

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

SUPERIOR COURT
"Commercial Division"

No: 500-11-060024-219
No: 500-11-060303-217

**IN THE MATTER OF THE RECEIVERSHIP
OF:**

**AGRO TECH VENTURES 1 INC.
MALINA CAPITAL INC.
10553034 CANADA INC. (MALINA ENERGY)
GREEN CBD TECHNOLOGY INC.
CAPE COVE FINANCIAL MANAGEMENT INC.
CALIXA CAPITAL PARTNERS INC.
DOJO KAISHI INC.**

**SILVERMONT FINANCE INC.
SILVERMONT CAPITAL INC.
MARDI.INFO INCOME TRUST
MARDI.INFO OPERATING TRUST
MARDI.INFO EXEMPT MARKET L.P.
MARDI.INFO GENERAL PARTNER INC.
9428-5855 QUÉBEC INC.
GREEN RIVER INVESTMENTS INC.
GREEN RIVER FINANCE CANADA INC.
9129-6004 QUÉBEC INC. (F.A.S. GREEN RIVER
FINANCE)**

Collectively the "Defendants"

And

**RAYMOND CHABOT ADMINISTRATEUR
PROVISOIRE INC.**

The "Receiver"

REPORT OF THE RECEIVER

TO THE HONOURABLE CHRISTIAN IMMER, J.S.C., SITTING IN COMMERCIAL DIVISION, FOR THE JUDICIAL DISTRICT OF MONTRÉAL, THE RECEIVER RESPECTFULLY SUBMITS THE FOLLOWING REPORT IN CONNECTION WITH THE RECEIVERSHIP OF THE DEFENDANTS.

This Report supports the Receiver's Application to amend the powers granted pursuant to the Second Order (as defined hereafter) as part of a sale and investment solicitation process involving the assets of some of the Defendants.

1. BACKGROUND AND PROCEDURAL HISTORY (SUMMARY)

- 1.1. The Honourable Chantal Corriveau, J.S.C. appointed Raymond Chabot Administrateur Provisoire Inc. as Receiver for the following corporations, by way of an order dated July 8, 2021 made in connection with case number 500-11-060024-219, and made various orders, notably with regard to the powers granted to the Receiver (hereafter the "**First Order**"):

- Agro Tech Ventures 1 Inc. (“**Agro Tech V1**”)
- Malina Capital Inc. (“**Malina Capital**”)
- 10553034 Canada Inc. (“**105 Can**”)
- Green CBD Technology Inc. (“**Green CBD**”)
- Cape Cove Financial Management Inc. (“**Cape Cove**”)
- Calixa Capital Partners Inc. (“**Calixa Partners**”)
- Dojo Kaishi inc. (“**Dojo**”)

(Collectively referred to as “**Group 1**”).

- 1.2. Cape Cove is the only Defendant in Group 1 to have initially challenged the First Order, although it ultimately withdrew its challenge.
- 1.3. On November 8, 2021, the Receiver submitted an *Application to amend the powers granted pursuant to the First Order* to the Honourable Christian Immer, J.S.C.
- 1.4. The Honourable Christian Immer, J.S.C amended the powers granted to the Receiver in the First Order by way of an order dated November 8, 2021, notably to authorize the Receiver to initiate a sale and investment solicitation process for Cape Cove assets and sell off these assets other than in the normal course of business with Court approval.
- 1.5. In accordance with the terms of the formal sale and investment solicitation process for Cape Cove assets, on February 1, 2022 the Receiver submitted a Motion for Sale Approval and Vesting Order to the Honourable Christian Immer, J.S.C.
- 1.6. The Honourable Christian Immer, J.S.C. approved two offers to acquire substantially all Cape Cove assets by way of an order dated February 1, 2022.
- 1.7. By way of an order dated October 15, 2021 made in case number 500-11-060303-217, the Honourable Christian Immer, J.S.C. appointed Raymond Chabot Administrateur Provisoire inc. as Receiver for the following corporations and made various orders relating, in particular, to the powers granted to the Receiver (hereinafter the “**Second Order**”):
 - Silvermont Finance Inc. (“**Silvermont Finance**”)
 - Silvermont Capital Inc. (“**Silvermont Capital**”)
 - MarDi.info Income Trust (“**MarDi Income**”)
 - MarDi.info Operating Trust (“**MarDi Operating**”)
 - MarDi.info Exempt Market L.P. (“**MarDi L.P.**”)
 - MarDi.info General Partner Inc. (“**MarDi General Partner**”)
 - 9428-5855 Québec inc. (“**9424 Quebec**”)
 - Green River Investments Inc. (“**Green River Investments**”)
 - Green River Finance Canada inc. (“**Green River Finance**”)
 - 9129-6004 Québec inc. (“**9129 Quebec**”)

(Collectively referred to as “**Group 2**”).

- 1.8. In accordance with three judgements dated January 7, 2022, the Honourable Christian Immer, J.S.C. rejected the challenges by the Defendants in **Group 2**.

1.9. This Report pertains to all of the Defendants for the reasons set out in our previous reports¹.

2. STRUCTURE OF THIS REPORT

2.1. This Report has been prepared to provide the Autorité des marchés financiers (the “**Autorité**”), the Court and the investors in question with updated information regarding the following:

- The operating results of Cape Cove and Green River Finance.
- The sale of Cape Cove assets approved by the Court on February 1, 2022 and the cessation of Cape Cove operations.
- The flow of funds between the various Defendants and related persons.
- The Defendants’ assets and liabilities that have been traced to date.
- The relationships between the Defendants and their key directors, officers, representatives and employees.

2.2. This Report also presents the Receiver’s recommendations with regard to the sale and investment solicitation process for the assets of entities in Group 2 as well as the Receiver’s suggestions for the eventual apportionment of the Defendants’ realizable assets.

2.3. The Report is divided into the following sections:

- Mandate of the Receiver and conservatory measures – **Section 3**
- Overall analysis of the flow of funds– **Section 4**
- Situation regarding Cape Cove – **Section 5**
- Situation regarding Agro Tech – **Section 6**
- Situation regarding Malina – **Section 7**
- Situation regarding Calixa Partners – **Section 8**
- Situation regarding Dojo Kaishi – **Section 9**
- Situation regarding Silvermont – **Section 10**
- Situation regarding Green River – **Section 11**
- Situation regarding Mardi.Info – **Section 12**
- The Receiver’s recommendations regarding Silvermont, Green River and Mardi.Info – **Section 13**
- Basis for an eventual distribution of realizable assets – **Section 14**
- Conclusion – **Section 15**

2.4. While this Report reiterates a number of facts presented in the previous reports, the reader should refer to these previous reports to have a better understanding of the situation.

