

Clerk's stamp:

COURT FILE NUMBER	2201-09578
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
PLAINTIFF	ROYAL BANK OF CANADA
DEFENDANTS	SEAMA SHALCHI-MOGHADDAM PROFESSIONAL CORPORATION and SEAMA SHALCHI-MOGHADDAM
DOCUMENT	<u>AFFIDAVIT</u>
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Dentons Canada LLP Bankers Court 15 th Floor, 850 - 2 nd Street S.W. Calgary, Alberta T2P 0R8 Attn: Sam Gabor Ph. (403) 268-3048 Fx. (403) 268-3100 File No.: 125665-9250

AFFIDAVIT OF JOCELYN BERIAULT #2

Sworn on August 29, 2022

I, **JOCELYN BERIAULT**, of the City of Calgary, in the Province of Alberta, **SWEAR AND SAY THAT:**

1. I am a Senior Manager, Special Loans and Advisory Services for Royal Bank of Canada ("**RBC**"), the applicant creditor in these proceedings and, as such, have personal knowledge of the matters hereinafter deposed to, except where stated to be based upon information and belief. Where that knowledge is based on information or belief, I have stated the source of that information and verily believe it to be true.
2. I make this affidavit supplemental to my affidavit sworn August 24, 2022 ("**my First Affidavit**") and in response to the Affidavit of Seama Shalchi-Moghaddam sworn August 25, 2022 ("**Seama Affidavit**"). All terms defined herein are as defined in the First Affidavit.
3. I have reviewed the business records of RBC relevant to RBC's application seeking the appointment of a receiver and manager over all of the current and future assets, undertakings and property of Seama PC, and have satisfied myself that I am possessed of sufficient information and knowledge to swear this Affidavit on behalf of RBC.
4. I have reviewed the business records maintained by RBC herein in respect of the matters at issue, which I verily believe were made in the ordinary and usual course of business. Where I do not have direct personal knowledge of matters deposed to herein, and my knowledge is derived from my

review of the business records, I have attached relevant copies of those business records as exhibits to my Affidavit.

5. I am authorized by RBC to swear this Affidavit.
6. By way of further background on the this matter, the records of RBC provide that Seama PC had been banking with RBC since 2018 and its credit facilities were amended, restated and renewed from time to time. In particular, the single revolving credit facility and three term loan facilities referenced at paragraphs 8(a)(b)(c) and (e) in the First Affidavit were first extended by RBC in 2018.
7. Furthermore, various prior credit agreements were executed between RBC and Seama-PC. Attached hereto and marked as **Exhibit "1"** is the second last credit agreement entered into by Seama PC and RBC dated February 8, 2021. This agreement was entered into by Seama PC prior to Seama PC's file being transferred into RBC's special loans department in November 2021. The Loan Agreement dated January 6, 2022, attached as Exhibit 1 to my First Affidavit, is the last credit agreement entered into between RBC and Seama PC.
8. In response to paragraph 3 of the Seama Affidavit, I am unable to confirm what the annual revenues were in 2017 by the previous owner of the practice. The existing dental practice was purchased for \$1,590,000. RBC initially provided additional financing for equipment leases and working capital by way of a \$100,000 line of credit and \$50,000 extension in credit cards.
9. In response to paragraph 5 of the Seama Affidavit, the 2021 year end financial statements at Exhibit 13 of my First Affidavit ("**2021 Year End Financial Statements**") indicate that the annual revenue for the business dropped to \$450,040 for 2020 and not \$463,198.56.
10. In response to paragraph 6 of the Seama Affidavit, the 2021 Year End Financial Statements indicate that the annual revenue for the business in 2021 was \$513,906 and not \$519,624.27.
11. In response to paragraph 7 of the Seama Affidavit, the records of RBC provide that the two variable rate term loans for \$288,888.64 and \$315,544, as referenced at paragraphs 8(b) and 8(c) in my First Affidavit, were automatically renewed by RBC's internal systems for further one year terms from February 28, 2022 to February 28, 2023 pursuant to two term loan credit renewal letters dated January 24, 2022, which are attached as Exhibit A to the Seama Affidavit. RBC Special Loans Department however did not intend on renewing these facilities and did not approve the renewals, and the renewals occurred automatically due to RBC's internal computer systems. The two term loans have gone unpaid following February 28, 2022. The variable rate term loan of \$780,157.88 referenced at paragraph 8(e) of my First Affidavit was not renewed by RBC on its maturity date of April 23, 2022 and became owing in full at maturity.
12. In further response to paragraph 7 of the Seama Affidavit, the statement made that Seama PC provided all of its required reporting to RBC is not correct. Alireza failed to provide his personal statement of affairs for 2021, which is required reporting under the credit facilities. Attached hereto and marked as **Exhibit "2"** is an email from Seama dated March 30, 2022 where only her statement of affairs was provided. The 2021 Year End Financial Statements were also provided to RBC on May 10, 2022, when under the terms of the credit facilities, they were due March 31, 2022. Attached hereto and marked as **Exhibit "3"** is an email from Seama dated May 10, 2022 wherein she provided the 2021 Year End Financial Statements to me.

13. In response to paragraph 8 of the Seama Affidavit, based on my prior discussions with Seama and Alireza, their divorce proceedings between them began in 2018 and finalized in 2019.
14. In response to paragraph 9 of the Seama Affidavit, the conclusion drawn by Seama that RBC was no longer prepared to provide banking services to Seama PC due to Alireza's consumer proposal is not accurate. As referenced in the First Affidavit, based on the year over year reporting provided to RBC, RBC was no longer prepared to continue its banking relationship with Seama PC. In this regard, RBC provided a de-marketing letter to Seama PC on May 18, 2022, about a week after receiving the 2021 Year End Financial Statements, outlining that Seama PC would be provided approximately two (2) months to seek new financing to payout RBC. Attached hereto and marked as **Exhibit "4"** is the de-marketing letter. Alireza's consumer proposal was an additional reason for RBC losing confidence in the debtor and guarantors, desiring to exit the relationship.
15. Attached hereto and marked as **Exhibit "5"** is Seama PC's 2018 year end financial statements providing that over a ten month period in 2018, Seama PC had retained earnings of \$6,315.
16. Attached hereto and marked as **Exhibit "6"** is Seama PC's 2019 year end financial statements providing that Seama PC had a retained earnings loss of \$77,760 for 2019. The COVID-19 lockdowns began in March, 2020.
17. Attached hereto and marked as **Exhibit "7"** is Seama PC's 2020 year end financial statements providing that Seama PC had a revised retained earnings loss of \$85,935 in 2019 and a retained earnings loss of \$167,399 in 2020.
18. The 2021 Year End Financial Statements provide that Seama PC had a retained earnings loss of \$153,310.
19. In further response to paragraph 9 of the Seama Affidavit, I have never seen the "business plan" attached as Exhibit AA to the Seama Affidavit, and have been unable to locate any such plan in RBC's records. I have never been advised of a plan to increase Seama PC's patient base by providing services to Afghan refugees and have been unable to locate any records of such a plan in RBC's records. I further note that the letter at Exhibit AA of the Seama Affidavit only broadly references Afghan refugees immigrating to Canada. No information is included regarding the materiality of the revenue and cash flow that would be available to Seama PC with this opportunity, and the costs to Seama PC to enter into such an arrangement.
20. In further response to paragraph 9 of the Seama Affidavit, no sufficient business plan, including plans demonstrating suitable cash flows projections, cost estimates and revenue projections demonstrating business improvement, have been provided to RBC. In fact, throughout the course of the relationship with RBC's Special Loans Department, Seama PC has withheld information regarding its business plans. Attached hereto and marked as **Exhibit "8"** hereto is an email from Alireza to RBC dated July 24, 2022 wherein he refuses to provide information to RBC regarding a withdrawal from the RBC deposit account in the amount of \$27,508.50. Alireza describes the removal of the funds as "part of the project we are executing to increase cash flow/revenue". RBC has no information where those funds went.
21. In further response to paragraph 9 of the Seama Affidavit, notwithstanding Seama being the sole director and shareholder of Seama PC, Alireza was included in the meetings between RBC's

Special Loans Department and Seama PC, and communicated directly with RBC on behalf of Seama PC, often as the primary communicator for the company.

