

COURT FILE NUMBER Q.B. _____ OF 2016

COURT OF QUEEN'S BENCH FOR SASKATCHEWAN

JUDICIAL CENTRE SASKATOON

PLAINTIFF YOLBOLSUM CANADA INC.

DEFENDANTS GOLDEN OPPORTUNITIES FUND INC.

AFFIDAVIT OF DAYAN GOODENOWE

I, **Dayan Goodenowe**, of the City of Saskatoon, in the Province of Saskatchewan, **MAKE OATH AND SAY AS FOLLOWS THAT:**

SECTION I: INTRODUCTION

1. I am the President and controlling shareholder of Yolbolsum Canada Inc. (YBCI) and Goodnough Farms Ltd. (GFL). I am also the Founder of Phenomenome Discoveries Inc. (PDI) and served as the President and Chief Executive Officer (CEO) from the founding of PDI until July 5, 2016 and as such have personal knowledge of the facts and matters deposed to herein except where stated to be based on information and belief and where so stated I do verily believe the same to be true.
2. In 1990, I graduated from the University of Saskatchewan obtaining a Bachelor of Science degree in Agricultural Chemistry.
3. In 1994, I graduated from the University of Alberta obtaining a Ph.D. in Medicine (Psychiatry). The focus of my research was the biochemical and neurochemical mechanisms associated with psychiatric and neurodegenerative diseases.
4. From 1994-2000, I became an expert on various types of mass spectrometry technologies and the application of mass spectrometry technology to the study of biological systems.
5. In May of 1999, I invented a novel method of complex sample analysis (the "Invention") and in October 1999, I conducted initial feasibility studies, which were successful. It was my belief that the analytical capabilities of the Invention combined with my knowledge of biochemical mechanisms of disease systems could lead to new discoveries related to disease processes that could lead to better diagnostic methods and therapeutic treatments.
6. On February 2, 2000, I filed a Canadian Patent Application (2,298,181) and on February 1, 2001, I subsequently filed an international patent application according to the Paris Convention Treaty (PCT) process (PCT/CA01/00111) to describe the Invention and its initial use applications (the "Patents"). None of this research was performed in Saskatchewan.
7. I was invited to Saskatoon to give a seminar on this technology in November 2000 and to tour Innovation Place as a potential location to set up a new company to further develop and commercialize the technology. The facilities, availability of skilled labor from the university, and the low Canadian dollar at the time were the primary reasons for my decision to choose to start this company in Saskatoon.

8. On December 19, 2000, I incorporated a numbered company (101015930 Saskatchewan Ltd.) as a wholly-owned subsidiary of YBCI. On March 15, 2001, the name of the numbered company was changed to Phenomenome Discoveries Inc. (PDI).

9. On December 15, 2001, YBCI (the "Licensor") granted to PDI (the "Licensee") exclusive rights to practice the YBCI Invention for the purpose of operating a fee-for-service business using the Invention. The agreement was subsequently amended on April 3, 2002, July 23, 2002, April 22, 2003, July 19, 2007 and July 23, 2007 (the license agreement and all amendments thereto are collectively referred to herein as the "License")(EXHIBIT A).

10. YBCI provided my services to PDI as President and CEO as per a management services agreement signed between YBCI and PDI on February 1, 2002. YBCI was contracted to provide services such as "managing the Business, primarily to perform services in relation to the management and administration of the business operations of the Business" and "developing the strategic vision for the Corporation" (EXHIBIT B).

11. I am not and never have been an employee of PDI. Although PDI was founded in December, 2000, YBCI provided my services to PDI on an expenses-only basis until February, 2002. In the fall of 2007, the PDI Board of Directors (BOD) compensation committee hired an independent consultant (Deloitte & Touche) to review executive compensation at PDI. On January 31, 2008 they reported to the PDI BOD that, based upon comparable companies in Canada, my compensation was less than the 25th percentile. In addition, YBCI has never received any employer benefits or stock options from PDI. For the entirety of the YBCI-PDI relationship, YBCI provided my services at below market prices for the betterment of all PDI shareholders.

12. From September 2014 to December 2015, YBCI was the only PDI shareholder to provide PDI with debt or equity financing. As of August 31, 2016, PDI owed YBCI \$3,697,659.80 pursuant to an unsecured loan agreement entered into between PDI and YBCI on September 15, 2014, and amended September 24, 2015 (EXHIBIT C); \$200,000.00 in unpaid licensing fees pursuant to the License, and \$38,396.38 in unpaid expenses going back to November of 2014 (EXHIBIT D). For the entirety of the YBCI-PDI relationship, YBCI financially supported PDI by delaying and deferring expenses and license fees owed to YBCI from PDI and provided direct financial support to PDI in the form of a substantial unsecured loan when PDI was in dire need. These activities of YBCI were done for the immediate and future betterment of all PDI shareholders.

13. The intellectual property portfolio of PDI was derived from PDI's use of my Invention as provided for by the License and is comprised of twenty (20) patent families which are either licensed or owned by PDI. I am the sole or co-inventor of 16 of these patent families and I directly supervised the activities relating the other 4. For the entirety of the YBCI-PDI relationship, I have diligently and productively contributed to the PDI intellectual property portfolio directly through the conception, validation, and filing of patents as well as by managing and training the PDI scientific staff on the use of such inventions as well as how to make future inventions and improvements to these inventions. The ownership of these activities of YBCI were vested in PDI for the immediate and future betterment of all PDI shareholders with YBCI retaining a 99-year non-exclusive license to all improvements made by PDI to the core YBCI technology and uses thereof.

14. I am not involved in any business ventures with any present or past shareholder of PDI.

15. YBCI has been the controlling shareholder of PDI at all times since its founding. YBCI currently owns 51.7% of PDI Class A (voting) and 3.0% of PDI Class B (non-voting) shares and a total of 47.5% of all common shares (**EXHIBIT E**).

16. Despite being the majority shareholder and CEO of PDI, I designed PDI to have independent financial reporting and that appropriate financial checks and balances would be in place to protect all of the PDI shareholders from any financial malfeasance. As part of this design, I had minimal direct involvement with the day to day financial affairs of PDI. In fact, I did not even give myself signing authority to any PDI bank account.

17. PDI has had audited financial statements for the entirety of its existence and the PDI BOD had a formal audit and finance committee tasked with overseeing PDI financial activities. At no time have I ever been a member of this committee.

18. The PDI unanimous shareholders agreement stipulates that up to 13 directors can be appointed to the PDI BOD (**EXHIBIT F**).

19. All PDI BOD members are provided with a BOD package in which the fiduciary responsibilities of a director are clearly articulated and examples given. One such example of a breach of fiduciary responsibility is "Using your authority as director to unfairly prejudice the rights of one group of shareholders while benefiting another group of shareholders". It is further clarified, "Even directors nominated by a particular shareholder to represent them on the board owe their first duty to PDI, and not to the shareholders they represent" (**EXHIBIT G**).

20. In November, 2015 I discovered that Doug Banzet and John Hyshka were colluding and conspiring on ways to drive PDI into bankruptcy and remove me as CEO of PDI and that they had corrupted and enlisted several PDI employees to assist in their plot.

21. Doug Banzet is the Chief Operating Officer of Golden Opportunities Fund Inc. (GOFI) and a member of GOFI's BOD and GOFI's audit committee and is the primary PDI contact person and the GOFI signatory of the PDI unanimous shareholders agreement. GOFI has the right to elect one director to the PDI BOD. Doug Banzet has been a director of PDI since July 22, 2002 and was a Director of PDI and the chairman of PDI's audit and finance committee throughout all of the events described in this affidavit.

22. I hired John Hyshka on Feb 15, 2001. He was not appointed by the PDI BOD. His contract states that he is an employee of PDI and that he "shall serve the Employer as chief financial officer and chief operating officer" and that he "will comply with all reasonable instructions as may be given by the chief executive officer and president. The duties and responsibilities of the Employee are to manage the day to day operations and financial matters of the Employer" (**EXHIBIT H**). Contrary to statements made by John Hyshka and others, John Hyshka was not a co-founder of PDI.

23. Immediately after discovering the plot, on November 9, 2015, I terminated John Hyshka's employment at PDI with cause. John Hyshka's termination letter stated:

"This letter serves to advise you that pursuant to Article 7.2 of the Agreement, your employment is hereby terminated, effective immediately, for cause, such cause including willful misconduct, dishonesty, disobedience and insubordination, all of which have irreparably damaged the employment relationship" (**EXHIBIT I**).

24. Further investigations revealed that Doug Banzet/GOFI and John Hyshka had also been plotting to defraud YBCI of its proportional share of proceeds realized upon a sale of PDI's assets as early as November 2014.

25. In June of 2015, Doug Banzet/GOFI conceived of a plot to devalue, encumber, and then purchase the intellectual property of PDI at a dramatically depressed price. This plot was successfully completed on September 16, 2016.

- a. In June 2015 PriceWaterhouseCoopers valued PDI's diagnostics and therapeutics programs at \$100,000,000 (**EXHIBIT J**) and a private valuation of PDI's rare disease program was over \$327,000,000 (**EXHIBIT K**).
- b. On August 31, 2015, in GOFI's 2015 annual report, GOFI valued PDI at \$70.00/share which represented a total PDI enterprise value of \$133,514,150.00 (**EXHIBIT L**)
- c. In June 2015, the only secured debt in PDI was a \$833,000.00 debenture + interest owed to GOFI that was used to purchase scientific equipment. PDI's intellectual property was specifically excluded from the debt security of this debenture (**EXHIBIT M**).
- d. In June 2015, GOFI created a limited partnership called Med-Life Discoveries LLP (MLD) with two other PDI shareholders (L. David Dube of Concorde Centres Inc. and Greg Yuel of PIC Investments Inc.), in which GOFI holds a 50% share. On June 30, 2015 MLD bought a non-dilutive 50% gross revenue interest in PDI's lead rare disease drug and an escalating gross revenue interest (from 25-50%) in PDI's diagnostic tests for colon cancer, ovarian cancer, pancreatic cancer, and Alzheimer's Disease for \$10,000,000 (**EXHIBIT N**). As a condition of the MLD deal, GOFI agreed to not call in its loan unless PDI became insolvent (**EXHIBIT O**). MLD is not a shareholder in PDI. The principals of MLD manipulated PDI into a state of desperate financial duress in order to force PDI into approving an agreement that was blatantly preferential to this select group of PDI shareholders.
- e. Following the signing of the MLD agreement, Doug Banzet/GOFI began a systematic campaign to starve PDI of operating capital by blocking all PDI debt and equity financing options. These actions forced PDI into insolvency despite the fact that multiple financial options were available to PDI.
- f. As soon as GOFI was successful in damaging PDI's financial situation and could argue that PDI was insolvent, on November 10, 2015, GOFI issued PDI with a 10 day demand of payment notice (**EXHIBIT P**) and GOFI refused to negotiate with PDI repayment terms (**EXHIBIT Q**).
- g. Doug Banzet then used PDI's default on the debenture to file a court application on November 23, 2015 to place a receiver over all of the assets of PDI, not just the assets encumbered by the GOFI debenture. The Court-Appointed Receiver was selected by GOFI.
- h. On December 3, 2015, FTI Consulting Inc. was appointed as an interim Receiver and GOFI financed the Receiver to the amount of \$650,000.00. These receiver certificates were secured against all of PDI's assets. This was the first time that GOFI obtained security over PDI's intellectual property.

- i. On February 25, 2016, GOFI applied to court to place PDI under full receivership such that all of the assets of PDI could be sold.
- j. Immediately following the approval of the full receivership application, Doug Banzet/GOFI/MLD actively disrupted and obstructed the receivership sales process in order to inhibit and/or prevent any outside bids from being made for PDI's assets. From this point, MLD financed the Receiver and sales process in the amount of \$3,000,000.00;
- k. MLD and the Receiver were successful in preventing all outside bids. On July 29, 2016 (the bid deadline), MLD was the sole bidder for PDI's assets. The MLD bid was structured such that only the above MLD and GOFI debts would be paid. No other PDI creditors will get any money and PDI shareholders will receive \$0.00/share.
- l. On August 30, 2016, the receiver recommended that the Court approve MLD's bid for all of PDI's assets and to extinguish YBCI's pre-existing 99-year license to improvements described in the License.
- m. On September 16, 2016 the Court approved the sale and MLD successfully purchased all of the assets of PDI, including all of PDI's intellectual property, a company worth between \$100,000,000 and \$300,000,000, for just under \$5,000,000.

26. In summary, Doug Banzet/GOFI took PDI, a completely viable, productive and valuable medical biotech company, the first and only one of its kind for Saskatchewan, that was brought to Saskatchewan, founded and financed by a Saskatchewan-born scientist and entrepreneur and stuck it into Receivership for a \$833,000.00 equipment loan, in order to gain access to and then strip PDI of its intellectual property. Doug Banzet/GOFI was successful in their plot to buy PDI's intellectual property at pennies on the dollar and thereby being the only benefactors of 15 years of my research and monetary investment in PDI. Doug Banzet/GOFI chose an inept receiver, controlled and funded the receivership, colluded with the receiver to create a failed sales process, and GOFI/MLD were ultimately the only bidder. GOFI/MLD/FTI are thereby solely responsible for the destruction of PDI.

27. To illustrate the atrocity that occurred here, a simple analogy is useful. Imagine that a person (PDI) defaulted on a car loan and the bank (GOFI) only held security on the car, but the bank manager (Doug Banzet) coveted owning this person's house. A house that this person invested money and time upgrading for the past 15 years and which the bank valued as being over 100 times more valuable than the car loan. However, instead of repossessing the car, which was the security that the person granted the bank when the person signed the loan agreement and which was still worth as much as the outstanding amount owing on the loan, the bank applies to the Court to have a receiver appointed over all of the person's assets, including the person's house. The bank then pays the receiver (which is nothing more than a real estate agent) less than 3% of the assessed value of the house to sell the house. The banker and the receiver then collude to prevent anyone else but the bank from bidding on the house. The banker then places a bid on all of the person's assets (house and car) that is comprised solely of the outstanding car loan and the real estate agent fees. The Court approves the bid and the bank ends up owning both the car and the house for less than 5% of the assessed value of the house. This is essentially how GOFI/MLD ended up owning all of PDI.

28. In order to describe the bad faith, corruption, conspiracy, fraudulent representations, and extortion used by Doug Banzet, John Hyshka, and their co-conspirators, relating to the execution of this scheme, my affidavit is organized into the following sections:

SECTION I: INTRODUCTION

SECTION II: BACKGROUND ON THE PDI FINANCIAL CRISIS OF SEPTEMBER 2014 AND EVENTS LEADING UP TO THE SIGNING OF THE DECEMBER 12 2014 LOAN AGREEMENT BETWEEN GOFI AND YBCI

SECTION III: EVENTS LEADING UP TO THE SIGNING OF THE JUNE 30, 2015 AGREEMENT BETWEEN PDI AND MED-LIFE DISCOVERIES LLP (MLD)

SECTION IV: EVENTS SUBSEQUENT TO THE SIGNING OF THE JUNE 30, 2015 AGREEMENT BETWEEN PDI AND MLD RELATING TO GOFI'S MALICIOUS APPLICATION OF THE PROVISIONS CONTAINED WITHIN THE YBCI-GOFI LOAN AGREEMENT AND ATTEMPTS TO EXTORT FROM YBCI YBCI'S AGREEMENT TO SUPPORT AN AMENDMENT TO THE MLD AGREEMENT

SECTION V: SUMMARY OF GOFI'S BEHAVIOR OF FRAUDULENT MISREPRESENTATION, BAD FAITH, AND EXTORTION RELATING TO THE YBCI-GOFI LOAN AGREEMENT OF DECEMBER 12, 2014

SECTION VI: OVERVIEW OF THE EVIDENCE AND EVENTS SUPPORTING THE PURPOSE, INTENT AND SYSTEMATIC EXECUTION OF THE GOFI-LED PLAN TO TRANSFER THE OWNERSHIP AND MANAGEMENT OF PDI TO MLD THEREBY ENRICHING GOFI'S EQUITY POSITION IN PDI'S ASSETS AND INCREASING THE GOFI CLASS A SHARE NET ASSET VALUE

SECTION VII: EVENTS TRANSPIRING FROM THE EXECUTION OF THE MLD AGREEMENT ON JUNE 30, 2015 AND THE INTERIM RECEIVERSHIP ORDER OF DECEMBER 3, 2015

SECTION VIII: EVENTS DURING THE INTERIM PDI RECEIVERSHIP AND LEADING UP TO THE FULL RECEIVERSHIP OF PDI ON FEBRUARY 26, 2016

SECTION IX: EVENTS FOLLOWING THE APPOINTMENT OF FTI CONSULTING AS THE RECEIVER OVER ALL OF PDI'S ASSETS AND LEADING UP TO THE AUGUST 22, 2015 COURT APPLICATION BY FTI TO APPROVE THE SALE OF ALL OF PDI'S ASSETS TO MLD

SECTION X: SUMMARY OF GOFI'S INVESTMENTS IN PDI AND MLD, GOFI'S VALUATIONS OF PDI AND MLD FROM FEBRUARY 28 2015 (PRIOR TO THE MLD AGREEMENT AND RECEIVERSHIP OF PDI) TO FEBRUARY 28, 2016 (AFTER PDI RECEIVERSHIP)

29. In the interest of time, the evidence presented herein, albeit extensive, is only a sampling of the evidence that has been compiled regarding this matter.

SECTION II: BACKGROUND ON THE PDI FINANCIAL CRISIS OF SEPTEMBER 2014 AND EVENTS LEADING UP TO THE SIGNING OF THE DECEMBER 12 2014 LOAN AGREEMENT BETWEEN GOFI AND YBCI

30. The PDI unanimous shareholders agreement restricts the actions of the corporation. Most material transactions entered into by PDI requires “the approval of at least three quarters of votes cast by the directors at a duly convened meeting”. Accordingly, a group of 4 directors who chose to collude with one another and vote “no” could prevent PDI from issuing any securities or issuing any debt security.

31. The incorporation of this super-majority rule was a condition imposed upon PDI by GOFI, Victoria Park Capital (now the Crown Investment Corporation (CIC)), and the Dynex/Tancho group of investors (collectively, the “Institutional Investors”) as a condition of their investment in PDI in July, 2007.

32. When I agreed to this provision, I did not contemplate that it created the possibility of a group of shareholders forming a blocking veto and I naively assumed that director fiduciary responsibility obligations (described above) would prevent any overtly anti-PDI behavior. As described below, my assumption was obviously false.

33. Peter Blaney is an authorized representative of Dynex Capital Limited Partnership, Tancho Capital 1 Limited Partnership, Tancho Capital3 Limited Partnership (collectively, Dynex/Tancho), and Induran Ventures 1 Limited Partnership.

34. From July 9, 2012, to June 30, 2015, the Dynex/Tancho/Induran group of shareholders had the right to have four directors elected to the PDI BOD. Therefore, if the directors representing this group of shareholders were to collude with one another and vote as a “block”, they had the power to veto all finance-related activities requiring PDI board approval.

35. In August 2014, the PDI BOD was informed that PDI would run out of cash by the end of September 2014 and that additional financing was required before then or PDI would be forced to file for bankruptcy.

36. In the days leading up to, and at the August 6, 2014, PDI BOD meeting, Peter Blaney actively advocated for the PDI BOD to seek Receivership of PDI so that his shareholders could exit their investment from PDI. He openly stated that his duty as a PDI director was to look out for the best interests of his shareholders, not PDI. Despite attempts to correct the falsity of this statement, he continued to act and advocate for his shareholders and not for PDI.

37. On August 6, 2014, the PDI BOD approved a strategic plan (**EXHIBIT R**) in which PDI would:

- a. Develop an executive summary regarding the company's diagnostic assets and market such assets with the intent of executing an asset transaction or Initial Public Offering before September 2015.
- b. Raise sufficient capital to finance the operations of PDI during the sale process.

38. From August 6 to August 27, 2014, PDI management prepared and solicited investor interest of up to \$4,000,000 in PDI via a standard convertible debenture instrument (**EXHIBIT S**).

39. On August 25, 2014 Peter Blaney presented to management an alternative term sheet that he wanted management to include in the board package for discussion and approval (**EXHIBIT T**).

40. On August 27, 2014 the PDI BOD was provided with materials relating to the discussion and approval of financing term sheets needed for the continued operation of PDI. Two term sheets were presented to the PDI BOD. PDI legal counsel reviewed both term sheets and provided comments relating to each term sheet for the BOD to review (**EXHIBIT U**).

41. In an email dated August 28, 2014, from Peter Blaney to Craig Bell, Peter Blaney informed Craig Bell that his directors were colluding with one another. Craig Bell is the COO of PIC Investment Group Inc. (PIC), reporting to Greg Yuel. Greg Yuel is the President/CEO of PIC. PIC is a PDI shareholder. Peter Blaney stated:

"I work with 3 other directors at the PDI Board. We will vote no on their term sheet. With those votes their term sheet will not pass" (**EXHIBIT V**).

42. On August 29, 2014, a PDI board meeting was held in which the BOD was informed that unless immediate financing was made available, PDI would not be able to meet its payroll obligations at the end of September 2014. PDI management presented a term sheet for a simple \$4,000,000.00 convertible debenture instrument that was acceptable to over 70% of PDI common shareholders and six of the ten PDI directors and which management had already solicited support for full participation. The directors representing Dynex Capital, Tancho I, and Induran (Peter Blaney, Barry Markowsky, Stan Stewart, Amar Bhalla) refused to support any term sheet that did not provide for a liquidation preference for their class A shares over other class A shareholders. The resolution failed to reach the required 75% threshold and was defeated (**EXHIBIT W**). These directors wanted PDI to create a liquidation preference for their shareholders even though they openly admitted that they had no intention of participating in any additional financing round. They were using their veto to force PDI to create and approve a term sheet that would negatively alter certain shareholders' rights under the unanimous shareholders agreement in exchange for their approval of a financing term sheet for PDI. In order to orchestrate what Peter Blaney, Barry Markowsky, Stan Stewart, and Amar Bhalla were demanding, the following would have to occur:

- a. The PDI BOD would have to knowingly and willingly break their fiduciary responsibilities by approving a term sheet that was openly intended to benefit one group of shareholders over another group of shareholders. No benefit to PDI was being offered by these shareholders other than their agreement to direct their BOD appointees to vote yes on a PDI financing round.
- b. The PDI BOD would then direct PDI management to approach the PDI shareholders negatively affected by the term sheet and coerce them into voluntarily agreeing to an amendment to the unanimous shareholders agreement that would describe how some class A shares would be paid \$70.00, some \$54.84, some \$22.90, some \$20.00, some \$15.26, some \$13.17, some \$11.68, and some \$0.01, regardless of when the shares were issued.
- c. All of these shareholders would have to sign an agreement to not file a shareholder oppression lawsuit against PDI or any of the BOD members and PDI would need to indemnify Dynex Capital, Tancho I and Tancho 3, that it actually had the authority to execute such a deal.
- d. Once all of this was done, then Peter Blaney, Barry Markowsky, Stan Stewart, and Amar Bhalla would "yes" on a PDI financing term sheet.

43. To address the impending insolvency crisis, I called an emergency BOD meeting on September 5, 2014. At this BOD meeting I offered (via YBCI) to loan PDI up to \$2,000,000.00 via an unsecured loan instrument so PDI could continue to try to negotiate a term sheet that Peter Blaney would approve. This resolution was approved by the BOD and a final agreement between the parties was executed on September 15, 2014, and YBCI began advancing funds to PDI on September 23, 2014 (**EXHIBIT X**).

44. YBCI did not collect any management fees from PDI for the months of October, November, or December 2014. These fees remain unpaid.

45. YBCI has not collected any licensing fees from PDI for 2014, 2015, or 2016. These fees also remain unpaid.

46. To meet the working capital requirements of PDI, I began liquidating my personal assets. First, I sold the certified seed and commodity inventory of GFL at current market prices, which represented a significant discount over the value of these assets compared to what they were worth if they were sold as part of the 2015 seeding season. I also exhausted all of my cash reserves. From these activities, YBCI advanced \$420,000.00 to PDI up to the end of November 2014. I also listed all of the farmland owned by GFL for sale.

47. In a letter correspondence from Peter Blaney on November 3, 2014 (**EXHIBIT Y**), Peter Blaney asserted: "it is irresponsible to carry on absent a clearly identified source of funding to meet future obligations" and "For your information, no apparent progress has been made on reconciling the differences between the parties for the proposed \$4,000,000 raise and we must therefore assume that, currently, PDI may not have sufficient resources to meet its ongoing obligations." Peter Blaney was intent on forcing PDI into bankruptcy by blocking reasonable term sheets and presenting unreasonable ones.

