Court File No.:

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

CORRADINA CANONACO

Applicant

and

EWA MARIA RICCI, RALPH CANONACO, MUSKOKA RECOVERY INC., 2855531 ONTARIO INC. and TNL WELLNESS CENTRE INC.

Respondents

APPLICATION UNDER Part XIII and sections 207, 246 and 248 of the *Business Corporations Act*, R.S.O. 1990, c. B.16, section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended, and Rule 40 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194

NOTICE OF APPLICATION

TO THE RESPONDENTS

A LEGAL PROCEEDING HAS BEEN COMMENCED by the Applicant. The claim made by the Applicant appears on the following page.

THIS APPLICATION will come on for a hearing:

☐ In writing
☐ In person
☐ By telephone conference
☒ By video conference

on a date to be determined.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the *Rules of Civil Procedure*, serve it on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but at least four days before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date ______________________ Issued by ________________________________

Local Registrar

Address of court office: Superior Court of Justice
330 University Avenue, 8th Floor
Toronto, ON M5G 1R7

TO: EWA MARIA RICCI
Unit 3, 135 Abbey Lane Road,
Gravenhurst, Ontario, P1P 1E3

TO: RALPH CANONACO
Unit 3, 135 Abbey Lane Road,
Gravenhurst, Ontario, P1P 1E3

AND TO: MUSKOKA RECOVERY INC.
61 Heintzman Street, Unit 1508,
Toronto, Ontario, M6P 5A2

AND TO: 2855531 ONTARIO INC.
61 Heintzman Street, Unit 1508,
Toronto, Ontario, M6P 5A2

AND TO: TNL WELLNESS CENTRE INC.
1411 Breezy Point Road
Torrance, Ontario, P0C 1M0

APPLICATION

1. The Applicant, Corradina Canonaco ("**Corradina**"), makes this application for:

   (a) a declaration, pursuant to subsection 248(2) of the *Business Corporations Act*, R.S.O. 1990, c. B.16 ("**OBCA**"), that the conduct described herein of the Respondent, Ewa Maria Ricci ("**Ewa**"), as director and officer of the Respondents, Muskoka Recovery Inc. ("**MRI**") and 2855531 Ontario Inc. ("**285**"), has been oppressive or unfairly prejudicial to or unfairly disregarded the interests of Corradina;

   (b) orders, pursuant to section 246(1) of the OBCA granting leave to Corradina to bring actions, in the first instance, in the name and on behalf of MRI and 285 against the Respondent, TNL Wellness Centre Inc. ("**TNL**"), and, in the second instance, in the name and on behalf of 285 against Ewa and Ralph Canonaco ("**Ralph**");

   (c) an order, pursuant to section 246(3) of the OBCA, dispensing with the notice requirement under section 246(2) of the OBCA;

   (d) an order appointing KSV Advisory as receiver and manager and interim receiver and manager pending trial (in both capacities, the "**Receiver**") over all of the assets, property and undertakings of MRI and 285, without security, pursuant to subsection 248(3)(b) of the OBCA and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**");

   (e) an order directing that the fees and disbursements of the Receiver be paid from the proceeds of sale of the properties owned by 285;

(f) an order directing the Receiver to conduct an investigation under Part XIII of the OBCA of MRI and 285, including a tracing and accounting of all payments made to Ewa or any corporation she controls or has an interest in, whether directly or indirectly, and to produce a report on their current financial position;

(g) an order directing the Receiver to take carriage of, control, manage, settle or defend any and all litigation involving MRI and 285, and to make all decisions in respect of such litigation in the best interests of the companies;

(h) an order setting aside any contracts and/or transactions, as may be found through the investigation under Part XIII of the OBCA or otherwise, including with TNL, and a direction that Ewa and TNL account to MRI and 285 for any profit or gain realized through the appropriation and use of real and personal property belonging to MRI and 285, pursuant to subsection 132(9) of the OBCA;

(i) in the alternative to 1(d) and pursuant to subsection 248(3)(a) of the OBCA and section 101 of the CJA, an interim, interlocutory and final injunction restraining MRI and 285, including Ewa, as director and officer thereof, and their respective employees and agents, from:

(i) disposing of or otherwise dealing with the assets, property and undertakings of MRI and 285 contrary to the interests of Corradina and without further order of this Court;

(ii) incurring any additional indebtedness by MRI and 285 contrary to the interests of Corradina and without further order of this Court; and

(iii) making any payments to or otherwise transacting with any related and/or non-arm's length parties, including with TNL, contrary to the interests of Corradina and without further order of this Court;

(j) as against Ewa:

(i) damages, in an amount to be specified prior to trial, for breach of fiduciary duty;

(ii) punitive, exemplary and/or aggravated damages in the amount of $100,000, or such further or other amounts as this Honourable Court may deem appropriate;

(k) as against Ewa and TNL:

(i) a declaration that Ewa and TNL have been unjustly enriched and hold funds, in amounts to be determined prior to trial, in trust for Corradina;

(ii) a tracing, accounting and disgorgement of profits received from Ewa's unlawful self-dealing transactions, including those involving TNL, and breach of her fiduciary duty;

(l) an order, pursuant to sections 207 and 248(l) of the OBCA, winding up MRI and 285 and directing the Receiver to take all necessary steps to sell the assets of the companies;

(m) pre-judgment and post-judgment interest in accordance with sections 128 and 129 of the CJA;

(n) the costs of this proceeding on a substantial indemnity basis, plus all applicable taxes; and

(o) such further and other relief as the nature of this application requires.