- 22. In response to paragraph 13 and Exhibit D of the Seama Affidavit, the expenses identified within Exhibit D do not include expenses related to Seama PC's debt obligations to RBC, including interest and lease rental payments owing to RBC.
- 23. In response to paragraph 16 of the Seama Affidavit, it is correct that RBC did attempt to negotiate terms of forbearance with Seama PC. One of the terms was that RBC would not grant unfettered access to operating funds from the RBC revolving line of credit during the forbearance period and that payables must be approved by RBC. Seama PC thereafter did not enter into the forbearance agreement.
- 24. Attached hereto and marked as **Exhibit "9"** is an email string between Seama PC's counsel and Dentons dated August 23, 2022 arising after RBC filed its receivership application wherein Seama PC's counsel again requested that RBC enter into terms of forbearance but advised that "The only issue with the forbearance agreement will be the necessary operating costs they need going forward..." Thereafter, Dentons advised Seama PC's counsel RBC was not prepared to fund Seama PC's operations through a forbearance term.
- 25. I make this Affidavit in support of RBC's application for a receivership order in respect of Seama PC.

SWORN BEFORE ME at Calgary, Alberta, this)
29th day of August, 2022.)



Barrister and Solicitor/ Notary Public in and for)
the Province of Alberta)



JOCELYN BERIAULT

Pavin Takhar
Barrister & Solicitor

THIS IS EXHIBIT "1"

REFERRED TO IN THE AFFIDAVIT OF

JOCELYN BERIAULT

Sworn before me this 29th day of August, 2022



**BARRISTER AND SOLICITOR / NOTARY PUBLIC IN AND
FOR THE PROVINCE OF ALBERTA**

**Pavin Takhar
Barrister & Solicitor**

ROYAL BANK OF CANADA CREDIT AGREEMENT
DATE: February 8, 2021

BORROWER: SEAMA SHALCHI-MOGHADDAM PROFESSIONAL CORPORATION	SRF: 579464900
ADDRESS (Street, City/Town, Province, Postal Code) 370 QUARRY WAY SE APARTMENT 211 CALGARY, AB T2C 5S1	

Royal Bank of Canada (the "**Bank**") hereby confirms to the undersigned (the "**Borrower**") the following credit facilities (the "**Credit Facilities**"), banking services and other products subject to the terms and conditions set forth below and in the standard terms provided herewith (collectively the "**Agreement**"). The Credit Facilities are made available at the sole discretion of the Bank and the Bank may cancel or restrict availability of any unutilized portion of these facilities at any time and from time to time without notice.

CREDIT FACILITIES

Facility #1 Revolving demand facility in the amount of \$100,000.00, available by way of RBP based loans.

Minimum retained balance \$0.00

Revolved by the Bank in increments of \$5,000.00

Interest rate: RBP minus 0.25% per annum. Interest payable monthly, in arrears, on the same day each month as determined by the Bank.

Margined: Yes [] No [X]

Facility #2 Variable rate term loan (non-revolving) in the amount of \$301,110.96. Repayable by consecutive monthly principal payments of \$1,111.12 plus interest based on a 271 month amortization. Next payment is due February 28, 2021. This loan has a 1 month term and all outstanding principal and interest is payable in full on February 28, 2021.

Interest rate: RBP minus 0.25% per annum. Interest payable monthly, in arrears, on the same day each period as determined by the Bank.

Facility #2 as described above in the current amount of \$301,110.96, which is payable in full on February 28, 2021 (the "Original Facility #2 Maturity Date"), is renewed, subject to the following revised terms and conditions with effect from and after the Original Facility #2 Maturity Date:

Facility #2 Variable rate term loan (non-revolving), fully drawn. Repayable by consecutive monthly principal payments of \$1,111.12 plus interest based on a remaining 271 month amortization. First payment is due March 28, 2021. This loan has a 12 month term and all outstanding principal and interest is payable in full February 28, 2022. Interest rate: RBP minus 0.25% per annum. Interest payable monthly, in arrears, on the same day each period as determined by the Bank.

Facility #3 Variable rate term loan (non-revolving) in the amount of \$329,107.00. Repayable by consecutive monthly principal payments of \$1,233.00 plus interest based on a 267 month amortization. Next payment is due February 28, 2021. This loan has a 1 month term and all outstanding principal and interest is payable in full on February 28, 2021. Interest rate: RBP minus 0.25% per annum. Interest payable monthly, in arrears, on the same day each period as determined by the Bank.

Facility #3 as described above in the current amount of \$329,107.00, which is payable in full on February 28, 2021 (the "Original Facility #3 Maturity Date"), is renewed, subject to the following revised terms and conditions with effect from and after the Original Facility #3 Maturity Date:

Facility #3 Variable rate term loan (non-revolving), fully drawn. Repayable by consecutive monthly principal payments of \$1,233.00 plus interest based on a remaining 267 month amortization. First payment is due March 28, 2021. This loan has a 12 month term and all outstanding principal and interest is payable in full February 28, 2022. Interest rate: RBP minus 0.25% per annum. Interest payable monthly, in arrears, on the same day each period as determined by the Bank.

* Registered trademark of Royal Bank of Canada.

Facility #4 Lease facility (non-revolving) fully drawn in the amount of \$190,958.40. Leases will be governed by this Agreement and separate agreements between the Borrower and the Bank. In the event of a conflict between this Agreement and any such separate agreement, the terms of the separate agreement will govern. The determination by the Bank as to whether it will enter into any Lease will be entirely at its sole discretion.

Facility #5 Variable rate term loan (non-revolving) in the amount of \$886,105.26. Repayable by consecutive monthly principal payments of \$9,631.58 plus interest based on a 92 month amortization. Next payment is due February 23, 2021. This loan has a 3 month term and all outstanding principal and interest is payable in full on April 23, 2021. Interest rate: RBP minus 0.25% per annum. Interest payable monthly, in arrears, on the same day each period as determined by the Bank.

OTHER FACILITIES

The Credit Facilities are in addition to the following facilities (the "Other Facilities"). The Other Facilities will be governed by this Agreement and separate agreements between the Borrower and the Bank. In the event of a conflict between this Agreement and any such separate agreement, the terms of the separate agreement will govern.

a) Credit Card to a maximum amount of \$50,000.00.

SECURITY

Security for the Borrowing and all other obligations of the Borrower to the Bank, including without limitation, any amounts outstanding under any Leases, if applicable, (collectively, the "Security"), shall include:

- a) General security agreement on the Bank's form 924 signed by the Borrower constituting a first ranking security interest in all personal property of the Borrower;
- b) Collateral mortgage in the amount of \$355,000.00 signed by the Borrower constituting a first fixed charge on the lands and improvements located at #304 and #306A, 11420-27th Street SE, Calgary, AB, held in support of Facility #3;
- c) Collateral mortgage in the amount of \$320,000.00 signed by the Borrower constituting a first fixed charge on the lands and improvements located at #306A 11420 27 Street SE, Calgary, AB, held in support of Facility #2;
- d) Guarantee and postponement of claim on the Bank's form 812 in the amount of \$1,930,000.00 signed by Seama Shalchi-Moghaddam and Alireza Shalchi-Moghaddam;
- e) Assignment of life insurance policy on the Bank's form 583 signed by the Borrower assigning a life insurance policy in the minimum amount of \$1,300,000.00 covering the life of Seama Shalchi-Moghaddam;
- f) Certificate of insurance evidencing fire and other perils coverage on the property located at #304 and #306 11420 27 Street SE, Calgary, AB., showing the Bank as first mortgagee.

FEES

Facility #1 management fee of \$25.00 payable in arrears on the same day each month.

Renewal Fee:

If the Bank renews or extends any term facility or term loan beyond its maturity date, an additional renewal fee may be payable in connection with any such renewal in such amount as the Bank may determine and notify the Borrower.

REPORTING REQUIREMENTS

The Borrower will provide to the Bank:

- a) annual notice to reader financial statements for the Borrower, within 210 days of each fiscal year end;
- b) annual personal statement of affairs for all Guarantors, who are individuals, within 210 days of the end of every fiscal year of the Borrower, commencing with the fiscal year ending in 2022;
- c) annual copy of the T1 General including all schedules and notice of assessment for each of Alireza Shalchi-Moghaddam and Seama Shalchi-Moghaddam, within 210 days of each year end;
- d) such other financial and operating statements and reports as and when the Bank may reasonably require.