48. On November 6 2014 Doug Banzet publically responded to Peter Blaney's letter to the PDI BOD. In said response, Doug Banzet states:

"The concern raised by in the Dynex memo regarding PDI's ability to operate as a going concern is very valid. If the impasse respecting any capital raise continues, bankruptcy will be a reality. I personally find it very difficult to comprehend any situation where forcing PDI into bankruptcy is more beneficial to the corporation, its shareholders, employees and other stakeholders when other options are available, particularly given that bankruptcy is usually a worst case scenario for shareholders, whom many of the directors represent. I can't stress enough that, as directors, we need to act in the best interests of PDI and its constituents when considering the current term sheet, particularly in light of PDI's grim financial situation." (**EXHIBIT Z**),

These publically stated positions of Doug Banzet regarding the responsibility of PDI directors to act in the best interests of PDI and Doug Banzet's acknowledgement and support of the position that avoiding bankruptcy when other options were available were significant factors in my approaching and subsequently accepting the loan conditions from GOFI described below. However, Doug Banzet's actual actions were anything but responsible or in PDI's best interests.

49. By the end of November 2014, a term sheet suitable to Peter Blaney and the other PDI shareholders still had not been negotiated. To continue to fund PDI, I then sold most of GFL's farm equipment at auction. I obtained \$124,907.40 on equipment that was worth over \$300,000 if sold privately.

50. At the end of November 2014, the cash position of PDI was such that PDI would not be able to meet payroll at the end of December 2014. In addition, it became apparent that the farmland would not sell in time to provide the liquidity that I needed to prevent Peter Blaney, Barry Markowsky, Stan Stewart, and Amar Bhalla from successfully forcing PDI into bankruptcy in December 2014.

51. On November 20, 2014, I approached Doug Banzet regarding the possibility that GOFI would loan YBCI \$700,000.00 in bridge financing until the GFL farmland sold. With over \$1,500,000 in equity remaining in the farmland, the proposed financing was fully secured. Despite the full security being offered, Doug Banzet wanted a 36% interest rate (compounded monthly) and also a security interest against YBCI's License. At 11:21AM on November 27, 2014, I sent Doug Banzet an email in which I contest the high interest rate:

"I was also looking at the convertible debenture that GOF did for the FTMS and that is at 11% and convertible at 63/share. Considering that the security that YBCI is offering is significantly better than a depreciable instrument, I am wondering why YBCI should not be given similar terms? In fact, considering that the license fee is 100K/year, this is sufficient to pay the interest. Further since the money is being used to secure both YBCI and GOF class A/B share value, I am at a loss to understand the justification of the 36% interest rate." (EXHIBIT AA).

52. Despite my attempt to negotiate industry standard terms for the GOFI loan to YBCI, Doug Banzet would only agree to loan YBCI money under the following terms:

- a. Demand loan (i.e. 10 day notice).
- b. \$1,000,000 in principal, not \$700,000.
- c. 36% annual interest, compounded monthly.
- d. Secured by a mortgage on all GFL property.
- e. Secured by YBCI's non-targeted metabolic profiling patent and license to PDI.
- f. Secured by all present and after acquired property of YBCI.
- g. YBCI covenants to not loan any additional monies to PDI without GOFI's written consent.

53. I had finally decided that these terms were too much and I sent an email to Doug Banzet later on December 12, 2014, stating:

"Doug, I cannot sign these documents as they are not even remotely close to what we had discussed" (EXHIBIT AA).

54. Shortly after receiving this email, Doug Banzet telephoned me and asked me to call him back regarding my email. When I called him back later that day, Doug Banzet told me that the only reason that he needed all of the security documents was so that he could get the GOFI board to approve the loan. He gave me his personal assurance, his "word", that the only way that GOFI would call its loan on YBCI is if YBCI called its loan on PDI and that GOFI's intentions were aligned with YBCI in regards to preventing a PDI bankruptcy and working toward normalization of PDI's financial situation such that a sale of some or all of PDI's assets or the advancement of PDI to an IPO could occur without duress. Based upon Doug Banzet's personal assurance and knowing that PDI would be forced into bankruptcy if I did not sign the documents, I agreed to sign the documents.

55. In November 2014 and at the same time that I was negotiating with Doug Banzet the terms under which GOFI would loan money to YBCI, which would then be loaned to PDI, Doug Banzet was actively conspiring with Peter Blaney and John Hyshka (PDI's CFO) on how to structure a PDI financing

deal that would selectively enrich GOFI, Dynex/Tancho, Concorde, and PIC and cheat YBCI out of its financial return upon a sale of PDI assets.

56. On November 24, 2014, Doug Banzet sent John Hyshka an email in which Doug Banzet proposed a distribution plan that was blatantly prejudicial to YBCI that YBCI would have to agree to as part of a proposed debenture investment in PDI. In the example given by Doug Banzet in his email, a sale of PDI's assets that would have resulted in net proceeds to PDI of \$61,600,000.00, GOFI and the other MLD shareholders would receive \$70.00/share and YBCI would receive \$0.00/share. Since YBCI owned 47.5% of PDI's common shares, this example of how the scheme would work contemplated stealing from YBCI, YBCI's rightful return of \$29,260,000.00 and redistributing it to other PDI shareholders (**EXHIBIT AB**)

57. On November 25, 2014, John Hyshka replied to Doug Banzet and expressed his willingness to support the scheme as long as he was personally compensated. John Hyshka stated:

"Doug, For me to look at this as an option, I would still need money from the sale of assets upfront. I would also need a revamping of my overall compensation." (**EXHIBIT AC**)

58. In addition John Hyshka's email records indicate that he had several teleconference and in person meetings during this time with Doug Banzet, L. David Dube, Craig Bell, and Peter Blaney.

59. L. David Dube is the President of Concorde Centers Inc. (Concorde), a PDI shareholder, and is the primary PDI contact person and signatory of the PDI USA.

60. In addition to being direct shareholders in PDI, it is my understanding that L. David Dube (via Concorde) and Greg Yuel/Craig Bell (via PIC) are also indirect shareholders in PDI as investors in Dynex/Tancho.

61. At 11:24 AM on November 27, 2014, Doug Banzet sent an email to Peter Blaney, in which he reiterated the scheme that he had presented to John Hyshka on November 24, 2014. Doug Banzet stated:

"In confidence while we are all playing hardball especially with Dayan to exclude any cash return to him in the event of a sale in my opinion he is better off letting the company go bankrupt. His unsecured note gets paid, then the preferred and finally any remaining funds for shareholders he would get 50%. Yol would get back its technology platform which is what drives the discovery and test methodology, etc. We are playing a dangerous game where if we push too hard we lose big and he still has a rose just not a dozen."

He then suggests that Peter Blaney negotiate a deal in which:

"My suggestion is to go back and approve management's last proposed term sheet but negotiate that in the event of a sale after taxes, debt, and repayment of preferred the liquidation be 20% management (they now own 60%) and the 80% paid to the remaining shareholders based upon number of shares held. Once every non management shareholder receives \$70 the highest cost base of this group then any excess amount would be paid to all on total shares outstanding." (**EXHIBIT AD**)

Such an agreement would be blatantly prejudicial to YBCI, which is a management shareholder. Doug Banzet forwarded this email to John Hyshka at 2:22 PM the same day stating:

"Fyi. Peter has responded positively with respect to the 20/80 scenario below on the liquidation issue. You should contact him ." (**EXHIBIT AE**)

Then, a few minutes later, at 2:41PM on November 27, 2014, Doug Banzet sent another email to Peter Blaney in which he states:

"We're friends again that's good. We all have one common goal and that is to make money and effect a timely exit. Talk to John and he'll work with you to paper something and subsequently bring me and the audit and finance committee back into the discussion on the finer points" (**EXHIBIT AF**).

62. PDI's Audit and Finance Committee was comprised of John Hyshka, Peter Blaney, Doug Banzet, and Cindy Ogilvie. Doug Banzet was the chairman. Accordingly, Doug Banzet and Peter Blaney have timely and intimate knowledge of PDI's financial affairs. I am not a member of this committee.

63. Cindy Ogilvie is the Executive Director, Performance Management and Financial Analysis at Crown Investments Corporation (CIC). CIC is a PDI shareholder and Cindy Ogilvie has been a director of PDI since September 30, 2013.

64. It was also clear that Doug Banzet and John Hyshka were in active discussions with L. David Dube/Concorde and Craig Bell/Greg Yuel/PIC in November 2014 regarding PDI financing options that included a preferential exit mechanism for selected PDI shareholders, indicating that a close relationship existed between GOFI, Concorde, and PIC long before the creation of the limited partnership called Med-Life Discoveries LLP comprised of these three PDI shareholders which is described in greater detail below. On November 18, 2014 Doug Banzet sent me and John Hyshka an email in which Doug Banzet stated:

"I spoke with David late this afternoon. It was a very good conversation. He hasn't backed out. He has spoken with Peter and I explained difficulty with his preferred exit for his group and buyout of remaining ownership etc. He was away and he and Bell haven't been able to touch base so far this week. He is going to call John tomorrow." (**EXHIBIT AG**)

65. Had I known that Doug Banzet's public espousing of director responsibilities to the PDI BOD was an intentional lie designed to gain my trust and that Doug Banzet/GOFI did not enter into the GOFI-YBCI loan agreement in good faith and lied to me on December 12, 2014 regarding his intentions, I would not have entered into the GOFI-YBCI loan agreement and would have allowed PDI to go bankrupt in December, 2014. Doug Banzet fraudulently misrepresented to me his intentions and I entered into the GOFI-YBCI loan based upon those representations.

SECTION III: EVENTS LEADING UP TO THE SIGNING OF THE JUNE 30, 2015 AGREEMENT BETWEEN PDI AND MED-LIFE DISCOVERIES

66. Despite PDI's ability to raise debt and/or equity financing to further the development and sale of its assets, in a letter dated January 15, 2015, Peter Blaney continued to advocate for the appointment of a Receiver over PDI's assets citing as one of the reasons is the failure of management to: 1. negotiate an acceptable term sheet (which he was blocking), and 2. Create a game plan for a sale of assets and a liquidation event. He stated, "If PDI management and the board cannot rectify these matters in the near term the board should consider appointing a trustee to, secure interim financing for PDI, maintain PDI as a going concern, and conduct an orderly and competitive sale of the assets of the company, as this is in the best interests of the shareholders, management, creditors and other stakeholders of the company" (**EXHIBIT AH**).

67. On May 25, 2015, the PDI BOD was provided with materials relating to business to be transacted at the May 28, 2015, BOD meeting. The BOD was informed that unless immediate financing was made available that PDI would not be able to meet its payroll obligations at the end of June 2015. PDI management presented a term sheet for a \$5,000,000.00 convertible debenture to the PDI BOD for approval (**EXHIBIT AI**).

68. On May 27, 2015, Peter Blaney sent an alternative deal proposal to PDI management that required that PDI convert the Dynex/Tancho common shares in PDI to a special preferred class of shares with a minimum \$120/share buyout. This was more than four times the value of the current share price offering under consideration and would create a \$60,000,000 liability for PDI that a potential buyer would have to pay out (**EXHIBIT AJ**). The average price per share that the Dynex/Tancho group of shareholders paid for their shares in PDI was \$24.83.

69. On May 28, 2015, a PDI board meeting was held in which the directors representing Dynex Capital, Tancho I, and Induran (Peter Blaney, Barry Markowsky, Stan Stewart, Amar Bhalla) colluded to vote "no" on the PDI term sheet. The resolution failed to reach the required 75% threshold and was defeated (**EXHIBIT AK**).

70. On June 9, 2015, Doug Banzet presented to PDI, on behalf of GOFI, a letter agreement in which GOFI (or its nominee) offered to purchase two gross revenue interests arising from each of two asset packages from PDI for \$10,000,000.00. One of the revenue interests would entitle GOFI (or its nominee) to a 50% gross revenue interest in PDI's lead drug candidate for the treatment of a rare genetic disease of children called rhizomelic chondrodysplasia punctata (RCDP). The second revenue interest would entitle GOFI (or its designate) to an escalating gross revenue interest (starting at 25% up to a maximum of 50%) in PDI's risk assessment tests for colorectal cancer, pancreatic cancer, ovarian cancer, and Alzheimer's disease (**EXHIBIT AL**).

71. On June 12, 2015, a PDI board meeting was held to discuss the proposed letter agreement. Doug Banzet informed the board that the letter agreement was not negotiable and that it must be accepted as presented. Barry Markowsky, Stan Stewart, and Amar Bhalla voted "yes" on June 12, 2015, to approve the letter agreement. Peter Blaney verbally supported the agreement at the meeting, but abstained from voting. The letter agreement was approved by the PDI BOD as presented by GOFI with no modifications. Doug Banzet and Peter Blaney abstained (**EXHIBIT AM**).

72. The term sheet presented to the board on May 28, 2015, contemplated the maximum issuance of 196,875 Class A shares for an investment of \$5,000,000.00. All PDI shareholders would have the right to invest at least their pro rata share percentage, so no shareholder could be forcibly diluted. If the Dynex/Tancho group of shareholders chose to invest \$0.00 in the proposed May 28, 2015, offering, their shareholdings in PDI would decrease from 25.2% to 22.8%, which would have represented a 9.5% dilution of their shareholdings. This was unacceptable to Peter Blaney, Barry Markowsky, Stan Stewart, and Amar Bhalla. However, the GOFI letter agreement, which represented a 50% dilution of PDI's lead therapeutic asset in RCDP and at least a 25% dilution of PDI's lead diagnostic assets, was acceptable to these directors only 15 days later.

73. GOFI and Dynex/Tancho, and the PDI BOD were fully aware of the value of the assets described in the GOFI letter agreement as PDI was actively engaged in seeking either a co-development partner or a purchaser of these assets. Meetings were held in which both Doug Banzet (GOFI) and Barry Markowsky (Dynex/Tancho) were given updates on a regular basis.

74. On June 26, 2015, Seth Yakatan of Katan and Associates, a PDI BOD member and the president of the consulting company engaged by PDI to sell the rare disease asset, provided PDI with an updated valuation of the PPI-1040 program (PDI's lead drug candidate for RCDP). The total value of the anticipated product was \$327,000,000. Seth Yakatan states, "This is a very "fair" deal I think we could even ask for more" (**EXHIBIT K**).

75. In addition, the value of PDI's therapeutic and diagnostic assets were valued by PriceWaterhouseCoopers (PWC) in June, 2015, to be over \$100,000,000 (**EXHIBIT J**).

76. After the approval of the GOFI letter agreement by the PDI BOD on June 12, 2015, GOFI notified PDI that the GOFI nominee was Med-Life Discoveries Inc. (MLD). The final agreement was executed on June 30, 2015 (**EXHIBIT N**).

77. MLD is a third party entity comprised of three PDI shareholders: GOFI, Concorde, and PIC. In contrast to the May 28, 2015 term sheet which was open to all PDI shareholders, only GOFI, Concorde, and PIC were invited to participate in the GOFI-led letter agreement.

78. The total cash and equity investments of GOFI, Concorde, and PIC in PDI and MLD are as follows:

Investor	Investment (\$)		Equity (%)	
	PDI	MLD	PDI	MLD
GOFI	\$3,588,818.16	\$5,000,000.00	9.62	50.0
Concorde	\$210,000.00	\$2,500,000.00	0.16	25.0
PIC	\$250,400.00	\$2,500,000.00	0.19	25.0

79. Concorde and PIC are investors in Dynex/Tancho (the group that voted against the May 28, 2015, financing) and they are also key investors in MLD. Considering the close relationships between the parties as described in various sections of this affidavit, it is my belief that the blockade of the May 28, 2015, financing followed by the approval of the MLD deal 15 days later at the June 12, 2015, board meeting was a coordinated set of events between Peter Blaney, Barry Markowsky, Stan Stewart, Amar Bhalla (Dynex/Tancho); L. David Dube (Concorde); Greg Yuel/Craig Bell (PIC); Doug Banzet (GOFI); and John Hyshka (PDI).

80. The structure and design of the MLD agreement is consistent with Doug Banzet's and Peter Blaney's previously stated desire to exclude any cash payment to YBCI in the event of a sale (**EXHIBIT AD**) in that GOFI and key investors in Dynex/Tancho (Concorde, PIC) would receive a guaranteed percentage of any sale separate from and in addition to their shareholdings in PDI. Although GOFI, Concorde, and PIC are shareholders in both MLD and PDI, MLD is not a shareholder in PDI.

81. On June 22, 2015, YBCI advanced to PDI an additional \$300,000.00 to ensure that PDI met its payroll obligations at the end of June 2015. Pursuant to the covenant granted by YBCI to GOFI, that YBCI would not advance any additional funds to PDI without GOFI's written consent. I requested this consent on June 8, 2016 and Doug Banzet responded with a simple email stating, "OK" later that day, indicating that Doug Banzet had the authority to execute GOFI's consent. Prior to signing the MLD agreement, getting GOFI's consent for YBCI to advance capital to PDI was not a problem (**EXHIBIT AN**).

82. During the time that Doug Banzet and John Hyshka were designing the GOFI letter agreement offer, Doug Banzet sent John Hyshka and me an email on June 5, 2015, in which, Doug Banzet stated:

"The offer I'm working today on does not contain Board seat rights for GOF Nominee. What I need at this time is verbal agreement from Dayan and you that upon closing GOF Nominee (the buyer of some of PDI assets) will have a permanent "named" Board seat. This would in theory replace the Induran spot. To do this it requires 75% board approval which should be attainable immediately after Induran nominee steps down after the preferred shares are repaid in full. I don't want to cloud the offer by bring in a discussion on the USA, etc. at this time. The other request is that for one of Dayan's nominees the GOF Nominee would have the right to give Dayan a list from which he can choose a director who will occupy one of the 6 seats Dayan has the right to nominate.

The other condition that is not contemplated to be written in the offer at this time is monthly monitoring and pre-approval of revenue/expenses. We are looking to pre-approved anticipated going forward monthly expenses. I just need your verbal agreement that GOF Nominee will be able to monitor the cash burn and also have the ability to veto expenses if not deemed necessary to reach a liquidity event. I realize this can be monitored and anticipated expenses approved by the audit and finance committee which committee we are prepared to default to. To date there has been little or no details nor pre-approval on expenses incurred and the purpose of such expenses." (EXHIBIT AO)

83. I responded to Doug Banzet's email on June 5, 2015, as follows:

"Hi Doug, First of all, I fully appreciate your efforts to orchestrate a solution to our current crisis. I have the following comments and suggestions for us to discuss:

1. First of all this is not an equity deal, this is an asset license, so we need to be careful of how we approach BOD issues. This asset license (as I understand it from John) is 50% dilutive of the orphan drug and 25% dilutive of the diagnostic portfolio. Even though your intent is to help PDI, technically, GOF is buying a distressed asset at a highly discounted price.
2. The "sell" to the current shareholders is that their diluted portion of a viable company is worth more than their undiluted portion of a company in Receivership and that Receivership is reasonably unavoidable at this time without this deal.
3. I agree that nothing in the term sheet should affect the USA. We can deal with the USA after the preferred are paid out.
4. The asset sale/license should be strictly separated from PDI board activities to prevent future liabilities for GOF due to the disproportionate benefit GOF gets from the asset sale due to its license.
5. I STRONGLY recommend that immediately following the retirement of the preferred shares that we (YBCI, John, GOF) use our shareholder super-majority to permanently re-constitute the board to reflect current shareholdings to prevent minority shareholder vetoes at the board level as follows:
 - a. GOF – 2
 - b. Dynex – 1
 - c. Tancho -1
 - d. JH – 1
 - e. YBCI – 5
 - f. CIC – 1
6. We should also reduce the super majority of directors to 60% from 75%.
7. In terms of monitoring expenses going forward, this is fundamentally a responsibility of the board. I do not think that you want a direct link here. I do not think that you will encounter any resistance at the board level after we reconstitute it to have appropriate spending controls that are presented as a benefit to all shareholders.

8. The other thing missing from this discussion is management incentives.

These are my initial thoughts. Dayan" (EXHIBIT AP)

Doug Banzet responded later that day, stating, "See comments in RED below." Those comments are:

Hi Doug,

First of all, I fully appreciate your efforts to orchestrate a solution to our current crisis. I have the following comments and suggestions for us to discuss:

1. First of all this is not an equity deal, this is an asset license, so we need to be careful of how we approach BOD issues. This asset license (as I understand it from John) is 50% dilutive of the orphan drug and 25% dilutive of the diagnostic portfolio. Even though your intent is to help PDI, technically, GOF is buying a distressed asset at a highly discounted price. **AGREED**
2. The "sell" to the current shareholders is that their diluted portion of a viable company is worth more than their undiluted portion of a company in receivership and that receivership is reasonably unavoidable at this time without this deal. **AGREED**
3. I agree that nothing in the term sheet should affect the USA. We can deal with the USA after the preferred are paid out. **AGREED**
4. The asset sale/license should be strictly separated from PDI board activities to prevent future liabilities for GOF due to the disproportionate benefit GOF gets from the asset sale due to its license. **AGREED**
5. I STRONGLY recommend that immediately following the retirement of the preferred shares that we (YBCI, John, GOF) use our shareholder super-majority to permanently re-constitute the board to reflect current shareholdings to prevent minority shareholder vetoes at the board level as follows: **AGREE to reconstituted board.**
 - a. GOF – 2
 - b. Dynex – 1
 - c. Tancho -1
 - d. JH – 1
 - e. YBCI – 5
 - f. CIC – 1
6. We should also reduce the super majority of directors to 60% from 75%. **MAYBE.**
7. In terms of monitoring expenses going forward, this is fundamentally a responsibility of the board. I do not think that you want a direct link here. I do not think that you will encounter any resistance at the board level after we reconstitute it to have appropriate spending controls that are presented as a benefit to all shareholders. **Audit and Finance Committee, OK**
8. The other thing missing from this discussion is management incentives. **Compensation Committee and Board re future upside if exits successful.**

(EXHIBIT AQ)

84. According to Doug Banzet's June 5, 2015 email, which was prior to my support of and the subsequent PDI BOD approval of the GOFI June 9, 2015 offer, Doug Banzet continued to express to me his intent to act in the best interests of PDI including:

- a. To avoid a PDI bankruptcy and support PDI financing options that maintain PDI as a going concern;

- b. To avoid PDI conflict of interest issues by agreeing to keep all issues related to the proposed asset license strictly separate from PDI activities;
- c. To work with YBCI to normalize PDI BOD operations and governance to prevent future veto situations from a minority group of self-interested shareholders like Dynex/Tancho.

85. GOFI presented their letter agreement to PDI as a potential solution to the "current crisis" that PDI was in. The crisis that I was referring to in my email was the BOD veto that was being used by the Tancho/Dynex shareholders to block all PDI's efforts to secure financing and to their use of this veto to extort preferential terms for their shareholders over other PDI shareholders and the upcoming maturation of the 2012 Preferred share offering on July 9, 2015. The basic terms of the 2012 Preferred offering were:

- a. \$80.00 share price, with a 25% dividend, compounded annually, with a three year term. Shares are not convertible.
- b. While the Preferred shares were outstanding, YBCI had agreed to give Induran (Peter Blaney) one of its board appointments. It was this appointment that gave Dynex/Tancho enough BOD members to have a veto over PDI BOD resolutions.
- c. If not paid out by the deadline of July 9, 2015, then:
 - i. Each preferred shareholder would receive 2 class A share warrants for each preferred share;
 - ii. The PDI board would be reconstituted and a three member liquidation committee formed comprised of YBCI, Induran, and GOFI with the mandate to sell all or a portion the assets of PDI sufficient to retire the preferred share obligation.

86. As can be seen from the above, the primary intent of the MLD agreement, as it was represented to me by Doug Banzet/GOFI was to:

- a. Remove the Dynex/Tancho BOD veto by retiring the Induran investment which would result in the Induran BOD appointee returning to YBCI;
- b. Prevent the formation of the liquidation committee, which was essentially an internal PDI Receivership;
- c. Reconstitute the BOD and establish proper board governance;
- d. Secure financing to advance the PDI assets to an industry sale or IPO.

87. As of June 30, 2015, PDI's Preferred share payout obligation was \$8,708,205. The total number of warrants that would get issued if the Preferred shares were not retired was 114,610, which would be about 5.7% of the total outstanding shares in PDI. The principals of MLD stood to only have modest gains if the warrants were executed versus what they stood to gain by the MLD deal. The payout and warrant breakdown is as follows:

Shareholder	Shares Purchased	Total Investment	June 30, 2015 Payout	Preferred Share Class A Warrants	Class A Holdings at June 30, 2015	Class A Holdings at June 30, 2015	PDI Holdings at June 30, 2015 (%)	Total PDI Holdings if Warrants Exercised
GOF	18,750	\$1,500,000	\$ 2,915,240	37,500	93,444	90,099	9.62	10.93
Concorde Centres	9,375	\$ 750,000	\$ 1,457,620	18,750	3,000	0	0.17	1.08
PIC Investment Group	1,250	\$ 100,000	\$ 194,349	2,500	3,572	0	0.19	0.30
MLD Total	29,375	\$2,350,000	\$ 4,567,209	58,750	100,016	90,099	9.98	12.31
Other Total	27,930	\$2,234,400	\$ 4,140,996	55,860	1,642,313	74,917	90.02	87.69
All Total	57,305	\$4,584,400	\$ 8,708,205	114,610	1,742,329	165,016	100.00	94.33

88. Eighty-seven (87) percent of the proceeds realized by PDI from signing the MLD agreement were used to retire the preferred shares. Of these proceeds, \$4,567,208.90 was paid back to the principals of MLD, meaning that the \$10,000,000 MLD deal only cost the MLD principals \$5,432,791.10.