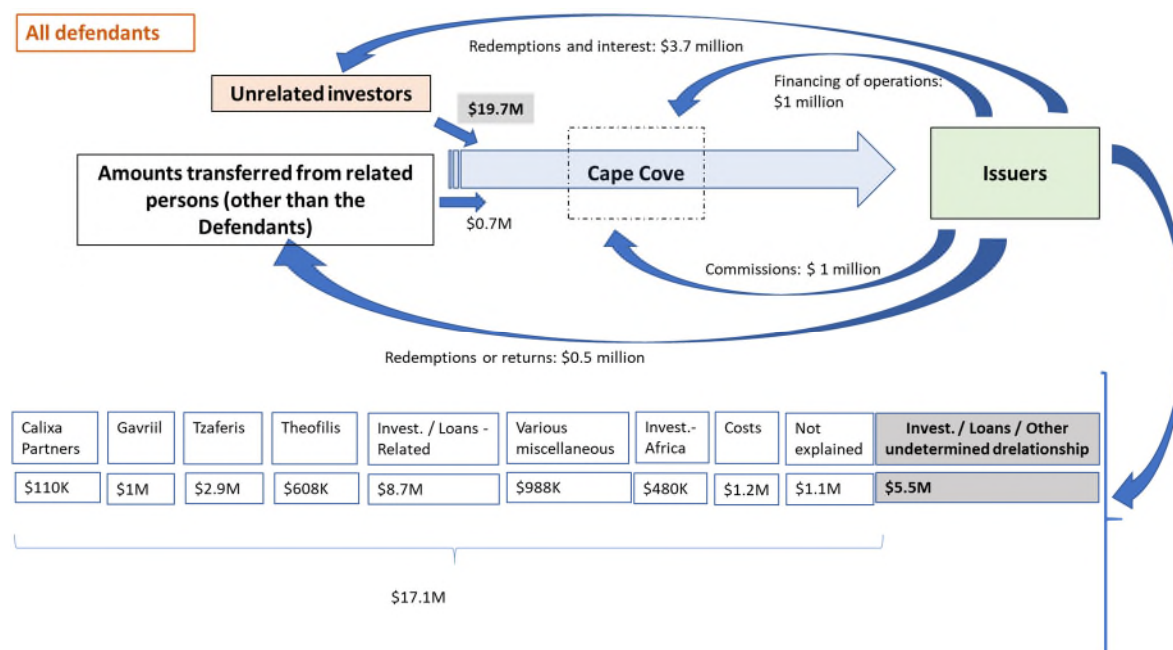
¹ Reports dated October 21, 2021 and December 14, 2021

3. MANDATE OF THE RECEIVER AND CONSERVATORY MEASURES (SUMMARY)

- 3.1. One of the Receiver's objectives is to protect investors' interests. That is why the Receiver immediately took possession of the Defendants' assets after Orders 1 and 2 were made and why it took the necessary steps to protect the assets in the interest of investors and all of the parties concerned.
- 3.2. At the same time, the Receiver began an investigation into the Defendants' business and financial affairs to identify the irregularities and problems raised by the Autorité, which led to the Orders being made.
- 3.3. The Receiver's investigation also seeks to shed light on the flow of funds and the financial transactions involving the Defendants and persons related to them. The Receiver also took steps to identify and trace the Defendants' assets and liabilities.
- 3.4. Therefore, in accordance with first Order:
 - 3.4.1. The Receiver identified the assets of Agro Tech V1 and its shell corporation, Green CBD (collectively referred to as "**Agro Tech**") and financial transactions involving these corporations.
 - 3.4.2. The same was done for Malina Capital and its shell corporation, 105 Can (collectively referred to as "**Malina**").
 - 3.4.3. Moreover, special attention was paid to the "voluntary" confusion surrounding Calixa Partners.
- 3.5. Finally, in accordance with the Second Order, the Receiver extended its work and investigation to include the entities in Group 2.
 - 3.5.1. Where Silvermont Finance and Silvermont Capital are concerned (collectively referred to as "**Silvermont**"), the Receiver identified the beneficiaries of the loans made by the companies, examined the loan documents and questioned Nick Tzaferis ("**Tzaferis**"). The Receiver also made efforts to recover the loan amounts.
 - 3.5.2. Where MarDi Income, MarDi Operation, MarDi L.P., MarDi General Partner and 9424 Que are concerned (collectively referred to as "**MarDi.Info**"), the Receiver had a number of discussions with Dany Bergeron ("**Bergeron**") and with the two trustees, namely Mr. Halley and Ms. Fortin.
 - 3.5.3. The Receiver also analyzed the investments made by MarDi.Info and contacted the corporations that received the funds.
 - 3.5.4. Finally, where Green River Investments, Green River Finance and 9129 Que are concerned (collectively referred to as "**Green River**"), the Receiver maintained the micro loan activities with the help of John Theofilis ("**Theofilis**") and investigated the flow of funds. Exploratory discussions regarding the refinancing of operations and/or recapitalization of the company were also held with Theofilis.

4. FLOW OF FUNDS – SUMMARY AND OVERALL ANALYSIS

- 4.1. The Receiver decided to do a broad analysis, examining the facts, the flow of funds and the relationships between the various stakeholders while taking the time factor into account.
- 4.2. The chart below generally illustrates the flow of funds between the Defendants and certain stakeholders²:



- 4.3. Our main findings are as follows:

- 4.3.1. Cape Cove operated as an investment dealer, offering products on exempt markets. It was used as an intermediary, allowing the principal stakeholders to raise approximately \$19.7 million from investors.
- 4.3.2. These funds were raised by five issuers (corporations or funds), namely Silvermont, Agro Tech, Malina, Green River and Mardi.Info (collectively referred to as the “**Issuers/Defendants**”), by way of investments made primarily between May 2018 and July 2021.
- 4.3.3. The Issuers/Defendants initially benefitted—directly or indirectly³, -- from funds transferred by certain Cape Cove employees, officers, representatives and shareholders totalling approximately \$0.7 million. All or substantially all of these amounts were reimbursed using amounts that the Issuers/Defendants received from investors.
- 4.3.4. Investors will clearly have to assume substantial losses despite the fact that an amount of \$3.7 million was returned to them by way of the redemption of investments

² The amounts presented in the tables and discussed have been rounded off for presentation purposes.

