN SOLUTIONS INCORPORATED				
1C	1	04	1200-80 BLOOR ST W				
1C	1	04	TORONTO ON M5S 2V1				
1C	1	08	HER MAJESTY IN RIGHT OF ONTARIO REPRESENTED BY THE MINISTER OF REVENUE				
1C	1	09	300-1400 BLAIR PL (ONT#101472385) T261				
1C	1	09	OTTAWA ON K1J 9B8				
1C	1	10	CONS GOODS/BIENS CONS: INVTRY/STOCK: X EQUIP/MATER: X				
1C	1	10	ACCTS/COMPT: X OTHER/AUTRE: X MV INCL/VA INCLUS:				
1C	1	10	AMOUNT/MONTANT: 144061 DATE OF MATURITY/DATE ÉCHEANCE:				
1C	1	10	28MAR2016 NO FIXED MAT DATE/D ÉCHE PAS DET:				
1C	1	16	MINISTRY OF REVENUE, REVENUE COLLECTIONS BRANCH, R. KIRSHNER				
1C	1	17	300-1400 BLAIR PL				
1C	1	17	OTTAWA ON K1J 9B8				
*** VERIFY IMMEDIATELY UPON RECEIPT / VERIFIEZ IMMEDIATEMENT VOTRE AVIS ***							

Asim Iqbal
E-mail: aiqbal@pallettvalo.com
Direct Line: (905) 273-3022 x.232

BY EMAIL

January 16, 2014

Jeffrey Rosekat
40 King Street West
Suite 3100
Scotia Plaza
Toronto, ON, M5H 3Y2

Dear Mr. Rosekat:

Re: Proof of Secured Claim in respect of Justin Belobaba (the "Creditor") for indebtedness owing by Healthscreen Solutions Incorporated (the "Debtor")
Our File No:

Please find enclosed a Proof of Secured Claim for the above-noted Creditor. Included with the Proof of Claim are the following documents:

- (a) Promissory Note dated August 1, 2010 (the "**Promissory Note**") from the Debtor in favour of the Creditor in the amount of \$50,000, pursuant to which the Debtor grants to the Creditor a security interest in all of the Debtor's present and future assets, undertaking and property, attached as Appendix "A" to the Proof of Secured Claim;
- (b) A true copy of a cheque (attached as Appendix "B" to the Proof of Secured Claim) from the Creditor to the Debtor in the amount of \$50,000 evidencing the advance of funds pursuant to the Promissory Note; and
- (c) A table summarizing (Attached as Schedule "A" to the Proof of Secured Claim) the total amount owing by the Debtor to the Creditor.

Please do not hesitate to contact the undersigned should you require any additional assistance or clarification.

Yours very truly,

PALLETT VALO LLP



Per: Asim Iqbal
AI/lb
Encl.

Court File No.: CV-11-9365-00-CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

2293035 ONTARIO LIMITED

Applicant

and

HEALTHSCREEN SOLUTIONS INCORPORATED

Respondent

PROOF OF SECURED CLAIM

I, Justin Belobaba (the "**Creditor**"), of the City of Toronto, in the Province of Ontario, do hereby certify:

1. That I am a secured creditor of the Debtor, Healthscreen Solutions Incorporated (the "**Debtor**").
2. That I have knowledge of all the circumstances connected with the claim referred to below.
3. That the Debtor was, at the date of execution of this Proof of Claim, and still is, indebted to the Creditor in the sum of \$91,502.98 (the "**Indebtedness**"), as specified in the statement of account attached and marked Schedule "A", after deducting any counterclaims to which the Debtor is entitled.
4. *Check and complete appropriate category*
☐ **A. Unsecured Claim of \$_____**

(Other than as a customer contemplated by Section 262 of the Act)

That in respect of this debt, I do not hold any assets of the Debtor as security and

(Check appropriate description)

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☐ Regarding the amount of \$_____, I claim a right to a priority under section 136 of the *Act*.

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

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

☐ **B. Claim of Lessor for Disclaimer of a Lease \$_____**

That I hereby make a claim under subsection 65.2(4) of the *Act*, particulars of which are as follows:

(Give full particulars of the claim, including the calculations upon which the claim is based.)

✱ **C. Secured Claim of \$91,502.98**

- Pursuant to a Promissory Note dated August 1, 2010 (the "**Promissory Note**") wherein the Debtor granted the Creditor a security interest in the whole of the undertaking of the Debtor and all of its property and assets, real and personal, movable and immovable, tangible and intangible, of every nature and kind whatsoever, wherever situate, both present and future (the "**Security Interest**"). Attached as Appendix "A" to this Proof of Claim is a true copy of the Promissory Note.
- Schedule "A" to this Proof of Claim outlines the total amount outstanding that is secured by the Creditor's Security Interest.
- Appendix "B" to this Proof of Claim attaches a true copy of the cheque evidencing the advance made from the Creditor to the Debtor underlying the Indebtedness.

