



NO. S-234092  
VANCOUVER REGISTRY

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

BETWEEN:

**BANK OF MONTREAL**

PETITIONER

AND:

**POLYCAN HEALTH CENTRE (CANADA) INC.,  
ANQI MAI, ALSO KNOWN AS AN QI MAI, ALSO KNOWN AS ANDREW MAI,  
WEIDONG ZHU, ALSO KNOWN AS WEI DONG ZHU, ALSO KNOWN AS WILLIAM ZHU,  
SUI ZHANG and HUA XU**

RESPONDENTS

**SECOND REPORT OF THE COURT APPOINTED RECEIVER  
OF POLYCAN HEALTH CENTRE (CANADA) INC.**

**Dated March 18, 2025**

**PREPARED BY DELOITTE RESTRUCTURING INC.**

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## APPENDICES

Appendix "A" – Receiver's Statement of Receipts and Disbursements for the period from  
November 23, 2023 to March 14, 2025

## INTRODUCTION

- 1) Pursuant to an Order (the "**Receivership Order**") of the Supreme Court of British Columbia (the "**Court**") dated October 26, 2023, with effect as of November 23, 2023 (the "**Date of Receivership**"), Deloitte Restructuring Inc. was appointed as receiver (in such capacity, the "**Receiver**"), without security, of all assets, undertakings and properties of PolyCan Health Centre (Canada) Inc. ("**PolyCan**" or the "**Company**"). The Court proceedings in which the Receiver was appointed are referred to herein as the "**Receivership Proceedings**".
- 2) The Receivership Order was granted pursuant to an application by Bank of Montreal ("**BMO**"), the primary secured creditor of PolyCan. BMO is owed approximately \$4.5 million by PolyCan as of February 6, 2024 pursuant to various credit facilities (the "**BMO Facilities**") provided to the Company.
- 3) BMO holds various registered security over all PolyCan's present and after-acquired real and personal property, along with various personal guarantees (collectively, the "**BMO Security**"). The BMO Facilities and the BMO Security are more fully described in the first affidavit of Mr. Daniel Yamasaki of BMO dated October 24, 2023.
- 4) The Receiver's independent legal counsel, DLA Piper (Canada) LLP ("**DLA**"), has performed an independent review of the validity and enforceability of the BMO Security and has advised that it is valid and enforceable and ranks in priority to the unsecured creditors of PolyCan (the "**Security Opinion**").
- 5) Following the issuance of the Receivership Order, the Receiver issued a statutory Notice and Statement of the Receiver for PolyCan pursuant to subsections 245(1) and 246(1) of the *Bankruptcy and Insolvency Act (Canada)* (the "**BIA**").
- 6) On February 9, 2024, the Receiver issued its first report to Court (the "**First Report**"). The First Report was filed to, among other things, provide the Court with an update on the Receiver's sale process and to support the Receiver's application filed on February 15, 2024 (the "**Sale Approval Application**") for an order approving the transaction (the "**Transaction**") contemplated by the asset purchase agreement entered into on February 5, 2024 (the "**APA**") as between the Receiver and 1461890 B.C. Ltd. (the "**Purchaser**").
- 7) A confidential supplement to the Second Report dated March 19, 2024 (the "**Confidential Supplement**") was filed in support of the Sale Approval Application and was sealed in the Court file until the closing of the Transaction. The Confidential Supplement provided further information to the Court on offers received in the sale process and negotiations with interested parties.
- 8) In addition, the Receiver issued a supplement to the First Report dated February 25, 2024 in response to the application response filed by Mr. Ritchie Clark, legal counsel for PolyCan and Mr. Andrew Mai ("**Mr. Mai**"), dated February 23, 2024 (the "**Mai Response**"). This supplement provided responses to certain statements in the Mai Response and provided the Court with additional information pertaining to the sale process undertaken by the Receiver.
- 9) On February 26, 2024, the Court granted an Order (the "**Sale Approval Order**") approving the Transaction.
- 10) This is the Receiver's second report to Court (the "**Second Report**" or "**this Report**"). Unless otherwise provided, all capitalized terms used but not defined in this Second Report are as defined in the Receivership Order.