2. The grounds for this application are:

I. Overview

(a) Corradina and Ewa are equal shareholders in both MRI and 285, and the companies are deadlocked;

(b) MRI is a corporation that formerly operated an addiction rehabilitation business known as "Muskoka Recovery" (the "**Business**");

(c) 285 is an Ontario holding company, carrying on business from Toronto, Ontario, that owns four properties located in Muskoka, Ontario;

(d) Corradina is a passive investor who contributed substantial value to the Business by pledging her personal real estate assets as collateral to finance the acquisition by 285 of multiple properties, one of which the Business operated from, and to support the operations of the Business. Ewa, by contrast, was responsible for the establishment, and day-to-day management and operation of the Business;

(e) In reliance on Ewa's representations and their agreement, Corradina reasonably expected that:

(i) Ewa would establish, operate and manage the Business competently, prudently and in the best interests of the corporations, including ensuring that the rehabilitation services were provided to clients of the Business by properly qualified, competent and trained staff;

(ii) she would receive a fixed monthly return of $17,000 from the revenue generated by the Business, the Business would service all property tax obligations associated with the properties she pledged as collateral and that her pledged assets would not be exposed to undue risk;

(iii) in light of her significant financial exposure through her pledged collateral, the Business would be operated conservatively and without imprudent overleveraging;

(iv) she would receive timely and accurate financial disclosure, including financial statements and information necessary to assess the corporations' performance and solvency as a 50% shareholder; and

(v) she would be one of two directors of each of MRI and 285;

(vi) she would not be excluded from fundamental corporate decisions or stripped of her formal roles with MRI or 285 without notice or lawful authority;

(vii) Ewa and her would jointly make all major decisions regarding the operation of the Businesses, including with respect to financing the operations, division of profits, major renovations or expansions of the buildings, and any other material changes to the Business;

(f) Those expectations have been systematically defeated;

(g) Since at least late 2024, Ewa has engaged in a pattern of conduct that is oppressive, unfairly prejudicial to and unfairly disregards Corradina's interests. Among other things, Ewa has:

(i) failing to establish, operate and manage the Business competently, prudently and in the best interests of the corporations, including by operating the Business in a manner that prioritized Ewa's personal interests over those of the corporations' and Corradina;

(ii) exposing MRI and Corradina to significant negative public scrutiny, including a proposed class proceeding, a wrongful death action and other legal proceedings initiated by individuals dissatisfied with the services provided by the Business;

(iii) failing to ensure competent legal representation in those proceedings, including failing to notify the Business's insurer in a timely manner and refusing or failing to cooperate with the insurer in its investigations, thereby placing available insurance coverage at risk;

(iv) engaging in undisclosed, improper and/or non-arm's length dealings with third parties, including TNL, in circumstances that improperly diverted or risked diversion of the assets and goodwill of MRI for the benefit of Ewa and/or such third parties;

(v) improperly causing or permitting the Business to be operated in an imprudent and overleveraged manner;

(vi) causing the mortgage with the Bank of Montreal secured against the 285 properties and Corradina's personally pledged properties to go into default, and failing to take steps to prevent or remedy such default;

(vii) refusing to pursue or cooperate in an orderly liquidation of the 285 properties to satisfy the indebtedness to the Bank of Montreal, thereby exposing all secured properties to enforcement proceedings and potential sale under power of sale;

(viii) causing Corradina's pledged assets to be exposed to undue and unnecessary risk;

(ix) permitting arrears to accrue in respect of debt servicing obligations and other liabilities, and failing to take reasonable steps to address such arrears;

(x) causing agreed payments owed to Corradina to become sporadic or cease altogether, while continuing to draw or direct payments to herself from the Business;

(xi) causing property tax obligations relating to the properties owned by 285 and Corradina's pledged properties to fall into arrears, which Corradina has been forced to personally service;

(xii) removing Corradina as a director of MRI without notice or legal authority;

(xiii) failing or refusing to provide meaningful financial disclosure to Corradina and excluding Corradina from all aspects of corporate governance;

(h) Ewa refuses to communicate with Corradina regarding the operations of MRI and 285, including the defaulted Bank of Montreal debt, and has frozen Corradina out of any decision-making with respect to the operations of both companies;

(i) As a result of Ewa's conduct, Corradina has been left entirely in the dark as to the financial condition of MRI and 285 while remaining exposed to significant personal risk by virtue of the collateral she has pledged, including being forced to personally satisfy outstanding property tax arrears that the Business was obligated to pay but failed to service;

(j) There is a real and immediate risk that corporate assets are being dissipated, misapplied or diverted, and that the corporations are unable to meet their obligations, including under secured lending arrangements;

(k) In these circumstances, there is no functioning corporate governance, and the companies are deadlocked;

(l) Corradina has no confidence that Ewa will act in the best interests of MRI and 285;

(m) The appointment of the Receiver is necessary to stabilize the Business, preserve assets and sell them in an orderly fashion to repay the debt owed to the Bank of Montreal and to wind up the corporations' businesses, as well as to investigate the corporations' affairs and trace the assets of MRI;

II. The Corporate Structure of the Business

(n) In or about early to mid-2021, Corradina's husband, Ralph, approached Corradina with a proposal that she invest as a silent partner in the Business. The Business was to be operated and managed by Ewa, one of Ralph's business acquaintances who was known to Corradina;

(o) Under the proposal, which was also subsequently communicated to Corradina by Ewa, the parties would acquire certain properties using certain of Corradina's properties as security to finance the acquisitions. As consideration for the use of Corradina's properties to obtain financing, the Business would pay Corradina $17,000 per month and would service all property taxes owing on Corradina's pledged properties to ensure that Corradina incurred no out-of-pocket costs in connection with the financing arrangement. For her part, Ewa would be responsible for all aspects of establishing the Business, as well as the day-to-day operations and management of the Business from the acquired properties;