89. Despite a clear understanding that the MLD deal was made under duress and that GOFI, Concorde, and PIC were getting a sweetheart of a deal that PDI would not otherwise agree to, I supported the MLD agreement based upon Doug Banzet's continued representations to me that he would work with YBCI in the best interests of PDI to reconstitute the BOD and secure additional financing for PDI to ensure that PDI could more aggressively seek a sale of assets or IPO that would benefit all PDI shareholders.

SECTION IV: EVENTS SUBSEQUENT TO THE SIGNING OF THE JUNE 30, 2015 AGREEMENT BETWEEN PDI AND MLD RELATING TO GOFI'S MALICIOUS APPLICATION OF THE PROVISIONS CONTAINED WITHIN THE YBCI-GOFI LOAN AGREEMENT AND ATTEMPTS TO EXTORT FROM YBCI YBCI'S AGREEMENT TO SUPPORT AN AMENDMENT TO THE MLD AGREEMENT

90. Immediately following the signing of the MLD agreement, Doug Banzet ceased to act in the best interest of PDI and began to use his position as a director of PDI to act entirely for GOFI's self-interest in MLD, which is a third-party entity to PDI and not a shareholder in PDI.

91. Doug Banzet used his position as a director in PDI to obtain confidential PDI research reports, provided this information to MLD, and then used this confidential research information to attempt to amend the MLD agreement in a manner that would enrich MLD to the detriment of PDI:

- a. On September 11, 2015 GOFI sent a request to PDI "Could you please forward the full reports on the studies completed by Dr. Nancy Braverman that relate to the treatment of RCDP? Our auditors are pressuring us and require these reports to support our valuation of our investments in PDI and Med-Life." PDI provided GOFI with a report titled, "PDI's Strategic Development Plan – Rare Disease Therapeutic Opportunity: Treatment of RCDP and Related Peroxisomal Disorders" which was dated July 28, 2015, almost a month after the signing of the MLD agreement.
- b. On September 21, 2015, Doug Banzet submitted to PDI a proposed amendment to the MLD agreement in which MLD was requesting that revenue interest #1 be expanded to include all revenues in any way resulting from or generated by the assets described in the confidential

July 28, 2015 research document that PDI provided to GOFI. PDI is under no obligation to provide research reports to MLD as part of the contract. This was an overt breach of confidentiality by GOFI. GOFI was clearly not keeping MLD and PDI separate from one another.

- c. Notwithstanding the fact that MLD had no right to even have this document, the assets described in this document include:
 - i. PPI-1011 and its intended use in Alzheimer's and Parkinson's, including preclinical data of PPI-1011 protecting mice from the Parkinson's creating toxin, MPTP and its ability to reduce L-DOPA induced dyskinesias in Parkinsonian monkeys.
 - ii. The PPI-1011/1025/1017 cocktail and its intended use in multiple sclerosis and the ability of this cocktail to protect mice from the MS-creating toxin, cuprizone.
 - iii. All of the patents pertaining to these molecules.
- d. None of these assets were contemplated as part of the original contract. No additional compensation to PDI for these assets was offered (**EXHIBIT AR**).

92. At the September 24, 2015, BOD meeting, I provided the BOD with a thorough report on the proposed MLD amendment (**EXHIBIT AS**) and as a result of this report, the amendment proposed by GOFI was not approved by the PDI BOD.

93. At the September 24, 2015, BOD meeting, I also offered to increase the lending limit of the YBCI loan to PDI from \$2,000,000 to \$4,000,000 to give PDI enough time to finalize the next round of financing. Doug Banzet moved to have the proposed lending limit increase approved and the increased lending limit was unanimously approved by the PDI BOD, with me abstaining. However, immediately after the BOD meeting, Doug Banzet blocked YBCI from advancing additional working capital to PDI by withholding GOFI's consent to allow YBCI to advance additional funds to PDI as required in the YBCI-GOFI loan agreement. This clearly was not in the best interests of PDI and was directly contradictory to the wishes of the PDI BOD.

94. Doug Banzet then attempted to extort from me my support and approval of his MLD amendment. Doug Banzet told me that he/GOFI would not consent to YBCI advancing additional working capital to PDI unless I agreed to use my position as CEO of PDI to support the MLD contract amendment with PDI. In an email sent to me on September 25, 2015, Doug Banzet stated, "I look forward to PDI's counter offer to the Med-Life amending agreement that satisfies all parties. This will be important as I will need a satisfactory resolution of this matter in order to get GOFI's approval of the YBCI increased loan to PDI" (**EXHIBIT AT**) and in an email sent to me on October 24, 2015, "...on which further loan advances to PDI from YBCI would be approved by GOFI which includes a satisfactory resolution with Med-Life" (**EXHIBIT AU**).

95. The December 12, 2014, GOFI loan to YBCI was 100% secured by hard assets (i.e. farmland) unrelated to PDI and this was a third-party agreement between YBCI and GOFI. PDI was not a party to the GOFI-YBCI loan and YBCI was not a party to the PDI-MLD agreement. The GOFI-YBCI loan gave GOFI priority on any money that YBCI receives from PDI, so YBCI loaning additional money to PDI would not prejudice GOFI in any way. Furthermore, at no time did GOFI indicate to YBCI that it felt that its security in the YBCI-GOFI loan was at risk.

96. GOFI knew that PDI would become insolvent without additional funds from YBCI or from an equity share or convertible debenture offering and that it had the power to block all of these

proceedings. They could directly block YBCI from advancing funds to PDI by not providing its consent as per the YBCI-GOFI loan agreement. GOFI could directly block new share issuances by using their class B share majority. GOFI could vote with Dynex/Tancho to block any issuance of debt. They were using this power to threaten me to amend the MLD agreement.

97. GOFI had provided PDI with a comfort letter on June 8, 2015, stating that they would not demand payment on their secured debenture as long as PDI remained solvent (**EXHIBIT O**). GOFI needed PDI to become insolvent before they could initiate or threaten Receivership proceedings.

98. In summary, Doug Banzet/GOFI was threatening me that they would drive PDI into insolvency by refusing to consent to YBCI advancing additional funds to PDI unless I used my position as CEO and Chairman to support the GOFI/MLD amendment. Considering that the proposed MLD amendment was essentially a scheme to embezzle assets out of PDI, Doug Banzet's actions were pure, unadulterated extortion.

99. In addition, prior to the September 24, 2015, BOD meeting, MLD was also threatening to sue PDI if PDI did not agree to their proposed amendment. This threat was communicated to the PDI BOD by John Hyshka at the September 24, 2015, BOD meeting and confirmed by Doug Banzet at the September 24, 2015, board meeting.

100. Despite the clear threat of a lawsuit by MLD prior to the BOD meeting, John Hyshka conspired with Doug Banzet on how to orchestrate a PDI approval of the MLD amendment.

101. On September 24, 2015, prior to the commencement of the PDI BOD meeting, John Hyshka telephoned me (I was attending the BOD meeting via teleconference) and informed me that he was going to support Doug Banzet and recommend that the BOD approve the MLD amendment as proposed by MLD despite the fact that the expansion of the asset description to include PDI's Alzheimer's disease (AD) program was not part of the negotiated and executed contract. This was very shocking to me as John Hyshka was fully aware that the drug patents relating to AD were never contemplated to be part of the MLD deal.

102. In addition and unbeknownst to me, John Hyshka had PDI in-house legal counsel change the standard resolution language that PDI used regarding the finalization of documents after approval of the BOD. In regards to the MLD amendment the standard, "Either of the Chief Financial Officer or the Chief Executive Officer (the "Authorized Officers") are hereby authorized ..." was changed to "John Hyshka is hereby authorized and directed to execute and deliver the Amending Agreement with or without the corporate seal of the Corporation". John Hyshka attempted to give himself sole power and authority to finalize the MLD Amending Agreement. I believe that John Hyshka had hoped I would not notice the change in wording as I was attending the BOD meeting by teleconference.

103. Following the BOD meeting, I engaged PDI's internal and external counsel to evaluate the risks and liabilities to PDI relating to the MLD contract and the events that had transpired since the signing of the agreement (**EXHIBIT AV**).

104. John Hyshka's behavior regarding the MLD contract was clearly not in the best interests of PDI. I became suspicious that John Hyshka either had an undisclosed interest in MLD or that his non-PDI related interests with Peter Blaney, L. David Dube, and Greg Yuel/Craig Bell were influencing his decisions as CFO of PDI. The full details of these relationships were not known to me at the time. I subsequently learned that John Hyshka is the Chairman of Tancho Defyrus and a shareholder in Tancho

Defyrus along with L. David Dube, Greg Yuel/Craig Bell, and Peter Blaney. In addition, he was being paid as the Receiver-manager of Tancho Defyrus at the same time as he was employed at PDI as CFO.

105. On September 25, 2015, to ensure that proper process was followed regarding the legal risk analysis and subsequent negotiation of the MLD contract, I sent out an email to John Hyshka and PDI's in-house legal counsel (Christine Johnston and Tamara Harasen) immediately following the board meeting (**EXHIBIT AW**). In this email, I state:

"Just so there are no misunderstandings or miscommunications going forward:

- a. The board resolution is for PDI management to negotiate, not "John Hyshka";
- b. No offer or draft offer leaves this building without my approval. NO EXCEPTIONS;
- c. I will be cced on all communication relating to this file;
- d. No negotiations whatsoever will commence until a risk assessment report regarding a lawsuit from MLD is prepared and our countersuit options determined.
- e. Equally, no resolution will be submitted to the board without an equal risk assessment regarding potential shareholder oppression lawsuits. I will not trade one lawsuit threat for another.
- f. This whole contract is being renegotiated, not just their definition of an asset. At the end we need to present a clear benefit to the PDI board that is not "we avoided a lawsuit".

106. On October 13, 2015, despite my clear directives outlined in my email of September 25, 2015, John Hyshka directed Christine Johnston to send an email to Peter Blaney regarding the MLD file. Neither Christine Johnston nor John Hyshka notified me that they were working on the email and I was not copied on any correspondence as they were directed to do. (**EXHIBIT AX**)

107. It was also clear that John Hyshka was in active discussions with Peter Blaney and Doug Banzet about the mechanics of a PDI bankruptcy. On October 28, 2015, Peter Blaney responded to John Hyshka about a conversation that he had with Stan Stewart in which he states, "I had a chat with Stan this evening. He said that he would not recommend bankruptcy protection at this time. That process only works best when there is a buyer in the very near term. And a sale of one drug would not really accomplish anything even if it occurred" (**EXHIBIT AY**). In an earlier email from Peter Blaney to John Hyshka on October 14, 2015, Peter Blaney stated in regards to Doug Banzet, "he was very clear that he supported you fully at the board level. He was relieved to hear that I was on the same page" (**EXHIBIT AZ**).

108. On October 26, 2015, PDI received the first opinion from outside counsel regarding litigation risk (**EXHIBIT BA**).

109. On October 27, 2015, I held an internal meeting with John Hyshka and internal legal counsel regarding the opinion. One of the principals (Doug Banzet/GOFI) of the entity (MLD) threatening to sue PDI was a sitting director. In addition, both of the other MLD principals (L. David Dube/Concorde and Greg Yuel/Craig Bell/PIC) have a close relationship with another director (Peter Blaney) and are shareholders in more than one limited partnership that is managed by Peter Blaney, including Tancho I. We concluded that due to personal conflicts of interest and significant personal interactions between John Hyshka and the principals of MLD outside of PDI business (a picture of John Hyshka and L. David

Dube golfing together was prominently displayed in John Hyshka's office), it would be best that John Hyshka not be part of this process. I formally informed John Hyshka of this arrangement via email later that day (**EXHIBIT BB**):

"Just to confirm our understanding from the meeting this morning. All further discussions relating to this matter will be dealt with internally at PDI by myself, Christine, and Tamara and we will engage outside counsel as needed. Due to John's personal relationships with some of the MLD principals, he is recused from all discussions on this matter. In regards to this matter, John will be treated as a director. John, in your casual interactions with MLD principals, there should be no information exchange regarding this file, even whether or not we received comments or opinions from outside counsel. Thanks, Dayan."

I also told John Hyshka that all inquiries relating to this matter were to be directed to me.

110. I was out of the country on a PDI business trip from October 29, 2015, to November 7, 2015.

111. A review of Christine Johnston's (**EXHIBIT BC**) and Tamara Harasen's (**EXHIBIT BD**) notebook entries from mid-October to early November revealed that Doug Banzet and John Hyshka had successfully solicited PDI employees Christine Johnston, Tamara Harasen, Shawn Ritchie and Fady Gerges and together these persons were colluding on how to remove me as CEO and terminate YBCI's contract with PDI. Specifically:

- a. Doug Banzet revealed his plan to force a breach of the YBCI-GOFI loan to PDI employees at least one week prior to GOFI issuing the demand letters to YBCI on November 10, 2015;
- b. Doug Banzet revealed to PDI employees that that once Receivership was obtained that his plan was that John Hyshka and Shawn Ritchie would stay to sell PDI's assets;
- c. Christine Johnston agreed to access the confidential human resource drive and compile an updated list of severance amounts for all PDI employees.
- d. Doug Banzet asked PDI legal counsel to investigate whether Peter Blaney needed to approve YBCI's board appointees;
- e. The appointment of Grant Kook (President/CEO of GOFI) to the PDI BOD as a Dynex/Tancho nominee was discussed;
- f. Consequences of sending outside counsel's report to the BOD against my instructions were discussed;
- g. The legal department was asked to develop a procedure to report a loss of confidence in the CEO to the BOD;
- h. Doug Banzet asked PDI legal counsel to investigate if PDI were to terminate my management agreement who controls PDI's patents and whether YBCI has any reach through to PDI's patents;
- i. PDI's in-house counsel performed a systematic analysis of the YBCI contract to determine all possible mechanisms available to PDI to terminate the agreement;

- j. PDI's in-house counsel investigated case law regarding the ousting of a CEO for breaching fiduciary duties;
- k. The scheduling of an emergency board meeting was discussed and Doug Banzet confirmed his attendance;

112. From the above actions, it is clear that Doug Banzet and John Hyshka continued to conspire after the September 24, 2015 BOD meeting and repeatedly interacted with PDI legal counsel. Doug Banzet was actually ordering PDI legal counsel to do research on his behalf, with John Hyshka's support. Doug Banzet and John Hyshka were organizing a coup at PDI and were soliciting PDI employees to assist in their plot.

113. At 2:09PM on November 2, 2015, Christine Johnston sent out a meeting request to John Hyshka, Tamara Harasen and David McKeague for the four of them to have a luncheon meeting the next day, November 3, 2015 (**EXHIBIT BE**). David McKeague was PDI's external counsel responsible for preparing the MLD legal opinions.

114. At 3:49PM November 3, 2015, after meeting with Christine Johnston, Tamara Harasen, and John Hyshka, David McKeague emailed the final legal opinion to Christine Johnston (**EXHIBIT BF**);

115. The external legal opinions relating to the MLD negotiations were provided to PDI on October 26, 2015 (**EXHIBIT BA**), and November 3, 2015 (**EXHIBIT BF**). The crux of the opinions were:

- a. Unless fraudulent misrepresentation could be proven by MLD, their best outcome would be rectification of the agreement, which would cause them to lose their revenue interest in PDI's diagnostics.
- b. The amending agreement proposed by MLD did not fit within the parameters of the resolution approved by the PDI BOD on June 12, 2015.

116. When it became clear that the legal opinions did not favor a MLD lawsuit and therefore settling the MLD dispute would not be a convincing argument for Doug Banzet and John Hyshka to present to the PDI BOD, Doug Banzet and John Hyshka conspired to have me removed as PDI CEO.

117. At 10:54AM on November 3, 2015, Christine Johnston sent Fady Gerges a spreadsheet containing each of PDI's employees' salaries, the number of vacation days taken by each employee up to that date (**EXHIBIT BG**); The bottom of the spreadsheet contained the following statement: "Note 1. This information does not include termination pay due to D. Goodenowe". I never requested that this spreadsheet be compiled and I was never informed of its content or that it was to be presented to the PDI BOD on November 10, 2015. In addition, the November 10 2015 emergency BOD meeting had not even been called yet.

118. At 8:32AM November 4, 2015, Christine Johnston sent the final legal opinion to John Hyshka and Tamara Harasen (**EXHIBIT BH**). I was not copied on the email.

119. At 9:29AM November 4, 2015, without my knowledge or approval, Christine Johnston sent out the first legal opinion to the PDI BOD (**EXHIBIT BI**).

120. At 11:13AM November 4, 2015, I sent an email to Christine Johnston outlining my displeasure at this act of blatant insubordination (**EXHIBIT BJ**).

121. At 12:52PM on November 4, I sent an additional email to Christine Johnston stating, "Just for clarity, I specifically want to know: 1. Which directors inquired about the report, to whom they inquired, when they inquired, and why I was not informed of these inquiries. 2. Was the sending out of this report done purely by you or were you directed to do so by John. We have a serious internal problem here that needs to be addressed." (EXHIBIT BK). Despite continuing to work on board materials that afternoon, Christine Johnston does not reply to my email until the following morning at 9:26AM November 5, 2015 (EXHIBIT BL), where she states that she was instructed to send it out by John Hyshka and that he had told her that directors were inquiring about it.

122. Christine Johnston was PDI's senior legal counsel. Her client was PDI, not John Hyshka, not me, and certainly not Doug Banzet. As is the case with all corporations, the PDI BOD meets on a regular basis and provides direction to PDI management as to the wishes of the Company. Christine Johnston failed to represent her client. Christine Johnston:

- a. Acted in direct opposition to specific instructions provided to PDI management by the PDI BOD. At the September 24, 2015 BOD meeting, which was attended by Christine Johnston, the BOD specifically passed a resolution directing PDI management to pursue negotiations regarding a MLD settlement. As CEO, I was the senior management representative. The responsibility of executing this task rested with me until such time as the PDI BOD directed otherwise. I provided specific instructions to PDI management as to how to proceed regarding this matter. Christine Johnston refused to follow my instructions on several occasions.
- b. Interacted directly and indirectly with a party (Doug Banzet/GOFI) that was threatening a lawsuit against PDI. GOFI had legal representation. According to standard practice, Christine Johnston should have interacted through GOFI's legal representation and not directly with Doug Banzet. Furthermore, she should have advised John Hyshka to cease all direct communications with Doug Banzet during PDI's investigation into the MLD threat and for as long as the lawsuit threat from GOFI/MLD had not been retracted.
- c. Did not notify me or the PDI BOD that John Hyshka and Doug Banzet were actively conspiring to remove me as CEO and doing so without board authorization or direction.
- d. Failed to objectively represent PDI's interests in contracts in which PDI was a party. PDI had a legally binding contract with John Hyshka. In the contract, it is stated that John Hyshka reported to me, a fact that Christine Johnston was very well aware of. There was no ambiguity in this simple fact. As CEO, I was the senior management representative. I directed Christine Johnston, as PDI Legal Counsel, to review John Hyshka's contract and report back to me. As CEO, I did not need BOD approval to investigate a subordinate's contract. John Hyshka and the PDI BOD, which has a compensation committee to review and recommend executive management contracts, had over 14 years to modify the reporting requirements in John Hyshka's contract. Modifications to John Hyshka's reporting structure had never been discussed by John Hyshka or the PDI BOD.
- e. Without BOD direction or approval, Christine Johnston, initiated an unauthorized investigation into the YBCI management contract to determine possible causes of termination. The motive was not to remove me because of any deficiencies in my performance as CEO of PDI, but rather to assist Doug Banzet/GOFI/MLD in achieving an amendment to the MLD agreement that would favor MLD and defraud PDI shareholders.

Contrary to John Hyshka, I did report to the BOD and only to the BOD. If there was a problem with my performance as CEO that was brought to Christine Johnston's attention, then she had a responsibility to PDI to investigate the merits of the complaint and to present this to the BOD for further direction. In-Camera sessions (where management BOD members, like myself, are excluded) were held at every BOD meeting upon request, so a clear mechanism for this reporting existed. Any investigation into the YBCI management contract should have been initiated and authorized by the PDI BOD. At no time had any PDI BOD member or PDI employee ever presented a complaint regarding my actions as PDI CEO. At no time had YBCI ever been notified by PDI that there was a deficiency in my performance as CEO.

- f. Christine Johnston was grossly negligent in protecting PDI and was complicit in assisting John Hyshka and Doug Banzet in their scheme to remove me as CEO of PDI and to defraud PDI shareholders of specific PDI assets. Claiming that she was only doing what John Hyshka ordered her to do, does not absolve her from her corporate counsel responsibilities. Conveniently taking a leave of absence, claiming stress, when it became clear to her that I was beginning to uncover the plot certainly does not absolve her either.

123. At 12:44PM on November 4, 2015, John Hyshka sent himself a draft version of the email (**EXHIBIT BM**) that he subsequently sent to the BOD the following day. He also asked Christine Johnston to send him all of the email addresses of the BOD members, which she did at 2:44PM (**EXHIBIT BN**).

124. At 10:05PM on November 4, 2015, Peter Blaney sent John Hyshka an email regarding his communication with Doug Banzet, L. David Dube, and Craig Bell stating, "John- Just so you know- I sent Doug, David, and Craig a note tonight telling them that if you resign - I will be resigning at the same time. I also let Stan, Tom Racey, and Barry Markowsky know the same thing. My fate at PDI is tied to yours. Regards- Peter" (**EXHIBIT BO**).

125. On November 5, 2015, Tamara Harasen's notebook indicates that John Hyshka contacted her and informed her that she would need to prepare a package for the board and that there would be an emergency board meeting and provided her with language to send to the board as a response to his upcoming email (**EXHIBIT BD**).

126. At 9:56AM on November 5, 2015, I sent an email to John Hyshka regarding the email sent to the PDI BOD on November 4, 2015 directing him to forward to me the names of the directors that inquired and the nature of those inquiries, as this was a clear departure to the directive that I gave on October 27 (**EXHIBIT BP**). John Hyshka refused to provide me with the information requested (**EXHIBIT BQ**).

127. At 2:30PM on November 5, 2015, John Hyshka sent an email to the PDI BOD in which he described the current financial status of PDI (**EXHIBIT BR**), stating that PDI is in a financial crisis and that "Board guidance on these issues becomes more imminent as the days pass."

128. At 2:53PM on November 5, 2015, John Hyshka sent a second email to the BOD stating that, "I have been asked to resign by the CEO. I am not going to resign, but I am going to take my holidays, starting this afternoon" (**EXHIBIT BS**). For clarity, I did not ask him to resign, I asked him to "Send me the answers to the questions I posed to Christine below so that I can verify or hand in your resignation". John Hyshka did not request approval for his proposed vacation nor did he inform me how long he was going to be on vacation. His office voicemail stated he was going to be out of the office until December 4, 2015. Although John Hyshka was entitled to take his vacation, his contract states that such vacation was "to be taken at such time or times as is convenient to both the Employee and the Employer"

(EXHIBIT H). Considering the financial crisis that he described in his email to the BOD (23 minutes earlier), a request at that time for PDI's CFO to immediately take a 4-week vacation was outrageous and negligent and was certainly not convenient for PDI.

129. At 3:46PM on November 5, 2015, Tamara Harasen informed me via email that after receiving John Hyshka's financial report, Peter Blaney and Barry Markowsky requested that an emergency board meeting be held on November 10, 2015. In addition, they requested that Grant Kook be appointed to the PDI BOD as the Tancho I nominee (**EXHIBIT BT**). Grant Kook is the president of GOFI. For one shareholder (Tancho I) to be ready to request as its director appointee the president of another shareholder (GOFI), and that an emergency board meeting was called within an hour of John Hyshka's email, suggests a high degree of coordination between John Hyshka, Doug Banzet, Peter Blaney, and Barry Markowsky.