☐ **D. Claim by Farmer, Fisherman or Aquaculturist of \$_____**

That I hereby make a claim under subsection 81.2(1) of the *Act* for the unpaid amount of \$_____

(Attach a copy of sales agreement and delivery receipts)

☐ **E. Claim by Wage Earner of \$_____**

☐ That I hereby make a claim under subsection 81.3(8) of the *Act* in the amount of \$_____

☐ That I hereby make a claim under subsection 81.4(8) of the *Act* in the amount of \$_____

☐ **F. Claim by Employee for Unpaid Amount Regarding Pension Plan of \$_____**

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- ☐ That I hereby make a claim under subsection 81.5 of the *Act* in the amount of \$ _____
- ☐ That I hereby make a claim under subsection 81.6 of the *Act* in the amount of \$ _____
- ☐ **G. Claim Against Director** \$ _____

(To be completed when a proposal provides for the compromise of claims against directors)

That I hereby make a claim under subsection 50(13) of the *Act*, particulars of which are as follows:

(Give full particulars of the claim, including the calculations upon which the claim is based)

(a) _____

- ☐ **H. Claim of a Customer of a Bankrupt Securities Firm** \$ _____

That I hereby make a claim as a customer for net equity as contemplated by section 262 of the *Act*, particulars of which are as follows:

(Give full particulars of the claim, including the calculations upon which the claim is based)

(a) _____

5. That, to the best of my knowledge, _____ not related to the Debtor within the meaning of section 4 of the *Act*, and _____ dealt with the Debtor in a non-arm's-length manner.

6. That the following are the payments that _____ received from, the credits that _____ allowed to, and the transfers at undervalue within the meaning of subsection 2(1) of the *Act* that _____ been privy to or a party to with the Debtor within the three months (or, if the Creditor and the Debtor are related within the meaning of section 4 of the *Act* or were not dealing with each other at arm's length, within the 12 months) immediately before the date of the initial bankruptcy event within the meaning of subsection 2(1) of the *Act*: *(provide details of payments, credits and transfers at undervalue)*

(a) _____

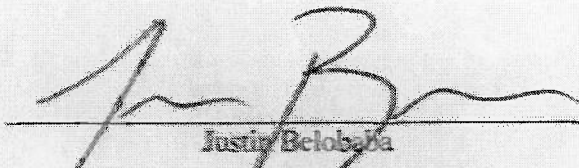
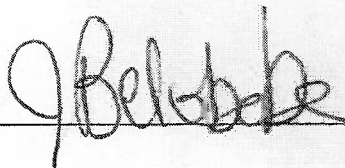
7. *(Applicable only in the case of the bankruptcy of an individual)*

- ☐ Whenever the trustee reviews the financial situation of a bankrupt to redetermine whether or not the bankrupt is required to make payments under section 68 of the *Act*, I request to be informed, pursuant to paragraph 68(4) of the *Act*, of the new fixed amount or of the fact that there is no longer surplus income.
- ☐ I request that a copy of the report filed by the Trustee regarding the bankrupt's application for discharge pursuant to subsection 170(1) of the *Act* be sent to the above address.

-4-

DATED AT Toronto, Ontario this 16th day of January, 2014.

Witness


Justin Belobaba

Tel: 416-997-4852

Fax:

Email: Justin.belobaba@physiomed.ca

Schedule "A"

Summary of Secured Indebtedness Owing to Justin Belobaba

Principal Amount 50000
Interest Rate 2% per month

2010		Total Principal + Interest	Interest Paid?
August	\$ 1,000.00	\$ 50,000.00	Yes
September	\$ 1,000.00	\$ 50,000.00	Yes
October	\$ 1,000.00	\$ 50,000.00	Yes
November	\$ 1,000.00	\$ 50,000.00	Yes
December	\$ 1,000.00	\$ 50,000.00	Yes

2011				
January	\$ 1,000.00	\$ 50,000.00	Yes	
February	\$ 1,000.00	\$ 50,000.00	Yes	
March	\$ 1,000.00	\$ 50,000.00	Yes	
April	\$ 1,000.00	\$ 50,000.00	Yes	
May	\$ 1,000.00	\$ 50,000.00	Yes	
June	\$ 1,000.00	\$ 50,000.00	Yes	
July	\$ 1,000.00	\$ 51,000.00	No	
August	\$ 1,020.00	\$ 52,020.00	No	
September	\$ 1,040.40	\$ 53,060.40	No	
October	\$ 1,061.21	\$ 54,121.61	No	
November	\$ 1,082.43	\$ 55,204.04	No	
December	\$ 1,104.08	\$ 56,308.12	No	