³ Some amounts were transferred directly to the target companies, for and on behalf of the Issuers/Defendants.

or interest payments. There appears to be very little chance of recovering amounts considering the assets that have been traced and their respective values.

- 4.3.5. Cape Cove received approximately \$1 million in commissions on the sale of products of the Issuers/Defendants. It also received an additional amount of approximately \$1 million out of funds provided by investors, either directly or indirectly from the Issuers/Defendants. These amounts were mainly paid by the Issuers/Defendants to 9368-2037 Québec inc. (“**9368**”), a Cape Cove shareholder, which reinjected the amounts into Cape Cove in the form of subordinated loans. Incidentally, Cape Cove’s continued operation made it possible to raise new amounts from investors.
- 4.3.6. The Receiver was able to identify investments and loans which the Issuers/Defendants made to apparently unrelated individuals. These investments and loans totalled \$5.5 million, which represents 28% of amounts raised from investors.
- 4.3.7. In performing its investigation, the Receiver was able to identify a number of stakeholders involved in managing or operating the Defendants. These individuals were involved in various capacities and played different roles. It is their combined actions that made it possible to misappropriate a large part of investors’ funds as compared to what was indicated in the various offering memoranda. The involvement of some of these individuals is summarized in **Appendix A**.
- 4.3.8. The Receiver noted that a number of financial transactions benefitted Efstratios Gavriil (a key player) and some members of his family, notably his spouse, Kerasina Vountas, and their children (collectively referred to as “**Gavriill**”).

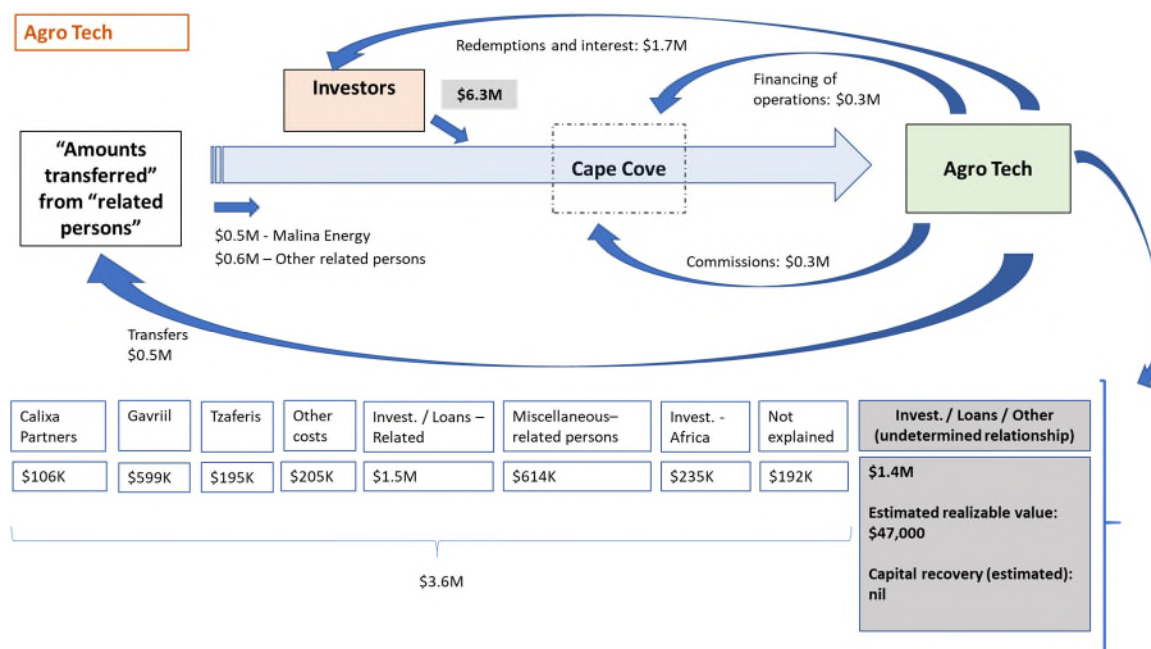
5. SITUATION REGARDING CAPE COVE

- 5.1. Cape Cove was the sole distributor of Agro Tech, Malina, Silvermont, Green River and MarDi.Info products.
- 5.2. Cape Cove’s organization chart is included in **Appendix B**.
- 5.3. The Receiver’s investigation revealed a number of ties between Cape Cove’s shareholders, officers, employees and representatives and the other Defendants, as presented in **Appendix A** referred to above.
- 5.4. Immediately following its appointment, the Receiver for Cape Cove quickly saw that the company was not profitable and had a major cash deficit.
- 5.5. As mentioned previously, the Receiver initiated a sale and investment solicitation process for Cape Cove’s assets in the fall of 2021:
 - 5.5.1. Nearly 300 potential buyers identified in advance were contacted as part of a formal process.
 - 5.5.2. In all, 11 confidentiality agreements were signed and two bids were ultimately accepted for Cape Cove’s portfolio management activities as well as its activities as an exempt market and mutual fund dealer.

- 5.5.3. Rivemont Investments Inc. (“**Rivemont**”) and Sentinel Financial Group (“**Sentinel**”) respectively acquired the rights and interests in Cape Cove assets.
- 5.5.4. After obtaining Court approval, the Receiver carried out the two transactions referred to above:
- 5.5.4.1. In practical terms, clients and representatives were informed of the contemplated transactions after the necessary approval was obtained from the regulatory authorities.
- 5.5.4.2. The registration as dealer for client assets was then transferred from Cape Cove to Rivemont and Sentinel, with the exception of the registration for exempt products since the Mutual Fund Dealers Association did not provide authorization for this.
- 5.5.4.3. The selling prices for the Cape Cove assets included in the purchase offers are based on client retention. The Receiver estimates that the transactions could generate approximately \$550,000.
- 5.5.5. Despite the sale of its assets, Cape Cove remains insolvent, especially considering amounts owed to suppliers (approximately \$180,000), subordinated loans (approximately \$1.3 million) and other accrued liabilities (approximately \$40,000), in addition to the costs relating to the Receivership.
- 5.5.6. It will be impossible for Cape Cove to pay all of the amounts owed in the circumstances. Moreover, the Receiver cannot consider returning amounts that could be received from Cape Cove assets to investors.
- 5.5.7. For this reason, the Receiver terminated Cape Cove’s operations in mid-March 2022.
- 5.5.8. The table in **Appendix C** presents Cape Cove’s cash flows for the period of July 10, 2021 to April 2, 2022.
- 5.5.9. As mentioned previously, a large proportion of the amounts received by Cape Cove since 2018, notably in the form of subordinated loans, was essentially obtained out of investors’ funds that passed through 9368. As described above, these funds made it possible for Cape Cove to continue operating and raise new funds at the expense of investors.