(p) Further to that proposal, which Corradina ultimately accepted:

(i) the parties incorporated 285, which was the entity through which the parties acquired certain properties; and

(ii) Urban Pro Management Inc. ("**UPMI**"), an existing corporation controlled by Ewa and a predecessor to MRI, was the entity through which Ewa would operate the Business;

(q) Corradina obtained 50% of the issued and outstanding shares of 285. Ewa held the remaining issued and outstanding shares of 285;

(r) Corradina was appointed as one of two directors of 285. Ewa was the other director of 285;

(s) At Ewa's insistence, Corradina did not receive any equity in UPMI, nor was she made a director or officer of UPMI;

(t) Having regard to the manner in which 285 and UPMI operated together as components of a single business enterprise, Corradina reasonably expected to receive full financial disclosure concerning 285 and UPMI and, together with Ewa, jointly make all major decisions regarding the operation of the Business, including with respect to financing the operations, division of profits, major renovations or expansions of the buildings, and any other material changes to the Business;

(u) In or about 2024, UPMI amalgamated with another corporation to form MRI, at which point Corradina obtained 50% of the corporation's issued and outstanding shares and was appointed a director thereof;

(v) UPMI's name change, and Corradina's receipt of equity in MRI and appointment to MRI's board did not alter the parties' arrangement or Corradina's reasonable expectations;

III. Corradina's Reasonable Expectations

(w) At all material times, Corradina held the reasonable expectations described at paragraph (e), above, arising from her agreement with Ewa, her equal shareholding in 285 and her role as a silent investor in the Business;

(x) These reasonable expectations were known or ought to have been known to Ewa;

IV. 285 Acquires the Initial Properties

(y) Between on or about August 3, 2021 and November 24, 2021, 285 acquired three properties in the Regional Municipality of Muskoka (collectively, the "**Initial Properties**").

(i) First, on or about August 3, 2021, 285 acquired a property municipally known as 1035 Breezy Point Road for a purchase price of $2,600,000 (the "**Breezy Point Property**"). The Breezy Point Property contained a sizeable cottage which was intended to, and would become, the facility from which the Business would operate;

(ii) On or about August 13, 2021, at the behest of Ewa, 285 acquired a second property municipally known as Unit 503, 130 Steamship Bay Road for a purchase price of $575,000 (the "**Steamship Bay Property**"). Unlike the Breezy Point Property, which could accommodate approximately 10 clients, the Steamship Bay Property was a two-bedroom dwelling, and was of no purpose for the operations of the Business;

(iii) On or about November 24, 2021, again at the behest of Ewa and against Corradina's objections, 285 acquired a third property municipally known as 815 Muskoka Road South for a purchase price of $249,900 (the "**Muskoka Road Property**"). It too, served no purpose for the operations of the Business;

(z) 285 financed the acquisition of all or most of the Initial Properties through private lending facilities secured against certain of Corradina's properties, including:

(i) 606 Conacher Drive, Toronto, Ontario; and

(ii) Unit 1508, 61 Heintzman Street, Toronto, Ontario;

(aa) Through these private lending facilities, the parties also obtained $300,000 in initial operating capital for the Business;

(bb) The Steamship Bay Property and the Muskoka Road Property were ultimately only ever used as private residences for Muskoka Recovery staff, including Ewa. Corradina does not know whether rental agreements were established, if any rent was paid to 285, or the details of any dispositions of any such rental funds;

(cc) However, following the vacating of those properties, Corradina was required to expend significant personal funds to clean and repair damage caused to the premises by their former occupants;

V. The Business Commences Operation

(dd) In or around late 2021, UPMI began operating the Business from the Breezy Point Property;

(ee) Consistent with her role as a silent partner in the Business, Corradina did not participate in the establishment, or the day-to-day operation or management of the Business. However, despite her reasonable expectation that she would be informed of and consulted on material decisions affecting the Business, Corradina was not provided with that opportunity, and any knowledge she had of the establishment, operation or management of the Business—which was extremely limited—was conveyed to her only informally and principally through conversations with Ralph;

(ff) Despite being a shareholder and director of 285, and subsequently MRI, and despite her reasonable expectations described at paragraph (e), above, Corradina also:

(i) did not received notice of or participate in any annual general meetings or special meetings of UPMI/MRI or 285; and

(ii) did not receive financial statements or any formal information about the financial status of UPMI/MRI or 285, despite her repeated requests of Ewa for financial disclosure;

(gg) Notwithstanding the foregoing, Corradina reasonably expected that Ewa would establish, operate and manage the Business competently, prudently and in the best interests of UPMI/MRI and 285, with due consideration to Corradina's interests as Ewa's equal partner in the Business;

(hh) Corradina further reasonably expected to receive ongoing financial disclosure, to be informed of material developments affecting the Business, and to have her economic and legal interests protected, particularly in light of her role in securing financing for the corporations;

VI. Unit 3, 135 Abbey Lane

(ii) On or about June 2, 2023, 285 acquired a fourth property municipally known as Unit 3, 135 Abbey Lane Road, in the Town of Gravenhurst for a purchase price of $760,000 (the "**Abbey Lane Property**", and together with the Steamship Bay Property and the Muskoka Road Property, the "**Non-Operational Properties**");

(jj) 285 financed the acquisition of the Initial Properties through revenues generated by the Business;