OTHER INFORMATION/REQUIREMENTS

* Registered trademark of Royal Bank of Canada.

- a) No lease will be made available to the Borrower unless it meets the leasing criteria established by the Bank and the Bank has received such documentation in respect thereof as may be required by the Bank.

BUSINESS LOAN INSURANCE PLAN

The Borrower hereby acknowledges that the Bank has offered it group creditor insurance coverage on the Borrowings under the Business Loan Insurance Plan and the Borrower hereby acknowledges that it is the Borrower's responsibility to apply for any new or increased insurance amount for the Borrowings that may be eligible.

If the Borrower decides to apply for insurance on the Borrowings, the application will be made via the Bank's Business Loan Insurance Plan application (form 3460 ENG or 53460 FRE). If the Borrower has existing uninsured Borrowings and decides not to apply for Business Loan Insurance Plan coverage on any new Borrowings, it hereby acknowledges that the Bank may accept the Borrower's signature below as the Borrower's waiver of the Bank's offer to apply for Business Loan Insurance Plan coverage on all such Borrowings, and that all such Borrowings are not insured under the Policy as at the date of acceptance of this Agreement.

If the Borrower has Business Loan Insurance Plan coverage on previously approved Borrowings, such coverage will be applied automatically to all new Borrowings eligible for Business Loan Insurance Plan coverage that share the same loan account number, up to the approved amount of Business Loan Insurance Plan coverage. This Agreement cannot be used to waive coverage on new Borrowings eligible for Business Loan Insurance Plan coverage if Business Loan Insurance Plan coverage is in effect on the Borrower's existing Borrowings. If the Borrower does not want Business Loan Insurance Plan coverage to apply to any new Borrowings, a different loan account number will need to be set up and all uninsured loans attached to it.

If the Borrower has existing Borrowings to which Business Loan Insurance Plan coverage applies, and any new Borrowings would exceed the approved amount of Business Loan Insurance Plan coverage already in place, the Borrower must apply for additional Business Loan Insurance Plan coverage (if eligible) in order for Business Loan Insurance Plan coverage to apply to any new Borrowings. If the Borrower decides not to apply for additional Business Loan Insurance Plan coverage in respect of any new Borrowings (if eligible), the Borrower hereby acknowledges that the Bank may accept the Borrower's signature below as the Borrower's waiver of the Bank's offer to apply for additional Business Loan Insurance Plan coverage on such new Borrowings and that such new Borrowings are not insured under the Policy as at the date the Borrower executes this Agreement.

If there are any discrepancies between the insurance information in this Agreement and the Business Loan Insurance Plan documents regarding the Borrowings, the Business Loan Insurance Plan documents govern.

Business Loan Insurance Plan premiums (plus applicable taxes), will be taken as a separate payment, directly from the bank account associated with the loan, at the same frequency and schedule as your regular loan payments, where applicable. As premiums are based on the outstanding loan balance and the insured person's age at the time the premiums are due, the cost of Business Loan Insurance Plan coverage may increase during the term of the loan. The premium calculation is set out in the Business Loan Insurance Plan terms and conditions provided to the Borrower at the time the application for Business Loan Insurance Plan coverage was completed. Refer to the terms and conditions (form 3460 ENG or 53460 FRE) for further explanation and disclosure.

STANDARD TERMS

The following standard terms have been provided to the Borrower:

Form 472 (11/2020) Royal Bank of Canada Credit Agreement - Standard Terms

Form 473 (02/2020) Royal Bank of Canada Credit Agreement - Margined Accounts Standard Terms

Form 473A (10/2017) Royal Bank of Canada Credit Agreement - RBC Covarity Terms and Conditions

Form 473B (02/2020) Royal Bank of Canada Credit Agreement - Margined Accounts Standard Terms

ACCEPTANCE

This Agreement is open for acceptance until March 10, 2021, after which date it will be null and void, unless extended by the Bank in its sole discretion.

ROYAL BANK OF CANADA

* Registered trademark of Royal Bank of Canada.



Per: _____
Title: Vice President

RBC Contact: TAIWO ADETOLA

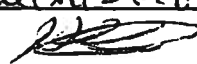
/fk

CONFIRMATION & ACCEPTANCE

The Borrower (i) confirms that it has received a copy of the Royal Bank of Canada Credit Agreement Standard Terms, Form 472, as well as all other standard terms which are hereinabove shown as having been delivered to the Borrower, all of which are incorporated in and form an integral part of this Agreement; and (ii) accepts and agrees to be bound by the terms and conditions of this Agreement including all terms and conditions contained in such standard terms.

Confirmed, accepted and agreed this 20 day of February, 2021.

SEAMA SHALCHI-MOGHADDAM PROFESSIONAL CORPORATION

Per: Seama Shalchi-Moghaddam
Name: Director 
Title:

Per: _____
Name:
Title:

I/We have the authority to bind the Borrower

THIS IS EXHIBIT "2"

REFERRED TO IN THE AFFIDAVIT OF

JOCELYN BERIAULT

Sworn before me this 29th day of August, 2022

A handwritten signature in blue ink, appearing to read "P. K. Takhar", written over a horizontal line.

**BARRISTER AND SOLICITOR / NOTARY PUBLIC IN AND
FOR THE PROVINCE OF ALBERTA**

**Pavin Takhar
Barrister & Solicitor**

Trojanoski, Terry

From: Gabor, Sam <sam.gabor@dentons.com>
Sent: Friday, August 26, 2022 2:21 PM
To: Gabor, Sam
Subject: FW: RBC Secure Email: Personal Statement of Affairs

Follow Up Flag: Follow up
Flag Status: Flagged



Sam Gabor
Senior Associate and Trademark Agent

What's Next? The answer is Talent. With more than 20,000 people, 12,000 lawyers and 200 locations, Dentons has the talent for what you need, where you need it.

D +1 403 268 3048
sam.gabor@dentons.com
Bio | Website

Dentons Canada LLP
15th Floor, Bankers Court, 850 - 2nd Street SW Calgary, AB T2P 0R8 Canada

LuatViet > Fernanda Lopes & Associados > Guevara & Gutierrez > Paz Horowitz Abogados > Sirote > Adepetun Caxton-Martins Agbor & Segun > Davis Brown > East African Law Chambers > Eric Silwamba, Jalasi and Linyama > Durham Jones & Pinegar > LEAD Advogados > For more information on the firms that have come together to form Dentons, go to [dentons.com/legacyfirms](https://www.dentons.com/legacyfirms)

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From: Seama Shalchi [<mailto:seama.shalchi@yahoo.com>]
Sent: Wednesday, March 30, 2022 2:55 PM
To: Beriault, Jocelyn (she/her) <jocelyn.beriault@rbc.com>
Subject: Re: RBC Secure Email: Follow-up from Today's Meeting

[External]/[Externe]

Hi Jocelyn,

My apologies for the delay. Our bookkeeping was just done yesterday, and all the information is now passed to our accountant . As soon she completes the account, all the needed information will be email to you.

Here is the information for the month of Feb 2022 . also, would I like to bring to attention that clinic was on yearly holiday schedule from 15 Feb until Mar 15. therefore, the income and expense showing is for the full month but in 50% function time.

ACTUAL	Jan-22	Feb-22	Mar-22	Total
Revenues	43717.27	39075.39	0.00	82792.66

Less Salaries	25764.62	12515.05	0.00	38279.67
Less Supplies	1695.51	918.41	0.00	2613.92
Net amount	16257.14	25641.93	0.00	41899.07

My personal financial information is attached to this email.

Thanks,

Dr. Seama Shalchi

On Wednesday, March 16, 2022, 05:50:09 PM MDT, Beriault, Jocelyn (she/her) wrote:

Hi Dr. Seama,

Please see the below from today's meeting:

- Without the 2021 year-end financial statements, RBC cannot renew the term loan facilities that matured in February 2022, nor the upcoming facility maturing in April 2022.

- Given what is known to the Bank this time about the performance of the business in 2021, it may be very difficult for the Bank to qualify the Professional Corporation to extend the existing credit facilities. To that end, when reviewing the 2021 financial statements, extra information may be requested to better understand the performance of the Professional Corporation so far in 2022.

-The Professional Corporation's accountant should request a Bank Confirmation for all the particulars related to the credit facilities made available by RBC. (Instructions provided yesterday via email.)