6. SITUATION REGARDING AGRO TECH

- 6.1. Agro Tech is an issuer that received approximately \$6.3 million from investors.
- 6.2. The chart below illustrates the main flow of funds between the various stakeholders with regard to Agro Tech:



6.3. Our key findings regarding Agro Tech's situation are as follows:

- 6.3.1. From the start, Agro Tech directly or indirectly benefitted from amounts totalling \$0.6 million transferred⁴ from related persons, notably Cape Cove officers and representatives. These transfers are presented in detail in **Appendix D**. The amounts were largely reimbursed with amounts received from investors.
- 6.3.2. Agro Tech paid an amount of approximately \$0.6 million to Cape Cove, either directly or indirectly in the form of commissions and subordinated loans, which represents an estimated 10% of funds raised from investors.
- 6.3.3. Of the amounts received from investors, nearly \$1.4 million was used by Agro Tech to make investments or extend loans to unrelated persons. This represents approximately 22% of the funds invested.
- 6.3.4. The unexplained amounts refer to disbursements in respect of which the Receiver is unable to identify a recipient and/or the nature of the payment made.
- 6.3.5. The "Miscellaneous– related persons" in the above chart refer primarily to amounts paid to related persons. The table in **Appendix E** presents the payments and recipients in detail.
- 6.3.6. More than 68% of funds received from investors were transferred to related persons. While Agro Tech's offering memorandum stated that *certain directors and officers of the target companies are also directors and officers of other companies, which means that conflicts of interest could arise between their functions in these different companies*, no mention was made regarding the degree of involvement of the individuals and the proportion of the amounts that would be paid to related persons.

⁴ Loans and/or advances and/or transfers of an unspecified nature.

6.3.7. Agro Tech’s current assets essentially include investments or loans made to various persons or corporations, many of which are related to Gavriil, Tzaferis, Bergeron and Theofilis. The Receiver’s efforts to date to recover these assets have been unsuccessful.

6.3.8. As of the date of this Report, the Receiver is of the opinion that the value of Agro Tech’s assets is almost nil. The Receiver is contemplating various recourse for the benefit of investors.

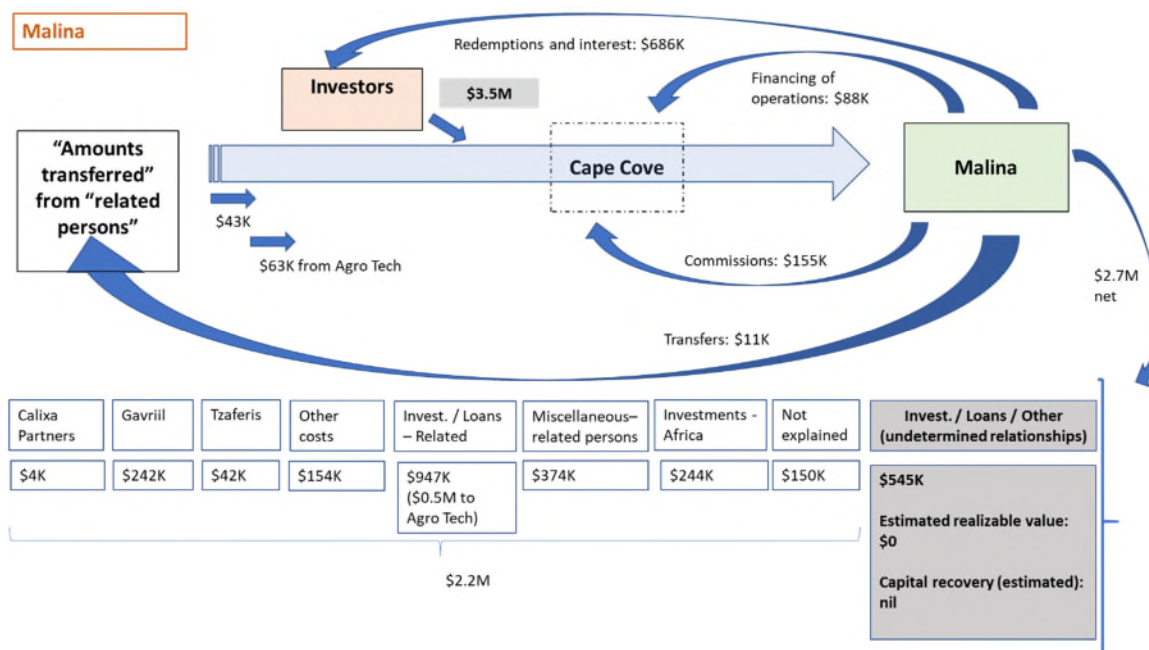
6.3.9. Agro Tech’s liabilities essentially include amounts owed to investors and certain operating expenses that have not been paid.

6.3.10. The Receiver is denouncing certain false or misleading communications between representatives and their clients regarding the Defendants’ business. For example, in January 2022, Bergeron told an investor that he could recover 50% of his investment in Agro Tech. This statement is not only false or misleading, but was also made after two reports were issued by the Receiver presenting the situation and following a number of communications and meetings with Bergeron regarding the business and financial situation of the Issuers/Defendants.