130. Further indication that the emergency board meeting was for reasons other than the financial situation at PDI, which was well known by all of the parties and was already scheduled to be discussed at the November 19, 2015 meeting, is that on that same day, November 5, 2015 - the same day that I had reprimanded John Hyshka regarding his insubordination and defiance in sending out the legal opinion without my consent or even knowledge, and the same day that John Hyshka later sent out his email to the BOD regarding resignation and vacation and which was then used (within an hour of it being sent) by Peter Blaney to call an emergency BOD meeting for the following week - that same day John Hyshka had also created a string of fraudulent emails. He sent emails to and received emails from an alias email account (directorme@yandex.com) that he set up to look like he was sending emails to and receiving emails from my email account (d.goodenowe@phenomenome.com). In these emails John Hyshka posed as me and sent emails to himself requesting that he wire transfer \$32,420 out of PDI's bank account for my personal use. The fraudulent email exchange is as follows (Inbox = emails received by John Hyshka at j.hyshka@phenomenome.com from directorme@yandex.com, and Sent Items = emails sent by John Hyshka from j.hyshka@phenomenome.com to directorme@yandex.com):

- a. Inbox: November 5, 10:23AM, "Hi John, Are you at work at the moment? I would need you to process a Payment. What information would you need? Write me back ASAP when you get this. Thanks, Dayan"
- b. Sent Items: November 5, 11:34AM, "I am here. What do you need me to do?"
- c. Inbox: November 5, 11:44AM, "Ok John, I need you to process a payment, what information would you need to process this payment? Dayan"
- d. Sent Items: November 5, 11:44AM, "I have signed every PO that has been sent to me. SO everything will be processed."
- e. Inbox: November 6, 9:26AM, "Hi John, This is a new request and it is a local payment. What information will you need to process this payment, it's about 32,420 waiting for your reply asap. Dayan"
- f. Sent Items: November 6, 9:28AM, "Forward the invoice to Fady, he can fast track a PO. I will sign it and then a cheque could be processed quickly."
- g. Inbox: November 6, 9:35AM, "Ok John, But this is personal and I will take care of it in due course, And I need transfer not cheque, what would be the bank details you need to process this transfer? Dayan"

131. The emails can be proven as fraudulent as follows (**EXHIBIT BU** contains a detailed analysis of the above emails):

- a. Compare the legitimate email sent by me to John Hyshka at 9:56AM on November 5, 2015 in which I stated,

" John, I do not know what sort of game you are playing, but clearly your interests are not aligned with PDI. This level of blatant insubordination is unacceptable. Send me the answers to the questions I posed to Christine below so that I can verify or hand in your resignation. If you cannot follow simple directives, I have no use for you. Dayan

Sent from my BlackBerry 10 smartphone on the Bell network. "

And to which John Hyshka replied to at 2:24PM on November 5, 2015:

"Dayan, I am not resigning, and I do not believe my actions were insubordinate , like you I have an obligation to the board. Individual board members requested the opinion that was drafted for them, so instead of sending it to individual members, I felt it was appropriate to send it to all board members, except Doug Banzet. This is precisely what I did. Regards,, John Hyshka"

Then John Hyshka sends out the following legitimate email to the PDI BOD at 2:53PM November 5, 2015:

"To all board members, I have been asked to resign by the CEO. I am not going to resign, but I am going to take my holidays, starting this afternoon. If a board member needs to get ahold of me they can call me on my cell at [REDACTED]. Tamara Harasen will be taking over for Christine Johnstone who has just taken a medical leave, so if you have any legal or board questions please contact Tamara. Her extension is 227. Regards, John Hyshka"

The fraudulent email trail began 27 minutes after I sent John Hyshka the scathing email above regarding his insubordination. Also, on November 6, 2015, the day after John Hyshka threw his temper tantrum and decided to take a 4 week vacation in response to my request for information, he sent an email to directorme@vandex.com indicating that he was willing to sign a fast-track PO and process a cheque as a personal favor to me. The fraudulent emails were not remotely consistent or believable considering the tone and content of the legitimate communications between me and John Hyshka at the time.

- b. In addition, the emails supposedly from me to John Hyshka were sent from an iPhone. I do not own an iPhone. John Hyshka and Shawn Ritchie own iPhones. I have always had a Blackberry.

132. On November 6, 2015, I sent out a memo to the PDI BOD regarding the emergency BOD meeting requested by Peter Blaney and Barry Markowsky for November 10, 2015. I stated that it was not necessary to have two meetings in such a short period of time considering that a regularly scheduled BOD meeting was already scheduled to occur on November 19, 2015 (**EXHIBIT BV**).

133. On November 6, 2015, Peter Blaney responded, "Ladies and Gentlemen: Dayan's comments notwithstanding -the Nov 10 board meeting is absolutely required given the current circumstances for PDI. I am looking forward to our meeting. Regards Peter" (**EXHIBIT BW**).

134. On November 8, 2015, I met with PDI's IT manager Devin Beaudoin and he provided me with access to John Hyshka's emails.

135. On November 8, 2015, I informed Christine Hrudka, a PDI BOD member, that I had discovered a string of fraudulent emails created by John Hyshka. In order to determine whether John Hyshka had acted upon these emails, I asked her if she had heard anything about a 30K PO that was referred to in the emails. She informed me that she had been told about the invoice and that it was Doug Banzet that had informed her. Based upon this information, I concluded that John Hyshka and Doug Banzet were spreading this fraudulent information to PDI BOD members.

136. On November 9, 2015, I compiled the above information along with John Hyshka's employment contract and presented it to Jan Stevens, a labor lawyer at Stevenson Hood Thornton Beaubier. Upon review of the material, termination with cause was determined to be appropriate under the circumstances and John Hyshka was terminated with cause as of November 9, 2015 in which the termination letter stated:

"This letter serves to advise you that pursuant to Article 7.2 of the Agreement, your employment is hereby terminated, effective immediately, for cause, such cause including willful misconduct, dishonesty, disobedience and insubordination, all of which have irreparably damaged the employment relationship" (**EXHIBIT I**).

137. On November 10, 2015, I asked Fady Gerges, Senior Manager Finance at PDI, if he had any knowledge or record of the 30K PO referred to in the emails. He informed me that he had met with John Hyshka away from the office on November 6, 2015 and John Hyshka told him that I had sent him a request to pay an invoice of 30 something thousand dollars and it looked strange to him (**EXHIBIT BX**), which is further confirmation that John Hyshka was widely discussing the fraudulent emails.

138. On November 9, 2015, the day of John Hyshka's termination, Doug Banzet informed PDI that he could no longer attend the BOD meeting on November 10 and Peter Blaney called PDI and cancelled the emergency board meeting that he had called for on November 10. If the purpose of the board meeting was to deal with the current financial crisis at PDI, as stated by Peter Blaney, certainly the firing of the CFO would make such a meeting even more important. However, I do not believe that the financial status of PDI was the reason for the emergency board meeting. It is my belief that the intended purpose of the board meeting was to terminate me as CEO based upon the fraudulent emails created by John Hyshka, put PDI into bankruptcy, fire most of the PDI employees and task John Hyshka and Shawn Ritchie with disposing of the assets of PDI. The only reason that this meeting was cancelled was that I had uncovered their conspiracy and plot and the jig was up.

139. I provided my services to PDI via a management services contract (**EXHIBIT B**). As per this contract the only way that I could be terminated immediately was:

"(a) Approved Personnel, without the consent of the Corporation, are no longer rendering the services required of the Contractor under this Agreement, whether by reason of death, total disability, or departure;

(b) The Contractor or any of its Approved Personnel commits an act of fraud, theft, or other dishonesty in the operation of the Business".

140. Accordingly, the only way that they could terminate me immediately is if I was to die or if I was to commit fraud. I suppose that I should be grateful that they chose the latter of these two options. In

fact, the law firm overseeing the termination of John Hyshka, after reviewing the extremely disturbing actions of these persons, strongly recommended that I hire private security for myself and PDI. I took their advice and promptly did so. Virtually everyone who has been briefed on this case has conveyed to me that if anything suspicious or untoward were to happen to me that they know exactly where to send law enforcement.

141. If they had successfully completed their plot of falsifying fraud against me and terminating me as CEO of PDI, John Hyshka and Doug Banzet would have been able to amend the MLD agreement as was their intent at the September 24, 2015, BOD meeting.

142. John Hyshka and Doug Banzet have a close personal and social relationship as evidenced by Doug Banzet's response to an email from Doug Richardson at 11:11AM on November 13, 2015 in which Doug Richardson states:

" Fellows are you up for a coffee – hope you can make it – as we need to cheer up our dear friend John H. See you tomorrow at 8:15 at D'Lish. Thanks Doug"

Doug Banzet responds two minutes later at 11:13AM on November 13, 2015 stating:

"I will certainly be there to cheer up John" (**EXHIBIT BY**).

143. Subsequent to John Hyshka's termination of employment at PDI, Doug Banzet informed me that he had hired John Hyshka to work for GOFI.

144. It is my belief that when it became clear to Doug Banzet that I was not going to succumb to his extortion tactics and that I would not agree to support the amendment to the MLD agreement, Doug Banzet, Peter Blaney, Barry Markowsky, and John Hyshka conspired to frame me for fraud so that they could terminate my management contract with PDI. They called for an emergency BOD meeting on November 10, 2015, to execute the plot. I uncovered their plot and immediately terminated John Hyshka's employment at PDI on November 9, 2015. Peter Blaney immediately cancelled the BOD meeting upon finding out about the termination of John Hyshka's employment at PDI, which confirmed to me that Peter Blaney and Barry Markowsky had called the emergency meeting under the false pretense of being concerned about PDI's financial status.

145. When I uncovered Doug Banzet's plot to remove me as CEO and fired John Hyshka, Doug Banzet escalated his attack on PDI and YBCI and me. On November 10, 2015, MLD issued a demand letter to both PDI and me to accept the amended MLD Agreement as presented to the PDI BOD on September 24, 2015, by November 30, 2015, or "MLD will avail itself of all remedies available to it against PDI and Mr. Goodenowe in the circumstances" (**EXHIBIT BZ**). Section 8 of the MLD agreement describes the mechanism by which PDI and MLD had agreed to resolve disputes regarding the agreement. In this section, MLD has the right to take its grievance to arbitration and seek a binding determination. At no time had MLD exercised this right under the agreement. Instead of using this agreed upon mechanism, MLD attempted to get PDI to amend the agreement in their favor by threatening PDI with a lawsuit and Receivership in order to compel the PDI BOD to approve a resolution amending the MLD agreement in their favor. Also on November 10, 2015, GOFI threatened PDI, GFL, and YBCI with the appointment of a Receiver by serving the following 10 day demand of payment notices:

- a. To YBCI for the total amount outstanding on the December 12, 2014, loan between YBCI and GOFI of \$1,319,561.64 (**EXHIBIT CA**).

- b. To GFL for the total amount outstanding on the December 12, 2014, mortgage between GFL and GOFI of \$1,319,561.64 (**EXHIBIT CB**).
- c. To PDI for the total amount outstanding on the March 29, 2010, debenture between PDI and GOFI of \$1,096,552.16 (**EXHIBIT P**).

146. Despite Doug Banzet being a director of PDI and chairman of the PDI Audit and Finance Committee, GOFI provided PDI with no advance notice of these demands. I responded to GOFI on November 13 that arrangements were being made to have the GOFI debt paid in full and requested additional time to complete these activities (**EXHIBIT CC**). GOFI responded on November 17, 2015, that it would not grant PDI any additional time to repay the indebtedness (**EXHIBIT Q**).

147. During the period of events described above, the sale process for GFL was active. On October 1, 2015, GFL received an offer of \$2,000,000.00. However, this buyer backed out of the deal on October 15, 2015.

148. On November 13, 2015, I also sent GOFI a letter reminding GOFI that GFL was listed for sale and that upon such sale the total indebtedness to GOFI would be repaid. I requested that GOFI refrain from exercising its security (**EXHIBIT CD**).

149. On November 17, 2015, GOFI responded to my letter stating, "GOFI has exercised its statutory and contractual rights to demand payment from YBCI and Farms" and "GOFI is not prepared to refrain from taking legal remedies against YBCI and Farms. GOFI reserves all of its rights and remedies against YBCI and Farms. The November 10, 2015 demand letter and section 244 BIA notice remain "live" documents in full force and effect." (**EXHIBIT CE**)

150. On November 26, 2015, GOFI attempted to have a Receiver appointed over all of the assets of PDI and YBCI. I had to file a Canadian Creditors Arrangement Act (CCAA) applications for both PDI and YBCI to prevent GOFI from seizing control of PDI and YBCI because I was not able to dispose of the assets required to pay back the YBCI loan within the 10 day time limit imposed upon YBCI by GOFI and GOFI was blocking YBCI from advancing funds to PDI by withholding its consent as required in the YBCI-GOFI loan agreement. This application was adjourned to December 3, 2015 in order that PDI could hold a BOD meeting to approve the PDI CCAA application.

151. On November 30, 2015, I received an offer to purchase GFL. Final terms were negotiated on December 2, 2015, for \$2,150,000 and a closing date of March 15, 2016. Despite this pending sale, GOFI would not retract its BIA application or consent to allow YBCI to advance funds to PDI.

152. On December 3, 2015, prior to the scheduled court hearing, I met with GOFI and a memorandum of understanding (MOU) between GOFI, myself, and YBCI was agreed upon. I agreed to the MOU based upon representations from GOFI that they would and could negotiate an amendment to the USA with Peter Blaney that would remove the super-majority voting requirement and that there would subsequently be an election of an independent board of directors and an independent chairperson. In addition, item 9 of the MOU stated, "YBCI and GOFI will restructure the secured indebtedness owing from YBCI to GOFI (the "YBCI Debt") such that the YBCI Debt will become a secured debt of PDI to GOFI." Negotiation or approval of a MLD amendment was not part of the MOU (**EXHIBIT CF**). GOFI's BIA application against YBCI and YBCI's CCAA application was adjourned until January 28, 2016.

153. On the basis of the MOU, GOFI amended its application for Receivership of PDI to that of an interim Receivership order in which the PDI BOD would remain in effect. FTI Consulting Inc. was appointed Interim Receiver of PDI at the December 3, 2015, court hearing.

154. On December 31, 2015, Doug Banzet notified YBCI that:

“Regarding GOF’s demand debenture in YBCI, I thought that I would bring you up to date and advise that GOF’s Board is prepared to consider the request to exchange the current secured debt in YBCI for a secured position in PDI (at a reduced interest rate) subject to an acceptable amendment to the Med-Life Agreement being approved by all applicable parties.” **(EXHIBIT CG)**

155. The motive behind GOFI’s November 10, 2015 demand for payment under the YBCI-GOFI loan agreement and subsequent BIA application was not to realize on their security but to extort from me my agreement to support the MLD amendment. Doug Banzet/GOFI was threatening to force my farm and my personal operating company, YBCI, into bankruptcy and receivership if I did not use my position as PDI CEO and Chairman of the PDI BOD to present and support an amendment to the MLD agreement that would selectively enrich GOFI over other PDI shareholders.

156. On March 15, 2016, I sold GFL for \$2,150,000.00, which was in exactly the price range that I predicted in my November 24, 2014, email to Doug Banzet: "With a normal window to sell, the final sale should be in the 2-2.1MM range" **(EXHIBIT CH)**.

157. On March 18, 2016, YBCI paid GOFI \$1,570,383.65 for all debts owing to GOFI pursuant to the \$1,000,000 loan agreement of December 12, 2014, in full, which comprised \$1,000,000.00 in principal, \$553,663.67 in interest (which is equivalent to a 40% annual interest rate), and \$16,719.98 in legal fees relating to GOFI’s attempts to enforce their security against YBCI and GFL **(EXHIBIT CI)**.

158. The repayment of the GOFI loan was done solely based upon non-PDI assets under my control. YBCI has received no funds from PDI related to its loan agreement.

159. Had I known that Doug Banzet’s true intent was pure GOFI self-interest with complete disregard to other PDI shareholders and that he was simply lying in wait until he was in position to extort from PDI and YBCI conditions blatantly preferential to GOFI and equally blatantly prejudicial to YBCI and other PDI shareholders and that he would use the provisions contained within the YBCI-GOFI loan agreement to carry out this extortion, I would never have agreed to the December 12, 2014 YBCI-GOFI loan agreement.

SECTION V: SUMMARY OF GOFI’S BEHAVIOR OF FRAUDULENT MISREPRESENTATION, BAD FAITH, AND EXTORTION RELATING TO THE YBCI-GOFI LOAN AGREEMENT OF DECEMBER 12, 2014

160. YBCI entered into a \$2,000,000.00 unsecured loan agreement with PDI on September 12, 2014 to prevent PDI from being forced into bankruptcy by Peter Blaney, Barry Markowsky, Amar Bhalla, and Stan Stewart. Doug Banzet voted in favor of this loan agreement at the September 4, 2014 PDI BOD meeting.

161. Doug Banzet/GOFI agreed to loan YBCI \$1,000,000.00 with the understanding that these funds would be advanced directly to PDI. In fact, GOFI deposited the money directly into PDI’s bank account.

YBCI agreed to secure the loan using YBCI's assets and a guarantee from GFL. The understanding between the parties was that when PDI paid back YBCI, then YBCI would pay back GOFI.

162. The purpose and intent of the YBCI-GOFI loan, as represented by GOFI to YBCI was clear: to protect and preserve the financial integrity of PDI until such time as alternative financing could be arranged. YBCI fulfilled its part of the agreement by advancing the funds directly to PDI and I continued to act as PDI CEO and advocate for PDI as a PDI director for the best interests of PDI and all PDI shareholders. GOFI and Doug Banzet fraudulently and maliciously misrepresented their intentions to YBCI and PDI. Doug Banzet/GOFI used the YBCI-GOFI loan provisions to attack the financial stability of PDI and YBCI to arbitrarily create duress in both companies. Doug Banzet/GOFI then used the threat of escalating the financial duress created by GOFI by further threatening BIA receivership applications if YBCI and PDI did not agree to amend the MLD agreement in a manner favorable to GOFI and detrimental to PDI. Doug Banzet/GOFI further offered to YBCI and PDI to remove the duress created by GOFI if YBCI and PDI were to agree to such an amendment. Although default on the YBCI-GOFI and PDI-GOFI loan agreements were the stated reasons by GOFI to initiate receivership applications against YBCI and PDI, GOFI was not interested in discussing potential repayment options for these loans. No repayment discussions were ever initiated or held by GOFI with YBCI or PDI. GOFI was only interested in discussing the amendment of the MLD agreement. MLD was not a party to any of the agreements used by GOFI to threaten and initiate receivership proceedings against PDI, YBCI, or GFL.

163. At the same time that Doug Banzet was negotiating the YBCI-GOFI loan agreement, he was actively conspiring with Peter Blaney and John Hyshka on how to structure a debenture investment in PDI that would "exclude any cash return" to YBCI in the event of a sale of PDI assets. So, while YBCI was focused on saving PDI from bankruptcy, GOFI was focused on how they could manipulate the crisis to better GOFI's self-interests in PDI. The execution of the YBCI-GOFI loan was not done in good faith.

164. Immediately following the September 24, 2015 BOD meeting, Doug Banzet began to use the consent requirement in the YBCI-GOFI loan to prevent YBCI from advancing funds to PDI. Doug Banzet/GOFI was using this provision to attempt to extort from me my agreement to approve GOFI's proposed amendment to the MLD agreement. Since the advancement of funds from YBCI to PDI was the only financing vehicle approved by the PDI BOD, by blocking this source of capital to PDI, Doug Banzet/GOFI was able to starve PDI of cash until GOFI could make an argument that PDI was insolvent and make an application to put PDI into Receivership. Doug Banzet hoped that since I agreed to the original YBCI-GOFI loan based upon the Peter Blaney threat to put PDI into bankruptcy that I would agree to this additional extortion as well. I resisted.

165. Doug Banzet and GOFI misrepresented to me that GOFI's intent regarding the GOFI-YBCI loan was to protect and preserve GOFI's and YBCI's shareholdings in PDI. YBCI changed its decision from not accepting the terms of the loan to accepting the terms of the loan based upon this misrepresentation. GOFI then acted maliciously against YBCI's interests by using the provisions in the YBCI-GOFI loan to selectively advance the interests of MLD and their investment therein:

- a. GOFI forced PDI into bankruptcy and threatened YBCI's financial interests in PDI by withholding their consent to allow YBCI to advance working capital to PDI;
- b. GOFI attempted to force YBCI into an arbitrary state of insolvency by demanding payment of the YBCI-GOFI loan within 10 days and then use this "insolvency" to try to get two of YBCI's appointees to the board of directors of PDI removed as per section 4.2(e)(ii) of the PDI USA;

- c. GOFI attempted to use this arbitrary “insolvency” to try to get a Receiver appointed over the assets of YBCI such that YBCI’s controlling shareholder interest in PDI and YBCI’s rights to appoint directors to the board of PDI would then be under the control of YBCI’s Receiver and not me.
- d. GOFI conspired with PDI employees John Hyshka, Christine Johnston, and Tamara Harasen on how GOFI would force a breach of the YBCI-GOFI loan to force me to comply.
- e. GOFI conspired with PDI employees John Hyshka, Christine Johnston, and Tamara Harasen on how to terminate YBCI’s management agreement with PDI.

166. In summary, GOFI maliciously attacked PDI with the intent of distressing and then buying the assets of PDI via their newly formed limited partnership, MLD at a substantially reduced price. GOFI used the provisions contained within the YBCI-GOFI loan agreement as a weapon to execute this plot. According to their scheme, the shareholder value created within PDI by PDI shareholders and stakeholders would be transferred to MLD, where they held a controlling 50% ownership stake instead of their minority shareholder position of only 9.6% in PDI. This scheme was intended to create a significant increase in the GOFI Class A Net Asset Value, which would benefit Doug Banzet, Grant Kook, and Westcap Management at the expense of PDI shareholders.

SECTION VI: OVERVIEW OF THE EVIDENCE AND EVENTS SUPPORTING THE PURPOSE, INTENT AND SYSTEMATIC EXECUTION OF THE GOFI-LED PLAN TO TRANSFER THE OWNERSHIP AND MANAGEMENT OF PDI TO MLD THEREBY ENRICHING GOFI’S EQUITY POSITION IN PDI’S ASSETS AND INCREASE THE GOFI CLASS A SHARE NET ASSET VALUE

167. As described above, immediately following the signing of the MLD agreement, Doug Banzet ceased to act in the best interest of PDI and began to use his position as a director of PDI to act entirely for GOFI’s self-interest in MLD. However, the motive behind GOFI’s actions was unclear to me as these actions appeared, on the surface, to be diametrically opposed to GOFI’s own interests in both PDI and MLD. The MLD agreement was a revenue sharing agreement such that MLD stood to benefit only insofar as PDI benefitted. In addition, the MLD agreement was not an equity agreement with PDI and was therefore not exposed to any dilution that may occur within PDI. In fact, increasing the value of PDI’s assets would directly increase the value of GOFI’s investment in MLD. Therefore, I remained confused as to the motive behind Doug Banzet’s and GOFI’s systematic blockade of investment into PDI and GOFI’s aggressive actions designed to force PDI into bankruptcy until I investigated how GOFI valued its investments in PDI and MLD and how GOFI promoted and sold to Saskatchewan residents shares in GOFI. Once I understood how the GOFI business model actually worked, it became clear to me that the MLD agreement was designed as a Trojan Horse for the take-over of PDI by a group of minority PDI shareholders and that the overall strategy of GOFI/MLD was to transfer the PDI asset value from PDI shareholders (in which the MLD shareholders collectively held less than 10% of the equity) to their MLD partnership via a forced receivership of PDI and a subsequent repurchase of PDI’s assets by MLD from the Receiver at a dramatically depressed value. This scheme was successfully executed and resulted in the minority PDI shareholders GOFI, Concorde (L. David Dube), and PIC (Greg Yuel) buying 100% of PDI’s assets for a total cost of under \$5,000,000. Assets that were valued by GOFI at \$133,514,150 on August 31, 2015.

168. According to GOFI’s 2015 semi-annual report (as of February 28, 2015), GOFI owned 181,257 PDI common shares. These shares are part of GOFI’s Class A share portfolio and had a fair market value

of \$12,688,000, or \$70.00/share and represented a total PDI enterprise value of \$133,514,150. GOFI paid \$3,429,000 for these shares or \$18.92/share. Accordingly, PDI was a stellar Class A share portfolio contributor, trading at 3.7-times its cost. The 2010 debenture had a fair market value of \$626,000. Collectively, these assets represented approximately 5.3% of GOFI's total Class A Net Asset Value of \$251,005,000 at the time (**EXHIBIT CJ**).

169. In June 2015, GOFI invested \$5,000,000.00 in MLD and on June 30, 2015, MLD purchased certain revenue interests in PDI for \$10,000,000.00 (as described previously).