-As per the most recent credit agreement, 2021 financial statements are due on March 31st to RBC. We understand that there may be a slight delay, and that you will keep us advised of such delay.

-In the interim, please provide the following information:

- o Personal Statement of Affairs, to be completed by each guarantor (blank form attached)

- o For the month of February 2022:

- Revenue

- Salaries

- Supplies

- o In-house draft quality income statement and balance sheet for the year of 2021

Much appreciated,

Jocelyn Beriault | Senior Manager, Special Loans and Advisory Services | **Royal Bank of Canada** | 335 8th Ave SW, 5th Floor, Calgary, AB T2P 1C9 | T. 403-292-3302 | F. 403-292-3019 | E-mail: jocelyn.beriault@rbc.com

If you received this email in error, please advise the sender (by return email or otherwise) immediately. You have consented to receive the attached electronically at the above-noted email address; please retain a copy of this confirmation for future reference.

Si vous recevez ce courriel par erreur, veuillez en aviser l'expéditeur immédiatement, par retour de courriel ou par un autre moyen. Vous avez accepté de recevoir le(s) document(s) ci-joint(s) par voie électronique à l'adresse courriel indiquée ci-dessus; veuillez conserver une copie de cette confirmation pour les fins de référence future.

If you received this email in error, please advise the sender (by return email or otherwise) immediately. You have consented to receive the attached electronically at the above-noted email address; please retain a copy of this confirmation for future reference.

Si vous recevez ce courriel par erreur, veuillez en aviser l'expéditeur immédiatement, par retour de courriel ou par un autre moyen. Vous avez accepté de recevoir le(s) document(s) ci-joint(s) par voie électronique à l'adresse courriel indiquée ci-dessus; veuillez conserver une copie de cette confirmation pour les fins de référence future.

THIS IS EXHIBIT "3"

REFERRED TO IN THE AFFIDAVIT OF

JOCELYN BERIAULT

Sworn before me this 29th day of August, 2022



**BARRISTER AND SOLICITOR / NOTARY PUBLIC IN AND
FOR THE PROVINCE OF ALBERTA**

Pavin Takhar
Barrister & Solicitor

Trojanoski, Terry

From: Gabor, Sam <sam.gabor@dentons.com>
Sent: Friday, August 26, 2022 2:24 PM
To: Gabor, Sam
Subject: FW: RBC Secure Email: 2021 Financial Statements

Follow Up Flag: Follow up
Flag Status: Flagged

 DENTONS

Sam Gabor
Senior Associate and Trademark Agent

What's Next? The answer is Talent. With more than 20,000 people, 12,000 lawyers and 200 locations, Dentons has the talent for what you need, where you need it.

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Dentons Canada LLP
15th Floor, Bankers Court, 850 - 2nd Street SW Calgary, AB T2P 0R8 Canada

LuatViet > Fernanda Lopes & Associados > Guevara & Gutierrez > Paz Horowitz Abogados > Sirote > Adepetun Caxton-Martins Agbor & Segun > Davis Brown > East African Law Chambers > Eric Silwamba, Jalasi and Linyama > Durham Jones & Pinegar > LEAD Advogados > For more information on the firms that have come together to form Dentons, go to [dentons.com/legacyfirms](https://www.dentons.com/legacyfirms)

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From: Seama Shalchi [<mailto:seama.shalchi@yahoo.com>]
Sent: Tuesday, May 10, 2022 11:48 AM
To: Beriault, Jocelyn <jocelyn.beriault@rbc.com>
Subject: Re: RBC Secure Email: RE: Status of Financial Statements

[External]/[Externe]

Hi,
please find the attached document.

Thank you,
Seama

On Friday, May 6, 2022, 11:16:34 AM MDT, Beriault, Jocelyn wrote:

Good Morning Dr. Seama,

I am following up on my note from last Monday.

The Bank is looking to understand when the 2021 financial statements will be completed and ready for Bank review. As per the credit agreement, these were due on March 31, 2022.

Looking forward to hearing from you at your earliest opportunity.

Jocelyn Beriault | Senior Manager, Special Loans and Advisory Services | **Royal Bank of Canada** | 335 8th Ave SW, 5th Floor, Calgary, AB T2P 1C9 | T. 403-292-3302 | F. 403-292-3019 | E-mail: jocelyn.beriault@rbc.com

From: Beriault, Jocelyn
Sent: Monday, April 25, 2022 10:17 AM
To: 'Seama Shalchi'
Subject: #protect Status of Financial Statements

Good Morning Dr. Seama,

Thank you for the information below.

Could you please advise me of the status of the financial statements?

Much appreciated,

Jocelyn Beriault | Senior Manager, Special Loans and Advisory Services | **Royal Bank of Canada** | 335 8th Ave SW, 5th Floor, Calgary, AB T2P 1C9 | T. 403-292-3302 | F. 403-292-3019 | E-mail: jocelyn.beriault@rbc.com

From: Seama Shalchi [<mailto:seama.shalchi@yahoo.com>]
Sent: Saturday, April 23, 2022 6:19 PM
To: Beriault, Jocelyn <jocelyn.beriault@rbc.com>
Subject: Re: RBC Secure Email: Follow-up from Today's Meeting

[External]/[Externe]

Hi Jocelyn,

Please see the information you asked for month of March, again I like to bring to attention Part of Feb and March was holiday and we were not fully functional.

ACTUAL	Jan-22	Feb-22	Mar-22	Total
Revenues	43717.27	39075.39	48169.78	130962.44
Less Salaries	25764.62	12515.05	13711.89	51991.56
Less Supplies	1695.51	918.41	1234.44	3848.36
Net amount	16257.14	25641.93	33223.45	75122.52

Dr Seama Shalchi

Sent from my iPhone

On Mar 30, 2022, at 15:31, Beriault, Jocelyn (she/her) <jocelyn.beriault@rbc.com> wrote:

Hi Dr. Seama,
I acknowledge receipt.
Much appreciated,

Jocelyn Bériault | Senior Manager, Special Loans and Advisory Services | **Royal Bank of Canada** | 335 8th Ave SW, 5th Floor, Calgary, AB T2P 1C9 | T. 403-292-3302 | F. 403-292-3019 | E-mail: jocelyn.beriault@rbc.com

From: Seama Shalchi [<mailto:seama.shalchi@yahoo.com>]
Sent: Wednesday, March 30, 2022 2:55 PM
To: Bériault, Jocelyn (she/her) <jocelyn.beriault@rbc.com>
Subject: Re: RBC Secure Email: Follow-up from Today's Meeting

[External]/[Externe]

Hi Jocelyn,

My apologies for the delay. Our bookkeeping was just done yesterday, and all the information is now passed to our accountant. As soon she completes the account, all the needed information will be email to you.

Here is the information for the month of Feb 2022. also, would I like to bring to attention that clinic was on yearly holiday schedule from 15 Feb until Mar 15. therefore, the income and expense showing is for the full month but in 50% function time.

ACTUAL	Jan-22	Feb-22	Mar-22	Total
Revenues	43717.27	39075.39	0.00	82792.66
Less Salaries	25764.62	12515.05	0.00	38279.67
Less Supplies	1695.51	918.41	0.00	2613.92
Net amount	16257.14	25641.93	0.00	41899.07

My personal financial information is attached to this email.

Thanks,

Dr. Seama Shalchi

On Wednesday, March 16, 2022, 05:50:09 PM MDT, Bériault, Jocelyn (she/her) <jocelyn.beriault@rbc.com> wrote:

Hi Dr. Seama,

Please see the below from today's meeting:

- Without the 2021 year-end financial statements, RBC cannot renew the term loan facilities that matured in February 2022, nor the upcoming facility maturing in April 2022.
- Given what is known to the Bank this time about the performance of the business in 2021, it may be very difficult for the Bank to qualify the Professional Corporation to extend the existing credit facilities. To that end, when reviewing the 2021 financial statements, extra information may be requested to better understand the performance of the Professional Corporation so far in 2022.
- The Professional Corporation's accountant should request a Bank Confirmation for all the particulars related to the credit facilities made available by RBC. (Instructions provided yesterday via email.)
- As per the most recent credit agreement, 2021 financial statements are due on March 31st to RBC. We understand that there may be a slight delay, and that you will keep us advised of such delay.
- In the interim, please provide the following information:

o Personal Statement of Affairs, to be completed by each guarantor (blank form attached)

o For the month of February 2022:

- Revenue
- Salaries
- Supplies

o In-house draft quality income statement and balance sheet for the year of 2021

Much appreciated,

Jocelyn Beriault | Senior Manager, Special Loans and Advisory Services | Royal Bank of Canada | 335 8th Ave SW, 5th Floor, Calgary, AB T2P 1C9 | T. 403-292-3302 | F. 403-292-3019 | E-mail: jocelyn.beriault@rbc.com

If you received this email in error, please advise the sender (by return email or otherwise) immediately. You have consented to receive the attached electronically at the above-noted email address; please retain a copy of this confirmation for future reference.

