



No. S229856
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

CPL INVESTMENTS LLC and ULOO PARTNERS LLC

PETITIONERS

AND:

BLOOM HEALTH PARTNERS INC.

RESPONDENT

NOTICE OF APPLICATION

Name of applicant: CPL INVESTMENTS LLC ("CPL") and ULOO PARTNERS LLC ("Uloo", and together with CPL, the "Petitioners")

To: Service List

And to:

Sentinel Corporate Services Inc.
Suite 918 – 1030 West Georgia Street
Vancouver, B.C. V6E 2Y3

And to:

Marlis Yassin
c/o Sentinel Corporate Services Inc.
Suite 918 – 1030 West Georgia Street
Vancouver, B.C. V6E 2Y3

TAKE NOTICE that an application will be made by the applicant to the presiding judge or master at the courthouse at 800 Smithe Street on ²¹06/2023 at 9:45 am for the orders set out in Part 1 below.

Part 1: ORDERS SOUGHT

1. An order directing Marlis Yassin ("**Ms. Yassin**") and Sentinel Corporate Services Inc. ("**Sentinel**") by the close of business on June 26, 2023, deliver up to BDO Canada Limited ("**BDO**") in its capacity as court-appointed receiver of Bloom Health Partners Inc. and not in its personal or corporate capacity (the "**Receiver**") all of the Property and

Records, as defined in paragraphs 3 – 6 of the order of this Honourable Court pronounced on January 3, 2023 (the “**Receivership Order**”), that is in their possession or control;

2. A declaration that Marlis Yassin is a former officer of Bloom Health Partners Inc., (the “**Respondent**” or “**Bloom Health**”) and a “Person” as defined in paragraph 3 of the Receivership Order, and is subject to the Receivership Order;
3. A declaration that Sentinel is a corporation that has notice of the Receivership Order and is a “Person” as defined in paragraph 3 of the Receivership Order, and is subject to the Receivership Order;
4. A declaration that Bloom Health Corporation’s (“**Bloom Health Corp.**”) books, documents, corporate and accounting records, including bank statements and Quickbooks file, relate to the business or affairs of the Respondent and are therefore Records as defined in the Receivership Order;
5. In addition, and in the alternative, a declaration that the Receiver is entitled to the bank statements and Quickbooks file of Bloom Health Corp. as receiver of the shareholder of Bloom Health Corp.; and
6. Special costs payable to the Receiver.

Part 2: FACTUAL BASIS

Background

1. The Petitioner, CPL, is a limited liability company with an office at 1920 McKinney Avenue, 8th Floor, Dallas, TX 75201.
2. The Petitioner, Uloo, is a limited liability company with an office at 3311 Drexel Drive, Houston, TX, 77027.
3. The Respondent, Bloom Health, is a corporation organized pursuant to the laws of the Province of British Columbia, with a registered and records office at 2200-885 West Georgia Street, Vancouver, B.C. V6C 3E8, and a former business name Maitri Health Technologies Corp.
4. Bloom Health is a public company listed on the Canadian Securities Exchange.
5. Bloom Health wholly owns Bloom Health Corp., a corporation organized pursuant to the laws of the Province of British Columbia, with a registered and records office at 2200-885 West Georgia Street, Vancouver, B.C. V6C 3E8.
6. Bloom Health Corp. wholly owns Bloom Health Holdings Corp. (the “**Bloom Health Holdings**” or the “**Buyer**”), a Delaware Corporation, with a registered and records office at 838 Walker Road Suite 21-2, Dover, DE 19904.

7. On June 29, 2021, CPL and Uloo entered into a purchase agreement (the "**Purchase Agreement**") with Bloom Health Holdings, Bloom Health, Bloom Health Capital Corp. ("**Bloom Capital**"), and Round Hill Health Partners LLC ("**Round Hill**").
8. Under the Purchase Agreement, Bloom Health Holdings acquired Round Hill, a COVID-19 testing business.
9. On or about October 28, 2022, counsel for CPL and Uloo sent a letter (the "**Demand Letter**") to Bloom Health, Bloom Health Holdings, Bloom Capital and Round Hill to formally notify them of the Bloom Health Holding's repeated material breaches of the Purchase Agreement.
10. On or about November 18, 2022, the interim CEO of Bloom Health informed CPL and Uloo that the board of directors of Bloom Health, the parent of Bloom Health Corp., resigned. The public company no longer has any directors.
11. There is no evidence of separate management of Bloom Health and Bloom Health Corp.
12. On December 12, 2022, the Petitioners filed a petition seeking to appoint a receiver.
13. On January 3, 2023, the Court made the Receivership Order, appointing BDO as Receiver without security, of all of the assets, undertakings and property of Bloom Health, including all proceeds (the "**Property**").
14. The Receivership Order was made pursuant to Section 39 of the *Law and Equity Act*, R.S.B.C. 1996, c. 250.
15. The Receivership Order granted the Receiver the authority to, *inter alia*:
 - (a) take possession of and exercise control over the Property and any and all receipts and disbursements arising out of or from the Property;
 - (b) exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
 - (c) take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.
16. By way of the Receivership Order, the Court ordered and declared that:
 - (a) Each of (i) the Debtor; (ii) all of the Debtor's current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf; and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (collectively, "**Persons**" and each a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property (excluding Property subject to liens,