7. SITUATION REGARDING MALINA

7.1. Malina is an issuer that received approximately \$3.5 million from investors.

7.2. The chart below presents the flow of funds between the various stakeholders with regard to Malina:



7.3. Our key findings regarding Malina’s situation are as follows:

- 7.3.1. From the start, Malina benefitted directly or indirectly from amounts totalling \$0.1 million transferred⁵ from related persons, notably Agro Tech and Cape Cove officers and representatives. These transfers are presented in detail in **Appendix F**. The amounts were largely reimbursed with amounts received from investors.
- 7.3.2. Malina paid an amount of approximately \$0.2 million to Cape Cove, either directly or indirectly in the form of commissions or subordinated loans, which represents an estimated 7% of funds raised from investors.
- 7.3.3. Of the amounts received from investors, nearly \$0.5 million was used by Malina to make investments or extend loans to unrelated persons (i.e., approximately 16%).
- 7.3.4. The unexplained amounts refer to disbursements in respect of which the Receiver is unable to identify a recipient and/or the nature of the payment made.
- 7.3.5. “Miscellaneous – related persons” in the above chart refers primarily to amounts paid to related persons. The table in **Appendix G** presents the payments and recipients in detail.
- 7.3.6. More than 64% of funds received from investors were transferred to related persons. While Malina’s offering memorandum stated that *certain directors and officers of the target companies are also directors and officers of other companies, which means that conflicts of interest could arise between their functions in these different companies, as is the case for Agro Tech*, no mention was made regarding the degree of involvement of the individuals and the proportion of the amounts that would be paid to related persons.
- 7.4. Malina’s current assets essentially include investments or loans made to various persons or corporations, many of which are related to Gavriil, Tzaferis, Theofilis and Bergeron. The Receiver’s efforts to date to recover these assets have been unsuccessful.
- 7.5. As of the date of this Report, the Receiver is of the opinion that the value of Malina’s assets is almost nil. The Receiver is contemplating various recourse for the benefit of investors.
- 7.6. Malina’s liabilities essentially include amounts owed to investors and certain operating expenses that have not been paid.

8. SITUATION REGARDING CALIXA PARTNERS

- 8.1. As mentioned in our first report:
 - 8.1.1. Calixa Partners was initially a Cape Cove shareholder. It also provided management/advisory services.
 - 8.1.2. In January 2020, the stake that Calixa Partners held in Cape Cove was transferred to Calixa Capital Group (also known as 11833405 Canada Inc., hereinafter referred to as “**118 Can**”).

⁵ Loans and/or advances and/or transfers of an unspecified nature.

- 8.1.3. When the transfer was complete, the shareholders of Calixa Partners became shareholders of 118 Can. At the same time, Tzaferis became the sole shareholder and director of Calixa Partners until January 21, 2021, when he allegedly disposed of his shares.
- 8.1.4. According to the information obtained, Tzaferis allegedly disposed of his shares in the share capital of Calixa Partners, transferring these shares to Anastasios Moros (“**Moros**”), thereby enabling him to use a legal vehicle (i.e. a shell company with no assets or liabilities) to launch a new restaurant. It should be noted that Moros received loans of approximately \$1.6 million in the Silvermont matter.
- 8.2. The share transfer to Moros appears questionable in light of the facts noted. For example, Gavriil signed a transaction on behalf of Calixa Partners on February 19, 2021 (See Appendix H, under seal) for and on behalf of Malina.
- 8.3. Moreover, Tzaferis is almost incapable of answering the Receiver’s questions regarding the operations of Calixa Partners.
- 8.4. Where the financial situation of Calixa Partners is concerned, the Receiver was unable to trace any accounting records and no assets or liabilities could be identified.
- 8.5. However, the Receiver did trace an email account associated with Calixa Partners and used by Gavriil. This account was hosted on Cape Cove’s email server. In addition, a file hosted on Cape Cove’s servers and including subscription information for Agro Tech, Malina and Green River in addition to physical files relating to Calixa Partners was traced in Cape Cove’s offices, specifically in the offices of Claude Dufour and John Vergados.
- 8.6. The Receiver was able to identify a number of people who provided services to Calixa Partners and/or the Issuers/Defendants, including Gavriil, Benoit Crispin, Claude Dufour, John Vergados, Jose Bonyeme, Peter Mentzelos and Sean Poli.
- 8.7. Calixa Partners was listed as a fund manager for a number of Issuers/Defendants, namely Agro Tech, Malina, MarDi.Info and Silvermont.

9. SITUATION REGARDING DOJO

- 9.1. Dojo ran a martial arts school. One of its shareholders and directors was Georges Gavriil, who is Gavriil’s son.
- 9.2. Dojo received amounts totalling more than \$105,000 from Agro Tech and Malina in the form of loans or the reimbursement of expenses.
- 9.3. The Receiver’s investigation also revealed that Gavriil and his spouse, Vountas, benefitted from vehicles leased through Dojo.
- 9.4. The Receiver’s observations and findings regarding Dojo’s business and financial affairs are as follows:
- 9.4.1. No accounting books or records could be traced or recovered.
- 9.4.2. Unpaid rent since December 2020 totals \$56,000.

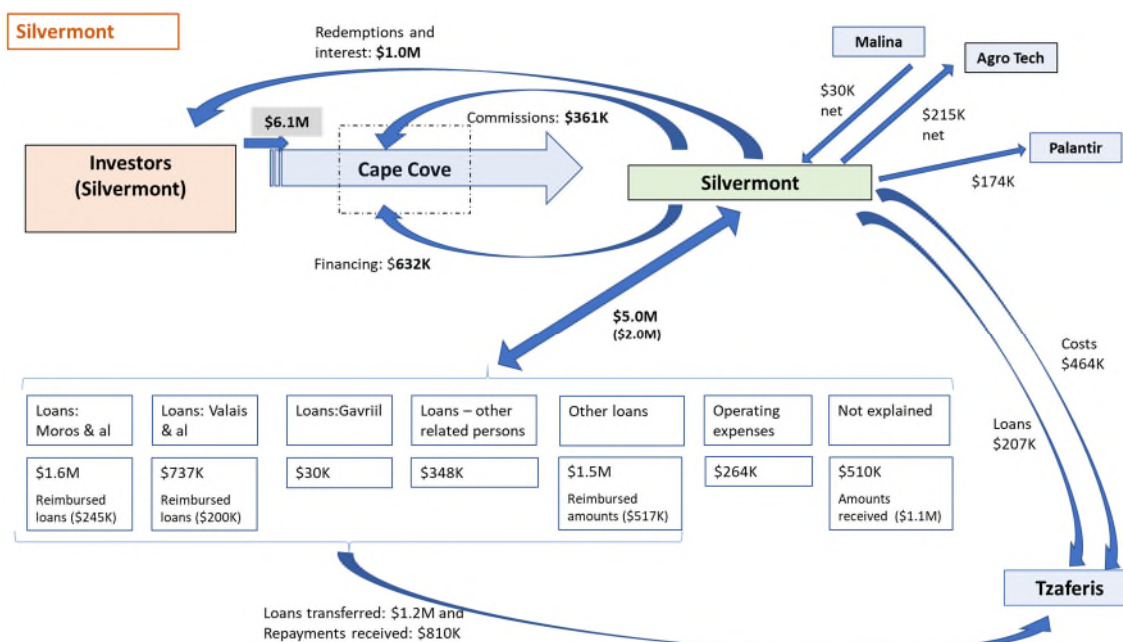
- 9.4.3. After the lessor terminated the lease for the Dojo's premises, the Receiver requested an assessment of the property in the leased premises. This Receiver decided to relinquish this property, based on the assessment, given its low liquidation value.