Si vous recevez ce courriel par erreur, veuillez en aviser l'expéditeur immédiatement, par retour de courriel ou par un autre moyen. Vous avez accepté de recevoir le(s) document(s) ci-joint(s) par voie électronique à l'adresse courriel indiquée ci-dessus; veuillez conserver une copie de cette confirmation pour les fins de référence future.

If you received this email in error, please advise the sender (by return email or otherwise) immediately. You have consented to receive the attached electronically at the above-noted email address; please retain a copy of this confirmation for future reference.

Si vous recevez ce courriel par erreur, veuillez en aviser l'expéditeur immédiatement, par retour de courriel ou par un autre moyen. Vous avez accepté de recevoir le(s) document(s) ci-joint(s) par voie électronique à l'adresse courriel indiquée ci-dessus; veuillez conserver une copie de cette confirmation pour les fins de référence future.

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Si vous recevez ce courriel par erreur, veuillez en aviser l'expéditeur immédiatement, par retour de courriel ou par un autre moyen. Vous avez accepté de recevoir le(s) document(s) ci-joint(s) par voie électronique à l'adresse courriel indiquée ci-dessus; veuillez conserver une copie de cette confirmation pour les fins de référence future.

THIS IS EXHIBIT "4"

REFERRED TO IN THE AFFIDAVIT OF

JOCELYN BERIAULT

Sworn before me this 29th day of August, 2022



**BARRISTER AND SOLICITOR / NOTARY PUBLIC IN AND
FOR THE PROVINCE OF ALBERTA**

**Pavin Takhar
Barrister & Solicitor**



Royal Bank

BY EMAIL

May 18, 2022

Seama Shalchi-Moghaddam Professional Corporation
Suite 304, 11420 – 27 Street SE
Calgary, AB T2Z 3R6
Attn: Ms. Seama Shalchi-Moghaddam

RE: APPLICATION FOR RENEWAL OF CREDIT FACILITIES

Dear Madam:

We have reviewed your credit facilities and regretfully advise the Royal Bank is not interested in continuing with our current exposure. The Royal Bank of Canada hereby advises you that it no longer wishes to act as your banker. The Bank appreciates that you will need a reasonable period of time to make arrangements to move the banking facilities to another lending institution. We believe a deadline of July 15, 2022 will provide you with a reasonable period of time to make the necessary arrangements with another lending institution to provide financing to pay out all indebtedness owing to the Royal Bank of Canada.

Pending the full pay out of the loans with the Bank, we will expect you to live up to the terms and conditions of the credit agreements as well as the terms and conditions contained in all security documents granted in favour of the Bank in respect of your outstanding indebtedness.

Although this is not to be construed as a demand for payment, we wish to make it perfectly clear that the Bank does not, by the terms of this letter, waive its right to demand payment of the indebtedness at any time.

Yours truly,

Jocelyn Beriault
Senior Manager, Special Loans & Advisory Services
5th Floor, 335 8th Avenue SW
Calgary, AB T2P 1C9
T: 403-292-3302
E: jocelyn.beriault@rbc.com

Juergen Manski
Director, Special Loans & Advisory Services

Cc: Guarantors

THIS IS EXHIBIT "5"

REFERRED TO IN THE AFFIDAVIT OF

JOCELYN BERIAULT

Sworn before me this 29th day of August, 2022

A handwritten signature in blue ink, appearing to read "P. K. Takhar", written over a horizontal line.

**BARRISTER AND SOLICITOR / NOTARY PUBLIC IN AND
FOR THE PROVINCE OF ALBERTA**

Pavin Takhar
Barrister & Solicitor

SEAMA SHALCHI-MOGHADDAM PROFESSIONAL CORPORATION

Financial Statements

Ten Month Period Ended December 31, 2018

(Unaudited - See Notice To Reader)

SEAMA SHALCHI-MOGHADDAM PROFESSIONAL CORPORATION

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Ten Month Period Ended December 31, 2018

(Unaudited - See Notice To Reader)

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NOTICE TO READER

On the basis of information provided by management, I have compiled the balance sheet of Seama Shalchi-Moghaddam Professional Corporation as at December 31, 2018 and the statement of income and retained earnings for the year then ended.

I have not performed an audit or a review engagement in respect of these financial statements and, accordingly, I express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

Calgary, Alberta
July 5, 2019

Henry Wiens, CPA., CGA
CHARTERED PROFESSIONAL ACCOUNTANT

SEAMA SHALCHI-MOGHADDAM PROFESSIONAL CORPORATION

Balance Sheet

December 31, 2018

(Unaudited - See Notice To Reader)

	2018	2018
ASSETS		
CURRENT		
Cash	\$ 3,494	\$ 2,471
Accounts receivable	76,945	5,182
Due from shareholders	58,665	22,464
	139,104	30,117
PROPERTY, PLANT AND EQUIPMENT <i>(Note 1)</i>	1,412,000	4,826
GOODWILL	341,015	-
	\$ 1,892,119	\$ 34,943
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT		
Accounts payable	\$ 42,289	\$ 496
Income taxes payable	245	10,022
Current portion of long term debt	22,086	-
Short term debt (LOC)	55,050	-
	119,670	10,518
LONG TERM DEBT	1,567,914	-
OBLIGATIONS UNDER CAPITAL LEASE	198,200	-
	1,885,784	10,518
SHAREHOLDERS' EQUITY		
Share capital <i>(Note 2)</i>	20	20
Retained earnings	6,315	24,405
	6,335	24,425
	\$ 1,892,119	\$ 34,943

APPROVED BY SOLE DIRECTOR

_____ *Director*

See notes to financial statements

SEAMA SHALCHI-MOGHADDAM PROFESSIONAL CORPORATION

Statement of Loss and Retained Earnings

Ten Month Period Ended December 31, 2018

(Unaudited - See Notice To Reader)

	2018 <i>(10 months)</i>	2018 <i>(2 months)</i>
REVENUES	\$ 750,918	\$ 49,706
DIRECT COSTS		
Dental supplies	90,232	-
Lab fees	43,475	-
	133,707	-
GROSS PROFIT (82%; 2017 - 100%)	617,211	49,706
EXPENSES (Schedule 1)	635,069	13,961
INCOME (LOSS) BEFORE INCOME TAXES	(17,858)	35,745
INCOME TAXES	232	4,368
NET INCOME (LOSS)	(18,090)	31,377
RETAINED EARNINGS - BEGINNING OF PERIOD	24,405	51,374
	6,315	82,751
DIVIDENDS PAID	-	(58,346)
RETAINED EARNINGS - END OF PERIOD	\$ 6,315	\$ 24,405

See notes to financial statements

SEAMA SHALCHI-MOGHADDAM PROFESSIONAL CORPORATION

Notes to Financial Statements

Ten Month Period Ended December 31, 2018

(Unaudited - See Notice To Reader)

1. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated amortization	2018 Net book value	2018 Net book value
Buildings	\$ 675,000	\$ 13,500	\$ 661,500	\$ -
Dental equipment & stations	413,712	43,423	370,289	3,610
Computer equipment	10,564	5,121	5,443	1,216
Computer software	10,180	5,090	5,090	-
Furniture and fixtures	5,029	510	4,519	-
Leasehold improvements	384,378	19,219	365,159	-
	\$ 1,498,863	\$ 86,863	\$ 1,412,000	\$ 4,826

2. SHARE CAPITAL

Authorized:

Unlimited Class A common voting shares
 Unlimited Class B, C & D common non-voting shares
 Unlimited Class E, F & G Preferred shares

		2018	2017
Issued:			
100	Class A common shares	\$ 10	\$ 10
100	Class B common shares	10	10
		\$ 20	\$ 20