(kk) The impetus for the acquisition of the Abbey Lane Property was Ewa's personal circumstances, specifically that she had been residing at Steamship Bay and was not permitted by the property manager to keep her dog on the premises. As a result, Ewa caused company funds to be used to acquire the Abbey Lane Property, to which she then relocated in order to keep her dog, and in turn permitted staff to occupy the Steamship Bay Property. Ewa subsequently became involved in a dispute with the property manager at the Abbey Lane Property regarding her dog, which has resulted in the Abbey Lane Application (defined below) and the Abbey Lane Action (defined below);

VII. 18 INVERLOCHY ROAD

(ll) In or around 2024, Ewa expressed her interest in purchasing a personal residence at 18 Inverlochy Road in Carling, Ontario;

(mm) The property was owned by Ewa's nephew;

(nn) In anticipation of that potential purchase, Ewa caused Business funds to be expended on renovations to a portion of the property;

(oo) The property served no purpose for the operations of the Business;

(pp) The contemplated purchase of the property was never completed;

VIII. The BMO Facility

(qq) On Ewa's stated premise that the Business required additional operating capital, which Corradina was prevented from verifying, Ewa undertook efforts to obtain additional cash, including by taking steps to arrange an umbrella loan facility with Bank of Montreal (the "**BMO Facility**"), despite Corradina's expressed skepticism regarding this initiative;

(rr) Corradina agreed to support the BMO Facility in reliance on her reasonable expectations described above, including that the Business would be operated prudently and that her pledged assets would not be exposed to undue risk;

(ss) As a condition of the BMO Facility, Corradina agreed to pledge certain of her properties located in the City of Toronto as collateral. Against that backdrop, on or about August 2, 2024, 285 entered into the BMO Facility;

(tt) As a further condition of obtaining the BMO Facility, Bank of Montreal required the amalgamation of UPMI with a recently incorporated company to form MRI, which was implemented at Ewa's direction;

(uu) Corradina obtained 50% of the issued and outstanding shares of MRI;

(vv) Corradina was made a director of MRI;

(ww) Corradina provided a personal guarantee to the Bank of Montreal in respect of the BMO Facility. Both she and her personally-owned properties are therefore at risk since the BMO Facility has gone into default;

(xx) On or about April 30, 2026, Bank of Montreal, through its lawyers, delivered a number of demand letter to Corradina and Ewa. The demand letter states that 285 and the personal guarantors under the BMO Facility are indebted to BMO in the amount of $5,408,380.19 and demands payment in full forthwith. The demand letters were accompanied by a Notice of Intention to Enforce Security served on 285 pursuant to the provisions of the *Bankruptcy and Insolvency Act*;

IX. Ewa's Delinquent Operation and Management of the Business

(yy) On or about December 20, 2024, the Toronto Star published a two-part investigative report. Part 1 of that report is titled "Fake nurses. No doctor on site. Staff who like to party: The insane story of this 'luxury' Muskoka addiction rehab". Part 2 is titled "Death and lies at Muskoka Recovery: How this 'luxury' Ontario rehab operates without oversight";

(zz) The reports purported to catalogue the allegedly negligent operation and management of the Business;

(aaa) Consistent with her role as a silent partner in the Business, Corradina was completely unaware of any facts supporting the allegations set out in the reports;

(bbb) Shortly after the release of the reports:

(i) in Corradina's interactions with Ewa during this time and afterwards, Ewa frequently appeared intoxicated, impaired and unable to engage in coherent or rational discussions, including with respect to the financial affairs, operations and obligations of MRI and 285. Ewa's communications to Corradina and her family have been hostile. In one instance, Ewa threatened to instruct someone to assault Corradina's son. In another instance, Ewa threatened to coordinate the deportation of Corradina's daughter's husband, who is an Italian citizen;

(ii) the monthly $17,000 payment Corradina was to receive from the Business became more sporadic. Some months she would receive less than that sum, other months she would receive nothing. The payments have entirely stopped since at least November 2025;

(iii) contrary to the parties' agreement, the Business failed to pay property taxes owing on the properties pledged by Corradina and 285, resulting in arrears for which Corradina became personally responsible. Corradina has been required to pay such arrears out of her own funds to avoid enforcement or further penalty;

(iv) Corradina was denied access to financial information, banking records and corporate documentation necessary to understand the status of her investment, despite explicit requests; and

(v) without notice to Corradina, and without any shareholder approval or corporate process known to Corradina, Corradina was removed as a director of MRI, and remains uninformed about the management and governance of MRI and 285;

(ccc) On or about March 17, 2025, certain plaintiffs commenced a proposed class action against MRI, Ewa, certain other individuals associated with the management and operation of the Business, as well as Corradina, in the Ontario Superior Court of Justice bearing Court File No.: CV-25-00739207-0000. The claim alleges that the Business falsely advertised itself as a medically supervised addiction and mental health treatment facility while providing unqualified and harmful services. The claim asserts systemic fraudulent misrepresentation, unjust enrichment, conspiracy, breach of fiduciary duty and contract, negligence, and consumer protection law breaches, including allegations of financial exploitation, medical neglect, preventable patient death, and worsening patient conditions. The plaintiffs seek class certification, declarations of liability, $25 million in general damages, $15 million in punitive damages, damages for family members and disgorgement of profits;

(ddd) At least six other actions have been commenced against MRI, Ewa, Corradina and others relating to the operations of the Business, including a wrongful death action;