the validity of which is dependent on maintaining possession) to the Receiver upon the Receiver's request.

- (b) All Persons, other than governmental authorities, shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (collectively, the "**Records**") in that Person's possession or control. Upon request, governmental authorities shall advise the Receiver of the existence of any Records in that Person's possession or control.

Request for Financial Information

17. Sentinel provided certain administrative services and Marlis Yassin was the former Chief Financial Officer ("**CFO**") of Bloom Health.
18. Ms. Yassin resigned on November 4, 2022.
19. After the Demand Letter was sent, Ms. Yassin reported to the board of the Buyer regarding finances of Bloom Health. The reporting showed that notwithstanding having no ongoing operations or significant expenses, and while obligations to creditors of Uloo and CPL remained unpaid, Bloom Health appeared to have dissipated US\$1.6 million from the private placement raised from several months ago and the US\$1.1 million received in loans or dividends from Round Hill (the "**Dissipated Funds**").
20. A significant underlying reason for the filing of the petition to appoint the Receiver was to determine what happened to those Dissipated Funds.
21. Both Sentinel and Ms. Yassin, as the former officer of Bloom Health, received notice of the Receivership Order. The Receiver requested immediate delivery of all Property and Records in their possession or control. The Receiver received information regarding the Respondent but not regarding Bloom Health Corp.
22. The information provided related to the Receiver indicates that Bloom Health received \$1,675,336.25 from Round Hill from December 2021 to April 2022. This information further indicates that, shortly after each transfer from Round Hill, funds were sent to Bloom Health Corp. Amounts transferred from Bloom Health to Bloom Health Corp. from December 2021 through October 2022 total approximately \$1,172,750.
23. On or about March 14, 2023, the Receiver requested from Ms. Yassin and Sentinel the Quickbooks file and bank statements for Bloom Health Corp. On March 16, 2023, the Receiver followed up on the request, confirming the Receiver's authority pursuant to the Receivership Order and pursuant to BC corporate law as receiver of the parent of Bloom Health Corp.
24. Sentinel and Ms. Yassin refused to cooperate with BDO in its capacity as Receiver of Bloom Health in its request for financial information of Bloom Health Corp., a direct subsidiary of Bloom Health.

25. Bloom Health Corp.'s financial information and records pertain directly to the business and affairs of Bloom Health. There are no directors of Bloom Health Corp. to whom Ms. Yassin could report, leaving only the shareholder, Bloom Health, which is in receivership.
26. On March 24, 2023, counsel for CPL and Uloo sent a letter to Ms. Yassin at Sentinel, requesting Sentinel to provide the requested financial information to the Receiver. As of the date of the application, Sentinel has not provided the requested financial information.
27. On or about March 27, 2023, Ms. Yassin notified counsel for CPL and Uloo that she and Sentinel would not provide financial information to the Receiver unless compelled by court order.

Part 3: LEGAL BASIS

28. The Petitioners rely upon:
 - a. The Receivership Order;
 - b. the *Law and Equity Act*, R.S.B.C. 1996, c. 250, particularly s. 39;
 - c. the *Business Corporations Act*, SBC 2002, c 57, particularly ss. 42, 44, 46, 196 and 426 (the "**BCA**");
 - d. the *Supreme Court Civil Rules*, B.C. Reg. 168/2009, particularly Rule 8-1, 1-3, and 14-1; and
 - e. the inherent jurisdiction of this Court.

Ms. Yassin and Sentinel are "Persons" under the Receivership Order

29. The Receivership Order provides that:

Each of (i) the Debtor; (ii) all of the Debtor's current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf; and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (collectively, "**Persons**" and each a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property (excluding Property subject to liens, the validity of which is dependent on maintaining possession) to the Receiver upon the Receiver's request.

30. Ms. Yassin is the former CFO of Bloom Health.
31. Ms. Yassin is clearly a "Person" as defined in the Receivership Order.