SEAMA SHALCHI-MOGHADDAM PROFESSIONAL CORPORATION**Expenses****(Schedule 1)****Ten Month Period Ended December 31, 2018***(Unaudited - See Notice To Reader)*

	2018 <i>(10 months)</i>	2018 <i>(2 months)</i>
Salaries and wages	\$ 351,278	\$ 6,283
Amortization	81,403	247
Interest on long term debt	50,135	-
Office	39,175	43
Advertising, promotion and donations	28,006	-
Professional fees and professional development	17,824	748
Condo fees	15,265	3,662
Property taxes	8,441	-
Meals and entertainment	8,349	1,174
Interest and bank charges	9,990	49
Repairs and maintenance	5,792	-
Insurance	4,768	391
Vehicle	4,378	781
Memberships	3,500	-
Telephone	3,454	583
Travel	1,938	-
Security	540	-
Bad debts	422	-
Equipment rentals	212	-
Business taxes and licences	199	-
	\$ 635,069	\$ 13,961

See notes to financial statements

THIS IS EXHIBIT "6"

REFERRED TO IN THE AFFIDAVIT OF

JOCELYN BERIAULT

Sworn before me this 29th day of August, 2022



**BARRISTER AND SOLICITOR / NOTARY PUBLIC IN AND
FOR THE PROVINCE OF ALBERTA**

Pavin Takhar
Barrister & Solicitor

SEAMA SHALCHI-MOGHADDAM PROFESSIONAL CORPORATION

Financial Statements

Year Ended December 31, 2019

(Unaudited - See Notice To Reader)

SEAMA SHALCHI-MOGHADDAM PROFESSIONAL CORPORATION

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Year Ended December 31, 2019

(Unaudited - See Notice To Reader)

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NOTICE TO READER

On the basis of information provided by management, I have compiled the balance sheet of Seama Shalchi-Moghaddam Professional Corporation as at December 31, 2018 and the statement of income and retained earnings for the year then ended.

I have not performed an audit or a review engagement in respect of these financial statements and, accordingly, I express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

Calgary, Alberta
July 15, 2020

Henry Wiens, CPA., CGA
CHARTERED PROFESSIONAL ACCOUNTANT

SEAMA SHALCHI-MOGHADDAM PROFESSIONAL CORPORATION

Balance Sheet

December 31, 2019

(Unaudited - See Notice To Reader)

	2019	2018
ASSETS		
CURRENT		
Cash	\$ -	\$ 3,494
Accounts receivable	75,710	76,945
Income taxes recoverable	8,136	-
Due from shareholders	62,510	58,665
	146,356	139,104
PROPERTY, PLANT AND EQUIPMENT <i>(Note 1)</i>	1,269,585	1,412,000
GOODWILL <i>(Note 2)</i>	341,015	341,015
	\$ 1,756,956	\$ 1,892,119
LIABILITIES AND SHAREHOLDERS' DEFICIENCY		
CURRENT		
Bank indebtedness	\$ 9,745	\$ -
Accounts payable	21,330	42,289
Income taxes payable	-	245
Current portion of long term debt	28,129	22,086
Short term debt (LOC)	50,000	55,050
	109,204	119,670
LONG TERM DEBT	1,540,895	1,567,914
OBLIGATIONS UNDER CAPITAL LEASE	184,617	198,200
	1,834,716	1,885,784
SHAREHOLDERS' DEFICIENCY		
Share capital <i>(Note 3)</i>	20	20
Retained earnings (deficit)	(77,780)	6,315
	(77,760)	6,335
	\$ 1,756,956	\$ 1,892,119

APPROVED BY SOLE DIRECTOR

_____ Director

See notes to financial statements

SEAMA SHALCHI-MOGHADDAM PROFESSIONAL CORPORATION**Statement of Loss and Deficit****Year Ended December 31, 2019***(Unaudited - See Notice To Reader)*

	2019 <i>(12 months)</i>	2018 <i>(10 months)</i>
REVENUES	\$ 757,333	\$ 750,918
DIRECT COSTS		
Dental supplies	33,237	90,232
Lab fees	68,061	43,475
	101,298	133,707
GROSS PROFIT (87%; 2018 - 82%)	656,035	617,211
EXPENSES (Schedule 1)	748,305	635,069
LOSS BEFORE INCOME TAXES (RECOVERED)	(92,270)	(17,858)
INCOME TAXES (RECOVERED)		
Current	-	232
Recovered	(8,175)	-
	(8,175)	232
NET LOSS	(84,095)	(18,090)
RETAINED EARNINGS - BEGINNING OF YEAR	6,315	24,405
RETAINED EARNINGS (DEFICIT) - END OF YEAR	\$ (77,780)	\$ 6,315

See notes to financial statements

SEAMA SHALCHI-MOGHADDAM PROFESSIONAL CORPORATION

Notes to Financial Statements

Year Ended December 31, 2019

(Unaudited - See Notice To Reader)

1. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated amortization	2019 Net book value	2018 Net book value
Buildings	\$ 675,000	\$ 39,960	\$ 635,040	\$ 661,500
Dental equipment & stations	413,712	118,328	295,384	370,289
Computer equipment & software	20,744	17,816	2,928	10,533
Furniture and fixtures	10,190	678	9,512	4,519
Leasehold improvements	384,378	57,657	326,721	365,159
	\$ 1,504,024	\$ 234,439	\$ 1,269,585	\$ 1,412,000

2. GOODWILL

	2019	2018
Goodwill - cost	\$ 341,015	\$ 341,015

3. SHARE CAPITAL

Authorized:

Unlimited Class A common voting shares
 Unlimited Class B, C & D common non-voting shares
 Unlimited Class E, F & G Preferred shares

		2019	2018
Issued:			
100	Class A common shares	\$ 10	\$ 10
100	Class B common shares	10	10
		\$ 20	\$ 20

SEAMA SHALCHI-MOGHADDAM PROFESSIONAL CORPORATION**Expenses****(Schedule 1)****Year Ended December 31, 2019***(Unaudited - See Notice To Reader)*

	2019 <i>(12 months)</i>	2018 <i>(10 months)</i>
Salaries and wages	\$ 430,643	\$ 351,278
Amortization	147,576	81,403
Interest on long term debt	62,056	50,135
Office	24,528	39,175
Advertising, promotion and donations	14,233	28,006
Property taxes	13,127	8,441
Professional fees and professional development	10,505	17,824
Interest and bank charges	8,643	9,990
Condo fees	8,274	15,265
Repairs and maintenance	6,231	5,792
Insurance	4,794	4,768
Vehicle	4,538	4,378
Meals and entertainment	4,491	8,349
Telephone	3,876	3,454
Memberships	3,785	3,500
Security	621	540
Travel	289	1,938
Equipment rentals	95	212
Business taxes and licences	-	199
Bad debts	-	422
	\$ 748,305	\$ 635,069

THIS IS EXHIBIT "7"

REFERRED TO IN THE AFFIDAVIT OF

JOCELYN BERIAULT

Sworn before me this 29th day of August, 2022



**BARRISTER AND SOLICITOR / NOTARY PUBLIC IN AND
FOR THE PROVINCE OF ALBERTA**

**Pavin Takhar
Barrister & Solicitor**

SEAMA SHALCHI-MOGHADDAM PROFESSIONAL CORPORATION

Financial Statements

Year Ended December 31, 2020

(Unaudited - See Notice To Reader)

SEAMA SHALCHI-MOGHADDAM PROFESSIONAL CORPORATION

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Year Ended December 31, 2020

(Unaudited - See Notice To Reader)

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NOTICE TO READER

On the basis of information provided by management, I have compiled the balance sheet of Seama Shalchi-Moghaddam Professional Corporation as at December 31, 2018 and the statement of income and retained earnings for the year then ended.