(eee) An application has been commenced by Muskoka Condominium Corporation No. 42 against 285, Ewa and Ralph in the Ontario Superior Court of Justice bearing Court File No.: CV-25-00000054-0000 (the "**Abbey Lane Application**"). The applicant seeks remedies including a declaration of oppression, an order for the sale of the Abbey Lane Property, damages and costs, citing repeated withholding of common expenses and abusive conduct towards the Board. The grounds for the application include chronic late payment of common expenses, deliberate financial pressure on the corporation and a campaign of disrespectful and hostile behavior by the respondents. A related action has been commenced by 285 against Muskoka Condominium Corporation No. 42 and two individuals in the Ontario Superior Court of Justice bearing Court File No.: CV-25-000000713-0000 (the "**Abbey Lane Action**"). At the direction of Ewa (and, according to the pleading, Ralph, as one of the "controlling minds" of 285), 285 alleges that the defendants have, among other things, engaged in oppressive conduct. In both the Abbey Lane Application and the Abbey Lane Action, all parties reference ongoing disputes about Ewa and Ralph's entitlement to keep a dog on the property;

(fff) Ewa initially retained counsel to defend the class proceeding. However, she did so unilaterally, without consultation with or authorization from Corradina, and without any independent governance process to assess the best interests of MRI;

(ggg) Corradina reasonably expected that significant litigation decisions affecting MRI, including the retention of counsel and litigation strategy in a $40 million class proceeding, would be made transparently, in good faith and with due regard to the interests of both shareholders. Ewa's unilateral conduct constitutes unfair disregard of Corradina's interests;

(hhh) Ewa has since terminated that retainer and is purporting to represent herself and MRI in the class proceeding, thereby exposing MRI to significant legal and financial risk, including the risk of default judgment, adverse cost awards, and unmeritorious litigation strategy;

(iii) Corradina has no information about the current status of the other outstanding actions;

(jjj) Ewa's actions demonstrate a failure to act prudently and in the best interests of MRI and constitute further oppressive conduct;

(kkk) As a result of Ewa's delinquent operation and management of the Business, among other things:

(i) MRI and Corradina each face potential liability in the class proceeding and in the other actions;

(ii) Corradina has been deprived of her agreed income stream;

(iii) Corradina has been forced to pay property taxes on her pledged properties, contrary to the parties' agreement;

(iv) Corradina's properties, pledged as collateral, are exposed to enforcement risk; and

(v) Corradina has been rendered unable to protect her interests due to lack of information and exclusion from governance;

(lll) These consequences were reasonably foreseeable and arise directly from Ewa's oppressive conduct;

X. TNL

(mmm) TNL is currently operating or planning to operate a business from the Breezy Point Property;

(nnn) TNL is understood to be controlled by a third party who was held out as the manager of the Business;

(ooo) Ewa has engaged in discussions and/or negotiations with TNL in respect of the use of the Breezy Point Property and the provision of addiction treatment or related services therefrom, and has granted permission to TNL to occupy and operate from the property, using the assets belonging to MRI;

(ppp) Corradina was not informed of, did not approve and has not been provided with any details regarding any agreement, arrangement or understanding between MRI or 285 and TNL;

(qqq) Corradina does not know whether any lease or other agreement was entered into with TNL, whether fair market rent or other consideration is being paid or the disposition of any revenues generated from the use of the Breezy Point Property;

(rrr) The conduct described above raises a reasonable inference that Ewa has caused or is planning to use a core Business asset for the benefit of a non-arm's length or related party without disclosure, oversight or regard to the interests of MRI, 285 or Corradina;

(sss) Corradina reasonably expected that any use of corporate property and any dealings with third parties would be conducted transparently, on arm's length terms and in the best interests of the corporations;

(ttt) Ewa's conduct in relation to TNL constitutes oppressive conduct and unfairly prejudices and disregards Corradina's interests;

XI. Other Self-Dealing

(uuu) From in or about 2016 until early 2026, Corradina rented one of her properties to one of Ewa's children;

(vvv) Following the release of the Toronto Star reports, Corradina discovered that, since the establishment of the Business, Ewa had been directing funds from the Business to pay her child's rent;

(www) Corradina and Ewa's child ultimately agreed to terminate the tenancy in early 2026;

(xxx) Ewa's improper use of the Business' funds represents a further oppressive act and constitutes a further instance of Ewa's self-dealing;

XII. Other Improper Payments

(yyy) Corradina has recently learned that Ewa caused the Business to advance approximately $65,000 to an individual who was held out as a labourer of the Business;

(zzz) The purpose of this advance was to assist that individual with the purchase of a personal residence, which bore no apparent connection to the business, operations or interests of MRI or 285;

(aaaa) Corradina was not informed of, did not approve and has not ratified this transaction in any capacity as shareholder or former director;

(bbbb) Corradina has been provided with no documentation or particulars concerning the transaction, including:

(i) whether the advance was characterized as a loan or otherwise;

(ii) whether any promissory note, security, repayment terms or interest obligations exist;

(iii) whether any consideration was provided to MRI or 285; or

(iv) whether the recipient remains obligated to repay any portion of the funds;

(cccc) In the absence of any such information, Corradina reasonably believes that the payment constitutes an unauthorized and improper diversion of corporate funds for non-corporate purposes;

(dddd) This transaction is inconsistent with any legitimate exercise of business judgment and gives rise to a reasonable inference of:

(i) misappropriation of corporate assets;

(ii) improvident or wasteful disposition of corporate property; and/or

(iii) a breach of Ewa's fiduciary duties, including the duty to act honestly, in good faith, and in the best interests of the corporations;

(eeee) This undisclosed payment forms part of a broader pattern of self-dealing, non-arm's length transactions and misuse of corporate funds by Ewa;

(ffff) Corradina reasonably expected that corporate funds would not be used for the personal benefit of employees or third parties absent proper authorization, documentation, and demonstrable benefit to the corporations;