- 11) The Receivership Order and other documents pertaining to the Receivership Proceedings are posted on the Receiver's website at <http://www.insolvencies.deloitte.ca/en-ca/Pages/PolyCan.aspx>. This Second Report will also be posted to the Receiver's website after it has been filed with the Court.
- 12) Unless otherwise provided, all other capitalized terms not defined in this Second Report are as defined in the Receivership Order.

### **Purpose of the Second Report**

- 13) The purpose of this Second Report is to:
  - a) Report on the closing of the Transaction;
  - b) Provide the Court with an overview of the Receiver's activities since the First Report and the Receiver's statement of receipts and disbursements from the Date of Receivership to March 14, 2025 (the "**Receiver's R&D**"); and
  - c) Support the Receiver's application (to be filed) for an order:
    - i) Approving the activities of the Receiver as described in the First Report and Second Report;
    - ii) Approving the Receiver's R&D;
    - iii) Approving and authorizing payment of the Receiver's fees and disbursements;
    - iv) Approving and authorizing the payment of the fees and disbursements of the Receiver's legal counsel, DLA;
    - v) Approving and authorizing the Receiver to assign PolyCan into bankruptcy for the general benefit of creditors;
    - vi) Approving and authorizing the Receiver to make payment of the Final Distributions (as that term is hereinafter defined); and
    - vii) Subject to the Receiver filing a certificate with the Court confirming that it has discharged its obligations pursuant to the Receivership Order (the "**Discharge Certificate**"), discharging the Receiver from its obligations under the Receivership Order and releasing Deloitte from any and all liability that Deloitte may have be reason of the acts and omissions of Deloitte while acting in its capacity as Receiver, save and except any claim or liability arising our of fraud, willful misconduct or gross negligence on the part of Deloitte.

### **Terms of reference**

- 14) In preparing this Second Report, the Receiver has relied upon certain information (the "**Information**"), including unaudited financial and other information prepared by the Company's bookkeeper, the Company's books and records, and discussions with management of the company, Mr. Mai and Mrs. Sonia Mai ("**Ms. Mai**", and together with Mr. Mai, the "**Mais**").
- 15) The Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the *Chartered Professional*

*Accountants Canada Handbook* and, accordingly, the Receiver expresses no opinion or other form of assurance in respect of this information.

- 16) All dollar amounts in this Second Report are in Canadian dollars, unless otherwise indicated.

## **BACKGROUND**

- 17) PolyCan was engaged in the business of operating a health care centre and, prior to the Receiver ceasing operations on December 19, 2023, a walk-in medical clinic.
- 18) PolyCan health care practitioners provided various services including, among other things, physiotherapy, massage therapy, acupuncture, shockwave therapy, and counselling.
- 19) PolyCan operated from a 20,000 square foot leased premises at units 102 and 205, 9055 University High Street, Burnaby, BC, V5A 0A7 (the "**Premises**"). PolyCan was the tenant under a lease agreement with the landlord, SFU Community Corporation as Trustee of the SFU Community Trust ("**SFU**"), dated April 15, 2019 (the "**SFU Lease**").
- 20) The leasehold improvements undertaken at the Premises by PolyCan and various medical equipment were financed by the BMO Facilities. As security for the BMO Facilities, PolyCan granted to BMO a General Security Agreement dated April 26, 2018. In addition, the following guarantees were granted to BMO, among other things:
- a) A guarantee by the Mais, who are spouses, for all debts and liabilities of PolyCan to BMO dated April 26, 2018, limited to the amount of \$2,550,000 plus interest at the rate of BMO's Prime plus 3%; and
  - b) A guarantee by Mr. William Zhu ("**Mr. Zhu**") and Hua Xu ("**Ms. Xu**"), who are also spouses, for all debts and liabilities of PolyCan to BMO dated June 3, 2022, limited to the amount of \$2,450,000 plus interest at the rate of BMO's Prime plus 3%.
- 21) PolyCan was incorporated in British Columbia on April 19, 2017. The sole director and officer of PolyCan is Mr. Mai.
- 22) The Receiver understands that the Mais are the primary shareholders of the Company. However, the ownership of the Company is subject to a dispute between the Mais, Mr. Zhu and Ms. Xu.
- 23) Mr. Mai acted as the CEO and Chairman of the Company through a consulting contract between PolyCan and a company beneficially owned by Mr. Mai, MSCanada Holdings Ltd. ("**MSCanada**"). The Receiver understands that MSCanada had not been paid by the Company for several months prior to the Date of Receivership.
- 24) Mr. Mai was not retained or paid by the Receiver, but assisted the Receiver with various information requests and participated in several interested party viewings and meetings.
- 25) Ms. Mai was involved with the operations of the Company and assisted with various accounting, human resources and operational matters as a consultant through her own company, ASCP Wealth Investments and Consultants Inc. ("**ASCP**").
- 26) Ms. Mai was retained by the Receiver, through ASCP, to continue to provide payroll and operational support.