I have not performed an audit or a review engagement in respect of these financial statements and, accordingly, I express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

Calgary, Alberta
Henry Wiens, CPA., CGA
June 26, 2021

SEAMA SHALCHI-MOGHADDAM PROFESSIONAL CORPORATION**Balance Sheet****December 31, 2020***(Unaudited - See Notice To Reader)*

	2020	2019 <i>(Revised)</i>
ASSETS		
CURRENT		
Cash	\$ 85,524	\$ -
Accounts receivable	42,593	75,710
Due from shareholders	49,622	62,510
	177,739	138,220
PROPERTY, PLANT AND EQUIPMENT <i>(Note 1)</i>	1,143,971	1,269,585
GOODWILL <i>(Note 2)</i>	341,015	341,015
	\$ 1,662,725	\$ 1,748,820
LIABILITIES AND SHAREHOLDERS' DEFICIENCY		
CURRENT		
Bank indebtedness	\$ -	\$ 9,745
Accounts payable	10,996	21,330
Income taxes payable	-	39
Current portion of long term debt	163,688	124,444
Short term debt (LOC)	-	50,000
	174,684	205,558
LONG TERM DEBT	1,494,611	1,444,580
OBLIGATIONS UNDER CAPITAL LEASE	160,829	184,617
	1,830,124	1,834,755
SHAREHOLDERS' DEFICIENCY		
Share capital <i>(Note 3)</i>	20	20
Deficit	(167,419)	(85,955)
	(167,399)	(85,935)
	\$ 1,662,725	\$ 1,748,820

APPROVED BY SOLE DIRECTOR_____
Director

See notes to financial statements

SEAMA SHALCHI-MOGHADDAM PROFESSIONAL CORPORATION**Statement of Loss and Deficit
Year Ended December 31, 2020
(Unaudited - See Notice To Reader)**

	2020	2019 <i>(Revised)</i>
REVENUES	\$ 450,040	\$ 757,333
DIRECT COSTS		
Lab fees	52,776	68,061
Dental supplies	27,466	33,237
	80,242	101,298
GROSS PROFIT (82%; 2019 - 87%)	369,798	656,035
EXPENSES (Schedule 1)	557,058	748,305
LOSS FROM OPERATIONS	(187,260)	(92,270)
OTHER INCOME		
Canada Emergency Wage Subsidy	72,458	-
Expense recoveries (insurance rebate)	20,000	-
Canada Emergency Business Account	10,000	-
Canada Emergency Rent subsidy	3,338	-
	105,796	-
NET LOSS	(81,464)	(92,270)
RETAINED EARNINGS (DEFICIT) - BEGINNING OF YEAR	(85,955)	6,315
DEFICIT - END OF YEAR	\$ (167,419)	\$ (85,955)

See notes to financial statements

SEAMA SHALCHI-MOGHADDAM PROFESSIONAL CORPORATION

Notes to Financial Statements

Year Ended December 31, 2020

(Unaudited - See Notice To Reader)

1. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated amortization	2020 Net book value	2018 Net book value
Buildings	\$ 675,000	\$ 65,362	\$ 609,638	\$ 635,040
Dental equipment & stations	413,712	177,399	236,313	295,384
Computer equipment & software	20,744	19,015	1,729	2,928
Furniture and fixtures	10,190	2,182	8,008	9,512
Leasehold improvements	384,378	96,095	288,283	326,721
	\$ 1,504,024	\$ 360,053	\$ 1,143,971	\$ 1,269,585

2. GOODWILL

	2020	2019
Goodwill - cost	\$ 341,015	\$ 341,015

3. SHARE CAPITAL

Authorized:
 Unlimited Class A common voting shares
 Unlimited Class B, C & D common non-voting shares
 Unlimited Class E, F & G Preferred shares

	2020	2019
Issued:		
100 Class A common shares	\$ 10	\$ 10
100 Class B common shares	10	10
	\$ 20	\$ 20

SEAMA SHALCHI-MOGHADDAM PROFESSIONAL CORPORATION

**Expenses
(Schedule 1)**

Year Ended December 31, 2020

(Unaudited - See Notice To Reader)

	2020	2019
Salaries and wages	\$ 299,591	\$ 430,643
Amortization	125,613	147,576
Interest on long term debt	42,441	62,056
Office	24,880	24,528
Condo fees	15,494	8,274
Property taxes	13,691	13,127
Professional fees and professional development	7,907	10,505
Interest and bank charges	6,861	8,643
Insurance	4,851	4,794
Memberships	3,635	3,785
Advertising, promotion and donations	3,310	14,233
Telephone	2,964	3,876
Repairs and maintenance	2,014	6,231
Vehicle	1,926	4,538
Meals and entertainment	1,127	4,491
Security	378	621
Travel	375	289
Equipment rentals	-	95
	\$ 557,058	\$ 748,305

See notes to financial statements

THIS IS EXHIBIT "8"

REFERRED TO IN THE AFFIDAVIT OF

JOCELYN BERIAULT

Sworn before me this 29th day of August, 2022



**BARRISTER AND SOLICITOR / NOTARY PUBLIC IN AND
FOR THE PROVINCE OF ALBERTA**

**Pavin Takhar
Barrister & Solicitor**

Trojanoski, Terry

From: Beriault, Jocelyn <jocelyn.beriault@rbc.com>
Sent: Friday, August 26, 2022 10:20 AM
To: Gabor, Sam
Subject: RBC Secure Email: FW: RE: June 2022 Information

Follow Up Flag: Follow up
Flag Status: Flagged

[WARNING: EXTERNAL SENDER]

Jocelyn Beriault | Senior Manager, Special Loans and Advisory Services | **Royal Bank of Canada** | 335 8th Ave SW, 5th Floor, Calgary, AB T2P 1C9 | T. 403-292-3302 | F. 403-292-3019 | E-mail: jocelyn.beriault@rbc.com

From: Manski, Juergen
Sent: Monday, July 25, 2022 9:19 AM
To: shalchi@shaw.ca; Beriault, Jocelyn <jocelyn.beriault@rbc.com>
Cc: 'Seama Shalchi' <seama.shalchi@yahoo.com>
Subject: RE: RBC Secure Email: RE: June 2022 Information

Hi Ali, that is not satisfactory to us. The information that has been provided for the Practice for the months to June 2022 show no material increase in Revenues or Production. Jocelyn's request as to what the \$27,000 was used for is very reasonable considering the Practice is now significantly delinquent in all its lending with RBC.

I would also assume that if those funds are being used on some project to increase Revenue in August 2022 then you would be very interested in sharing the details with RBC, given our level of concern about whether the practice can continue to operate.

Lastly I don't appreciate the tone of your communication with Jocelyn. Jocelyn included you in the original July 12 communication and received only ½ of a response to it. As Dr. Seama is the one ultimately responsible for the Practice here, Jocelyn is well within her right to follow up directly with Dr. Seama.

J

Juergen Manski, CPA, CA, LIT | Director – Western Canada - Special Loans and Advisory Services | **Royal Bank of Canada** | 335 8th Ave SW, 5th Fl, Calgary, AB T2P 1C9 | T. 403-292-7379 | F. 403-292-3019 | E-mail: juergen.manski@rbc.com

From: shalchi@shaw.ca [<mailto:shalchi@shaw.ca>]
Sent: Sunday, July 24, 2022 4:00 PM
To: Beriault, Jocelyn <jocelyn.beriault@rbc.com>
Cc: 'Seama Shalchi' <seama.shalchi@yahoo.com>; Manski, Juergen <juergen.manski@rbc.com>
Subject: FW: RBC Secure Email: RE: June 2022 Information

[External]/[Externe]

Hi Jocelyn,

I can see you once like before bypassing me on the communication, just remainder if you don't copy me on CC of your email, your email may get missed and not answered. Please make sure I am in all communication with DR Seama as she requested, and I hope my personal relationship with DR Seama will not affect the business communication from your point of view any more.

With respect to our last meeting in RBC building we agree to following:

- 1-Share with you every month Revenue, Salaries, expense for the previous month as we continue doing.
- 2- You announce You and RBC are not responsible and have no interest in managing the business and that is our responsibility
- 3- You also informed us that you have taken decision not to provide any more credit at this point until further notice.

I don't remember we agreed or signed any document from day one that for any transaction we need to give clarification to you or to get permission. I appreciate if there is any document exist, please share with us.

By saying all this I don't see any obligation to share how we are running our business, I remember Juergen mentioned in our meeting bank wants to make sure we make enough revenue to pay expensive and as well as loans.(Risk Management)

But to respect your question at this time with regards \$27,500.00. Thea mount is not move out of business and it is part of the project we are executing to increase cash flow/revenue which will show its effect from month of 3rd week of Aug and hopefully it is going to be ongoing.

For this project we don't need any extra funding from you now or in future hopefully and for that reason we don't see reason to share detail about it. I hope this will satisfy your interest on \$27,500 and please make sure you communicate with me regarding business to get faster possible answer.