(gggg) Ewa's conduct in authorizing or permitting this payment constitutes further oppressive conduct and further supports the need for court intervention;

XIII. Other Expenses Incurred by Corradina

(hhhh) Corradina has incurred other expenses on behalf of the Business for which she has not been reimbursed including, among other things, maintenance and repair costs for the Initial Properties resulting from damage caused to the premises by their former occupants;

XIV. The Business's Current Status

(iiii) 285 has failed to service the BMO Facility, which has been in default for months. The Bank of Montreal has stated that it intends to appoint a receiver to seize and sell all of the pledged assets unless the Business cooperates with the Bank to liquidate the secured properties and direct the sale funds to it to repay the BMO Facility in full;

(jjjj) To mitigate this risk, Corradina has taken proactive steps to engage with the Bank of Montreal, including organizing and attending meetings to address the default and potential enforcement steps, whereas Ewa has not engaged or responded in any meaningful way;

(kkkk) Ewa has also refused Corradina's requests to cooperate to effect a plan to sell the properties owned by 285 in an orderly fashion for personal and/or commercially imprudent reasons. For example, Ewa's stated intention for the Abbey Lane Property is to use that premises as her personal residence, despite the property belonging to 285;

(llll) Corradina has received no financial statements, banking information or accounting records sufficient to determine the degree of solvency or ongoing viability of MRI or 285;

(mmmm) In the circumstances, an adverse inference should be drawn that such records would reveal further instances of misconduct and misappropriation;

XV. Oppressive Conduct

(nnnn) The conduct of Ewa, as described above, constitutes oppression, unfair prejudice to, and unfair disregard of Corradina's interests, including but not limited to:

(i) failing to establish, operate and manage the Business competently, prudently and in the best interests of the corporations, including by operating the Business in a manner that prioritized Ewa's personal interests over those of the corporations' and Corradina;

(ii) exposing MRI and Corradina to significant negative public scrutiny, including a proposed class proceeding, a wrongful death action and other legal proceedings initiated by individuals dissatisfied with the services provided by the Business;

(iii) failing to ensure competent legal representation in those proceedings, including failing to notify the Business's insurer in a timely manner and refusing or failing to cooperate with the insurer in its investigations, thereby placing available insurance coverage at risk;

(iv) engaging in undisclosed, improper and/or non-arm's length dealings with third parties, including TNL, in circumstances that improperly diverted or risked diversion of the assets and goodwill of MRI for the benefit of Ewa and/or such third parties;

(v) improperly causing or permitting the Business to be operated in an imprudent and overleveraged manner;

(vi) causing the mortgage with the Bank of Montreal secured against the 285 properties and Corradina's personally pledged properties to go into default, and failing to take steps to prevent or remedy such default;

(vii) refusing to pursue or cooperate in an orderly liquidation of the 285 properties to satisfy the indebtedness to the Bank of Montreal, thereby exposing all secured properties to enforcement proceedings and potential sale under power of sale;

(viii) causing Corradina's pledged assets to be exposed to undue and unnecessary risk;

(ix) permitting arrears to accrue in respect of debt servicing obligations and other liabilities, and failing to take reasonable steps to address such arrears;

(x) causing agreed payments owed to Corradina to become sporadic or cease altogether, while continuing to draw or direct payments to herself from the Business;

(xi) causing property tax obligations relating to the properties owned by 285 and Corradina's pledged properties to fall into arrears, which Corradina has been forced to personally service;

(xii) removing Corradina as a director of MRI without notice or legal authority;

(xiii) failing or refusing to provide meaningful financial disclosure to Corradina and excluding Corradina from all aspects of corporate governance;

(oooo) Taken together, this conduct represents a sustained and systematic pattern that defeats Corradina's reasonable expectations as an equal shareholder, secured contributor of capital and agreed silent partner, and warrants broad remedial intervention under subsection 248(3) of the OBCA;

XVI. Leave to Bring Derivative Actions

(pppp) In the first instance, leave should be granted to Corradina to bring an action in the name and on behalf of MRI and 285 against TNL, and such other parties as may be identified through investigation, including Ewa, for recovery of corporate assets and damages arising from breaches of fiduciary duty, knowing assistance, knowing receipt and unjust enrichment;

(qqqq) The proposed derivative action arises from, among other things:

(i) the unauthorized use and occupation of the Breezy Point Property by TNL;

(ii) the diversion or appropriation of MRI's business, goodwill and revenue-generating opportunities to TNL;

(iii) undisclosed and non-arm's length dealings between Ewa and TNL; and

(iv) the misapplication and diversion of corporate funds, including payments made for personal expenses and to related parties;

(rrrr) Corradina has not been provided with sufficient disclosure to fully particularize all aspects of the proposed claims. However, the facts presently known establish a strong prima facie case of serious corporate wrongdoing;

(ssss) Corradina is acting in good faith in seeking leave. Her objective is to:

(i) recover misappropriated corporate assets;

(ii) restore value to MRI and 285; and

(iii) ensure that the affairs of MRI and 285 are conducted in accordance with law and proper governance principles;

(tttt) Corradina has no collateral or improper purpose. To the contrary, she remains exposed to significant personal liability, including as guarantor under the BMO Facility, and seeks to preserve and maximize the value of MRI and 285 for the benefit of all stakeholders;

(uuuu) It is in the best interests of MRI and 285 that the proposed action be brought. In particular:

(i) MRI and 285 have viable causes of action with a reasonable prospect of success;

(ii) there is a real prospect of recovery of assets or damages;

(iii) the alleged misconduct has caused and continues to cause material financial harm to MRI and 285; and

(iv) absent court intervention, the wrongdoing will go unremedied;