2012				
January	\$ 1,126.16	\$ 57,434.28	No	
February	\$ 1,148.69	\$ 58,582.97	No	
March	\$ 1,171.66	\$ 59,754.63	No	
April	\$ 1,195.09	\$ 60,949.72	No	
May	\$ 1,218.99	\$ 62,168.72	No	
June	\$ 1,243.37	\$ 63,412.09	No	
July	\$ 1,268.24	\$ 64,680.33	No	
August	\$ 1,293.61	\$ 65,973.94	No	
September	\$ 1,319.48	\$ 67,293.42	No	
October	\$ 1,345.87	\$ 68,639.29	No	
November	\$ 1,372.79	\$ 70,012.07	No	
December	\$ 1,400.24	\$ 71,412.31	No	

2013				
January	\$ 1,428.25	\$ 72,840.56	No	
February	\$ 1,456.81	\$ 74,297.37	No	
March	\$ 1,485.95	\$ 75,783.32	No	
April	\$ 1,515.67	\$ 77,298.98	No	
May	\$ 1,545.98	\$ 78,844.96	No	
June	\$ 1,576.90	\$ 80,421.86	No	
July	\$ 1,608.44	\$ 82,030.30	No	
August	\$ 1,640.61	\$ 83,670.91	No	
September	\$ 1,673.42	\$ 85,344.32	No	
October	\$ 1,706.89	\$ 87,051.21	No	
November	\$ 1,741.02	\$ 88,792.23	No	
December	\$ 1,775.84	\$ 90,568.08	No	

2014

January (from Jan. 1 - 15, 2014)	\$ 934.90	<u>\$ 91,502.98</u>		
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PROMISSORY NOTE

Amount: \$ 105,555.00

Date: August 1, 2010

For value received, Healthscreen Solutions Incorporated (the "Company"), with its principal place of business at 80 Bloor Street West, Suite 1101, Toronto, Ontario, promises to pay to the order of Justin Belobaba at Toronto the aggregate principal sum of fifty-thousand Canadian dollars (\$50,000.00) and Azedomine Inc. at Toronto the aggregate principal sum amount of fifty-five thousand, five hundred fifty-five Canadian dollars (\$55,555.00), together referred to as the Lender (the "Lender") and together the total balances owing as the "Loaned Amount" together with interest on the Loaned Amount from the date such amount is advanced (the "Commencement Date") through and including the date on which such principal amount is paid in full, at the rate provided in Section 2 below, subject to the terms and conditions of this Note.

This Note is given pursuant to a credit facility agreement among the Company, the Lender and certain other lenders (collectively the "Lenders") dated as of August 1, 2010 (the "Credit Facility Agreement"). Capitalized terms not otherwise defined herein shall have the respective meanings ascribed thereto in the Credit Facility Agreement.

1. Term and Payment. The term of this Note shall commence on the Commencement Date and end, subject to an earlier event of default (as defined below), on the date that is one (1) year after the Commencement Date unless, in accordance with the terms of the Credit Facility Agreement, it is extended by the Lenders and the Company and in such a case it shall be repayable on written demand as mutually agreed by the Lenders. On the Maturity Date, the Loaned Amount and interest accrued thereon shall become immediately due and payable, without presentment, demand, protest or notice. All payments received by the Lender hereunder will be applied first to costs of collection, if any, then to interest and the balance to principal. The Loaned Amount shall be hereinafter referred to in this Note as the "Indebtedness". The Indebtedness may be prepaid, in whole or in part, without notice, bonus or penalty to the Company.

2. Interest. The Loaned Amount shall bear interest on the terms and conditions set forth herein. During the term of this Note, the Loaned Amount shall bear interest at the rate of two percent (2%) per month, together with interest on overdue interest at the same rate (the "Interest"); provided, however, that to the extent that the rate at which Interest shall accrue on the unpaid Loaned Amount under this Note exceeds the highest rate permitted by applicable law, then such rate shall be reduced to the maximum rate then permitted by applicable law.

3. Security. In consideration of the debt evidenced hereby, and as continuing security for the due payment of the Indebtedness and Interest and all other money from time to time owing pursuant to this Note or the Credit Facility Agreement (the "Obligations"), the Company hereby grants to the Lender, a continuing, specific and fixed security interest (the "Security Interest") in and to the whole of the undertaking of the Company and all of its property and assets, real and personal, movable and immovable, tangible and intangible, of every nature and kind whatsoever, wherever situate, both present and future (the "Secured Property"). The Company and the Lender

hereby acknowledge that (i) value has been given; (ii) the Company has rights in the Secured Property (other than after-acquired property); and (iii) they have not agreed to postpone the time of attachment of the security interest granted under this Note. The Company hereby consents to the registration by the Lender of its security interest granted under this Promissory pursuant to the applicable *Personal Property Security Act* or similar legislation. The Company waives any right to receipt of a copy of any PPSA registrations. The Security Interest referred to above shall not prevent the Company from time to time, until the Security Interest hereby constituted shall have become enforceable, from selling, leasing or otherwise disposing of Secured Property in the ordinary course of its business and subject to the provisions of this Note and Credit Facility Agreement.