## **CLOSING OF THE TRANSACTION**

- 27) As set-out in the First Report, on February 5, 2024, the Receiver entered into the APA with the Purchaser.
- 28) Pursuant to the APA, the Purchaser agreed to purchase, and the Receiver agreed to sell, all of PolyCan's right, title and interest in and to the assets of the Company, with certain limited exclusions, for cash consideration of \$474,757 plus provincial sales tax ("**PST**") of \$9,450.
- 29) In addition, pursuant to the terms of the APA and as part of the purchase price, on Closing, the Purchaser agreed to make payment of the Guarantee Discharge Amount (as defined in the APA) to the Receiver which amounted \$2,625,243. In consideration of this payment, BMO agreed to release and discharge the personal guarantees provided by Mr. Zhu and Ms. Xu related to the obligations of the Company under the BMO Facilities.
- 30) Closing of the Transaction was conditional on an assignment of the SFU Lease to the Purchaser upon payment of any cure costs. The APA provided for the payment of \$90,217 to SFU to "top-up" the security deposit under the SFU Lease.
- 31) The Transaction closed on February 29, 2024 as planned, and all amounts due under the APA totalling \$2,899,668 (excluding the \$300,000 deposit previously paid by the Purchaser) were received by the Receiver.

## **ACTIVITIES OF THE RECEIVER FOLLOWING THE FIRST REPORT**

- 32) In addition to closing the Transaction, the Receiver has, among other things:
  - a) Arranged for the cancellation of insurance coverage at the closing date of the Transaction and the return of the remaining policy premium;
  - b) Liaised and assisted Canada Revenue Agency ("**CRA**") in relation to its audits of the Company's Goods and Services ("**GST**") returns and payroll source deductions returns;
  - c) Investigated and attempted to recover value in respect of the remaining assets of the Company that were excluded from the Transaction, as further described later in this Report;
  - d) Drafted this Second Report; and
  - e) Attended to various statutory matters, including filing GST and PST returns, and WorkSafe BC reports.

## **REMAINING ASSETS OF THE COMPANY**

### **Accounts receivable**

- 33) Ms. Mai provided an accounts receivable ("**AR**") listing for the Company which totalled \$1,313,387 as at the Date of Receivership.
- 34) The largest receivable related to an account with Dr. Michael O'Reilly ("**Dr. O'Reilly**") in the amount of \$1,133,909. The Receiver understands that this balance relates to



one outstanding invoice for the storage of certain equipment owned by Dr. O'Reilly and the cost of certain services provided by PolyCan to Dr. O'Reilly.

- 35) The Receiver made enquiries with Dr. O'Reilly in relation to the outstanding invoice. Dr. O'Reilly disputes the invoice and claims that he did not agree to pay rent to store his equipment. He also asserts counter claims against PolyCan in relation to unpaid fees owed to him for providing services as a medical director to PolyCan and for the loss of certain equipment while stored at PolyCan's facilities.
- 36) The Receiver notes that Mr. Mai has been unable to provide any documentation or agreement to support the Dr. O'Reilly invoice.
- 37) The balance of the accounts receivable total \$179,478 and are aged and are not collectable.