170. In the GOFI 2015 annual report (as of August 31, 2015), a mysterious company (10127441 SK Ltd) appeared at #11 of GOFI's top 25 holdings with a fair market value of \$10,195,997 representing 3.9% of the total Class A share value but with a cost basis of less than 0.01%. The \$5,000,000 MLD investment was stated as having a fair market value of just \$5,018,755 and was #21 of GOFI's top 25 holdings. Despite the sale of revenue interests from PDI to MLD, GOFI did not adjust the value of its remaining PDI investments. The PDI common shares owned by GOFI were still valued at \$70.00/share representing a PDI enterprise value of \$133,514,150 and GOFI's PDI holdings were listed as having an overall value of \$13,260,079 and was #7 of their top 25 holdings. (**EXHIBIT L**)

171. It is my belief that the valuation attributed to the numbered company actually represented GOFI's fair market valuation of MLD above GOFI's cost of the MLD investment. If this is in fact the case, then GOFI recognized a \$10,195,997.00 profit in MLD immediately upon the signing the MLD agreement. Accordingly, the approximate fair market value attributed by GOFI to MLD was over \$30,000,000.00. Furthermore, since the MLD agreement is a revenue sharing agreement with PDI, this value comes directly out of PDI revenue. Since GOFI did not subtract the MLD value from the PDI enterprise value, the true value placed upon PDI by GOFI must be increased by the MLD valuation, making the total GOFI valuation of PDI at over \$160,000,000.00 on August 31, 2015.

172. In the GOFI 2015 Prospectus dated December 18, 2015, the "Nature of Principal Business" for the mystery numbered company was listed as "Ethanol production and value added products". There is no mention in either the August 31, 2015 annual report or the December 18, 2015 prospectus as to where this company and its \$10,195,997 "gift" to the GOFI class A share value came from. (**EXHIBIT CK**)

173. The December 18, 2015 prospectus contains certificates from both GOFI and WestCap Mgt. LTD (as Manager and Promoter). Both certificates state:

"The prospectus, together with the documents incorporated herein by reference, constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of Saskatchewan and Manitoba"

The GOFI certificate is signed by Grant J. Kook, President and Chief Executive Officer and Douglas W. Banzet, Chief Financial Officer on behalf of GOFI and by the Honourable William (Bill) McKnight, PC, Chairman and Donald R. Ching, Director on behalf of the GOFI Board of Directors.

The WestCap Mgt. Ltd. certificate is signed by Grant J. Kook, President and Chief Executive Officer and Douglas W. Banzet, Chief Operating Officer on behalf of WestCap Mgt. Ltd. , as Manager and Promotor and by Grant J. Kook, Director and Douglas W. Banzet, Director, on behalf of the WestCap Mgt. Ltd. Board of Directors.

174. In GOFI's 2016 semi-annual report of February 28, 2016, the mysterious numbered company involved in "Ethanol production and value added products" that was worth \$10,195,997 just six months previously had now disappeared. Where did it come from and where did it go? **(EXHIBIT CL)**

175. In GOFI's 2016 semi-annual report of February 28, 2016, the fair market value of MLD was increased from \$5,018,755 on August 31, 2015 to \$11,457,000 on February 28, 2016. The fair market value of GOFI's investment in PDI was reduced to \$4,754,321 from August 31, 2015 primarily due to GOFI reducing the PDI common share value from \$70.00/share to \$22.93/share representing an overall decrease in the total PDI enterprise value from \$133,514,150 to \$43,741,324.

176. The reporting format of the GOFI semi-annual report was also changed from February 28, 2015 to February 28, 2016. In the 2015 report both the cost and the fair value was listed for all of the venture investments so that the investor can easily see what GOFI paid for an investment relative to the investment's fair market value. In the 2016 report, GOFI only reported the cost of its investments, the Fair Value column was removed, forcing the reader to perform mathematical jujitsu to find out what the GOFI fair market valuations were.

177. There is no denying the simple fact that (regardless of the mysterious appearance and equally mysterious disappearance of the numbered company and its \$10,195,997 valuation), according to GOFI's semi-annual and annual reports, while the shareholders of PDI experienced a 67% loss in value, the shareholders of MLD experienced a 128% increase in value during the same period of time. According to GOFI, the receivership of PDI on February 26, 2016 was a good thing for MLD shareholders, but not for PDI shareholders.

178. In the August 31, 2015 Annual Report, Grant Kook was listed as being a member of the GOFI valuation committee and Doug Banzet was listed as being a member of the GOFI audit committee.

179. From the above analyses, it is my opinion that GOFI manipulated the valuations of their portfolio companies in order that they could maintain certain total fund value targets and that they intentionally obfuscated their reporting of fair market valuations in order to cover-up the decreased valuation of PDI. I further believe that it was GOFI's intent to complete the shift of the PDI asset value from PDI to MLD before GOFI's August 31, 2016 year-end such that their fair value manipulations of PDI, MLD, and 10127441 SK Ltd would go unnoticed. A more detailed forensic analysis of GOFI's valuation and audit practices is needed to truly understand what went on here.

[INSERT DATA FROM AUGUST 31, 2016 ANNUAL REPORT HERE WHEN AVAILABLE]

180. It is my opinion that MLD was designed as a take-over vehicle from the very beginning with John Hyshka as the "inside man" and was the culmination of discussions and planning between John Hyshka, Doug Banzet, L. David Dube, Craig Bell, and Peter Blaney that were ongoing in 2014. I also believe this is why GOFI/MLD became so unhinged when I fired John Hyshka on November 9, 2015 and why GOFI/MLD desperately and aggressively worked toward putting PDI into Receivership before I could normalize PDI's finances. GOFI/MLD needed the Receiver to replace John Hyshka as their "inside man". They also funded the Receivership so that they could control the Receiver and the Receivership process. They made numerous false allegations about my mental stability, my character, and my performance as CEO of PDI to create a false narrative that they were trying to save the company from its crazy Founder when what they were actually doing was the exact opposite. In the March 11, 2016 Star Phoenix article, Wanda Hunchak, vice president of WestCap Management Ltd. stated that the termination of John Hyshka was the "catalyst" to the Receivership proceedings initiated by GOFI against PDI. They have

tried repeatedly to circumvent me in order to carry out their scheme of taking over PDI using MLD and, according to the receiver, Jamie Engen, GOFI/MLD were very upset when he did not immediately fire me as they had directed him to do. Despite my resistance, they ultimately succeeded in driving the PDI shareholder value to \$0.00 such that they could buy PDI for pennies on the dollar.

181. The actions and behaviors GOFI/MLD pre-Receivership and throughout the Receivership process (described in greater detail below) support my assertion that the Receivership process initiated by MLD was never intended to create a viable sale of the PDI assets but that it was merely used as a “cover” for MLD to buy PDI’s assets at pennies on the dollar such that GOFI could book a large return on MLD that would more than offset the loss on the PDI investment such that GOFI’s total Class A Net Asset Value would appear to increase making Grant Kook, Doug Banzet and WestCap Mgt. Ltd look like rock star fund managers.

182. According to the GOFI 2016 semi-annual report and website, GOFI raised approximately \$33,000,000 based upon GOFI’s 2015 prospectus and over 28,000 residents of Saskatchewan are investors in GOFI. On November 23, 2015 at paragraph 70 of the Gavin Preston/GOFI affidavit, GOFI states:

“GOFI has completely lost confidence in the ability of PDI to restructure its business and financial affairs. PDI is insolvent and is unable to meet its payroll obligations or to fund its ongoing business operations” **(EXHIBIT CM)**

However, it does not appear that GOFI adjusted its fund values prior to marketing and selling the GOFI financial products during the 2015-2016 RRSP season. I was not able to find any discussion in the 2015 prospectus relating to the risk of Receivership of PDI on the overall fund value. In addition, I reviewed the GOFI website on October 4, 2016. I could find no reference that PDI was even in Receivership. PDI was still represented on the GOFI website as:

“World leading human health research company using patented technology to detect novel metabolites that are indicators of risk for cancer and neurological diseases. The company has multiple blood tests accessible across international markets including Cologic® for colorectal cancer, PanaSee™ for pancreatic cancer and Alz-ID™ for Alzheimer’s disease.” **(EXHIBIT CN)**

Under “Related News”, GOFI had selectively linked a January 22, 2016 press release regarding PDI’s Alzheimer’s blood test and a May 22, 2016 press release regarding PDI’s ovarian cancer blood test, completely bypassing press releases describing the Receivership and sale of PDI’s assets. **(EXHIBIT CO)**

183. Under the “Frequently Asked Questions” section of the GOFI website, under “What is Golden Opportunities Fund?” it states:

“Golden Opportunities Fund is Saskatchewan’s first Provincial Labour-sponsored Venture Capital Corporation (LSVCC). The Fund was launched in March 1999 with three main objectives:

- To create a pool of venture capital for small to medium-sized businesses to access capital by which to grow and expand their corporations, thereby creating new job opportunities at home;
- To provide Saskatchewan investors a vehicle by which funds can remain at work at home for the benefit of the Saskatchewan people, managed by a Saskatchewan Fund Manager and Board of Directors.
- To maximize shareholder returns.

To date, the Fund has approximately 28,000 Shareholders across the province, has invested in excess of \$340 million in 129 local companies.” (EXHIBIT CP)

I do not believe that the actions of GOFI and in particular Grant Kook and Doug Banzet described within this affidavit are consistent with the aforementioned objectives of GOFI. The actions of GOFI, Grant Kook, and Doug Banzet have resulted in the destructive loss of Saskatchewan shareholder value and the loss of Saskatchewan jobs.

I was born in Saskatchewan. I brought my technology to Saskatchewan to build a business and to create jobs and wealth in Saskatchewan, for Saskatchewan. The actions of Grant Kook, Doug Banzet and GOFI are a “slap in the face” of any entrepreneur that leaves this province and then attempts to bring back to Saskatchewan knowledge and technologies acquired outside of Saskatchewan.

SECTION VII: EVENTS TRANSPILING FROM THE EXECUTION OF THE MLD AGREEMENT ON JUNE 30, 2015 AND THE INTERIM RECEIVERSHIP ORDER OF DECEMBER 3, 2015

184. With less than \$1,300,000 of the MLD asset sale proceeds remaining after the preferred share payout, current cash flow estimates indicated that PDI would run out of cash at the end of November 2015 without additional financing. However, no action was being taken by John Hyshka (the PDI CFO) or by Doug Banzet (Chair of PDI’s Audit and Finance Committee) during the months of July or August to secure additional bridge financing to enable PDI to conduct an orderly sale or IPO process. In early September, I drafted a preliminary preferred share offering term sheet and sent it to Doug Banzet for review on September 14, 2015:

“Hi Doug, I have been thinking about possible solutions to both the short term cash issue at PDI and YBCI’s repayment of the GOF loan. First of all, I want you to know that YBCI intends to pay off the GOF debt in full before its year-end of Nov. 30th. I am currently dealing with the serious tax liability issues that have been created for YBCI due to the accrued interest on the PDI loan. As such, I have been working on following proposal to deal with the situation. My proposal has the following attributes:

1. GOF gets paid in full from YBCI. In regards to this, please send me a statement as to what the total outstanding due to GOF will be as of October 31st and November 30th.
2. YBCI’s tax liability is resolved;
3. PDI’s share value is maintained;
4. The basic terms of the loan agreement will now be offered to all PDI shareholders, not just YBCI;
5. YBCI is prepared to invest an additional 2-3MM into PDI (after paying GOF) via this instrument, depending on what is not taken up by existing shareholders;
6. The 3MM in new cash to PDI will give PDI until Mar/16 to either sell an asset or undergo a more serious and dilutive equity raise.

I hope that this is an acceptable solution to GOF. Best regards, Dayan

Current Status of YBCI Loan to PDI:

1. A total of \$1,997,907.67 in principal has been advanced to PDI from YBCI under the current loan agreement
2. As of March 31st, 2015 a total of \$1,915,366.58 principal + interest was owing on the YBCI Loan;
3. On June 30th 2015, an additional 300K in principal was advanced;
4. As of Oct 31st 2015 the total owing will be \$2,693,311.94

Proposal: Create a class of dividend bearing preferred shares. Terms:

1. Share Price: \$70/Share
2. Offered pro rata to all shareholders
3. Share Class: D, Voting, par value with existing Class A & B
4. 36% yearly dividend return calculated monthly
5. Unpaid dividends are compounded with principal
6. PDI can pay all or part of the dividends at any time
7. Maturity: March 31st, 2019.
8. Tranche 1: 1.5MM new cash Nov. 1, 2015;
9. Tranche 2: 1.5MM new cash Jan 31, 2015
10. Unpaid dividends at maturity converted to Class A shares @ current price or \$70/share, whichever is less;
11. Unredeemed preferred shares at maturity converted to Class A shares @ current price or \$70/share, whichever is less;
12. All existing principal from current YBCI loan will be converted to equity
13. All current unpaid interest will be converted to accumulated dividends
14. Total share class can be redeemed in cash at any-time by paying out the projected maturity value or via conversion of the projected maturity value to class A shares at the last offered class A value.

Benefits to PDI:

1. Current cash flow estimates are that if additional financing is not obtained, PDI will run out of cash in Nov/15;
2. Provides cash run-way March 31st/16 to complete one of the following ongoing business development activities;
 - a. Complete M&A process for RCDP;
 - b. Complete M&A process for Diagnostics platform;
 - c. Sign co-development deal or raise equity financing for AD therapeutic;
 - d. Prepare a more comprehensive financing term sheet that provides PDI with the working capital to realize an exit for its investors.
3. Provides clear mechanism for PDI to convert debt to equity" (**EXHIBIT CQ**)

185. On September 15, 2015, Doug Banzet responded as follows:

"Dayan, I had asked John that PDI counsel draft the proposed amendments to the Med-Life purchase agreement for Revenue Interest #1 but Christine Johnston has been thrown back in my court. I'm not overly pleased by this turn of events as I am again asked to expend my time and energy to fix the problem including the engagement of counsel to amend/clarify the description of Revenue Interest #1 to every ones satisfaction (PDI, Yol, PIC, Concorde and Golden). PDI's internal counsel could easily draft the amendment as they know the file well and are paid staff so very little if any extra legal fees would be incurred which is now not going to be the case.

I offer the following comments on the YBCI loan to GOF and PDI and GOF loan to PDI.

1. The balance owing by Yol to Golden including interest as at October 31, 2015 will be \$1,309,698.63 and as at November 30, 2015 will be \$1,339,287.67 and per diem rate of interest until December 22, 2015 of \$986.30;
2. There is not much I can offer to offset to YBCI's tax liability. However, you will have a partial offset from the interest due GOF;
3. GOF appreciates that your goal is to preserve PDI's current share value of \$70;
4. See comments below re loan agreement terms to all PDI shareholders, not just YBCI;
5. GOF will not have an objection to YBCI investing \$2 to \$3 million into PDI via new terms not taken up by existing shareholders;
6. According to your estimate \$3 million in new cash gives PDI a runway of only 5 months. Kindly be reminded that if Revenue Interest #1 is not sold by December 30, 2015 Med-Life get 32% of the diagnostic assets on June 29, 2016 it is 40% and on December 29, 2016 it is 50%. This potential dilution will make it a tough sell to existing investors other than PIC, Concorde and GOF;
7. Thanks for the information on the status of PDI's obligation to YBCI as at October 31, 2015. It is a lot of money;
8. As you know GOF's secured loan in PDI is also outstanding both principal and interest. We agreed we would not call the loan for 1 year but it can be renegotiated. The balance owing as at October 31, 2015 will be \$1,093,459.08 (includes interest of \$260,459.08) with a per diem of \$309.31, thereafter. This loan should be renegotiated to bring it into current status maybe on similar terms as the existing convertible debenture with the current interest outstanding capitalized and convertible at \$63 per Class A common share. Given that the security coverage on the existing debenture has greatly diminished GOF may want a higher interest rate of return.

New Preferred Share (Loan) Terms:

1. Price at \$70 is OK;
2. OK with proposal of pro rata to existing shareholders. The 5 month runway is too short and given PDI's track record of meeting exit milestones I am not sure how many existing shareholders will participate. Biggest hurdle will be dilutive event if Revenue Interest #1 is not sold on or before December 30, 2015, etc.;
3. There are some logistical and governance issues if the Class D Preferred are voting and especially on par with Class A and B. Currently Class B are non-voting. Board seat, maybe, but not voting. The Preferred shares already have a built in preference over the common in the event of a payout or liquidation;
4. The dividend rate at 36% is excessive and the effective interest rate would be well over 40%;
5. When you say compounded do you mean declared but not paid. This may create a tax bill for holders if dividend is declared but not paid at maturity;
6. OK;
7. The maturity date in 2019 would indicate to investors no **early liquidity event**. I think you need a much shorter maturity date. Even so this will be a tough sell to existing shareholders as they want a real liquidity event and not just rhetoric. Investor are fatigued has set in including GOF!!!!!!!!!!!!!! If PDI's existing investors cannot see a real liquidity event within 5 months investors will probably not participate and wait for a further dilutive event;
8. OK;
9. OK;

10. As mentioned above this will create a taxable event for holders of this new instrument so at the very minimum dividends should be paid and existing investors will want the option to reinvest on new terms, convert or not;
11. Similar points as 10 above;
12. OK at \$70;
13. Not sure whether you can change current interest that is being accrued to dividends unless the original instrument is changed/amended to reflect dividends rather than interest. Dayan you may have to declare this as dividend income in YBCI if the instrument is not amended/changed (approved by the Board) and then reinvest in the new Preferred issue;
14. If you mean total outstanding preferred shares (100%) at the last common share issue price (say \$80) PDI could redeem at that price at any time. OK.

Dayan I may have misunderstood your points so feel free to offer further dialogue on this important subject or consider other alternatives. “ **(EXHIBIT CR)**

186. I responded to Doug Banzet on September 16, 2015 in regards to both board governance issues relating to amending the Med-Life deal and the preferred share offering as follows:

“Hi Doug,

Thanks for your insightful comments regarding the potential preferred share term sheet. See my comments below. In regards to the Med-Life Discoveries contract I think that it is important that any changes made are done in a careful and systematic way. You and I have worked very hard to keep PDI alive and to preserve our share value and by extension all other PDI shareholders’ share values. All have benefited by our actions. The MLD deal is a disaster in terms of conflicts of interest and potential liabilities. Considering the overt wiliness of the Dynex and Tancho directors and shareholders to force a PDI bankruptcy and considering our hail-mary aversions of this event via the YBCI loan and the GOF-led MLD deal, any real or perceived impropriety on our parts could be used to trigger a shareholder oppression or collusion lawsuit. Accordingly, this is my opinion as to how we should deal with this situation in an open and transparent manner. Please provide your comments as well:

1. You represent 3 separate entities in this process. 1. As a PDI director and chair of the audit and finance committee; 2. As a PDI shareholder (GOF) and 3. As a MLD shareholder.
2. I also represent 3 separate entities in this process: 1. As CEO of PDI management; 2. As a PDI director, and 3. As a PDI shareholder (YBCI)
3. In your capacity as a shareholder in MLD you presented a term sheet to the PDI board of directors, which outlined the general terms of a future contract between GOF/MLD and PDI. A resolution was presented to the board to approve this offer and to give PDI management the authority to negotiate the contract with MLD. The resolution was approved with my support and with you abstaining;
4. Based upon this approved term sheet MLD presented a contract to PDI management which described MLD’s terms and intent; You, as a representative of MLD negotiated on behalf of MLD. Me, as a representative of PDI management negotiated on behalf of PDI.
5. You, in your capacity as a representative of MLD aggressively sought to maximize MLD’s interest, as was your duty;
6. Me, in my capacity as a representative of PDI primarily focused on ensuring that the terms of the contract were consistent with the approved board resolution, as was my duty;

7. I believe that the contract accurately reflects the term sheet and intent as presented to the board and approved by the board.
8. Due to internal financial constraints and a lack of external co-development funding, the development of PPI-1040 has been delayed. PDI is currently attempting to salvage its rare disease program by re-purposing its multiple sclerosis cocktail as the first-line therapy and reserving PPI-1040 as a second line therapy to be developed when sufficient partnership or internal capital becomes available;
9. My understanding of recent discussions are that MLD believes that the repurposing of the multiple sclerosis cocktail for RCDP (and other rare diseases?) is covered by the June 9th term sheet which was subsequently approved by the board on June 22nd.
10. As PDI management, I have authority to bind PDI only insofar as directed by the Board.

I am not trying to be difficult. I do not want to get sued by one group of shareholders claiming that I am proactively advising and even writing contract amendments that selectively benefit a second group of shareholders. I cannot imagine that GOF wants to assume that risk either. Considering that we cannot “undo” the retirement of the preferred shares and considering the contentious circumstances surrounding the retirement of the preferred shares, going back now and adding new assets to the deal is just asking for trouble. I am willing and open to working with you and MLD to identify and resolve potential issues with the MLD contract, however, the issues and their potential resolutions need to be described and offered to PDI by MLD, not from PDI management to MLD.

In regards to the potential term sheet, I will incorporate your suggestions as best I can. Key comments:

1. I modified the plan is to convert only the principal to preferred. The unpaid accrued interest will stay as part of the loan agreement. I will have to deal with the tax liability issue.
2. The dividends will be handled in much the same way as the last preferred shares.
3. I am open to expanding the instrument to 6 or 7 million to give a longer runway.
4. To be clear, this deal is meant to be protective of not punitive to PDI and to be a non-dilutive bridge to PDI to get a deal done in the near term. The entity taking the risk is YBCI. The interest rate and fixed term return caps YBCI’s return at a definable number. If a deal is not done in the runway given a dilutive round is inevitable and YBCI will suffer the most. If I am successful, then I will make a nice return.
5. In regards to the payout this is the full principal + current accrued interest + future interest (not compounded) to March 31st, 2019.
6. With a few extra million dollars in my pocket, I can think of many creative ways to be punitive, however, I would rather focus on getting everyone a healthy return (and yes that means an exit before we all die!) and maybe cure a disease or two along the way.

Sincerely,

Dayan” (EXHIBIT CS)

187. At the September 24, 2015, BOD meeting, I presented to the board a preferred share offering that incorporated Doug Banzet’s comments above. The term sheet contemplated the raising of up to \$8,400,000.00 at \$70.00/share (EXHIBIT CT). Since GOFI holds the majority of PDI’s Class B shares, they can veto any new share class issuances. Doug Banzet refused to support the preferred share offering and the offering was not approved by the PDI BOD.

188. The purpose and intent of the GOFI letter agreement presented to PDI on June 9, 2015 and subsequently approved by the PDI BOD June 12, 2015 and subsequently executed as the MLD agreement on June 30, 2015 as represented by GOFI was to prevent a forced liquidation of PDI. GOFI represented to PDI that if PDI was forced to liquidate its assets to satisfy the preferred share obligation that this would detrimentally affect PDI shareholder value to a greater extent than the asset dilution resulting from the sale of the revenue interests contemplated in the MLD agreement.

189. GOFI misrepresented their intent to work with YBCI to normalize PDI BOD governance issues and to work with PDI to stabilize PDI's financial requirements to ensure that an orderly sale of assets or IPO could be executed to provide a profitable exit to existing PDI shareholders as described in Doug Banzet's June 5, 2015 email and personal communications. After securing its non-dilutive revenue interests in key PDI assets via the MLD agreement, GOFI intentionally, aggressively, and maliciously acted against PDI's interests and systematically worked toward forcing PDI into a court-ordered Receivership such that either the assets could be sold to the benefit of MLD over PDI or such that the assets could be purchased by GOFI/MLD at a dramatically reduced price.

190. In contrast, I was actively engaged in seeking co-development partners and pre-IPO financing for PDI that would benefit all PDI shareholders. On November 9, 2015, I obtained an initial letter of intent from Global Securities to provide PDI with \$4,000,000 of pre-IPO financing (**EXHIBIT CU**).

191. At no time from the signing of the MLD agreement on June 30, 2015, to the termination of John Hyshka's employment on November 9, 2015, did John Hyshka, Doug Banzet, or any other PDI BOD member provide any indication to me that they were investigating or soliciting potential financing options for PDI despite the clear knowledge that based upon PDI's current cash position and burn rate, PDI would run out of cash before the end of the year.

192. Concorde (via L. David Dube) and PIC (via Greg Yuel) and John Hyshka are all co-investors in a biotech company called Defyrus Inc, which is owned by a limited partnership called Tancho Defyrus LP. Peter Blaney is also the General Partner of this partnership. John Hyshka is the Chairman of the Board and Barry Markowsky is also a director. John Hyshka's numbered company (101233057 Saskatchewan Ltd.) began acting as the Receiver Manager of Tancho Defyrus LP on or before April 2014 and was paid \$50,400.00 for services rendered while acting as PDI CFO (**EXHIBIT CV**).

193. John Hyshka is paid to be the Receiver of Tancho-Defyrus. This is a position that requires the Defyrus BOD to periodically reappoint John Hyshka. Peter Blaney is also a Defyrus BOD member. Peter Blaney actively canvassed for John Hyshka to be reappointed to Receiver at the September 8, 2015, Defyrus LP meeting (**EXHIBIT CW**). Craig Bell (acting for PIC) also voted to reappoint John Hyshka as the Receiver (**EXHIBIT CX**).