4. Default. "Event of default" whenever used herein, means any of the following:

- (a) the Company defaults in any payment when the same is due hereunder or under any other documents relating to the Credit Facility and such default persists for more than five (5) days; or
- (b) the Company becomes insolvent or makes a general assignment for the benefit of its creditors, or if an order is made or effective resolutions are passed for the winding-up, or if the Company is declared bankrupt, or if a custodian or receiver is appointed for the Company under any bankruptcy legislation, or if a compromise or arrangement is proposed by the Company to its creditors or any class of its creditors, or if a receiver or other officers with similar powers is appointed for the Company; or
- (c) there is a change in control, merger or amalgamation of the Company.

Unless an event of default is remedied by the Company, the Lender may, at its option, accelerate repayment of the outstanding Indebtedness and such Indebtedness shall be due and payable in full immediately thereafter, without presentment, demand, protest or notice.

5. Assignment. The Lender may not assign or sell this Note without the Company's prior written consent.

6. Binding Obligation. This Note shall enure to the benefit of and be binding upon the Company and the Lender and their respective successors and permitted assigns.


7. Severability. Each of the provisions of this Note is distinct and severable and a declaration of invalidity, illegality or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision of this Note.

8. Miscellaneous. No waiver of any obligation of the Company under this Note shall be effective unless it is in writing and signed by the Lender. A waiver by the Lender of any right or remedy under this Note on any occasion shall not be a bar to exercise of the same right or remedy on any subsequent occasion or of any other right or remedy at any time. The Company hereby waives presentment for payment, demand, protest, notice of demand, notice of protest and notice of prepayment of this Note, and all other notices or demands of any kind in connection with the delivery, acceptance, performance, default or enforcement hereof, and


hereby consents to any delays, extensions of time, renewals, waivers or modifications that may be granted or consented to by the holder hereof with respect to the time of payment or any other provision hereof or of the Security Agreement. The Company hereby agrees to reimburse the Lender for all costs and expenses of collection of the principal and accrued interest under this Note, including reasonable attorneys' fees, court costs and other costs in connection with the enforcement of this Note, whether or not any suit is instituted. Should a suit be commenced to collect this Note or any portion thereof, such sum as the court may deem reasonable shall be added hereto as attorneys' fees, including any fees awarded on any appeal.

COMPANY:

HEALTHSCREEN SOLUTIONS
INCORPORATED

By: 
Name: TOM ENRIGHT
Title: CHAIR HEALTHSCREEN SOLUTIONS INC.

LENDER:

By: 
Name: Justin Belbaba

Appendix "B"

MR. JUSTIN BELOBABA
210 OUELLET STREET EAST
TORONTO, ONTARIO M6C 2G9
(416) 907-4807

087

DATE 30062010
D D M M Y Y Y Y

CANADA TRUST
100 DUNDAS ST. W. & SPADINA AVE.
TORONTO, ONTARIO M5T 1H1



Canada Trust
100 DUNDAS ST. W. & SPADINA AVE.
TORONTO, ONTARIO M5T 1H1

AS MP

⑈087⑈ ⑆13282⑈00⑆ ⑆0538⑈6281123⑈



S19 02 *****88 93 30JUN2010 12:41
ECEIPT: TP23-3906

CCOUNT: CHEQUING PRIMARY

EP \$50,000.00

TOTAL DEPOSIT \$50,000.00

THANK YOU FOR CHOOSING RBC ROYAL BANK.
WE VALUE YOUR BUSINESS.

Medical Telecom Corporation

Ready To Post
Generated, Recurring

Account Description

Type: Entered

Shareholder Loans - Justin Belobaba
RBC-Checking (HSI)

50,000.00

50,000.00

Entry Total:

50,000.00

50,000.00

Batch Total:

50,000.00

50,000.00

Asim Iqbal
E-mail: aiqbal@pallettvalo.com
Direct Line: (905) 273-3022 x.232

BY EMAIL

January 16, 2014

Jeffrey Rosekat
40 King Street West
Suite 3100
Scotia Plaza
Toronto, ON, M5H 3Y2

Dear Mr. Rosekat:

**Re: Proof of Secured Claim in respect of Azedomine Inc. (the "Creditor") for
indebtedness owing by Healthscreen Solutions Incorporated (the "Debtor")
Our File No:**