### **Allegations and related insurance claims**

- 38) Mr. Mai has made various unproven allegations against Mr. Zhu and Ms. Xu, including among other things, the potential theft of equipment and patient data, and collection of accounts receivable of the Company. Mr. Zhu refutes these allegations.
- 39) The PolyCan balance sheet includes a receivable totalling \$228,321 which is alleged to be owed from Mr. Zhu to PolyCan in relation to the collection of COVID test proceeds.
- 40) Mr. Mai has also made unproven allegations against Dr. Jason Chiina in relation unpaid services and has filed a claim in the small claims Court. Dr. Jason Chiina has filed a response refuting these allegations.
- 41) Mr. Mai has filed insurance claims in relation to the above-mentioned allegations and theft claims (the **"Insurance Claims"**).
- 42) Mr. Zhu has made, among other things, several unproven allegations against PolyCan and the Mais, including that the Mais diverted operating revenue away from BMO and in relation to a disputed issuance of shares of PolyCan to Mr. Zhu and Ms. Xu.
- 43) The Receiver made limited investigations into these allegations, including having discussions with Mr. Zhu's legal counsel and Mr. Mai and reviewing information and emails provided by Mr. Mai. The Receiver concluded that pursuing an action in relation the allegations would be very difficult, and potentially costly, due to the lack of substantive evidence and the conflicting positions of the parties.
- 44) The APA excluded the Company's interest in and to any proceeding, claim, cause of action, or insurance claim that existed prior to closing of the Transaction (the **"Choses in Action"**).
- 45) On September 12, 2024, the Receiver wrote to both Mr. Mai and Mr. Zhu seeking offers for the Choses in Action and indicating that the Receiver would be prepared to consider an assignment of the Choses in Action to the party making the highest and best offer for same (the **"Choses in Action Letter"**).
- 46) No response was received from Mr. Zhu in relation to the Choses in Action Letter.
- 47) On September 26, 2024, Mr. Mai's legal counsel sent a letter to the Receiver, presenting an offer regarding the Choses in Action. The offer stipulated that the consideration from Mr. Mai would be fully dependent on future monetary awards or settlements. The Receiver discussed this offer with BMO and entered into negotiations with Mr. Mai in relation to the sale and assignment of the Choses of Action.

- 48) On September 27, 2024, the claims adjuster Continental Casualty Company ("**CNA**") sent a letter to the Receiver concluding that there was no coverage for the Insurance Claims, for various reasons.
- 49) On December 16, 2024, the Receiver entered into a claim assignment and purchase agreement pursuant to which Mr. Mai agreed to pay \$10,000 in cash consideration for the Choses in Action. On December 18, 2024, the cash consideration was received by the Receiver and the transaction closed.