194. Investigations into John Hyshka's activities at PDI revealed that he had been operating a numbered company (101233057 Saskatchewan Ltd.) out of his PDI office and using PDI resources and staff to perform work for this company (**EXHIBIT CY**). The primary business of this numbered company was to act as the Receiver manager of Tancho Defyrus limited partnership, a partnership in which Peter Blaney is a general partner and John Hyshka, L. David Dube, and Greg Yuel/Craig Bell or entities they represent are investors. Specifically:

- a. The PDI accounting department was used to prepare and send out invoices for this company and to collect money for this company.

- b. The PDI accounting department prepared the 2014 financial statements for this company and worked with Ernst and Young on financial matters relating to this company.
- c. The PDI accounting department also worked with McDougall Gauley on matters relating to this company.
- d. John Hyshka received \$34,650.00 in 2014 and had received \$15,350.00 in 2015 from Tancho Defyrus prior to his termination from PDI.
- e. No approval for these activities were sought or approved by me or the PDI BOD.
- f. John Hyshka did not compensate PDI for the services provided by PDI to John Hyshka or his company.

195. When I discovered that PDI's external counsel (David McKeague of McDougall Gauley) was also an investor in Tancho Defyrus and was acting as counsel for Tancho Defyrus and was sending out materials to the limited partners of Tancho Defyrus on behalf of John Hyshka and his numbered company, I immediately transferred PDI's legal file to Beaty Beaubier of Stevenson Hood Thorton Beaubier. I sent the following email to David McKeague on November 12, 2015:

"Hi Dave, Due to potential conflicts of interest, please transfer all PDI related matters to Beaty's office. Although you and Mr. Hyshka have a personal relationship and that you act as counsel for other business ventures that involve Mr. Hyshka, I would assume that your client privilege is to PDI not Mr. Hyshka. Accordingly, I would hope that you would be as forthcoming as possible relating to the recent activities. All of my interactions with you have been professional. I will assume for now that they were honorable as well. I would hope that this would continue. Thank you, Dayan" (**EXHIBIT CZ**).

196. On November 11, 2015, I sent out a memo to all PDI shareholders, titled, "Plot to defraud shareholders" (**EXHIBIT DA**). In this memo, I notified all shareholders that John Hyshka's employment had been terminated with cause and described his behavior and actions leading up to his termination, which included blatant insubordination and the creation of a fraudulent series of emails as mentioned above. In addition, I also informed the shareholders that:

- a. Doug Banzet of GOFI had used his position as a director of PDI to obtain confidential information which he then provided to his partners (L. David Dube/Concorde, Greg Yuel/Craig Bell/PIC) in their newly formed company (MLD);
- b. John Hyshka and Doug Banzet were pressuring me to support their scheme to embezzle assets out of PDI and transfer them to this newly formed company;
- c. John Hyshka, Doug Banzet, and Peter Blaney were plotting to force PDI into bankruptcy;
- d. That there was no reason or excuse for PDI to go bankrupt as financing options were available;
- e. RCDP is a deadly disease. Less than half of the children born with RCDP are alive on their fifth birthday. Our drugs have the power to replace the critical molecules that their bodies cannot make due to their rare genetic defect. In my memo, I state:

"These children are literally dying while they are waiting for us to get our drug to them. These greedy soulless, bastards, John Hyshka, Doug Banzet, Peter Blaney, and Barry

Markowsky are ALL fully aware of this. These children are not a line item on a spreadsheet. This is very real. The thought of having to contact the parents of these children to inform them that this life saving drug will not come to pass for these reasons, kills me. This is truly a matter of life or death.”

This is one statement that I wish was false. Unfortunately, this statement was also true. One of the children waiting for PDI to manufacture and deliver the drug has since died. Little Reese Davidson died on April 2, 2016. She was 5 years old. Reese and her mother, Patricia Davidson, father, Brian Davidson, and her brother, Riley Davidson were all part of our preliminary biomarker assessment clinical trial that I referred to in the memo.

197. All of the statements and accusations that I made in my November 11, 2015, memo are completely true and are supported by the evidence presented in various parts of this affidavit. If the PDI BOD had acted in the best interests of PDI instead of being a patsy for Doug Banzet and GOFI, these children could be receiving a life-saving drug instead of waiting and dying.

198. PDI has developed life-saving technologies for which financial investment to see these technologies made available to the public was readily available. It is not an exaggeration, but rather it is a mathematical certainty to state unequivocally that human lives have been lost as result of these actions.

199. I had hoped that one or more of PDI’s shareholders would have stepped up to offer help or at the very least, expressed their disapproval to GOFI directly, but that never happened.

200. On November 13, 2015, I met with Grant Kook (Founder and President/CEO of GOFI) and Robert Connoly (GOFI CFO). Doug Banzet reports to Grant Kook. During this meeting I fully debriefed Grant Kook and Rob Connoly on the activities of Doug Banzet and John Hyshka at PDI.

201. Unbeknownst to me at the time, Grant Kook had already been bragging in the local Saskatoon community about how he was going to take over PDI and fire me. Through conversations that I have had with Jeret Bode (Managing Director, Investment Banking, Industrial Alliance Securities Inc. Saskatoon, SK), Jeret Bode informed me that he attended the 61st B’nai Brith Silver Plate dinner on October 8, 2015, and that at that dinner Grant Kook told him that he had a plan to take over PDI and that part of that plan was to remove me as CEO of PDI.

202. Considering this information and the fact that Grant Kook was supposed to be appointed to the PDI BOD on November 10, 2015, as a director nominee of not GOFI, but of Dynex, a limited partnership managed by Peter Blaney, I believe that Grant Kook was fully aware and engaged in the conspiracy between Doug Banzet, Peter Blaney, Barry Markowsky, and John Hyshka to force PDI into bankruptcy and that this was the “plan” that Grant Kook was referring to in his comments to Jeret Bode on October 8, 2015.

203. On November 16, 2015, I provided Grant Kook with a discussion document which outlined two possible solutions to the MLD dispute. My preferred option was to transfer all PDI therapeutic assets (including AD, Parkinson’s, and MS) into a PDI subsidiary and convert all YBCI, GOFI, and MLD debt to equity in this company, raise pre-IPO financing and advance to an exit such that everyone would have a common interest. The second option was to modify the MLD agreement. I would agree to put all therapeutic assets in the deal, if MLD agreed to a buyout clause and removed their veto. **(EXHIBIT DB)**

204. On November 17, 2015, MLD responded that they were interested in option 2 and suggested a cap of \$25,000,000 and a 12-month window. They were silent on removing the veto. **(EXHIBIT DC)**

205. I responded on November 18, 2015, that I would agree to \$20,000,000 over 2 years and that they convert the veto to a first right of refusal. **(EXHIBIT DD)**

206. On November 18, 2015, I received the formal agreement from MLD, signed by Doug Banzet. In the formal agreement MLD did not change the veto or the \$25,000,000 value and instead of a \$25,000,000 cap/buyout for the whole agreement, the cap/buyout was now only for the drug asset. There was no financial or business benefit to PDI represented by these conditions. In the MLD agreement, MLD allocated \$4,000,000 of the \$10,000,000 to the drug asset. A \$25,000,000 return on a \$4,000,000 investment within 18 months is ludicrous. Especially considering that I would still have to raise the working capital to develop the assets to an exit. **(EXHIBIT DE)**

207. At this time, no legal action by MLD against PDI had even been initiated and, based upon PDI's legal opinions, a lawsuit from MLD was not a significant threat. PDI was fully compliant with the MLD contract as executed and since no assets had actually been sold, MLD had no damages.

208. PDI was negotiating with MLD because GOFI had issued a 10 day demand letter for PDI to pay the \$1,096,552.16 secured debt owing to GOFI. GOFI was not interested in negotiating with PDI terms under which PDI could restructure or pay this debt. At no time prior to the issuance of the demand letter and at no time after the issuance of the demand letter did GOFI approach me or PDI to negotiate payment terms for GOFI's secured debt in PDI. GOFI was focused entirely on forcing PDI to accept an amendment to the MLD agreement.

209. To exemplify that GOFI's threat to put PDI, YBCI, and GFL into Receivership were solely intended to force me to accept an amendment to the MLD agreement and not about their PDI or YBCI investments, in an email I received on November 18, 2015, from Grant Kook stated, "On the matter of GOF staying. I appreciate this is a condition that you and PDI may also need should you get there with Med Life. As indicated in our meeting once the demand and process was started from Golden on PDI, this was now in the hands of the Golden Board and I have yet to have a meaningful dialogue of what stand down conditions would be or look like. There was no point in this step if a Med Life dispute was still hanging over the company" **(EXHIBIT DF)**. In other words, GOFI was willing to stand down on the Receivership application if the MLD amendment was agreed upon. To appreciate the absurdity of this statement, GOFI was stating that it must put PDI into Receivership to protect GOFI's interest in PDI, because an entity that it controls (MLD) was threatening a lawsuit against PDI.

210. PDI had a BOD meeting scheduled for November 19, 2015, that had been scheduled since the last week of October and which all directors had responded that they were available and attending. Despite that the deadline for the 10 day demand letter issued by GOFI was November 20, 2015, Peter Blaney, Barry Markowsky, and Cindy Ogilvie did not attend the meeting and provided no advance notice to PDI. PDI has specific quorum requirements. At least 3 directors representing institutional shareholders must be present for a BOD meeting to be held. By boycotting the meeting, Peter Blaney, Barry Markowsky, and Cindy Ogilvie prevented PDI from conducting any business, thereby preventing PDI from doing anything to stop GOFI. On the agenda was the approval of a term sheet that would have paid out GOFI in full **(EXHIBIT DG)**. However, Peter Blaney, Barry Markowsky, and Cindy Ogilvie made sure that this would not occur by boycotting the BOD meeting. Despite the fact that GOFI had formally enacted legal action against PDI and that legal action was the most critical business item for PDI to discuss, Doug Banzet continued to attend all formal and informal PDI BOD meetings and at no time

removed himself from discussions relating to the GOFI demand letter and the impending BIA application.

211. This was a coordinated effort between Peter Blaney and Doug Banzet. Before PDI was even in default of the GOFI demand letter (midnight, November 20, 2015), GOFI had already canvassed the court regarding their BIA (Bankruptcy and Insolvency Act) application and Peter Blaney already had advance knowledge of GOFI's upcoming BIA hearing. In an email sent to the PDI BOD at 11:41AM, November 20, 2015, Peter Blaney states, "a federal Court in Saskatoon will be reviewing the issue of a PDI Receivership on Nov 26" (**EXHIBIT DH**). This email is before even PDI knew about the court date and is information that could only have come from GOFI (Doug Banzet/Grant Kook). Since GOFI knew in advance that the PDI BOD meeting would not reach quorum, they did not even wait for the 10 day demand letter deadline to expire before approaching the Court regarding a hearing date for their BIA application.

212. Despite the failed BOD meeting on November 19, 2015, and unaware that GOFI had already canvassed the Court for their BIA application, I filed on behalf of PDI a CCAA (Canadian Creditors Arrangement Act) application on November 20, 2015, to protect PDI from the anticipated BIA application from GOFI.

213. Despite the fact that GOFI had no legal standing against PDI on November 20, 2015, the Court adjourned PDI's CCAA application to be heard at the same time as GOFI's BIA application which had been already scheduled for November 26, 2015.

214. On November 23, 2015, (within 2 weeks of John Hyshka's termination and the distribution of the November 11, 2015 memo), L. David Dube, Craig Bell, Peter Blaney, Gavin Preston, and Barry Bridges signed affidavits in support of GOFI's application to appoint a Receiver over all of PDI's assets.

215. Doug Banzet is the COO of GOFI and the primary PDI contact person and has been a director of PDI since July 22, 2002. Doug Banzet is also the chairman of PDI's audit and finance committee. However, the affidavit presented on behalf of GOFI was not from Doug Banzet but from Gavin Preston, an investment manager at GOFI who reports to Doug Banzet.

216. Despite my full disclosure to GOFI's Founder, President and CEO (Grant Kook) and CFO (Rob Connoly) of the fraudulent activities of John Hyshka while acting as PDI's CFO, on November 23, 2015, GOFI filed an affidavit in support of their upcoming BIA application (**EXHIBIT CM**). In this affidavit, GOFI goes into great detail regarding John Hyshka's role at PDI going so far as quoting media stories that mention John Hyshka and specifically states:

- a. Paragraph 38 (In regards to John Hyshka), "In many respects, he is regarded as the "public face" of PDI in the Saskatoon business community"
- b. Paragraph 44 (In regards to John Hyshka), "GOFI is gravely concerned about the loss by PDI of its CFO and COO. GOFI is quite concerned about the impact of such a significant loss of senior management talent and experience will have on the ability of PDI to function and to restructure its business and financial affairs during a time when PDI faces very significant financial difficulties"

217. In this affidavit, GOFI also goes into great detail regarding my role and behavior at PDI and specifically states:

- a. Paragraph 48: "GOFI has recently become aware of several instances of erratic and unpredictable conduct of Mr. Goodenowe in his capacity as President and CEO of PDI (as more particularly described below in this Affidavit) which: a) has destabilized PDI; b) has the potential to undermine morale among PDI employees; and c) has the potential to impair and to cause permanent harm to the business and credibility of PDI
 - b. Paragraph 52: "GOFI is gravely concerned that the value of PDI will be negatively impacted if Mr. Goodenowe continues to remain in charge of the business and financial affairs of PDI. By reason of the bizarre, outrageous and erratic conduct of Mr. Goodenowe described in this Affidavit, GOFI is concerned that the likely outcome of the continued involvement of Mr. Goodenowe as President and CEO of PDI is that: a) PDI will lose its remaining credibility in the market and the business and investment community; b) PDI will be required to continue to operate without a CFO, COO, in-house legal counsel and much of its former senior management team; c) PDI will continue to operate in a dysfunctional fashion, with low employee morale and the potential to lose additional key employees"
218. L. David Dube states in his November 23, 2015 affidavit (**EXHIBIT DI**):
- a. Paragraph 5 (regarding a meeting between John Hyshka, Craig Bell, L. David Dube and myself on September 8, 2015): "Mr. Goodenowe appeared to me to be in a state of panic regarding PDI and its financial situation"
 - b. Paragraph 9: "As a shareholder of PDI (through Concorde Centres Inc.) and a senior executive myself, I find Mr. Goodenowe's behavior increasingly bizarre and I believe that he no longer is operating in the best interests of either shareholders of PDI or its creditors"
 - c. Paragraph 10: "I make this Affidavit in support of an application by Golden Opportunities Fund Inc. for an Order appointing a Receiver of the property assets and undertakings of PDI."
219. Craig Bell states in his November 23, 2015 affidavit (**EXHIBIT DJ**):
- a. Paragraph 3: "I have absolutely no confidence left in the senior leadership team at PDI and, more specifically, in the President and CEO of PDI, Mr. Dayan Goodenowe."
 - b. Paragraph 6: "The CEO of PDI has clearly demonstrated that he is incapable of running an organization of this size and structure."
 - c. Paragraph 13: "Mr. Goodenowe appears to view PDI as his personal company to do what he wants with and he has demonstrated that he has little regard for shareholders, partners and creditors of PDI. I do not believe that the continued involvement of Mr. Goodenowe with the operations of PDI or at the board level of PDI is in the best interest of any stakeholder of PDI."
 - d. Paragraph 17: "I make this Affidavit in support of an application by Golden Opportunities Fund Inc. for an Order appointing a Receiver of the property assets and undertakings of PDI."
220. The statements of the MLD shareholders (Gavin Preston/GOFI, L. David Dube/Concorde, Greg Yuel/Craig Bell/PIC) were coordinated and mimicked each other. No evidence to support their allegations, other than my fact-based memo of November 11, 2015, was presented. None of the MLD

shareholders making these allegations were PDI BOD members and none of these persons have ever contacted me directly. None of these individuals disclosed in their affidavits that MLD was threatening legal action against me and PDI. In addition, none of these individuals at any time presented to the PDI BOD how their proposed amendment to the MLD agreement would benefit the shareholders of PDI. These persons were acting for the best interests of their shareholdings in MLD only, not their shareholdings in PDI. My responsibility was to the shareholders of PDI, not the shareholders of MLD.

221. The MLD affidavits attempt to use my letter of November 11, 2015 to the shareholders to depict an unstable person. If warning a group of individuals that a fraud was being committed and that they were at risk of losing their investments is unstable behavior, then not only am I unstable, I am downright crazy because I would do it again. I do not know why none of the shareholders answered my warning call. Maybe some did not or could not believe that their so-called "friends" could do this to them. Maybe some could not accept that they had been conned by "nice guy" John Hyshka who had bloviated and systematically exaggerated his importance to PDI by running around to every social event he could get invited to and doing local media interviews while I was away on PDI business. John Hyshka had woven his story that he was the visionary at PDI so effectively that people actually believed it. I would not have minded if it had actually produced results for PDI, but it did not. Others may simply be in bed with these guys in other areas and in other deals and their PDI investment was not worth the potential disruption to these other deals. Whatever the reasons, I did what was right at every turn and I walk away and move forward with a clean conscience.

222. If GOFI's motive in Gavin Preston's November 23, 2015 affidavit of presenting John Hyshka as some sort of Saskatoon Jack Welsh was not so sinister (i.e. that PDI could not possibly survive without such "talent" and must be put into receivership to protect the PDI shareholders from my "bizarre, outrageous and erratic conduct"), it would be comical. All of the self-important quotes about John Hyshka in the GOFI affidavit come from John Hyshka himself.

223. The only "Bizarre" allegations in the MLD affidavits are the self-serving attempts of the MLD principals to paint me as having contempt for PDI shareholder value because I had the audacity to stand up to these small town hoods and thugs as they maneuvered to steal PDI from its shareholders. It would appear that nobody has ever stood up to these petulant second-generation entitlement babies made rich from their mommies' and daddies' hard work.

224. In fact, staff morale dramatically improved immediately after I fired John Hyshka and had continued to improve throughout the Receivership process as we had systematically excised ourselves of the toxic, corrosive, and corrupt influences that had infiltrated this company.

225. During my tenure as PDI CEO I have always had the full support of PDI employees, with the exception of a few employees that Doug Banzet, John Hyshka, and Shawn Ritchie were successfully able to corrupt. The full extent of each person's involvement and culpability in the conspiracy described herein is still under investigation and such actions will be addressed in future applications as appropriate.

226. Neither John Hyshka nor Shawn Ritchie was enlisted by GOFI/MLD for their vast knowledge, expertise, or talents. As was the case with John Hyshka, I also hired Shawn Ritchie. I trained him to be the Director of Discovery Research. This was the smallest division of the company. He is in no way qualified to oversee the laboratory operations, synthetic chemistry, manufacturing, or clinical research divisions of PDI or any company. He was in no way essential to the survival or ongoing operations of PDI and like John Hyshka, he reported directly to me. John Hyshka and Shawn Ritchie were approached and

enlisted by GOFI/MLD because they were willing to sell out PDI in hope of personal gain and therefore easily corrupted and controlled. Doug Banzet, L. David Dube, and Greg Yuel/Craig Bell, likewise are too unsophisticated to know that John Hyshka and Shawn Ritchie are not capable of running or selling PDI. These people truly do deserve each other. This would be laughable if it were not for the tragic fact that the good, honest, and hard-working PDI employees have been made to suffer through this charade only to see the company that they helped to build be torn down and vandalized by these thugs.

227. John Hyshka's willingness to work with and assist Doug Banzet in his attempt to defraud YBCI of any return on a sale of PDI's assets as long as he personally benefitted from the transaction was evident in the communications between John Hyshka and Doug Banzet on November 24-25, 2014 as described previously in this affidavit. John Hyshka's willingness to work with and assist Doug Banzet in his attempt to embezzle assets out of PDI was evident by his behavior at the September 24, 2015 BOD meeting. John Hyshka's willingness to work with and assist Doug Banzet in his attempt to remove me as CEO of PDI was evident by John Hyshka's impersonation of me and his attempt to frame for fraud, his subsequent slandering me of me to PDI employees and PDI directors and his willingness to corrupt PDI employees and involve them in Doug Banzet's plot.

228. The only reason that John Hyshka and Shawn Ritchie could strut around pretending to be a founder of a tier I biotech company or an inventor of disease biomarkers is because of the infrastructure and relationships that I built PDI around. The real proof of this statement will be shown over time in that John Hyshka and Shawn Ritchie will never again reach the status that they had at PDI.

229. During the November 26, 2015, Court hearing, GOFI argued that I did not have the right to file the CCAA application because section 4.8a(xix) of the PDI Unanimous Shareholders Agreement requires that the filing of an application for bankruptcy protection or similar procedures requires the approval of 75% or more of the directors at a duly convened BOD meeting. The Court adjourned the BIA/CCAA hearing until December 3, 2015, in order for PDI to hold a BOD meeting to discuss and make a determination regarding the CCAA application. In addition, the Court ordered that independent counsel be present at the BOD meeting.

230. On November 27, 2015, the PDI BOD held a duly convened BOD meeting. Warren Sproule attended the meeting to provide independent legal advice to the BOD. Before any business was attended to, Warren Sproule thoroughly described and explained the fiduciary responsibilities of directors and was emphatic that directors owe their first duty to PDI and only PDI. After this preamble, the PDI BOD was asked to ratify the CCAA application filed on November 20, 2015. Despite the fiduciary responsibility lecture of Warren Sproule, Doug Banzet, Peter Blaney, Cindy Ogilvie, Barry Markowsky, Christine Hrudka, Blair Davidson, and Seth Yakatan all voted no. Dr. John Ryan, Dr. George Robertson, and I voted yes and noted our dissent. In addition, I presented to the PDI BOD a convertible debenture term sheet that would pay out the GOFI debt and prevent the Receivership of PDI. Christine Hrudka presented a motion to reject the offer. Doug Banzet, Peter Blaney, Cindy Ogilvie, Barry Markowsky, Christine Hrudka, Blair Davidson, and Seth Yakatan all voted yes. Dr. John Ryan and Dr. George Robertson voted no and noted their dissent. I abstained due to conflict of interest (**EXHIBIT DK**).

231. As a direct result of the actions of these PDI BOD members, the upcoming BIA application by GOFI on December 3, 2015 was unopposed. Shortly after the BOD meeting, Dr. John Ryan and Dr. George Roberson resigned from the PDI BOD.

232. During the time immediately following the termination of John Hyshka and the issuance of the GOFI demand letters, I discovered that one of the PDI shareholders, Irene Seiferling, President of Board

Dynamics, was an expert on board governance issues. I met with her to discuss how to resolve the PDI BOD issues and I asked her to step in and act as either Chairman or Lead Director of the PDI BOD, even if it was for a short time. The PDI BOD had become so corrupted with shareholder self-interest that I felt that she could infuse the BOD with some ethics and proper governance. For whatever reason she declined and the BOD remained corrupted and self-interested to the end.

233. On November 27, 2015, NONE of PDI's intellectual property was encumbered by ANY party.
- a. The 2010 GOFI debenture (\$1,096,552.16) was the only secured debt of PDI. Under this debenture, PDI's intellectual property, Securities, and Securities Accounts are specifically EXCLUDED. GOFI could have taken PDI's bank account and sell the mass spectrometer, but GOFI had no power to dispose of PDI's intellectual property. Only a Court-appointed Receiver had the power to dispose of PDI's intellectual property.
 - b. The November 23, 2015 affidavit of GOFI was very misleading on this point. Gavin Preston stated at paragraph 14, "GOFI holds security in respect of the Loan in the form of a security interest in all of the undertaking, property, and assets of the Debtor described in section 3.1 of the 2010 debenture." (EXHIBIT CM)
 - c. Likewise, MLD had no power under the MLD agreement to dispose of PDI's intellectual property. If PDI defaulted on the MLD agreement, MLD could only take possession of its revenue interest, which is a percentage of sale proceeds arising from certain PDI assets. MLD has the right to carry on the business of PDI, but then it would need to pay PDI PDI's portion of the revenue interest, but it did not have the power to sell PDI's assets. The only way that MLD could force the sale of PDI's intellectual property was to have a Court-appointed Receiver take over the assets of PDI.
 - d. Multiple options were presented to PDI, any of which would have prevented the appointment of a Receiver over the assets of PDI and the destructive loss of PDI shareholder value that ensued. Doug Banzet/GOFI refused to support any of these initiatives.
 - i. September 24, 2015 – \$8,400,000.00 Preferred share offering – declined by Doug Banzet/GOFI
 - ii. November 9, 2015 – \$4,000,000.00 Pre-IPO financing. I informed Christine Hrudka of the term sheet on November 8, 2015 and that I would be presenting it at the November 10, 2015 board meeting. I believe that this information was communicated to Doug Banzet and/or Grant Kook by her and that this was the reason why Doug Banzet declined to come to the meeting and also why GOFI issued the demand letters on November 10, 2015.
 - iii. November 17, 2015 – \$9,000,000.00 Class A share offering. BOD meeting failed to reach quorum as described above. Doug Banzet advocated against the offering at the November 26, 2015 meeting.
 - iv. November 17, 2015 - \$3,000,000.00 Secured debt offering to pay out the GOFI secured debt. BOD meeting failed to reach quorum as described above. Doug Banzet advocated and voted against the offer at the November 26, 2015 meeting

- v. November 20, 2015 – CCAA application. Doug Banzet voted against PDI filing a CCAA application at the November 26, 2015 meeting

234. Prior to the Receivership proceedings of December, 2015, YBCI was the largest creditor of PDI. The major outstanding debt obligations of PDI as of November 30, 2015 were (approximately):

a. Golden Opportunities Fund Inc. (Partially Secured):	\$1,100,000.00
b. YBCI (Unsecured);	\$2,900,000.00
c. Patent Lawyers (Unsecured):	\$500,000.00
d. Landlord (Unsecured):	\$1,500,000.00

A forced liquidation of PDI in December, 2015, would have resulted in GOFI being paid in full (from the disposition of laboratory equipment) and the remaining assets of PDI to be distributed to the unsecured creditors, of which YBCI was the majority debt holder.