32. Sentinel provided certain administrative services to Bloom Health and Bloom Health Corp. As such, Sentinel acted at Bloom Health's instruction or on its behalf. Further, Sentinel was provided notice of the Receivership Order.
33. Sentinel is a "Person" as defined in the Receivership Order.

The Financial Information of Bloom Health Corp. Are "Records" under the Receivership Order

34. The Receivership Order provides that:

All Persons, other than governmental authorities, shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (collectively, the "Records") in that Person's possession or control. Upon request, governmental authorities shall advise the Receiver of the existence of any Records in that Person's possession or control.

35. Further, the Receivership Order obligates all Persons to provide to the Receiver or permit the Receiver to make, retain and take away copies of any books, documents, corporate or accounting records and any other records and information of any kind related to the business or affairs of Bloom Health.
36. Bloom Health is a holding company. There is no separate management of Bloom Health and Bloom Health Corp. Bloom Health took the Dissipated Funds from Round Hill, and as part of the operation its business and in conducting its affairs, transferred a significant portion of the Dissipated Funds to Bloom Health Corp. Those funds are either still at Bloom Health Corp., and therefore available to return to Round Hill and other creditors of the Bloom Health Group, or funds have been further dissipated at Bloom Health Corp.
37. Given the provenance of the Dissipated Funds, the Receiver clearly seeks "information of any kind related to the business or affairs of the Debtor", within the definition of "Records" in the Receivership Order. The Receiver is seeking the financial records from Bloom Health Corp. to fulfil its mandate pursuant to the Receivership Order, which includes determining what happened to the Dissipated Funds.
38. Courts have ordered specific compliance with a receivership order where current and former limited partners, directors, officers, employees, agents, and all other persons have not delivered up property and provided access to documents as required by the receivership order.

Tangerine Financial Products Limited Partnership v. The Reeves Family Trust, 2012 BCSC 1586, at para 62

39. Ms. Yassin and Sentinel wrongfully refused to deliver up the Property and Records of Bloom Health Corp. Ms. Yassin and Sentinel had direct access to Property and Records

of Bloom Health Corp., a direct subsidiary of Bloom Health. Both Ms. Yassin and Sentinel are obligated to produce and deliver this information to the Receiver.

The Receiver Has Right to the Records as a Shareholder

40. As receiver of Bloom Health Corp.'s shareholder, the Receiver has additional rights to review and retain financial information of Bloom Health Corp.
41. Pursuant to paragraph 2(q) of the Receivership Order, the Receiver is empowered and authorized, but not obligated, to exercise any shareholder or other rights which the debtor, Bloom Health may have.
42. Section 46(1) of the *BCA* provides that a shareholder of the company, to the extent permitted by the articles, may inspect all of the records that a company is required to maintain under section 42. Those corporate records include minutes from shareholder and director meetings, consent resolutions, and the financial statements of the company.
43. Additionally, section 196(4) of the *BCA* states that shareholders may inspect and obtain copies of portions of the accounting records of the company that the articles allow or that the directors authorize.
44. As for meaning of "accounting records", the court stated:

The accounting records shall disclose with reasonable accuracy, at any time, the financial position of the company at that time, and shall contain a record of the assets and liabilities of the company and entries from day to day of all moneys received and paid out and of the matters in respect of which these payments occurred.

Carr v. Cheng, Dorset College Inc., 2007 BCSC 1693 at para, citing *Roles v. 306972 Saskatchewan Ltd.*, 1993 CanLII 9137 (SK CA)

45. The term "adequate accounting records" has been interpreted expansively to include "documents or records which would be used in the preparation of financial statements," what are normally considered as "source documents".

Leggat et al v. Jennings et al, 2013 ONSC 903 at para 19, citing *Johnston v. Woodford*, 2000 CarswellNB 394 (Q.B.) at para 24.

46. At common law, a shareholder has the right to inspect the books where there is some specific dispute or question in which the shareholder has a special interest different from that of other shareholders, that is, where the shareholder has a definite purpose or object of their own; but the inspection will be granted only to the extent that is necessary to accommodate that purpose.

Brunet v Prince County Hospital, [1983] 23 BLR 168 at para 9, citing *Bank of Bombay v. Suleman Somji* (1908), 99 L.T. 62; Peterson and Cumming, *Shareholder Remedies in Canada* 2nd Edition (Toronto, Ontario, 2009 at 11.37).