Please find enclosed a Proof of Secured Claim for the above-noted Creditor. Included with the Proof of Claim are the following documents:

- (a) Promissory Note dated August 1, 2010 (the "**Promissory Note**") from the Debtor in favour of the Creditor in the amount of \$55,000, pursuant to which the Debtor grants to the Creditor a security interest in all of the Debtor's present and future assets, undertaking and property, attached as Appendix "A" to the Proof of Secured Claim;
- (b) A true copy of a cheque (attached as Appendix "B" to the Proof of Secured Claim) from the Creditor to the Debtor in the amount of \$55,000 evidencing the advance of funds pursuant to the Promissory Note; and
- (c) A table summarizing (Attached as Schedule "A" to the Proof of Secured Claim) the total amount owing by the Debtor to the Creditor.

Please do not hesitate to contact the undersigned should you require any additional assistance or clarification.

Yours very truly,

PALLETT VALO LLP


Per: Asim Iqbal
AI/lb
Encl.

Court File No.: CV-11-9365-00-CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

2293035 ONTARIO LIMITED

Applicant

and

HEALTHSCREEN SOLUTIONS INCORPORATED

Respondent

PROOF OF SECURED CLAIM

I, Justin Belobaba, of the City of Toronto, in the Province of Ontario, do hereby certify:

1. That I am a Director of Azedomine Inc. (the "**Creditor**"), a secured creditor of the Debtor, Healthscreen Solutions Incorporated (the "**Debtor**").
2. That I have knowledge of all the circumstances connected with the claim referred to below.
3. That the Debtor was, at the date of execution of this Proof of Claim, and still is, indebted to the Creditor in the sum of \$100,653.27 (the "**Indebtedness**"), as specified in the statement of account attached and marked Schedule "A", after deducting any counterclaims to which the Debtor is entitled.
4. *Check and complete appropriate category*

☐ **A. Unsecured Claim of \$_____**

(Other than as a customer contemplated by Section 262 of the Act)

That in respect of this debt, I do not hold any assets of the Debtor as security and

(Check appropriate description)

73

-2-

☐ Regarding the amount of \$_____, I claim a right to a priority under section 136 of the *Act*.

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

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

☐ **B. Claim of Lessor for Disclaimer of a Lease \$_____**

That I hereby make a claim under subsection 65.2(4) of the *Act*, particulars of which are as follows:

(Give full particulars of the claim, including the calculations upon which the claim is based.)

☒ **C. Secured Claim of: \$100,653.27**

- Pursuant to a Promissory Note dated August 1, 2010 (the "**Promissory Note**") wherein the Debtor granted the Creditor a security interest in the whole of the undertaking of the Debtor and all of its property and assets, real and personal, movable and immovable, tangible and intangible, of every nature and kind whatsoever, wherever situate, both present and future (the "**Security Interest**"). Attached as **Appendix "A"** to this Proof of Claim is a true copy of the Promissory Note.
- Schedule "A" to this Proof of Claim outlines the total amount outstanding that is secured by the Creditor's Security Interest.
- **Appendix "B"** to this Proof of Claim attaches a true copy of the cheque evidencing the advance made from the Creditor to the Debtor underlying the Indebtedness.

☐ **D. Claim by Farmer, Fisherman or Aquaculturist of \$_____**

That I hereby make a claim under subsection 81.2(1) of the *Act* for the unpaid amount of \$_____

(Attach a copy of sales agreement and delivery receipts)

☐ **E. Claim by Wage Earner of \$_____**

☐ That I hereby make a claim under subsection 81.3(8) of the *Act* in the amount of \$_____

☐ That I hereby make a claim under subsection 81.4(8) of the *Act* in the amount of \$_____

☐ **F. Claim by Employee for Unpaid Amount Regarding Pension Plan of \$_____**

7B

-3-

- ☐ That I hereby make a claim under subsection 81.5 of the *Act* in the amount of \$ _____
- ☐ That I hereby make a claim under subsection 81.6 of the *Act* in the amount of \$ _____
- ☐ **G. Claim Against Director \$ _____**

(To be completed when a proposal provides for the compromise of claims against directors)

That I hereby make a claim under subsection 50(13) of the *Act*, particulars of which are as follows:

(Give full particulars of the claim, including the calculations upon which the claim is based)

(a) _____

- ☐ **H. Claim of a Customer of a Bankrupt Securities Firm \$ _____**

That I hereby make a claim as a customer for net equity as contemplated by section 262 of the *Act*, particulars of which are as follows:

(Give full particulars of the claim, including the calculations upon which the claim is based)

(a) _____

5. That, to the best of my knowledge, _____ not related to the Debtor within the meaning of section 4 of the *Act*, and _____ dealt with the Debtor in a non-arm's-length manner.