235. YBCI is the only shareholder of PDI that was focused on protecting, preserving, and increasing the value of PDI for ALL shareholders, whereas GOFI, Concorde, PIC, Dynex/Tancho had been solely focused on scheming on how they can selectively enrich themselves at the expense of YBCI and other PDI shareholders and GOFI had systematically used the provisions contained within the YBCI-GOFI loan agreement to support these activities, which is in direct opposition to the intent of the agreement, which was to preserve PDI value for all PDI shareholders.

236. On December 3, 2015, prior to the scheduled court hearing when GOFI's BIA application would be presented without any contestation from PDI, I met with GOFI and a memorandum of understanding (MOU) between GOFI, myself, and YBCI was agreed upon. I agreed to the MOU based upon representations from GOFI that they would and could negotiate an amendment to the USA with Peter Blaney that would remove the super-majority voting requirement and that there would subsequently be an election of an independent board of directors and an independent chairperson. Negotiation or approval of a MLD amendment was not part of the MOU (**EXHIBIT CF**).

237. On the basis of the MOU, GOFI amended its application for Receivership to that of an interim Receivership order in which the PDI BOD would remain in effect. FTI Consulting Inc. was chosen by GOFI and subsequently appointed by the court to be the Interim Receiver of PDI at the December 3, 2015, court hearing.

238. At no time have I ever supported the appointment of a Receiver over the assets of PDI.

239. One of PDI's employees recently saw John Hyshka at a concert in Saskatoon in August 2016, John Hyshka intentionally sought her out and a conversation ensued. In that conversation he boastfully threatened that they were going to bury me. He also told her that when they are finished with me that I will have no place to hide and that I will have to move to China and that they "have the money to do it". He also told her that he had intentionally withheld investment funds from PDI while I was CEO.

240. In addition, Shawn Ritchie, who was designated as John Hyshka's "science" partner in John Hyshka's and Doug Banzet's scheme described above to sell the assets of PDI recently (August 2016) threatened PDI employees that if they support me that they will be "out of a job".

241. In addition, through conversations that I have had with Helen Landicho of Polymedco Cancer Diagnostics Inc., she informed me that in conversations she had with Shawn Ritchie during the summer

of 2015 that Shawn Ritchie was bragging to her that he and John Hyshka were involved in business discussions with Doug Banzet and GOFI regarding PDI's diagnostic's business.

242. Virtually every bad actor in this case uses the same plays from the same playbook over and over again ad nauseam. They first attempt to coerce using sweet-talk and other manipulations and when that doesn't work, then they quickly switch to threats and strong-arm tactics. Both Doug Banzet and John Hyshka loved to portray L. David Dube as some sort of "mad dog" and have repeatedly told me a story about how L. David Dube ruined some guy in Saskatoon over a \$700.00 debt. I do not know if this story is true or just a fanciful story told by L. David Dube to bolster his importance. Either way it is ridiculous, but the schoolyard message was clear: give L. David Dube what he wants or you will be sorry. Doug Banzet has stated to me on multiple occasions that GOFI and these guys "own" Saskatoon.

243. In summary, PDI was manipulated and forced into an unnecessary and preventable appointment of a Receiver over the assets of PDI by a group of minority shareholders for the self-betterment of their non-PDI interests at the expense of PDI shareholder value and with callous disregard to the employees, collaborators, business partners and other stakeholders of PDI all of which had contributed to making PDI a highly respected world-class diagnostics and therapeutics company with an unprecedented international network of diagnostic and therapeutic relationships.

SECTION VIII: EVENTS DURING THE INTERIM PDI RECEIVERSHIP AND LEADING UP TO THE FULL RECEIVERSHIP OF PDI ON FEBRUARY 26, 2016

244. On December 18, 2015, Doug Banzet linked amending the MLD agreement with the MOU (**EXHIBIT DL**). Doug Banzet states:

"Have you had any thoughts on the Med-Life amendments that you deem would be acceptable to PDI and also satisfy the shareholders of Med-Life? This should be rectified as we are moving forward with the new USA, et."

245. On December 31, 2015, Doug Banzet began to renege on the MOU by indicating that item #9 on the MOU (restructuring of the YBCI debt) was now subject to an acceptable amendment to the MLD agreement being approved by all applicable parties, which was NOT part of the MOU (**EXHIBIT CG**). Doug Banzet states:

"Regarding GOF's demand debenture in YBCI, I thought that I would bring you up to date and advise that GOF's Board is prepared to consider the request to exchange the current secured debt in YBCI for a secured position in PDI (at a reduced interest rate) subject to an acceptable amendment to the Med-Life Agreement being approved by all applicable parties."

246. The December 31, 2015 email is further evidence that the GOFI BIA application against PDI had nothing to do with GOFI's concern over the security of its 2010 debenture and was solely based upon GOFI's desire to better their position via an amendment to the MLD deal. Consider the following:

- a. The MLD amendment proposed by GOFI would REDUCE the value of the PDI assets by giving MLD rights to certain PDI assets that they currently did not have;
- b. GOFI was willing to convert its YBCI debt (which was 100% secured by farmland) to debt in PDI (at a reduced interest rate). This would more than double GOFI's secured debt holdings in PDI.

- c. GOFI was not concerned about the asset value of PDI, just how that asset value was to be distributed.

247. On January 25, 2016, Barry Markowsky emailed me regarding negotiating the MLD Agreement. I responded back to him as follows (**EXHIBIT DM**):

“Considering Peter’s outburst last week and accusation that I am running PDI as if it is a sole proprietorship, I think that it is important that I follow proper board governance requirements as best I can. At the September 24th board meeting, the board authorized PDI management to negotiate with Med-Life. I do not have the authority to transfer this obligation to you without board approval. Accordingly, I would feel more comfortable bringing this issue to the board for discussion at the next meeting. The board can then decide how it wants management to move forward with negotiating the Med-life agreement. Thank you for your understanding, Dayan”

248. Barry Markowsky responded:

“Thank you Dayan. I will be pleased to support you on this initiative when and if the Board determines that this is the appropriate course of action. I'm sorry that we are unable to move this forward in a more expedient manner. Best Regards, Barry” (**EXHIBIT DN**)

249. To which Doug Banzet responded on January 26, 2016:

“Hi Barry: I just left a meeting with Dayan and my advise to him was that as management he could engage you to negotiate with Med-Life without having Board approval. Management was just tasked to negotiate a solution with Med-Life. How this is accomplished was left up to management. Ultimately Dayan as management will present to the Board what you and with his input negotiate. The sooner this process gets started and hopefully resolved I suspect better relationships will develop with these influential Saskatoon investors. Doug” (**EXHIBIT DO**)

250. Later on that same day, January 26, 2016, Doug Banzet sends me another email:

“Did you contact Barry today to get him started on negotiating with Med-Life (Dube and Bell)?” (**EXHIBIT DP**)

251. On January 22, 2016, GOFI sent to YBCI an unsolicited amending agreement to YBCI’s License to PDI. I responded to Doug Banzet regarding Barry Markowsky and GOFI’s unsolicited amending of YBCI’s license agreement with PDI on January 26, 2016, as follows:

“Hi Doug, No, I did not have a chance to email or talk to Barry yesterday. However, I did get a chance to quickly review your proposed changes to YBCI’s license with PDI. Is this some kind of joke?

1. GOF is not a party to this contract;
2. Who is contesting the agreement? YBCI has not been notified by PDI (i.e. the board) that it wishes to modify the agreement;
3. PDI is in arrears. 100K is due by Jan 31st. On Feb 1st, PDI will owe YBCI an additional 100K;
4. Considering PDI’s cash position, I think that it is in the best interests of both parties that PDI and YBCI agree to terminate the license effective Jan 31st. This will save PDI 100K in licensing fees and the 100K debt can remain as a debt that is stayed due to the interim Receivership order.

5. Assuming that you are OK with this, I will notify PDI's counsel and FTI regarding this proposal and I will present this to the board at the next meeting for formal approval.

Every time I think that we are getting close to some sort of normal, you go and pull some bullshit move like this. Dayan" (EXHIBIT DQ)

252. Doug Banzet responds later that day:

"Dayan, GOF is not a party to the agreement that is being amended. As we have discussed this agreement is being amended to that of normal commercial terms similar to the USA and MSA. We have talked about how PDI would pay to keep the license agreement current and a solution I thought was reached being that GOF would authorize an increase in the YBCI loan amount to \$2.2 million. I am not OK at this time having PDI give up the license agreement as I do not know for sure what value accrues with respect to the PDI diagnostic assets and what discovery work is underway or could be undertaken at PDI grow its IP portfolio before the patent expires in 2021. Doug Banzet" (EXHIBIT DR)

253. GOFI was willing to consent to an increase in the YBCI loan to PDI to cover the YBCI license fees, but GOFI was not willing to consent to an increase in the YBCI loan to provide working capital to PDI.

254. On January 27, 2016, Doug Banzet informed me that he was unable to deliver item #8 of the MOU (amendment of the USA -the key issue in the MOU from YBCI's perspective) because Peter Blaney will not agree. However, if I was to agree to settle John Hyshka's wrongful dismissal suit, then we could amend the USA. Doug Banzet states:

"Dayan, lots has transpired since we last met.

1. Peter's group has indicated that, given recent events, it will/may not support any amendment to the USA or any other document. 10% chance of bringing them back onside.
2. PDI is arguably left with only one option to achieve special majority shareholder consent, and that is to reach a settlement with John Hyshka for his support in order to get the new USA approved. Please advise of your position in this regard. Without a new USA being put in place within the current time constraints, all restructuring stops. Golden's Board has instructed me that, in that event, Golden will cease funding to the Interim Receiver.
3. You missed a meeting with the SVP of Life Labs when you were in Toronto. I do not think he was pleased that you did not communicate that you were not available to meet!
4. Since you said you would not provide me with a written report on your visits with Tormont (Patrick Wood) or Roseview (Rob Douglas) I have reached out to them directly. Golden requires full disclosure.
5. Dube and Bell have indicated that they are prepared to negotiate a solution directly with Barry on the Med-Life agreement. Could you get Barry working on this asap. "

(EXHIBIT DS)

255. On January 28, 2016, I sent an email to the Receiver and PDI counsel regarding corporate governance issues that were making it difficult for me to perform my duties as President/CEO. The email from Doug Banzet that I was referring to is the January 27, 2016 email (presented above):

“Doug’s email below raises several concerns regarding the ongoing management and reporting of PDI’s activities that need to be addressed:

1. In my capacity as President and CEO of PDI, what entity am I responsible to? The PDI BOD?, FTI? GOF?
2. What exactly are the terms by which GOF is committed to financing the Receiver? It would appear that these terms change upon Doug’s whim. I need to be able to perform my duties and to report upon the status of these activities with a certain amount of security that if management is diligently performing its duties and PDI is systematically advancing toward an exit from Receivership that there is not a constant threat of some new requirement. If this is the position of GOF, then it should be addressed at the next PDI BOD meeting and then the board/FTI has to make a decision as to whether to continue with GOF funding the Receiver or seek another, more transparent, financial lending source.
3. The YBCI license term is scheduled to renew on Feb 1st. PDI is currently 100K in arrears and an additional 100K will become due on Feb 1st if alternative arrangements are not made. As per section 3 of the license agreement, it is PDI’s responsibility to use diligence in exploiting the invention. The invention has not been in use for over a year, which is well over the 6 month requirement. In order to get the instrument up and running an additional 50K is required. YBCI is seeking direction from PDI as to its intentions relating to this license. YBCI had been willing to consider converting the license fees owing to debt, however this was on the understanding that GOF’s funding of the Receiver would continue in a predictable manner. Accordingly, YBCI needs assurances from PDI that it intends to and has secured the resources to comply with section 3 of the license. Absence such security, it is YBCI’s opinion that it is in the best financial interests of both parties to consensually agree to terminate the license as of Jan 31st. If PDI is unwilling or unable to practice the invention, then it should be returned to YBCI such that YBCI can exploit the invention during the remaining patent exclusivity period. This was and remains the intent of the license agreement between the parties.
4. In regards to the new shareholder’s agreement, YBCI has already indicated its willingness to sign an amended agreement. The decision to ratify the modified USA is a shareholder responsibility. The shareholders have the right to choose the existing USA or the new USA. If the new USA is superior to the old USA in terms of board governance and other issues, then shareholders should willingly sign the agreement as it is in their best interests as it pertains to their shareholdings. This can be achieved by simply holding a shareholders meeting and calling for a vote. I see no reason why PDI should bribe John Hyshka with a settlement offer in exchange for a vote being solicited by GOF.
5. I would like clarity on Doug’s assertions that GOF’s position supersedes the board and management. It is my understanding that GOF funds the Receiver and that it is the Receiver that funds PDI. GOF’s actions indicate that it is their position that they can directly interact with PDI’s business contacts without notification or approval from PDI’s BOD. In addition, GOF is interacting with Mr. Hyshka to obtain contact information regarding PDI business contacts that Mr. Hyshka had during his employment at PDI. Mr. Hyshka was terminated with cause from PDI and has filed a wrongful dismissal suit against PDI. GOF is now acting as a broker between Mr. Hyshka and PDI to negotiate a settlement for Mr. Hyshka. There are not enough words to describe how wrong this is.
6. In regards to negotiating the Med-life agreement, why would PDI entertain such discussions when GOF is threatening to withdraw its funding, which could place PDI into direct Receivership? Under that scenario, Med-life can make its claims directly with the Receiver and court. Accordingly, it is my opinion that no negotiations with Med-Life commence until clear

financial support guidelines are obtained from GOF. This issue should be brought to the board for discussion. I am uncomfortable making this decision on my own.

Best regards, Dayan" (**EXHIBIT DT**)

256. On February 1, 2016, GOFI sent a letter to FTI Consulting Inc. (the Receiver) regarding documents that GOFI was demanding the BOD approve at the February 4, 2016, PDI board meeting. To support their demand, the letter referred to the December 3, 2015, MOU between YBCI and GOFI (but did not provide it) and stated, "The parties to the MOU have prepared various documents to implement the terms of the MOU and, to the best of GOF's knowledge, the documents are in final form" (**EXHIBIT DU**). This was blatantly untrue:

- a. None of the documents were agreed upon by YBCI or could be agreed upon by YBCI because GOFI had informed YBCI on December 31, 2015 that GOFI was not prepared to honor item #9 (YBCI debt restructuring) unless I successfully negotiated an amendment to the MLD agreement and GOFI had informed YBCI on January 27, 2016 that it was also not able to deliver item #8 (amendment to the USA).
- b. In addition, GOFI had rewritten YBCI's license agreement with PDI, which was not part of the MOU. GOFI is not even a party to this agreement, yet, without authorization from either YBCI or PDI, GOFI was demanding that both YBCI and PDI ratify this new agreement. GOFI was threatening PDI that it was going to stop financing the Receiver if PDI did not ratify these agreements.

257. Based upon the above actions, I do not believe that GOFI had any intention of honoring the MOU signed on December 3, 2015 and that the purpose of the MOU and the Interim Receivership was to buy time such that GOFI could try to negotiate an amendment to the MLD agreement and revise the YBCI contracts in such a way that if PDI were to go into Receivership, that MLD would preferentially benefit over other PDI creditors and shareholders. GOFI used the constant threat of withholding funds from the Receiver and the ensuing financial duress to try to force PDI and YBCI to agree to terms preferential to GOFI and MLD.

258. Because the actions of GOFI were the exact opposite of the intended purpose of the MOU, which was to institute proper board governance at PDI, on February 1, 2016, YBCI requisitioned the PDI BOD to call a special meeting of shareholders for the purpose of electing a new board of directors in accordance with PDI's unanimous shareholders agreement (**EXHIBIT DV**). By law, the PDI BOD had 21 days to call the meeting or the shareholder can call the meeting directly.

259. On February 2, 2016, I met with Christine Hrudka. During this meeting, I told her that I was contemplating paying out GOFI-YBCI loan (to remove the covenant blocking YBCI from advancing additional funds to PDI) and then advancing to PDI the remaining principal allowed under the YBCI-PDI loan to pay out the GOFI secured debt and Receiver. However, I was only prepared to do this if I felt confident that a strong independent BOD could be elected.

260. On February 4, 2016, PDI held a BOD meeting. PDI was out of cash and GOFI was threatening to not advance any additional funds to the Interim Receiver in defiance of the Court Order. In the midst of this obvious financial crisis, Doug Banzet made a motion to the BOD to rescind the YBCI loan amendment that was approved by the BOD on September 24, 2015, and to cap the amount of principal that YBCI can loan to PDI at the amount advanced to date. This item of business was not on the agenda and no advance notice was provided to PDI. Doug Banzet presented it under "other business". No explanation was given as to why this was in the best interest of PDI and no discussion on the matter was

undertaken. Peter Blaney, Christine Hrudka, and Cindy Ogilvie voted yes. I abstained. It passed without discussion. It was obvious that these BOD members had discussed it before the meeting. It is my belief that Christine Hrudka informed GOFI of my intent prior to the BOD meeting and that the reason that Doug Banzet made the motion to cap the YBCI loan was to prevent YBCI from using the loan agreement to pay out GOFI's secured debt. (**EXHIBIT DW**)

261. At the February 4, 2016, BOD meeting, the BOD was also presented with a complete management proxy circular for the BOD to approve such that PDI could call the special meeting of shareholders requested by YBCI. Doug Banzet blocked this request stating that he is the chair of the Audit and Finance committee and that it was his responsibility to review all of the financial information prior to sending it to shareholders and that he needed time to review it. Doug Banzet never provided PDI with any comments.

262. At the February 4, 2016, BOD meeting, the BOD was also presented with written reports from Tormont Group (**EXHIBIT DX**) and Roseview Capital (**EXHIBIT DY**) consultancy companies that were engaged by PDI to solicit a sale or co-development of PDI's assets in whole or in part. These consultants attended the BOD meeting and were available for questioning by the BOD at the meeting. Both consultants reported to the BOD that they had strong indications of interest and that they expected letters of interest in the near future. Roseview Capital informed the BOD that it had provided an opening price for the acquisition of PDI of \$700,000,000 with a rough breakdown of \$400,000,000 for the diagnostics and \$300,000,000 for the therapeutics. They expected to have a counter offer and continued discussions around the end of February.

263. Despite the obvious progress that I was making with the consultants to effect a sale of assets or co-development agreement, on February 19, 2016, at a duly convened PDI BOD meeting, Peter Blaney made a motion recommending that PDI enter into full Receivership at the upcoming Court hearing. This motion was seconded by Cindy Ogilvie and Barry Markowsky voted in favor of the motion. Doug Banzet abstained due to conflict of interest regarding the GOFI BIA application. The motion passed. The PDI BOD wanted to make sure that PDI went into Receivership.

264. On February 26, 2016, on the order of the Court, FTI was appointed Receiver over all of the assets of PDI pursuant to the BIA, as extended and amended by one or more subsequent Orders of the Court (the "Receivership Order", **EXHIBIT DZ**). From this point forward, Jamie Engen was the senior FTI representative responsible for overseeing the operations of PDI and the sale process.

265. Throughout the entirety of this process I had been actively engaged with the consultants and the Receiver to ensure the best outcome for PDI and all of its shareholders as evidenced by the following reports:

- a. Roseview February 1, 2016, report: "Over the Christmas New Year period we engaged in detailed communications with the Primavera Capital Group and Dr. Dai about the business opportunity PDI represents. During this Holiday period Dayan was fully engaged with Roseview Capital Consultants as we provided all requested information to Primavera."
- b. Tormont January 31, 2016, report: "During this initial outreach and through the term of the engagement the Advisor kept in direct contact with Company management on a nearly daily basis to go over status and progress on the Effort. At all times Company management has been keenly focused on the Advisor's efforts, the status of interest in the opportunity, the preparation of supporting materials required to attract investor interest and all other involvement needed to ensure a successful outcome".

- c. Interim Receiver report, January 19, 2016: "Since the granting of the Interim Receivership Order, PDI management has fully cooperated with the Interim Receiver to review cash needs, seeking prior approval of all payments and compiling weekly cash flow forecasts (including budget to actual results)" (**EXHIBIT EA**).

266. As part of the December 3, 2015 MOU (**EXHIBIT CF**), I agreed to resign as chairman of the BOD AND resign as CEO of PDI AND relinquish 2 BOD appointments AND to act solely as the Chief Scientific Officer on the condition that PDI modify the USA to remove the 75% super-majority provision AND elect an independent BOD with an independent Chairperson. In addition, I had agreed to the formation of a management committee whose role was:

"The terms of reference of the Management Committee will authorize the Management Committee, with the approval of the Board of Directors of PDI, to engage such additional individuals as are necessary to manage PDI including but not limited to, a Chief Executive Officer, a Chief Financial Officer, and a Chief Operating Officer (the "New Executives"). The New Executives, the Chief Scientific Officer and other such individuals as are necessary to manage PDI (as designed by the Board of Directors) shall constitute the "New Management". The management committee will terminate once the New Management is engaged to manage the business and affairs of PDI. The New Management will manage all aspects of PDI's operations including, for clarity, the possibility of leading PDI into an initial public offering or initiating a sale of all or substantially all of PDI's assets."

Despite my agreeing to the above conditions and despite the November 23, 2015 affidavits of the MLD principals (Gavin Preston/GOFI, L. David Dube/Concorde, Craig Bell/PIC) unanimously stating that I was unfit to be the CEO of PDI, Doug Banzet/GOFI and the PDI BOD did ABSOLUTELY NOTHING to initiate ANY executive management recruitment. In fact, NOT ONE PDI BOD member would even forward to the BOD potential independent BOD members for consideration.

Instead of initiating proper board governance as dictated by the MOU, GOFI attempted to appoint their own internal Receiver – Barry Markowsky. Yes, this is the same Barry Markowsky that voted "No" on ALL PDI financing term sheets EXCEPT the June 12, 2015 GOFI/MLD letter agreement and yes, this is the same Barry Markowsky that Doug Banzet was desperate to have me allow to negotiate the MLD amendment on behalf of the PDI BOD. Doug Banzet's grand idea was to hire Barry Markowsky as the "Executive Chairman" of PDI – hardly the "Independent" chairperson that I was anticipating. GOFI offered me a 12% raise AND I could keep my position as CEO as long as I agreed to report to this "Executive Chairman". One of the roles of this Executive Chairman was, "coordinate and lead negotiations to conclude a settlement arrangement with Med-Life Discoveries LP in respect of the Purchase Agreement dated June 30, 2015 entered into with PDI".

267. Apparently, I went from being unfit to lead PDI on November 23, 2015 to being worth a 12% raise. All I had to do was play ball with GOFI.

268. As described previously, all PDI BOD members are provided with a BOD package in which the fiduciary responsibilities of a director are clearly articulated and examples given. One such example of a breach of fiduciary responsibility is "Using your authority as director to unfairly prejudice the rights of one group of shareholders while benefiting another group of shareholders". It is further clarified, "Even directors nominated by a particular shareholder to represent them on the board owe their first duty to PDI, and not to the shareholders they represent" (**EXHIBIT G**).

269. In 2014 and continuing through to the appointment of a Receiver over all of PDI's assets on February 26, 2016, PDI BOD members Doug Banzet, Peter Blaney, Barry Markowsky, Stan Stewart, Amar

Bhalla, Christine Hrudka, and Cindy Ogilvie collectively and individually used their positions as PDI BOD members to knowingly better the self-interests of a selected group of PDI shareholders and to facilitate the appointment of a Receiver over all of PDI's assets. These directors repeatedly and systematically failed to uphold their fiduciary responsibilities to PDI. The appointment of a Receiver over all of the assets of PDI is a direct consequence of their actions.