47. This common law right is not displaced by the *BCA*. It could be argued that a shareholder may obtain wider access to corporate information and records than provided by the statutory provisions by invoking common law rights.
48. Accordingly, as the Receiver of Bloom Health, BDO is entitled to access the Records as the Receiver of Bloom Health Corp.'s shareholder from Ms. Yassin and Sentinel. The Receiver's statutory rights as a shareholder provides BDO with access to accounting documents, as well as "source" financial documents found in the Records. To the extent that any of the requested documents do not fall within the categories that are statutorily producible, they fall within the scope of the Receiver's common law right to access Bloom Health Corp. as a shareholder.
49. Ms. Yassin and Sentinel wrongfully refused to deliver up the Property and Records of Bloom Health Corp. Ms. Yassin and Sentinel has direct access to Property and Records of Bloom Health Corp., a direct subsidiary of Bloom Health. Both Ms. Yassin and Sentinel are obligated to produce and deliver this information to the Receiver.

Special Costs

50. In considering special costs, the courts general observations regarding receivership costs are that as between the parties involved, one may be entitled to indemnity for costs if the other's conduct interferes with the receiver or otherwise causes a depletion of the assets of the enterprise.

Hy's North Transportation Ltd. v. Yukon Zinc Corporation, 2014 BCSC 2291 at para 47 ("*Hy's North*"), citing *Naramalta Development Corporation v. Therapy General Partner Ltd.*, 2012 BCSC 191 at para 44.

51. A party who exacerbates receivership costs by disputatious proceedings and interference with the receiver should indemnify the innocent parties in the enterprise.

Hy's North at para 48; *MacPherson (Trustee of) v. Ritz Management Inc.*, [1992] O.J. No. 506 (Ct J Gen Div)

52. The court upheld an award of special costs where a party deliberately breached a court order made in the course of the receivership process.

Tangerine Financial Products Limited Partnership v. Sutherland, 2013 BCCA 283, at paras 52-53; *Sutherland v. Reeves*, 2014 BCCA 222 at para 49.

53. It is appropriate to award Special Costs to the Receiver and/or to the Petitioners for the interference with the Receiver and the Receivership Order.

Part 4: MATERIAL TO BE RELIED ON

1. Affidavit #1 of Cole Lysaught, dated December 12, 2022;
2. Receivership Order, made January 3, 2023;

- 3. Receiver's First Report to Court, dated June 6, 2023; and
- 4. Such other materials as counsel may advise and this Honourable Court permit.

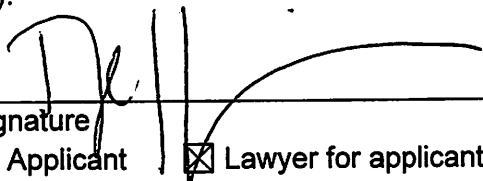
The applicant estimates that the application will take 5 minutes if unopposed.

- This matter is within the jurisdiction of a master.
- This matter is not within the jurisdiction of a master.

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

- (a) file an application response in Form 33,
- (b) file the original of every affidavit, and of every other document, that
 - (i) you intend to refer to at the hearing of this application, and
 - (ii) has not already been filed in the proceeding, and
- (c) serve on the applicant 2 copies of the following, and on every other party of record one copy of the following:
 - (i) a copy of the filed application response;
 - (ii) a copy of each of the filed affidavits and other documents that you intend to refer to at the hearing of this application and that has not already been served on that person;
 - (iii) if this application is brought under Rule 9-7, any notice that you are required to give under Rule 9-7(9).

Dated: June 12, 2023



 Signature Applicant Lawyer for applicant
Tevia R.M. Jeffries

THIS NOTICE OF APPLICATION is prepared and delivered by Tevia R.M. Jeffries of the firm Farris LLP, Barristers & Solicitors, whose place of business and address for service is 2500 – 700 West Georgia Street, Vancouver, British Columbia, V7Y 1B3. Telephone: (604) 684-9151. Facsimile: (604) 661-9349. **Attention: Tevia R.M. Jeffries.**

To be completed by the court only:	
Order made	
<input type="checkbox"/>	in the terms requested in paragraphs of Part 1 of this notice of application
<input type="checkbox"/>	with the following variations and additional terms:
_____ _____ _____ _____	
Dated:	Signature of <input type="checkbox"/> Judge <input type="checkbox"/> Master

Appendix

[The following information is provided for data collection purposes only and is of no legal effect.]

THIS APPLICATION INVOLVES THE FOLLOWING:

- discovery: comply with demand for documents
- discovery: production of additional documents
- other matters concerning document discovery
- extend oral discovery
- other matter concerning oral discovery
- amend pleadings
- add/change parties
- summary judgment
- summary trial
- service
- mediation
- adjournments
- proceedings at trial
- case plan orders: amend
- case plan orders: other
- experts
- other