Regards,

Ali

From: "Beriault, Jocelyn" <jocelyn.beriault@rbc.com>
Date: July 21, 2022 at 14:52:51 MDT
To: Seama Shalchi <seama.shalchi@yahoo.com>
Subject: RBC Secure Email: RE: June 2022 Information

Hi Seama,

I received the performance for the month of June from Ali.

I did not receive any clarification for the transaction in the amount of \$27,508.50 dated July 7, 2022.

Could you please describe why such a material amount was withdrawn?

Much appreciated,

Jocelyn Beriault | Senior Manager, Special Loans and Advisory Services | **Royal Bank of Canada** | 335
8th Ave SW, 5th Floor, Calgary, AB T2P 1C9 | T. 403-292-3302 | F. 403-292-3019 | E-mail:
jocelyn.beriault@rbc.com

From: Beriault, Jocelyn
Sent: Tuesday, July 12, 2022 2:54 PM
To: 'Seama Shalchi' <seama.shalchi@yahoo.com>
Cc: 'shalchi@shaw.ca' <shalchi@shaw.ca>
Subject: #protect June 2022 Information

Hi Dr. Seama and Ali,

Looking for following figures representing performance for the month of June:

- Revenue
- Salaries
- Supplies

Also seeking clarification of the transaction in the amount of \$27,508.50 dated July 7, 2022.

Once the Bank has had the opportunity to review, I will be looking to schedule a call.

Much appreciated,

Jocelyn Beriault | Senior Manager, Special Loans and Advisory Services | **Royal Bank of Canada** | 335 8th Ave SW, 5th Floor, Calgary, AB T2P 1C9 | T. 403-292-3302 | F. 403-292-3019 | E-mail: jocelyn.beriault@rbc.com

From: shalchi@shaw.ca [<mailto:shalchi@shaw.ca>]
Sent: Thursday, June 23, 2022 10:11 PM
To: Beriault, Jocelyn <jocelyn.beriault@rbc.com>
Cc: 'Seama Shalchi' <seama.shalchi@yahoo.com>
Subject: RE: RBC Secure Email: RE: Follow up from Wednesday's Meeting

[External]/[Externe]

Hi Jocelyn,

Please see the information for April, May and part of the June.

ACTUAL	Apr-22	May-22	23-06-2022	Total
Revenues	61982.27	39505.25	48039.38	149526.90
Less Salaries	21876.30	14613.80	0.00	36490.10
Less Supplies	2907.84	1490.09	0.00	4397.93
Net amount	37198.13	23401.36	48039.38	108638.87

Regards,

Ali

From: Beriault, Jocelyn <jocelyn.beriault@rbc.com>
Sent: Monday, June 20, 2022 9:38 AM
To: Ali Shalchi <shalchi@shaw.ca>

Cc: Seama Shalchi <seama.shalchi@yahoo.com>

Subject: RBC Secure Email: RE: Follow up from Wednesday's Meeting

Hi Dr. Seama and Ali,

Would you be able to provide information for April and May, as well as the consumer proposal documents before the end of the week, June 24th? I would like to be able to expedite the Bank's review of its credit exposure at the beginning of July due to the July 15th date contained in the May 2022 letter.

Much appreciated,

Jocelyn Bériault | Senior Manager, Special Loans and Advisory Services | **Royal Bank of Canada** | 335 8th Ave SW, 5th Floor, Calgary, AB T2P 1C9 | T. 403-292-3302 | F. 403-292-3019 | E-mail: jocelyn.beriault@rbc.com

From: Ali Shalchi [<mailto:shalchi@shaw.ca>]

Sent: Monday, June 20, 2022 9:34 AM

To: Bériault, Jocelyn <jocelyn.beriault@rbc.com>

Cc: Seama Shalchi <seama.shalchi@yahoo.com>

Subject: Re: RBC Secure Email: RE: Follow up from Wednesday's Meeting

[External]/[Externe]

Good morning Jocelyn,

We are waiting for end of the month Jun to be able to give you the information, probably by 5th of the July we will be able to give you report for Apr, May and Jun as requested.

Regards,

Ali

403-383-2004

Sent from my mobile device. Please excuse weird auto-corrections etc.

On Jun 20, 2022, at 9:27 AM, Bériault, Jocelyn <jocelyn.beriault@rbc.com> wrote:

Hi Dr. Seama and Ali,

Following up with you as the Bank's records indicate we have not received any further information from your office.

If this is an error, please kindly resend the below information.

Much appreciated,

Jocelyn Bériault | Senior Manager, Special Loans and Advisory Services | **Royal Bank of Canada** | 335 8th Ave SW, 5th Floor, Calgary, AB T2P 1C9 | T. 403-292-3302 | F. 403-292-3019 | E-mail: jocelyn.beriault@rbc.com

From: Beriault, Jocelyn
Sent: Friday, June 3, 2022 4:36 PM
To: 'Seama Shalchi' <seama.shalchi@yahoo.com>
Subject: #protect Follow up from Wednesday's Meeting

Hi Dr. Seama,

It was good to see you earlier this week.

Here is the information that the Bank has agreed to review:

- Revenue, salaries, supplies figures on a monthly basis for April, May, and June
- Documents pertaining to Ali's consumer proposal

As discussed, at this time, the Bank is not willing to extend further credit at this time.

Much appreciated,

Jocelyn Beriault | Senior Manager, Special Loans and Advisory Services | **Royal Bank of Canada** | 335 8th Ave SW, 5th Floor, Calgary, AB T2P 1C9 | T. 403-292-3302 | F. 403-292-3019 | E-mail: jocelyn.beriault@rbc.com

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THIS IS EXHIBIT "9"

REFERRED TO IN THE AFFIDAVIT OF

JOCELYN BERIAULT

Sworn before me this 29th day of August, 2022



**BARRISTER AND SOLICITOR / NOTARY PUBLIC IN AND
FOR THE PROVINCE OF ALBERTA**

Pavin Takhar
Barrister & Solicitor

Trojanoski, Terry

From: Gabor, Sam <sam.gabor@dentons.com>
Sent: Thursday, August 25, 2022 10:12 AM
To: Gabor, Sam
Subject: FW: Shalchi prof corp

DENTONS

Sam Gabor
Senior Associate and Trademark Agent

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sam.gabor@dentons.com
Bio | Website

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From: Terry Czechowskyj <tczech@milesdavison.com>
Sent: Wednesday, August 24, 2022 7:17 AM
To: Gabor, Sam <sam.gabor@dentons.com>
Subject: RE: Shalchi prof corp

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I will seek instructions.

TERRY CZECHOWSKYJ Q.C.
Barrister and Solicitor

**MILES
DAVISON** LLP

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While we have made accommodations to allow some of our lawyers and staff to work remotely, our designation as an essential service means our offices will remain open for the foreseeable future. In the event we were faced with the requirement for a full or partial office closure, we have plans and protocols in place to allow all staff and lawyers to work remotely in order to provide continuous client service.

Miles Davison is committed to working closely with you to successfully navigate any problems which may arise during these challenging times.

From: Gabor, Sam <sam.gabor@dentons.com>
Sent: Tuesday, August 23, 2022 8:42 PM
To: Terry Czechowskyj <tczech@milesdavison.com>; Pontin, Derek <derek.pontin@dentons.com>
Subject: RE: Shalchi prof corp

Terry: RBC is no longer prepared to fund operations. Accordingly, terms of forbearance will not work.

Can you please take instructions as to whether your client is prepared to consent to the receivership or at a minimum, not oppose the relief being sought? Please let me know.

Thanks,



Sam Gabor
Senior Associate and Trademark Agent

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From: Terry Czechowskyj <tczech@milesdavison.com>
Sent: Tuesday, August 23, 2022 4:36 PM

To: Gabor, Sam <sam.gabor@dentons.com>; Pontin, Derek <derek.pontin@dentons.com>
Subject: Shalchi prof corp

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My client has engaged a broker to sell the clinic as opposed to doing a refinancing. It is the same broker who sold them the clinic to start with. My client agrees to return to operating the clinic with RBC and will provide the details of the funds the clinic has received to date. The only issue with the forbearance agreement will be the necessary operating costs they need going forward. Is there still an opportunity to negotiate a forbearance agreement?

TERRY CZECHOWSKYJ Q.C.
Barrister and Solicitor

**MILES
DAVISON LLP**

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