6. That the following are the payments that _____ received from, the credits that _____ allowed to, and the transfers at undervalue within the meaning of subsection 2(1) of the *Act* that _____ been privy to or a party to with the Debtor within the three months (*or, if the Creditor and the Debtor are related within the meaning of section 4 of the Act or were not dealing with each other at arm's length, within the 12 months*) immediately before the date of the initial bankruptcy event within the meaning of subsection 2(1) of the *Act*: *(provide details of payments, credits and transfers at undervalue)*

(a) _____

7. *(Applicable only in the case of the bankruptcy of an individual)*

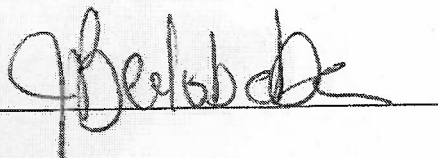
- ☐ Whenever the trustee reviews the financial situation of a bankrupt to redetermine whether or not the bankrupt is required to make payments under section 68 of the *Act*, I request to be informed, pursuant to paragraph 68(4) of the *Act*, of the new fixed amount or of the fact that there is no longer surplus income.
- ☐ I request that a copy of the report filed by the Trustee regarding the bankrupt's application for discharge pursuant to subsection 170(1) of the *Act* be sent to the above address.

7B

-4-

DATED AT Toronto, Ontario, this 16 day of January, 2014.

Witness



Justin Belobaba



Tel: 416-997-4857

Fax:

Email: Justin.belobaba@physiomed.ca



Summary of Secured Indebtedness Owing to Azedomine Inc.

Principal Amount \$ 55,000.00
Interest Rate 2% per month

		Total Principal + Interest	Interest Paid?
2010			
August	\$ 1,100.00	\$ 55,000.00	Yes
September	\$ 1,100.00	\$ 55,000.00	Yes
October	\$ 1,100.00	\$ 55,000.00	Yes
November	\$ 1,100.00	\$ 55,000.00	Yes
December	\$ 1,100.00	\$ 55,000.00	Yes

2011			
January	\$ 1,100.00	\$ 55,000.00	Yes
February	\$ 1,100.00	\$ 55,000.00	Yes
March	\$ 1,100.00	\$ 55,000.00	Yes
April	\$ 1,100.00	\$ 55,000.00	Yes
May	\$ 1,100.00	\$ 55,000.00	Yes
June	\$ 1,100.00	\$ 55,000.00	Yes
July	\$ 1,100.00	\$ 56,100.00	No
August	\$ 1,122.00	\$ 57,222.00	No
September	\$ 1,144.44	\$ 58,366.44	No
October	\$ 1,167.33	\$ 59,533.77	No
November	\$ 1,190.68	\$ 60,724.44	No
December	\$ 1,214.49	\$ 61,938.93	No

2012			
January	\$ 1,238.78	\$ 63,177.71	No
February	\$ 1,263.55	\$ 64,441.27	No
March	\$ 1,288.83	\$ 65,730.09	No
April	\$ 1,314.60	\$ 67,044.69	No
May	\$ 1,340.89	\$ 68,385.59	No
June	\$ 1,367.71	\$ 69,753.30	No
July	\$ 1,395.07	\$ 71,148.36	No
August	\$ 1,422.97	\$ 72,571.33	No
September	\$ 1,451.43	\$ 74,022.76	No
October	\$ 1,480.46	\$ 75,503.21	No
November	\$ 1,510.06	\$ 77,013.28	No
December	\$ 1,540.27	\$ 78,553.54	No

2013			
January	\$ 1,571.07	\$ 80,124.61	No
February	\$ 1,602.49	\$ 81,727.11	No
March	\$ 1,634.54	\$ 83,361.65	No
April	\$ 1,667.23	\$ 85,028.88	No
May	\$ 1,700.58	\$ 86,729.46	No
June	\$ 1,734.59	\$ 88,464.05	No
July	\$ 1,769.28	\$ 90,233.33	No
August	\$ 1,804.67	\$ 92,038.00	No
September	\$ 1,840.76	\$ 93,878.76	No
October	\$ 1,877.58	\$ 95,756.33	No
November	\$ 1,915.13	\$ 97,671.46	No
December	\$ 1,953.43	\$ 99,624.89	No

2014			
January (from Jan. 1 - 15, 2014)	\$ 1,028.39	<u>\$ 100,653.27</u>	

PROMISSORY NOTE

Amount: \$ 105,555.00

Date: August 1, 2010

For value received, Healthscreen Solutions Incorporated (the "Company"), with its principal place of business at 80 Bloor Street West, Suite 1101, Toronto, Ontario, promises to pay to the order of Justin Belobaba at Toronto the aggregate principal sum of fifty-thousand Canadian dollars (\$50,000.00) and Azedomine Inc. at Toronto the aggregate principal sum amount of fifty-five thousand, five hundred fifty-five Canadian dollars (\$55,555.00), together referred to as the Lender (the "Lender") and together the total balances owing as the "Loaned Amount" together with interest on the Loaned Amount from the date such amount is advanced (the "Commencement Date") through and including the date on which such principal amount is paid in full, at the rate provided in Section 2 below, subject to the terms and conditions of this Note.