(vvvv) MRI and 285, under Ewa's control, will not commence the proposed action. Ewa is conflicted and has demonstrated a consistent pattern of acting contrary to the interests of MRI and 285;

(wwww) In these circumstances, the derivative action is the only viable mechanism by which the rights of MRI and 285 can be vindicated and their assets recovered;

(xxxx) In the event that a receiver is appointed over MRI and 285, Corradina requests that carriage and control of the proposed derivative action be vested in the Receiver, who shall have full authority to prosecute, settle, or otherwise deal with the claims in the best interests of the corporations;

(yyyy) The Court's intervention is necessary to prevent further harm and to ensure that MRI and 285 are not left without a remedy for serious and ongoing misconduct;

(zzzz) The requirement under subsection 246(2) of the OBCA should be dispensed with pursuant to subsection 246(3) because it is not expedient to give notice. Ewa is the sole director of MRI and one of two directors of 285, and is the primary alleged wrongdoer. Any notice to her would be futile and risks further dissipation of corporate assets;

(aaaaa) In the second instance, leave should likewise be granted to Corradina to bring an action in the name and on behalf of 285 against Ewa, Ralph and such other parties as may be identified through investigation, for recovery of corporate funds improperly expended in connection with the Abbey Lane Application and the Abbey Lane Action;

(bbbbb) The proposed derivative action arises from, among other things:

(i) the fact that both the Abbey Lane Application and the Abbey Lane Action arise from the personal conduct of Ewa and Ralph, including disputes relating to their occupation of the Abbey Lane Property and related matters; and

(ii) the use of corporate funds by 285 to pay legal fees and costs incurred in the Abbey Lane Application and the Abbey Lane Action, notwithstanding that such proceedings do not advance any legitimate corporate interest;

(ccccc) Corradina has not been provided with sufficient disclosure to fully particularize all aspects of the proposed claims. However, the facts presently known establish a strong prima facie case that corporate funds have been misapplied for personal purposes and must be restored;

(ddddd) Corradina is acting in good faith in seeking leave. Her objective is to:

(i) recover all legal fees, disbursements, and related costs improperly paid by 285;

(ii) restore value to 285; and

(iii) ensure that 285's affairs are conducted in accordance with law and proper governance principles;

(eeeee) Corradina has no collateral or improper purpose and seeks to preserve the value of 285;

(fffff) It is in the best interests of 285 that the proposed action be brought. In particular:

(i) 285 has viable causes of action with a reasonable prospect of success;

(ii) the impugned conduct has caused and continues to cause financial harm to 285 and Corradina; and

(iii) absent court intervention, the wrongdoing will go unremedied;

(ggggg) 285, under Ewa's control, will not commence the proposed action. Ewa is conflicted and directly implicated in the impugned conduct;

(hhhhh) In these circumstances, the derivative action is the only viable mechanism by which 285's rights can be vindicated and its assets recovered;

(iiiii) In the event the Receiver is appointed over 285, Corradina requests that carriage and control of the proposed derivative action be vested in the Receiver, who shall have full authority to prosecute, settle or otherwise deal with the claim in the best interests of the corporation;

(jjjjj) The Court's intervention is necessary to prevent further harm and to ensure that 285 is not left without a remedy for the misuse of its corporate funds;

(kkkkk) The requirement under subsection 246(2) of the OBCA should be dispensed with pursuant to subsection 246(3) because it is not expedient to give notice. Ewa is a directing mind of 285 and Ralph purports to be a directing mind of 285. Ewa and Ralph are central participants in the impugned conduct. Any notice would be futile and risks further dissipation of corporate assets;

XVII. The Receiver is Necessary

(lllll) The appointment of the Receiver, including on an interim basis, is necessary for five principal reasons:

(i) First, to immediately displace Ewa from control of MRI and 285 in circumstances where her conduct demonstrates an ongoing risk of further oppressive conduct, self-dealing, and mismanagement;

(ii) Second, to preserve and protect the assets of MRI and 285, including any associated revenues derived from 285's properties, in circumstances where there is a real risk of dissipation, diversion, or encumbrance of assets;

(iii) Third, to conduct an orderly sale of 285's properties to repay the BMO Facility;

(iv) Fourth, to conduct an independent investigation, accounting, and tracing of funds, including transactions involving Ewa and TNL, and to report on the financial condition of MRI and 285;

(v) Fifth, to instruct counsel to defend the actions brought against MRI and cooperate with the insurer with respect to same;

(mmmmm) MRI and 285 are presently subject to a governance deadlock and functional paralysis, with Corradina excluded and Ewa acting unilaterally and contrary to the corporations' best interests;

(nnnnn) There is no less intrusive remedy capable of adequately protecting Corradina's interests or the assets of MRI and 285 in the circumstances;

(ooooo) KSV Advisory has consented to act as the Receiver of MRI and 285 for the purposes proposed herein;

(ppppp) The appointment of the Receiver is an appropriate remedy under subsection 248(3)(b) of the OBCA and section 101 of the CJA in light of the oppressive conduct described above and the need to protect Corradina's reasonable expectations and economic interests;

(qqqqq) Once appointed, the Receiver will:

(i) conduct or oversee an investigation, accounting and tracing of MRI and 285;

(ii) comply with best commercial practices, such as maximizing value and exercising prudent business judgment, for the benefit of all shareholders, and not just Ewa;

(iii) independently govern and oversee MRI and 285 such that transactions are considered and undertaken in the best interest of each entity, rather than ignoring Corradina's interests as Ewa has demonstrated her willingness to do;

(iv) ensure that no further self-dealing occurs;