### **Equipment third party and lease claims**

- 50) CWB National Leasing ("**CWB**") had two finance lease agreements with PolyCan with respect to a Cynosure ICON laser therapeutic machine and various security system equipment (the "**CWB Equipment**"). This equipment was secured by way of purchase money security interests registered pursuant to the *Personal Property Security Act* ("**PPSA**").
- 51) The Purchaser did not wish to assume the CWB finance agreements and the Receiver determined that there was no residual equity value in the CWB Equipment after accounting for the remaining lease payout amounts. DLA undertook a review of CWB's security and determined it to be valid. Accordingly, the Receiver disclaimed its interest in the CWB Equipment.
- 52) PolyCanada Capital Holdings Ltd. ("**Holdings**"), a company that is beneficially owned by Ms. Mai and that is not subject to the Receivership Proceedings, asserted a property interest in several pieces of medical equipment including a Siemens Acuson S2000 ABVS 3D/4D ultrasound breast volume scanner (model number 10434730, serial number 250718), a Surgifresh mini turbo (model number 906500, serial number 64273689012) and a HK shockwave therapy machine (collectively, the "**Holdings Equipment**").
- 53) The Holdings Equipment was valued by Maynards Industries Canada Appraisals Ltd. at between \$36,000 and \$76,800 on a forced liquidation and orderly liquidation value basis, respectively.
- 54) The Mais provided equipment lease agreements entered into between PolyCan and Holdings pursuant to which PolyCan agreed to lease the Holdings Equipment. The Holdings Equipment is not secured by way of purchase money security interests registered pursuant to the PPSA. The Mais assert that PolyCan has not made any payments under the leases.
- 55) The Receiver made various investigations into the validity of the leases and the source of funds used to purchase the Holdings Equipment. Based on the information received, it appears that the Holdings Equipment was purchased by the Mais through their personal funds and the Holdings Equipment was invoiced to another company beneficially owned by the Mais, AM Healthcare Consultants Inc.
- 56) The Receiver informed BMO of its findings and BMO confirmed that it was not opposed to the Receiver disclaiming the Holdings Equipment.
- 57) Given the limited value of the Holdings Equipment and the documentation provided by the Mais, the Receiver disclaimed its interest in the Holdings Equipment.
- 58) The Holdings Equipment was excluded from the Transaction pursuant to the terms of the APA.



## Corporation tax refund

- 59) The Receiver identified that an amount of approximately \$215,000 was owing to PolyCan in relation to a scientific research and experimental development claim for the year ending March 31, 2022 (the "**2002 SR&ED Claim**").
- 60) The Receiver took steps to recover the 2022 SR&ED Claim. CRA paid \$72,507 to the Receiver for the 2022 SR&ED Claim, after offsetting approximately \$45,000 for assessed corporation taxes, \$103,000 for assessed GST, and crediting \$6,000 in accrued interest.

## CREDITORS AND SECURED CHARGES

### CRA priority claims

- 61) Canada Revenue Agency ("**CRA**") submitted a property claim in the amount of \$2,657 in respect of outstanding deemed trust payroll deductions (the "**CRA Payroll Deductions Property Claim**"). The CRA Payroll Deductions Property Claim has been paid by the Receiver.
- 62) CRA has also submitted a property claim in the amount of \$69,720 in respect of outstanding GST (the "**CRA GST Property Claim**"). Subject to Court approval, the Receiver will be assigning PolyCan into bankruptcy pursuant to paragraph 49 of the BIA. Due to the bankruptcy of PolyCan, the CRA GST Property Claim will no longer retain its deemed trust status under the *Excise Tax Act*. Pursuant to Section 67(2) of the BIA, this claim is treated as an unsecured liability.

### Wage Claims

- 63) The Receiver is not aware of any priority claims that may relate to outstanding wage arrears and no procedures were taken or required relating to the *Wage Earner Protection Program Act*.

### WorkSafeBC Claim

- 64) The Receiver understands that WorkSafeBC is owed \$551 in respect of outstanding pre-receivership premiums. WorkSafeBC has claimed a statutory lien on all property or proceeds of property used or produced by PolyCan pursuant to section 265 of the *Workers' Compensation Act* (the "**WorkSafeBC Priority Claim**") and the WorkSafeBC Priority Claim has been paid.

### Receiver's charge and borrowings

- 65) Pursuant to paragraph 21 of the Receivership Order, the Receiver and DLA, as its legal counsel, are the beneficiaries of the Receiver's Charge to secure payment of their fees and disbursements incurred in the Receivership Proceedings. The Receiver's Charge is a first-ranking charge over the Property but subordinate to the charges, if any, created pursuant to Sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.
- 66) Pursuant to paragraph 24 of the Receivership Order, the Receiver was authorized to borrow up to \$250,000 without further approval of the Court for the purpose of carrying out its duties and powers (the "**Borrowing Facility**"). The Receiver borrowed a total of \$250,000 under the Borrowing Facility, and this principal amount plus accrued interest of \$4,214 was fully repaid on March 5, 2024 as part of a total

distribution to BMO in the amount of \$2,650,000 (the "**First BMO Distribution**") made pursuant to the Sale Approval Order.