This Note is given pursuant to a credit facility agreement among the Company, the Lender and certain other lenders (collectively the "Lenders") dated as of August 1, 2010 (the "Credit Facility Agreement"). Capitalized terms not otherwise defined herein shall have the respective meanings ascribed thereto in the Credit Facility Agreement.

1. Term and Payment. The term of this Note shall commence on the Commencement Date and end, subject to an earlier event of default (as defined below), on the date that is one (1) year after the Commencement Date unless, in accordance with the terms of the Credit Facility Agreement, it is extended by the Lenders and the Company and in such a case it shall be repayable on written demand as mutually agreed by the Lenders. On the Maturity Date, the Loaned Amount and interest accrued thereon shall become immediately due and payable, without presentment, demand, protest or notice. All payments received by the Lender hereunder will be applied first to costs of collection, if any, then to interest and the balance to principal. The Loaned Amount shall be hereinafter referred to in this Note as the "Indebtedness". The Indebtedness may be prepaid, in whole or in part, without notice, bonus or penalty to the Company.

2. Interest. The Loaned Amount shall bear interest on the terms and conditions set forth herein. During the term of this Note, the Loaned Amount shall bear interest at the rate of two percent (2%) per month, together with interest on overdue interest at the same rate (the "Interest"); provided, however, that to the extent that the rate at which Interest shall accrue on the unpaid Loaned Amount under this Note exceeds the highest rate permitted by applicable law, then such rate shall be reduced to the maximum rate then permitted by applicable law.

3. Security. In consideration of the debt evidenced hereby, and as continuing security for the due payment of the Indebtedness and Interest and all other money from time to time owing pursuant to this Note or the Credit Facility Agreement (the "Obligations"), the Company hereby grants to the Lender, a continuing, specific and fixed security interest (the "Security Interest") in and to the whole of the undertaking of the Company and all of its property and assets, real and personal, movable and immovable, tangible and intangible, of every nature and kind whatsoever, wherever situate, both present and future (the "Secured Property"). The Company and the Lender

hereby acknowledge that (i) value has been given; (ii) the Company has rights in the Secured Property (other than after-acquired property); and (iii) they have not agreed to postpone the time of attachment of the security interest granted under this Note. The Company hereby consents to the registration by the Lender of its security interest granted under this Promissory pursuant to the applicable *Personal Property Security Act* or similar legislation. The Company waives any right to receipt of a copy of any PPSA registrations. The Security Interest referred to above shall not prevent the Company from time to time, until the Security Interest hereby constituted shall have become enforceable, from selling, leasing or otherwise disposing of Secured Property in the ordinary course of its business and subject to the provisions of this Note and Credit Facility Agreement.

4. Default. "Event of default" whenever used herein, means any of the following:

- (a) the Company defaults in any payment when the same is due hereunder or under any other documents relating to the Credit Facility and such default persists for more than five (5) days; or
- (b) the Company becomes insolvent or makes a general assignment for the benefit of its creditors, or if an order is made or effective resolutions are passed for the winding-up, or if the Company is declared bankrupt, or if a custodian or receiver is appointed for the Company under any bankruptcy legislation, or if a compromise or arrangement is proposed by the Company to its creditors or any class of its creditors, or if a receiver or other officers with similar powers is appointed for the Company; or
- (c) there is a change in control, merger or amalgamation of the Company.

Unless an event of default is remedied by the Company, the Lender may, at its option, accelerate repayment of the outstanding Indebtedness and such Indebtedness shall be due and payable in full immediately thereafter, without presentment, demand, protest or notice.

5. Assignment. The Lender may not assign or sell this Note without the Company's prior written consent.

6. Binding Obligation. This Note shall enure to the benefit of and be binding upon the Company and the Lender and their respective successors and permitted assigns.


7. Severability. Each of the provisions of this Note is distinct and severable and a declaration of invalidity, illegality or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision of this Note.