(v) ensure that proper documentation and records are kept; and

(vi) obtain and provide to Corradina all information and records that Ewa has failed to provide;

(rrrrr) Corradina has no confidence that Ewa is capable of acting in the best interests of MRI and 285 given her conduct to date. Unless and until the Receiver is appointed, Ewa will continue to manage and operate MRI and 285 for the benefit of and with preference to her own interests;

(sssss) Ewa's continued control poses an ongoing and unacceptable risk to the corporations and to Corradina's economic interests;

XVIII. Breaches of Fiduciary Duty

(ttttt) At all material times, Ewa owed fiduciary duties to MRI and 285, including duties of loyalty, good faith and to act in the best interests of the corporations, and to avoid conflicts of interest and self-dealing;

(uuuuu) Ewa also owed a duty to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances;

(vvvvv) The conduct described herein constitutes multiple breaches of those duties, including by:

(i) appropriating corporate opportunities;

(ii) engaging in undisclosed conflicts of interest;

(iii) diverting corporate assets; and

(iv) failing to act prudently in the face of the Business's known financial distress;

XIX. Damages

(wwwww) Corradina has suffered damages as a result of Ewa's breaches of fiduciary duty owed to MRI and 285, including but not limited to:

(i) the loss of the agreed-upon monthly payments of $17,000;

(ii) amounts paid by Corradina to satisfy property tax arrears that the Business was obligated to pay;

(iii) diminution in the value of her shareholdings in MRI and 285;

(iv) exposure to liability and costs in connection with the class proceeding and other actions; and

(v) such further and other losses as may be determined;

(xxxxx) The quantum and full particulars of such damages are not presently known to Corradina, as Ewa has failed to provide financial disclosure and access to corporate records necessary to assess the financial condition and affairs of MRI and 285;

XX. Injunctive relief

(yyyyy) Corradina is entitled to the injunctive relief sought pursuant to subsection 248(3) of the OBCA and section 101 of the CJA;

(zzzzz) Corradina will suffer irreparable harm if the requested injunction is not granted, including:

(i) the continued risk of dissipation, diversion, or encumbrance of the assets of MRI and 285;

(ii) the risk of further undisclosed non-arm's length transactions, including with TNL or other related parties;

(iii) the risk that MRI and 285 will incur additional liabilities or indebtedness; and

(iv) the ongoing inability of Corradina to protect her interests as a 50% shareholder;

(aaaaaa) Such harm cannot be adequately compensated by damages alone given the uncertainty surrounding the financial condition of MRI and 285 and the potential loss of unique corporate assets and Corradina's personal properties, one of which she resides in;

(bbbbbb) The balance of convenience favours the granting of the injunction;

(cccccc) In the circumstances, it is just and equitable to grant the injunctive relief sought;

XXI. Unjust Enrichment

(dddddd) Ewa and TNL have been unjustly enriched through their receipt, use, and/or retention of funds, assets, and business opportunities belonging to MRI and 285

(eeeeee) The enrichment includes, among other things:

(i) the unauthorized use and occupation of the Breezy Point Property;

(ii) the appropriation of the Business' goodwill, operations, and revenue-generating opportunities; and

(iii) the receipt of benefits arising from undisclosed and non-arm's length transactions;

(ffffff) MRI and 285 have suffered a corresponding deprivation, including loss of revenue, depletion of assets and diminution in enterprise value;

(gggggg) There is no juristic reason for the enrichment;

(hhhhhh) In the circumstances, Ewa and TNL hold all such funds, assets, and benefits in trust for MRI and 285;

(iiiiii) MRI and 285 are entitled to disgorgement of all profits improperly received, and the imposition of a constructive trust over any traceable proceeds;

XXII. Winding up of MRI and 285

(jjjjjj) Corradina seeks an order pursuant to section 207(1) and 248(l) of the OBCA winding up MRI and 285 under the supervision of the Receiver;

(kkkkkk) For the reasons set out above, the affairs of MRI and 285 have been conducted in a manner that is oppressive, unfairly prejudicial to and unfairly disregards the interests of Corradina, including through:

(llllll) In addition, MRI and 285 are subject to a complete governance deadlock between equal shareholders, with no functioning board oversight and no realistic prospect of resolution;

(mmmmmm) MRI and 285 are in financial distress and are unable to carry on business in a viable or prudent manner;

(nnnnnn) Ewa has demonstrated an inability or unwillingness to act in the best interests of the corporations and has instead acted in a manner that prioritizes her personal interests to the detriment of the corporations and Corradina;

(oooooo) In these circumstances, a winding up of the corporations, in conjunction with the appointment of the Receiver, is necessary.

XXIII. Punitive, Exemplary and/or Aggravated Damages

(pppppp) Ewa's conduct, as aforesaid, is reprehensible and deserving of an award of aggravated, exemplary and/or punitive damages to reflect the gravity of her wrongdoing and to deter similar conduct in the future;

(qqqqqq) Part XIII and sections 207, 246 and 248 of the *Business Corporations Act*, R.S.O. 1990, c. B.16;

(rrrrrr) Sections 101, 128 and 129 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended;

(ssssss) Rules 1.04, 2.01, 2.03, 38, 39, 40, 41 and 57 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194; and

(tttttt) Such further and other grounds as the lawyers may advise.

3. The following documentary evidence will be used at the hearing of this application:

(a) The Affidavit of Corradina Canonaco to be sworn;

(b) The Affidavit of Jordan Wong to be sworn; and

(c) Such further and other evidence as the lawyers may advise and this Honourable Court may permit.

May 8, 2026

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Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

NOTICE OF APPLICATION

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