### **BMO indebtedness**

- 67) As noted above, BMO is the principal secured creditor of PolyCan, and was owed \$4,502,381 as of February 6, 2024 pursuant to the BMO Facilities (the "**BMO Debt**"). BMO has valid and enforceable security as reported in the Security Opinion and interest continues to accrue on the BMO Debt.
- 68) The BMO Security is subject to certain prior ranking Court-ordered charges and statutory interests, which include:
  - a) The CRA Payroll Deductions Property Claim;
  - b) The WorkSafeBC Priority Claim;
  - c) The Receiver's Charge (as that term is defined in the Receivership Order); and
  - d) The Receiver's Borrowing Charge (as that term is defined in the Receivership Order).
- 69) Pursuant to the Sale Approval Order, the Receiver made the First BMO Distribution on May 3, 2024, leaving approximately \$2,106,585 plus accrued interest owing to BMO.

### **Unsecured creditors**

- 70) Based on the available books and records of PolyCan and correspondence received from creditors the Receiver estimates total unsecured creditors claims of approximately \$2,459,202 as of the Date of Receivership.
- 71) Given that BMO, the secured creditor, is expected to suffer a shortfall in respect of the BMO Debt, the Receiver has not reviewed the claims of the unsecured creditors. The Receiver has, however, provided ad-hoc updates on the status of the Receivership Proceedings to certain unsecured creditors as and when it was contacted.

### **STATEMENT OF RECEIPTS AND DISBURSEMENTS**

- 72) Attached as **Appendix "A"** to this Second Report is the Receiver's R&D reflecting the administration of the Receivership Proceedings for the period from the Date of Receivership to March 14, 2025.
- 73) As of March 14, 2025, the Receiver's gross receipts amounted to \$3,717,909 primarily relating to the Transaction proceeds (\$3,100,000), operating receipts (\$91,701), funding from the Mais (\$60,000), and Receiver borrowings (\$250,000).
- 74) During the same period, the Receiver has made disbursements totalling \$3,298,385 including, among other items, Receiver's fees and costs (\$270,453), legal fees and disbursements (\$82,422), payroll and source deductions (\$15,987), contractor services (\$124,715), insurance (\$6,739), GST and PST (\$25,374) and appraisal fees (\$6,000).
- 75) The Receiver is currently holding a total balance of \$419,522 in its estate account.
- 76) The Receiver has invoiced approximately \$270,453 in fees and costs (excluding taxes) from the Date of Receivership to January 20, 2025. These costs are more fully

described in Affidavit #1 of Paul Chambers, to be sworn and filed in these Receivership Proceedings.

- 77) BMO has also approved the advance of \$15,000 from the Receivership estate for the fees and costs to be incurred by the Receiver to administer PolyCan's bankruptcy proceedings (the "**Bankruptcy Costs**").
- 78) DLA has invoiced approximately \$82,422 in fees and costs (excluding taxes) from the Date of Receivership to December 31, 2024. These costs are more fully described in Affidavit #1 of Colin Brousson, to be sworn and filed in these Receivership Proceedings.
- 79) The Receiver and DLA estimate they will incur further fees and disbursements of up to a total of \$15,000 excluding taxes (together with the Bankruptcy Costs, the "**Completion Costs**") to the completion of this matter, assuming the Receiver's application for discharge is not opposed.
- 80) The Receiver is of the view that the work performed by the Receiver and its legal counsel was necessary and appropriate in the circumstances of the Receivership Proceedings, and that the rates charged are reasonable and in keeping with the rates charged by other Licensed Insolvency Trustees and lawyers in the market performing similar work.