10. SITUATION REGARDING SILVERMONT

10.1. Silvermont is an issuer whose reported operations consisted in issuing mortgage loans. Its corporate structure is presented in **Appendix I**.

10.2. Amounts totalling nearly \$6.1 million were raised from investors for Silvermont.

10.3. The chart below illustrates the flow of funds that passed through Silvermont:



10.4. Our key findings regarding the flow of funds are as follows:

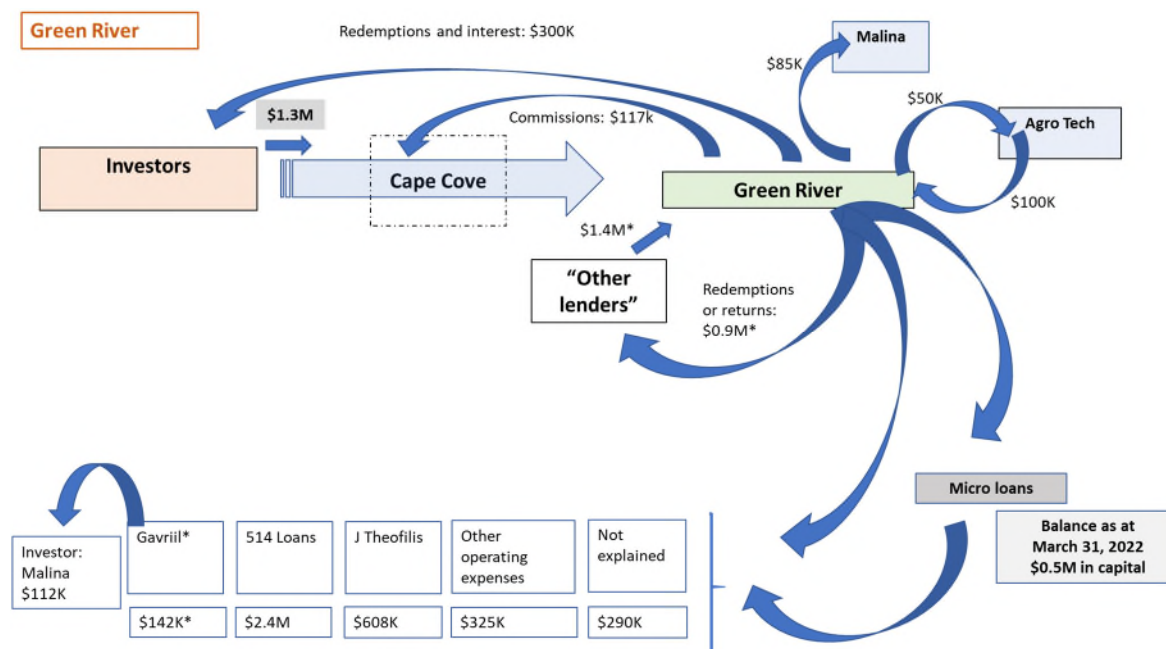
- 10.4.1. Silvermont paid an amount of approximately \$1 million to Cape Cove, either directly or indirectly in the form of commissions or subordinated loans, which represents an estimated 16% of funds raised from investors.
- 10.4.2. Of the amounts received from investors, nearly \$1.5 million was used by Silvermont to make investments or extend loans to apparently unrelated persons. This represents approximately 25% of the funds raised.
- 10.4.3. The unexplained amounts refer to disbursements in respect of which the Receiver is unable to identify a recipient and/or the nature of the payment made.
- 10.5. In addition to the transfers made to Tzaferis with no justification, the investigation revealed funds that were transferred to Malina, Agro Tech and Gavrriil. A review of documents recovered from Silvermont also showed that Gavrriil is involved in Silvermont's operations.

- 10.6. As of the date of this Report, Silvermont's assets consist of cash (\$306,000), an investment in a public company (\$272,000) and a loan portfolio (\$1.6 million according to Tzaferis⁶).
- 10.7. At the Receiver's request, Tzaferis completed a questionnaire in the form of a table for the loan portfolio provided by Silvermont. This is included in **Appendix J** (under seal).
- 10.8. The incomplete and vague answers provided by Tzaferis show, at the very least, an extremely lax attitude for managing loans granted by Silvermont and collecting the related amounts (the "**Amounts Owed**").
- 10.9. The Receiver has expressed major reservations as to the possibility of recovering the Amounts Owed in light of the following:
- The poor quality of loan files and the collateral provided, if applicable.
 - The term of many loans has expired and most loans were made many months or years ago.
 - Silvermont does not take any steps or do any follow-ups to recover the amounts owed.
 - While the Receiver sent notices dated October 28, 2021 to all borrowers stating that all principal or interest payments should be made to the Receiver, it has only received an amount of \$14,000.

11. SITUATION REGARDING GREEN RIVER

- 11.1. Green River is an issuer that offers micro loans. Its corporate structure is presented in **Appendix K**.
- 11.2. The chart below illustrates the flow of funds among Green River's stakeholders:

⁶ According to a table prepared by Tzaferis and provided to the Receiver on February 7, 2022. The total amount was corrected to eliminate a typo in the figures and answers provided.



11.3. Our key findings regarding the flow of funds are as follows:

- 11.3.1. Theofilis personally received \$608,000 in the form of a salary, advances and interest.
 - 11.3.2. Green River received \$1.4 million from lenders (whom Theofilis refers to as angel investors) in exchange for annual returns of between 13% and 24%. Amounts totalling \$0.9 million were reimbursed to these angel investors (hereinafter referred to as the “**Other lenders**”). When the Receiver was appointed, these lenders were owed more than \$0.5 million according to Theofilis (see **Appendix L**, under seal).
 - 11.3.3. While Green River offers micro loans, Gavriil received a loan for \$142,000. Part of this loan was used to reimburse an investor in Malina (\$112,000). The Receiver also noted that certain amounts provided by Malina investors were used to reimburse part of Gavriil’s loan. Prior to the appointment of the Receiver, Green River had not taken any steps to obtain the amounts owed by Gavriil.
 - 11.3.4. The company referred to as 514 loans, in which Theofilis is also a shareholder, also received funds totalling \$2.4 million. This amount mainly consists in “Management fees”, “Broker fees” and “Membership fees”.
 - 11.3.5. The unexplained amounts refer to disbursements in respect of which the Receiver is unable to identify the recipient and/or the nature of the payment.
- 11.4. According to Theofilis, the loan loss rate is 25%. The interest rates on the loans extended are 22% in Québec and 32% outside Québec, to which various fees are added.
 - 11.5. Theofilis informed the Receiver that he made significant investments to develop a digital platform for Green River’s lending activities. Technology costs of \$55,000 have been recognized.