8. Miscellaneous. No waiver of any obligation of the Company under this Note shall be effective unless it is in writing and signed by the Lender. A waiver by the Lender of any right or remedy under this Note on any occasion shall not be a bar to exercise of the same right or remedy on any subsequent occasion or of any other right or remedy at any time. The Company hereby waives presentment for payment, demand, protest, notice of demand, notice of protest and notice of prepayment of this Note, and all other notices or demands of any kind in connection with the delivery, acceptance, performance, default or enforcement hereof, and


hereby consents to any delays, extensions of time, renewals, waivers or modifications that may be granted or consented to by the holder hereof with respect to the time of payment or any other provision hereof or of the Security Agreement. The Company hereby agrees to reimburse the Lender for all costs and expenses of collection of the principal and accrued interest under this Note, including reasonable attorneys' fees, court costs and other costs in connection with the enforcement of this Note, whether or not any suit is instituted. Should a suit be commenced to collect this Note or any portion thereof, such sum as the court may deem reasonable shall be added hereto as attorneys' fees, including any fees awarded on any appeal.

COMPANY:

HEALTHSCREEN SOLUTIONS
INCORPORATED

By: 
Name: TOM ENRIGHT
Title: CHAIR HEALTHSCREEN SOLUTIONS INC.

LENDER:

By: 
Name: Justin Belbaba

Appendix "B"

AZEDOMINE INC.
 40 HAZELTON AVE., SUITE 11
 TORONTO, ONTARIO M5R 2G2
 Tel: (416) 620-4938

006

DATE 2 0 1 0 0 5 3 1
Y Y Y Y M M D D

PAY to the order of Healthreen Solutions Inc. \$ 55,553.00

Fifty five thousand five hundred and fifty three dollars

CBC CANADIAN IMPERIAL BANK OF COMMERCE
ONE QUEEN STREET EAST
TORONTO, ONTARIO M5C 2W6

AZEDOMINE INC.
PER J. H. H. H. H. H.

⑈000005⑈ ⑆00902⑈010⑆ 84⑈32813⑈

1 entry printed
1 batch printed

Entry Number: 00001
 Entry Date: 5/31/2010 Year-Prd.: 2010-08
 GL-JE 5/31/2010 10160-10-XX-YYY
 GL-JE 5/31/2010 16000-30-XX-YYY



4519 02 *****88 93 31MAY2010 18:12
 RECEIPT: TP37-9993
 ACCOUNT: CHEQUING PRIMARY
 DEPOSIT \$55,553.00

TOTAL DEPOSIT \$55,553.00

THANK YOU FOR CHOOSING RBC ROYAL BANK.
WE VALUE YOUR BUSINESS.

Medical Telecom Corporation

[curving]

unt Description

RBC-Checking (HSI)
 Shareholder Loans - Justin Belobaba

Entry

Batch

EXHIBIT H

**DELOITTE & TOUCHE INC., COURT APPOINTED RECEIVER OF
HEALTHSCREEN SOLUTIONS INCORPORATED
INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD SEPTEMBER 2, 2011 TO JANUARY 20, 2014**

Receipts

Opening operating cash	\$ 238,874.42
Cash received from operations	271,478.52
Opening trust cash	161,340.85
Cash received for trust account	202,445.12
Sale of Assets	1,012,523.99
Collection of Accounts Receivable	194,486.72
Insurance Refunds	9,557.39

Total receipts	<u>\$ 2,090,707.01</u>
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Disbursements

Payroll (Receiver's)	\$ 499,518.39
Payroll (Pre-receivership)	173,533.73
Receiver's fees and costs	345,798.44
Payment of trust funds to doctors	250,561.39
Consulting fees & commissions	149,890.86
HST Paid	86,266.57
Legal Fees & Disbursements	79,177.50
Computer Services	66,894.18
Telephone	13,302.08
Visa/Master/bank service fees	12,912.44
Insurance	12,142.12
Rent	11,296.76
Postage	9,981.45
Lease payments	2,431.27
Payroll Services	661.56
Storage	536.41
Courier	450.09
Miscellaneous disbursements	391.91
Utilities	384.72
Interest expense on Receiver Certificate	197.26
Filing fees	70.00

Total disbursements	<u>\$ 1,716,399.13</u>
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Excess of Cash Receipts over Disbursements	<u><u>\$ 374,307.88</u></u>
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2293035 ONTARIO LIMITED
Applicant

-and- HEALTHSCREEN SOLUTIONS INCORPORATED
Respondent

Court File No. CV-11-9365-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT
TORONTO

**SUPPLEMENTARY MOTION RECORD OF THE
RECEIVER
(DISCHARGE MOTION)**

GARDINER ROBERTS LLP

Lawyers

Scotia Plaza

40 King Street West, Suite 3100

Toronto ON M5H 3Y2

Jeffrey B. Rosekat (43352Q)

jrosekat@gardiner-roberts.com

Tel: (416) 865-6662

Fax: (416) 865-6636

Lawyers for Deloitte & Touche Inc., the Court-appointed
Receiver of Healthscreen Solutions Incorporated