## **FINAL DISTRIBUTION**

- 81) Subject to the Court granting the relief sought by the Receiver, the Receiver proposes to pay out the funds it currently holds in its account as follows:
  - a) Payment of the Completion Costs and any other remaining costs incidental to the Receiver concluding its administration of these Receivership Proceedings; and
  - b) Payment to BMO of the residual funds held by the Receiver after completing its administration of the estate (the "**BMO Distribution**")(collectively, the "**Final Distributions**").
- 82) The BMO Distribution is estimated to be between \$385,000 to \$395,000, resulting in a shortfall on the BMO indebtedness of more than \$1.7 million.

## **REMAINING MATTERS TO BE COMPLETED IN THE RECEIVERSHIP PROCEEDINGS**

- 83) Subject to the Court granting the relief sought by the Receiver and the Receiver paying the Final Distributions, the Receiver will have completed its duties and obligations under the Receivership Order, save and except for other administrative matters incidental to the Receivership Proceedings, including filing of the Receiver's report pursuant to section 246(3) of the BIA.
- 84) The remaining matters are administrative in nature and the Receiver is of the view that it is appropriate to seek an order of the Court discharging the Receiver with the discharge to be effective upon filing of the Discharge Certificate.
- 85) The Receiver also seeks an order releasing Deloitte from any liability that might arise in relation to its role as Receiver. In the Receiver's view, this relief is appropriate in the circumstances, and is consistent with the model receiver's discharge order, currently being used in the Province of BC.

## CONCLUSIONS AND RECOMMENDATIONS

Based on the foregoing, the Receiver respectfully requests that the Court grant the orders cited in paragraph 13 of this Report.

All of which is respectfully submitted at Vancouver, BC this 18th day of March, 2025.

### **DELOITTE RESTRUCTURING INC.**

In its capacity as Court-Appointed Receiver of  
PolyCan Health Centre (Canada) Inc.  
and not in its personal capacity



Per: Jeff Keeble, CPA, CA, CIRP, LIT  
Senior Vice-President



Paul Chambers, FCA(UK), CIRP, LIT  
Senior Vice-President

## Appendix "A"

### Receiver's Statement of Receipts and Disbursements for the period from November 23, 2023 to March 14, 2025

In the Matter of the Receivership of  
PolyCan Health Centre (Canada) Inc.

#### Receiver's Interim Statement of Receipts and Disbursements For the Period of November 23, 2023 to March 14, 2025

##### Description

##### Receipts

|  |    |           |
|--|----|-----------|
| Cash at bank   | \$ | 3,671     |
| Bank interest  |    | 16,172    |
| Pre-bankruptcy income tax and SRED refund            |    | 75,514    |
| Insurance refund                                     |    | 1,004     |
| Operating receipts                                   |    | 91,701    |
| Non-refundable advance from shareholder              |    | 60,000    |
| Sale of business                                     |    | 3,100,000 |
| Lease deposit funding from purchaser                 |    | 90,218    |
| Other assets   |    | 10,000    |
| GST refund   |    | 10,179    |
| PST collected  |    | 9,450     |
| Receiver borrowings / advance from secured creditors |    | 250,000   |

**Total receipts** **3,717,909**

##### Disbursements

|                                      |    |           |
|--------------------------------------|----|-----------|
| Receiver's fees and costs            | \$ | 270,453   |
| Legal fees                           |    | 82,422    |
| Contractors                          |    | 124,715   |
| Lease deposit funded by Purchaser    |    | 90,218    |
| Filing fee                           |    | 75        |
| Miscellaneous costs                  |    | 1,409     |
| Payroll and source deductions        |    | 15,993    |
| Insurance                            |    | 6,739     |
| GST and PST                          |    | 25,374    |
| Bank charges                         |    | 764       |
| PST remitted                         |    | 9,450     |
| Other misc. disbursements            |    | 2,621     |
| Appraisal fees                       |    | 6,000     |
| Computer service                     |    | 4,265     |
| Utilities                            |    | 5,232     |
| Deemed trust claim payment (Federal) |    | 2,658     |
| Repayment of Receiver's borrowings   |    | 254,214   |
| Payments to secured creditors        |    | 2,395,786 |

**\$ 3,298,387**

**Excess of receipts over disbursements**

**\$ 419,522**