- 11.6. Green River's assets include cash and a portfolio of micro loans. The Receiver is of the opinion that most of the amounts owed when these micro loans expire could be recovered if Green River continues to operate or transfers the loan portfolio.
- 11.7. Liabilities include obligations towards investors and loans made by the Other lenders.
- 11.8. In addition to the capital amounts owed, as at March 31, 2022 Green River owes \$162,000 and \$53,000 in interest to investors and the Other lenders respectively.
- 11.9. Given Green River's limited liquidity and insolvency, the Receiver did not authorize interest payments to be made to investors and Other lenders. The Receiver only paid source deduction arrears (for June to October 2021), in addition to current expenses.
- 11.10. The table below presents the principal amounts to be reimbursed to investors and the related expiry dates:

Année émission	Année échéance	Montant (K\$)
2018	2023	309
2019	2024	765
2020	2025	313
2021	2026	65

- 11.11. The investigation revealed that Theofilis did not handle investor subscriptions in any way. Instead, this was dealt with by Mr. Vergados, a Cape Cove employee.
- 11.12. As mentioned previously, according to Theofilis, Gavriil was the person consulted regarding the structure put in place for Green River to raise funds from investors.
- 11.13. Lending activities are not profitable under the management of Theofilis. Based on historical results, significant amounts disappeared and were lost during operations.
- 11.14. Exploratory discussions were held with Theofilis and his attorneys to find a favourable outcome for all stakeholders.
- 11.15. The Receiver was informed of some potential investments, although no specifics were provided. During the course of the discussions, the following matters were raised as prerequisites for the potential investments:
- 11.15.1. Redemption of Emma Chille's stake in Green River and settlement with 514 Loans.
- 11.15.2. Immediate reimbursement of amounts owed to the Other lenders.
- 11.15.3. Amounts owed to investors not to be reimbursed (subordinated claims).
- 11.15.4. Recapitalization only possible with a loan conversion.
- 11.15.5. Partial recapitalization, i.e., maintenance of negative capital.
- 11.16. Ultimately, despite numerous requests, Theofilis did not present a concrete investment plan to the Receiver, either verbally or in writing. However, the Receiver did receive correspondence from Mr. Petitclerc, the attorney representing Theofilis stating that an offer could not be presented as long as Green River remains in receivership (see **Appendix M**).

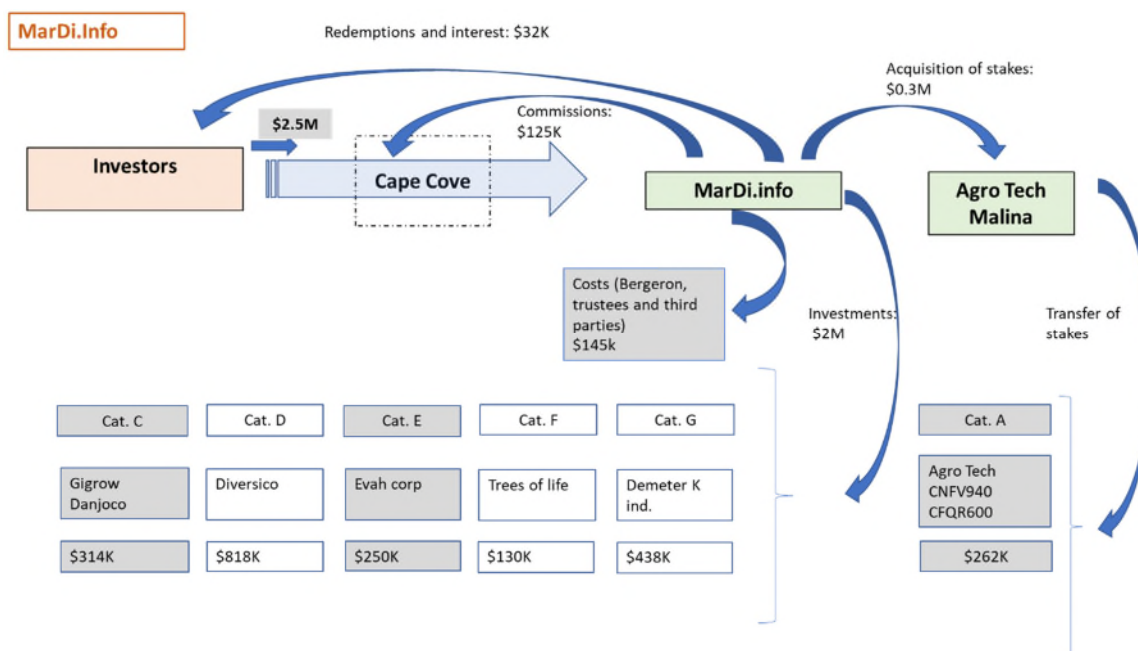
The Receiver concluded that Theofilis is simply unable to present an acceptable investment offer at this point in time.

- 11.17. In the above-mentioned situation, Theofilis apparently took steps to rectify Green River's situation in Québec's enterprise register. At the same time, Theofilis apparently also took steps to obtain audited financial statements.
- 11.18. Without a realistic plan, the Receiver refused to act on the steps taken in Québec's enterprise register to avoid certain costs that could ultimately prove to be unnecessary. The Receiver also requested a draft engagement letter from the auditor approached by Theofilis to correct the financial statements. The Receiver has not yet received any engagement letter.
- 11.19. **Appendix N** summarizes the receipts and disbursements for Green River since the Receiver's appointment.

12. SITUATION REGARDING MARDI.INFO

- 12.1. MarDi.Info is an issuer that provides different classes of investment in various industries. Its corporate structure is presented in **Appendix O**.

- 12.2. The chart below illustrates the flow of funds through MarDi.Info:



- 12.3. Our key findings regarding the flow funds are as follows:

- 12.3.1. Funds invested in companies with no determined relationship amount to \$1.4 million (i.e., approximately 56%).
- 12.3.2. Funds raised for each project are far below the anticipated investments, i.e., amounts raised from investors are much lower than the information presented to the target companies.

- 12.3.3. Bergeron, the trustees and certain third parties received fees totalling \$145,000, according to the figures presented. This represents 6% of the amount of funds raised.
- 12.3.4. Cape Cove received \$125,000 in commissions for the sale of MarDi.Info products.
- 12.3.5. Agro Tech and Malina benefitted from the redemption of stakes and/or investments totalling \$262,000.
- 12.4. The table in **Appendix P** presents the investments in the target companies as well as each company's status. It appears that some investments may have a certain value. However, they are not liquid. The Receiver is of the opinion that there is probably justification to devalue the assets by \$1.1 million.
- 12.5. Liabilities include obligations to unitholders as well as operating expenses (e.g., legal fees).
- 12.6. The investigation also revealed the following:
 - 12.6.1. The expected involvement of Calixa Partners as manager, according to the offering memorandum (see **Appendix Q**).
 - 12.6.2. The existence of incomplete investment files.
 - 12.6.3. The management by Bergeron, who describes himself as a "conductor".
 - 12.6.4. The questionable role played by trustees in investment decisions.
 - 12.6.5. MarDi.Info's inability to find an auditor.

13. THE RECEIVER'S RECOMMENDATIONS REGARDING SILVERMONT, GREEN RIVER AND MARDI.INFO

- 13.1. Considering the facts revealed by the Receiver's work regarding Silvermont, Green River and Mardi.Info and the allegations made by the Autorité with regard to its Application, which led to the Second Order, the Receiver's recommendations are as follows:
 - 13.1.1. Where Silvermont is concerned, the Receiver recommends maintaining the receivership and intends to recover the amounts owed in the hope of maximizing the amount to be returned to investors.
 - 13.1.2. Where Green River is concerned, the Receiver recommends maintaining the Receivership and intends to request Court authorization to propose a sale and investment solicitation process for Green River's loan portfolio and other assets. At the same time, the Receiver suggests keeping Green River in operation to conserve its asset value.
 - 13.1.3. Where Mardi.Info is concerned, the Receiver recommends maintaining the Receivership and intends to request Court authorization to propose a sale and investment solicitation process for MarDi.Info's assets with various established funds or managers.

14. BASIS FOR THE EVENTUAL DISTRIBUTION OF REALIZABLE ASSETS

- 14.1. The investigation showed that funds passed from one Defendant to the next for no legitimate reason, creating confusion for each Defendant's wealth.
- 14.2. A number of transactions between Defendants were clearly made for the purpose of meeting the cash requirements of other Defendants—either to make payments to investors, ensure payment of operating costs or maintain Cape Cove's operations, making it possible to generate new subscriptions on the exempt market for the benefit of the Defendants and related persons.
- 14.3. The following are but a few examples that have already been reported:
 - 14.3.1. Silvermont Finance was created after Silvermont Capital, when the latter company had exhausted its working capital. Where the Silvermont "group" is concerned, the analysis shows that all of the transactions between Tzaferis and related companies took place when one company in the group needed cash.
 - 14.3.2. In September 2019, when Agro Tech had exhausted its cash resources, Malina transferred funds to Agro Tech to ensure that certain payments could be made to investors.
 - 14.3.3. Similarly, the Receiver was able to identify two transactions between Agro Tech and Silvermont in December 2019. At the time of the transactions, Silvermont made payments to Computershare (i.e., the trustee) for distributions and investments that were redeemed for the benefit of Agro Tech's investors.
 - 14.3.4. Mardi.Info acquired stakes in Agro Tech as well as investments from Malina, with no clear justification (either for the nature of the investment or the amount paid) when Agro Tech and Malina bank accounts were empty.
 - 14.3.5. In June 2020, Green River lent \$142,000 to Gavriil. This loan was reimbursed in part by Malina. The loan date coincides with the receipt of investors' subscriptions in Green River. Moreover, part of this loan was used to repay a Malina investor.
 - 14.3.6. Where Mardi.Info operations are concerned, Bergeron intended to substitute/convert Agro Tech's and Malina's obligations into Mardi.Info units. One potential consequence would have been to avoid having to repay amounts to investors, thereby allowing the scheme to continue.
 - 14.3.7. Various Defendants made a number of transfers to Cape Cove, either directly or indirectly, to meet Cape Cove's cash requirements at a particular point in time.
- 14.4. Given the situation, the Receiver can only conclude that these transactions were made to allow Cape Cove to continue operating, i.e., to continue distributing investments and paying amounts of cash to Gavriil and other people related to him out of investors' funds.
- 14.5. This scheme had to be maintained, which required new inflows of cash. All this explains why new funds, i.e. Silvermont, Agro Tech, Malina, Green River and Mardi.Info, were created over time.

- 14.6. Everything suggests that if the Autorité had not stepped in, this scheme would have continued for years, resulting in more investors being swindled and increasing the amount of losses.
- 14.7. All in all, in light of the analysis of the Defendants' assets and liabilities, the flow of funds and payments made to related persons, in all likelihood the facts show that a large portion of funds were misappropriated in a "Ponzi scheme".
- 14.8. Given the situation, the Receiver plans to propose a broad approach for eventually dividing any assets to be recovered among all of the unrelated investors, regardless of the investment vehicle that was used. This equity-based approach is a response to the scheme put in place by the different stakeholders.

15. CONCLUSION

- 15.1. The Receiver is continuing to take the necessary conservatory measures for the Defendants' assets. It is also completing its investigation of the flow of funds in order to identify all assets that could be recovered for the benefit of the investors who were swindled by the Defendants, rather than for the purpose of explaining all of the transactions.
- 15.2. The Receiver therefore believes that the Receivership must be maintained. Moreover, for the reasons outlined above, the Receiver is of the opinion that would be appropriate to put in place a sale and investment solicitation process for the assets of Green River and MarDi.Info as part of a formal context authorized by the Court.
- 15.3. In addition, the Receiver is analyzing the possibility of taking certain recourse for the benefit of investors.
- 15.4. The Receiver is available to provide any clarification to the Court, as necessary.

April 15, 2022

RAYMOND CHABOT ADMINISTRATEUR PROVISOIRE INC.
Receiver for the Defendants

By: _____
Emmanuel Phaneuf, M.Sc., CIRP, LIT
Designated

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ⁱ If any discrepancies with the official French version of the report, the official French version shall prevail.