270. Since the appointment of the Receiver, I have had no further contact with GOFI.

SECTION IX: EVENTS FOLLOWING THE APPOINTMENT OF FTI CONSULTING AS THE RECEIVER OVER ALL OF PDI'S ASSETS AND LEADING UP TO THE AUGUST 22, 2015 COURT APPLICATION BY FTI TO APPROVE THE SALE OF ALL OF PDI'S ASSETS TO MLD

271. On February 26, 2016, FTI was appointed Receiver over all of the assets of PDI (the "Receivership Order", **EXHIBIT DZ**). From this point forward, Jamie Engen was the senior FTI representative responsible for overseeing the operations of PDI and the sale process.

272. Based upon conversations that I had with Jamie Engen, GOFI indicated to FTI consulting that as a condition to their continued funding of the Receivership, they insisted that FTI consulting engage Barry Markowsky to assist in the sales and marketing process and that Barry Markowsky be part of all sales discussions.

273. Within the first week of his engagement at PDI, I fully debriefed Jamie Engen regarding Barry Markowsky's BOD voting record at PDI and as well as his relationships with Dynex/Tancho and Tancho Defryus, entities in which L. David Dube/Concorde and Craig Bell/Greg Yuel/PIC are also shareholders. I also provided Jamie Engen with information relating to the close relationship between GOFI and Barry Markowsky and GOFI's repeated insistence to have me allow Barry Markowsky to negotiate a MLD amendment with PDI.

274. As PDI BOD members, both Barry Markowsky and Doug Banzet were aware that John Hyshka filed a wrongful dismissal claim against PDI on November 18, 2015, for \$250,000 plus punitive and exemplary damages. Despite this ongoing action against PDI, on the evening of March 1, 2016, Barry Markowsky entertained John Hyshka to a steak and wine dinner totaling \$239.00, which Barry Markowsky billed to PDI. This information was provided to Jamie Engen and to the best of my knowledge it was paid by the Receiver. During this trip, Barry Markowsky also advocated to Jamie Engen that FTI consulting should engage John Hyshka as a consultant during the sale process.

275. Jamie Engen also informed me that on March 2, 2016, he met with Doug Banzet at GOFI's office in downtown Saskatoon and that Shawn Ritchie (Director of Discovery Research at PDI, and who reports directly to me) was in attendance at this meeting and was there under invitation from GOFI. At no time did Shawn Ritchie inform me that he was attending such meeting. At this meeting, Doug Banzet told Jamie Engen that he expected Jamie Engen to fire me and promote Shawn Ritchie to CEO and that Barry Markowsky would lead the sales and marketing process. The notion of Shawn Ritchie as CEO of PDI or in any position of responsibility or accountability was extremely amusing and laughable by all PDI employees, including myself.

276. From the very beginning, GOFI/MLD was intent on controlling as many aspects of the PDI receivership process as possible.

277. On Friday March 4, 2016, shortly after the engagement of Barry Markowsky by the Receiver, Shawn Ritchie sent me an email in which he informed me that Barry Markowsky had circumvented Jamie Engen and me and initiated direct communications with Shawn Ritchie. Shawn Ritchie informed me that,

“He is asking for basic program information, particularly the status of the AD/RCDP trials”. In this email, Shawn Ritchie confirms that he spoke to the Receivers and they told him, “that they had approved limited hours of Barry’s time to put together a corporate presentation from slides that they said YOU were working on and in charge of, maybe with input from me. They want any information provided to be sent to them first, and then they will forward it on to Barry.” Shawn Ritchie ended his email to me with, “Please advise” (**EXHIBIT EB**).

278. On March 5, 2016, I responded to Shawn Ritchie via email and stated:

“Hi Shawn, Thanks for the update. Barry is just a mole for Doug (+Dube and PIC), John, and Peter. Anyone with any experience or credibility who spends more than 10 minutes with him recognizes that he is basically useless. John/Doug et al., are not sophisticated enough to know the difference between real talent versus wannabes and smooth talkers. To them, people like Barry or someone like a Jon Tonita look impressive, but in the real world, they are just middle management types and are quickly discounted. They are also too cheap to attract real professionals.

In regards to the Receivers, your information is correct. I have had a close and respectful relationship with the Receivers since they came on site in December. Now that we are in full Receivership, I am working closely with them to transfer operational control of PDI from me to them. I am no longer formally in charge of PDI. Jamie is. He needs our support to do his job effectively. Accordingly, the support team upstairs is now FTI’s support team. We are working with FTI to build the data room and create the sales packages. Most of the data room information is already available. We are in the process of re-organizing it for the tender process. Barry has no special access. He will be given access at the same time as the public is given access. No information, whatsoever, should be given to Barry or anyone outside the company without prior approval of Jamie and even then, it should be distributed from Michelle F or Sweta, so we can keep track of all information flow. Just keep doing what you are doing. I will let you know when I need additional packaging information and we can coordinate the content at that time.

A well-laid out sales process and asset packaging is in the best interests of all PDI stakeholders, myself included. The goal is to attract credible investors/buyers. As soon as the Receiver was appointed last week, Doug et al., lost the last remaining vestige of power they thought they had. Now, if they want to buy the assets, they will have to get in line, like everyone else, and hope that their bid wins. It will be interesting to see what kind of small-town B-team they come up with, if any. Dayan” (**EXHIBIT EC**)

I forwarded this email to Jamie Engen on March 7, 2016 and Jamie Engen informed me that he had talked to Shawn Ritchie and Barry Markowsky and confirmed with them the position stated in my email.

279. Despite these clear instructions from both the Receiver and me, an extensive trail of unauthorized communications ensued between Barry Markowsky and Shawn Ritchie.

- a. Barry Markowsky provided Shawn Ritchie with contact information and communications from potential bidders;

- b. Shawn Ritchie solicited information from PDI employees and then transferred this information to Barry Markowsky such as on March 9 2016, "Hi Barry, I chatted with Vijitha and none of the trials have ERB approvals yet. To do the IND we need tox data, which can only do after we scale up the synthesis which is what Qingan is working on. Mitch will submit the AD protocol to UPenn, while the Weston one for Parkinson's would be done through the PI down east I believe. That's all Vijitha was able to tell me." (EXHIBIT ED)
- c. On March 21, 2016, Barry Markowsky asks, "Good Afternoon Shawn, I hope that all is well. Would you please give me a perspective on when I might expect to see additional summary pages for the remaining diagnostics, therapeutics and products in development that aren't fully characterized (depression, schizophrenia). I'd like to have those fully evaluated and commented upon before I arrive in Saskatoon next Monday evening" (EXHIBIT EE). To which Shawn Ritchie replied, "The table I emailed everyone last week (below) was what the plan was for the one-pagers, with Dayan doing all the rest. I have not seen anything from Dayan, so I'm assuming that he's sent all these to Jamie and that you guys were reviewing them. I offered to help with these but Dayan made it clear I was only to work on the three cancers and the FTMS ones and he would do the rest." (EXHIBIT EF)
- d. On March 23, 2016, Barry Markowsky sends an email to Shawn Ritchie regarding plans to meet on March 29, 2016, "I look forward to seeing you. Tuesday is still our best bet. Although if Jamie indicates that he'd want a dinner meeting then we could opt for Monday at the Samurai at around 7:30. If there is no meeting scheduled then let's do an early dinner at the Samurai around 6:00-6:30. How does that sound with you? Take care! Barry" (EXHIBIT EG)

280. During Barry Markowsky's trip to PDI the week of March 28, 2016, Barry Markowsky and Shawn Ritchie met in the PDI boardroom while I was at an off-site meeting. When I returned and entered the boardroom I noticed that Shawn Ritchie's business card was left on the table. When I picked it up, I further noticed that Shawn Ritchie had written his private email address on the back of his PDI business card. When I asked Michelle Bonk who was just in the boardroom, she said that Barry Markowsky and Shawn Ritchie were the last ones to use the boardroom.

281. Coincidentally, there is no further record of emails from Shawn Ritchie to Barry Markowsky from Shawn Ritchie's PDI email account after March 30, 2016. When I brought this observation to Jamie Engen's attention, it was his opinion that Shawn Ritchie and Barry Markowsky had simply gone "dark" and that he was "sure" that they were still communicating.

282. Jamie Engen's failure to terminate Barry Markowsky's consulting contract and Shawn Ritchie's employment contract immediately upon becoming aware of these activities to preserve the integrity of the sales process was the first of many examples of how Jamie Engen did not take the PDI sales process seriously and was unwilling to confront or control GOFI/MLD. To the best of my knowledge, no actions were taken against Shawn Ritchie or Barry Markowsky and Barry Markowsky continued to be engaged and paid to assist in the sales process and Shawn Ritchie continued to act as a mole for GOFI/MLD and against PDI's best interests.

283. As I submit this affidavit, I am being slandered and libeled by the Receiver and GOFI/MLD. These parties are suggesting that I am somehow to blame for the failed sales process. They are attempting to deflect from their own atrocious and corrupt behavior in this matter. With the exception of Shawn Ritchie, the PDI employees and I did everything in our power to create an open and

transparent environment for Prospective Purchasers to engage with PDI scientists on any and all matters pertaining to the PDI assets.

284. On April 18th, 2016, upon my suggestion and with my support, FTI proposed and the Court approved a Key Employee Retention Plan (KERP) in order to incentivize employees to remain with the Company during this very difficult time. The KERP stated:

“eligible participants will receive a specific cash retention payment equal to 20% of their annual base salary on the earlier the date on which they are terminated without cause, and the date on which a sale of a material portion of the Company's Assets closes” (EXHIBIT EH)

285. One of PDI's employees, Dr. Yasuyo Yamazaki, Director of Japan Operations, is employed by PDI as a contractor because PDI does not have a registered office in Japan. She has been working for PDI since 2002. I specifically discussed Dr. Yamazaki's situation with Jamie Engen prior to the Court approval and he confirmed with me that he had the authority to pay Dr. Yamazaki the KERP. I emailed Jamie Engen and Brett Wilson regarding this confirmation on April 27, 2016 and Jamie Engen confirmed this arrangement to me via telephone. Dr. Yamazaki was instrumental to the Sales Process as well as maintaining PDI's business relationships in Japan during the Receivership. On August 22, 2016, Dr. Yasuyo Yamazaki's contract was terminated by the Receiver. The Receiver has refused to pay her the KERP, which I find appalling.

286. On August 29, 2016, the Receiver terminated four PDI employees, without cause. The Court Order states that the KERP is to be paid out immediately “upon termination”. The PDI accounting department was in the process of preparing the final payments for these employees, which would include the KERP, when Jamie Engen directed the PDI accounting department to cancel the KERP payments. These employees were not given any indication as to when they would receive their KERP. Only after it was pointed out to the Receiver that the Receiver was defying the Court order did the Receiver pay the KERP.

287. This is but one of many examples of the callous, dishonest, and unprofessional behavior of Jamie Engen during the Receivership process. The PDI team endured constant frustration at the inability of Jamie Engen to make any decision from simple non-disclosure agreements to the fact that the PDI taxes have yet to be filed even though Jamie Engen has access to an in-house controller and a professional accounting consultant. PDI is eligible for SRED credits worth hundreds of thousands of dollars in CASH, but PDI must file its taxes to get these funds. Other examples of FTI mismanagement include:

- a. The PDI website was down for weeks in April-May 2016 because FTI did not pay PDI's hosting fees, which made PDI look like it was being shut down and not a going concern.
- b. Key patent fees to maintain certain patents were not paid by FTI, which directly affected the viability of certain PDI property.
- c. Not only did PDI employees have to put up with threats from Shawn Ritchie that they would be fired if they supported me, they were also threatened by Jamie Engen if they supported me. On Friday August 26, 2016, Jamie Engen was informed via email that PDI employees wanted to attend the court hearing on August 30, 2016. He responded that day via email that he did not care. However, on Monday, August 29, 2016, he held a staff meeting in which he threatened the PDI employees that if they attended the Court hearing that they would be fired.

288. Shortly after taking control of PDI, it became clear that FTI did not have the experience or expertise to manage the PDI intellectual property portfolio or to maintain PDI as a going concern. Brett Wilson, Senior Consultant, Corporate Finance & Restructuring, FTI Consulting, openly admitted to PDI staff that they had never dealt with a company like PDI. FTI was in a constant state of being overwhelmed and as a result PDI languished under their direction.

289. Under my leadership, the PDI team worked diligently with FTI to organize the assets of PDI into six logical bundles and to organize, create, and populate the virtual data room with all information relevant to the assets, and to prepare a Confidential Information Memorandum (CIM) and related bidder presentations. This work was completed by the end of April and the CIM was distributed in the first week of May.

290. Jamie Engen's behavior towards potential bidders was atrocious. Jamie Engen relished telling the potential bidders that PDI's assets were being sold "as is where is" and that the sale would occur on September 2, 2016, even if it is for \$1.00. He also made it clear to all bidders that any due diligence questions disclosed to the Receiver would be publically posted on the virtual data room. This is one of the most stupid things I have ever heard of. I told Jamie Engen he had to treat the questions and answers confidential otherwise all serious bidders would just walk away for the simple and obvious fact that the questions that a bidder asks is a direct reflection on what assets they are interested in and how deeply they are engaged in due diligence. Furthermore, making the questions and answers available to all bidders means that less sophisticated bidders get to ride on the shirt-tails of sophisticated bidders. Any sophisticated bidder thinking of paying \$100,000,000 for PDI's assets would rightly expect to get private one-on-one attention relating to due diligence of the assets as well as detailed discussions relating to technology transfer and ongoing relationship management. When it became clear that all FTI was willing to be was the doorman to the warehouse, anyone with serious interest just walked away.

291. In preparation for the BIO conference in San Francisco, the pre-eminent biotech partnering meeting of the year, the PDI team and I were preparing materials for the PDI booth that would contain posters and presentation materials regarding the key PDI assets. Jamie Engen told the PDI team that he would not approve the cost of shipping the booth and materials to San Francisco (a cost of less than \$1,000.00). He told the PDI team that all he wanted was a table and chairs. I emailed Jamie Engen on May 31, 2016 as follows:

"Hi Jamie, We should have something at our booth that looks professional. We will be having meetings there. Just a table sends the wrong message. We have a booth setup specifically for this purpose, we should use it. Give me a call. [REDACTED]. Thanks, Dayan" (EXHIBIT EI)

Jamie Engen responded on June 1, 2016 as follows:

"Sorry I am in Court this morning. I do not see any real value in sending things to San Francisco, as it is very expensive. As for looking professional, we are not trying to. We are trying to sell the assets out of a receivership, do not think anyone is looking for PDI to look professional. The only reason for being at BIO is the meetings, nothing else. All we need for the meetings is a table and chairs. Jamie" (EXHIBIT EJ)

As a result of Jamie Engen's actions, the PDI booth looked more like a table at a beer garden than a company supposedly worth over \$100,000,000! Even a used car salesman, washes the car before putting it on the lot!

292. During our trip to Japan, China, and Hong Kong, Jamie Engen would not approve the rental of a PowerPoint projector. I took my personal projector and used it for the presentations in Japan.

However, he was more than happy to entertain everyone at PDI's expense as evidenced by his email to me, Doug Banzet and Barry Markowsky on May 18, 2016:

"Hong Kong is like a second home to me and I love the city. I would like to invite all if you to a dinner at the Hutong restaurant on Thursday evening at 7 pm. The food is as good as you can find and the view one of the best anywhere, complete with ring side seats for the Symphony of Fire which takes place over Hong Kong harbour every evening at 8 pm." (EXHIBIT EK)

For reasons made obvious throughout this affidavit, I declined this invitation and I do not know how much this dinner cost PDI. Spending PDI's money to wine and dine the very individuals that conspired to put PDI into receivership, John Hyshka, Barry Markowsky and Doug Banzet, was totally acceptable to Jamie Engen, yet somehow spending money on essential activities related to the sale of PDI's assets was repeatedly deemed too expensive. What was very clear to me throughout this entire process was that Jamie Engen was far more interested in being a boastful big-shot and colluding with GOFI/MLD than actually doing the work required to properly package and sell the assets of PDI. The job of a Court appointed receiver such as FTI is step in and manage the day to day operations of the company and to package the assets such that maximal proceeds can be realized from the sale of the assets. To execute these duties Receivers are entrusted by the Court and are given great power and latitude. FTI failed in their duties to PDI miserably. In addition to my testimony, PDI employees are willing to also attest to the same.

293. As described earlier in this affidavit, I had successfully engaged consultants to sell the assets of PDI from November 2015 and this process was on the verge of delivering initial term sheets at the end of February, 2016. The values of the projected term sheets were consistent if not in excess of prior PDI valuations. In particular, Roseview Capital was in initial discussions regarding an enterprise value of PDI at \$700,000,000. When GOFI placed PDI in to receivership and engaged FTI to sell the assets of PDI, all of these negotiations were halted. For the privilege of having FTI botch the sale of PDI's valuable assets, FTI has been paid in excess of \$1,000,000 and MLD was able to acquire the assets of PDI for under \$5,000,000.00.

294. Although FTI's bad reputation was unbeknownst to me at the time of their engagement, by this stage in the process I began to clearly see why FTI has a bad reputation in the industry and why GOFI/MLD chose them to act as the Receiver of PDI.

295. In parallel with PDI developing the marketing materials, it was FTI's responsibility to draft the Purchase and Sales Agreement (PSA) which would be used by potential purchasers to submit a bid for the assets of PDI. I was not provided with the PSA until June 17, 2016 and asked to review just the schedules. I was aghast when I read the document as it was completely unworkable from a buyer's perspective. Jamie Engen sent me an email on June 27, 2016 stating, "Dayan, We need to get something loaded into the data room this morning. Can you please let me know if you have finished your review of the schedules for completeness ASAP. Thanks Jamie" (EXHIBIT EL)

296. I responded later that day as follows:

"Hi Jamie, I have reviewed the documents. I find them very confusing and inconsistent with the CIM. It would be easier to understand if each of the 6 asset bundles were the subject of its own well defined schedule. Within each schedule there would be the detailed asset descriptions and the key contracts, liabilities, etc., such that it is easily severable from the other asset bundles. I am not a lawyer, but everything is all thrown together like a garage sale. I don't even know where to find what I am buying.

The other observation is that the cure costs should be deducted from the purchase price not in addition to it. How can a bidder make a bid when they do not know what the final number is? It reads like, "just place a bid, and we can work out all the details afterwards". I assume that this would be very uncomfortable to most bidders. Maybe I am just too unsophisticated, but it looks like nobody has taken the time to clearly define the asset bundles and is just dumping it on the buyer. Dayan" (EXHIBIT EM)

297. Jamie Engen responded later that day:

"Lawyers want to force the buyers to select the agreements which they want to purchase. The original form was in line with the CIM but our lawyers believe this is a better version of an agreement. Jamie" (EXHIBIT EN)

This type of language is absurd and was indicative of the callous arrogance that FTI projected to the potential buyers. FTI was more interested in "forcing" potential buyers to comply with their demands than working with the potential buyers to find solutions that would work for them.

298. After reading the PSA and how poorly the assets were defined therein, it was clear to me that it was very unlikely that any potential bidder (other than MLD) would risk putting forward a 10% non-refundable deposit on undefined assets. Every single action taken by FTI as part of the sales process made it more difficult for a prospective purchaser, not easier.

299. In regards to the Third Report of the Receiver, the Receiver stated at Paragraph 35:

"Subsequent to Dr. Goodenowe's resignation, the Receiver became aware that while still acting in his capacity as President and CEO, and against the express instructions of the Receiver instructing him not to do so, Dr. Goodenowe visited at least one prospective purchaser that was actively involved in the Sales Procedures and travelled to Asia to do so." (EXHIBIT EO)

This is a blatant lie. The prospective Chinese purchaser was well known to both the Receiver and me. Jamie Engen and I first met with the prospective purchaser on May 25, 2016. At this meeting they were interested in PDI's technology, and especially the FTMS non-targeted metabolomics technology owned by YBCI and licensed to PDI. On or about June 23, 2016 I was made aware that this prospective buyer was seriously interested and wanted to have a full team meeting with the PDI laboratory team to work out any issues relating to the transfer of the PDI and YBCI technology and training thereto. I telephoned Jamie Engen on June 24, 2016 and recommended that we send a team of scientists to China to close the deal. He flippantly responded that there was "zero" chance of sending a team to China because it would cost too much. He also suggested that if they need to talk to PDI employees that they should come to Saskatoon. Based upon this response from Jamie Engen, I arranged a teleconference call for 8:30 PM SK time on June 29, 2016 and invited Jamie Engen to attend. Jamie Engen attended the teleconference. Due to the highly technical nature of the meeting, I traveled to China, at my own expense, to attend the teleconference in person to ensure that communications relating to the PDI technology would be as effective as possible. In addition to myself, a consultant engaged by the Receiver was also present in person and another consultant attended via teleconference. PDI Scientists Qingan Zheng (Chemistry and Manufacturing), Yanqiu Jiang (Software), Wei Jin (Laboratory Manager), and Erika Shklanka (Research Coordinator) attended via teleconference at PDI. The teleconference was very positive and lasted for about four hours. Shawn Ritchie was not part of the teleconference as he did not have any skills or knowledge relevant to the negotiations or the technology discussions.

300. Shortly after I returned from China, Jamie Engen made plans for him and Shawn Ritchie to travel back to China together paid for by PDI. Neither me nor any of the key PDI scientists essential to this deal

were included or invited. All of the positive momentum that I had created with this Chinese company evaporated as soon as Jamie Engen became involved. In fact, Jamie Engen did not engage any of the key PDI scientists in any due diligence discussions with any prospective purchaser throughout the entirety of the sales process.

301. In addition, the Receiver intimated in his third report that my informing the prospective purchaser of YBCI's position regarding the License and intellectual property rights contained therein was a negative thing. On the contrary, failure to disclose this relevant information would be a negligent misrepresentation on my part. Jamie Engen may feel that the power of the Court empowers him to act with reckless disregard to other people's time and interests as he flitters from one Receivership to another, I, on the other hand, actually have to run a business that involves very long term relationships where honor and truthful representation are essential. Reaching an amicable transfer and assignment of the YBCI License was critical to the successful completion of any bid, other than MLD. In addition, any credible bidder was going to want to know, before they submit a bid, what my role would be or not be with the new entity. The Receiver's position that all of the details relating to these issues would somehow be magically resolved after the submission of bids was supremely arrogant and negligent. This position of the Receiver, as was the case with all other positions taken by the Receiver, benefited only one potential bidder: MLD.

302. On July 7, 2016 Jamie Engen posted the questions posed by one of the potential bidders and the Receiver's answers. I suspect that these questions came from the Prospective Purchaser referenced by the Receiver in his Third Report. The inadequacy of the Receiver's response combined with the Receiver's blatant misrepresentations is a more likely reason for the Prospective Purchaser to withdraw from the Sales Procedures. Who could blame them? On July 7, 2016, FTI Consulting posted on the virtual data room a document titled, "DD_Questions.docx" (**EXHIBIT EP**). In regards to the "The non-targeted metabolomics technology", the Receiver was asked, "What does the technology include? Just a testing method?" The posted response was:

"The non-targeted platform includes:

- Existing FTICR-MS instrumentation:
 - Two 7.2T magnets, both requiring maintenance (new seals and shimming)
 - One Bruker Apex III that needs electronics repair
 - One Bruker Solarix cart that is fully functional
 - One IRMPD fragmentation unit
 - Related computers, B-servers, chillers and instrument software
- Gilson 215 autosamplers and related computers.
- Custom-designed software for analyzing and interpreting data (Summit, Discovametrics)
- Standard operating procedures describing how to extract various sample types and analyze extracts on the mass spectrometer
- IP pertaining to the use of FTMS for non-targeted metabolomics and for mathematical algorithms relating to the alignment and visualization of the data"

This is an outrageous misrepresentation. If a Prospective Purchaser were to buy this "asset" from the Receiver and actually try to use this asset as described, they would be infringing on YBCI's patents. Yet, the Receiver makes no mention that the use of these assets by a Prospective Purchaser would require a license from YBCI. If the Prospective Purchaser was relying on the representations from the Receiver, they would not find this out until after they submitted their non-refundable bid deposit.

In regards to the YBCI-PDI License, the Receiver was asked, "What is the licensed property as regard to the License Agreement between YBCI and PDI?". The posted response was:

"The license relates to an invention that YBCI has a patent on and licenses to PDI. We note that PDI has not used the "invention" in the last two years as the unit needs some significant repairs. It is left to a purchaser to ascertain if this License Agreement is important to PDI in the future."

Again, the Receiver makes no mention that the "non-targeted platform" is not the property of PDI and that PDI requires a license from YBCI to practice this platform. In addition, there was no mention that all improvements to the License made by PDI are licensed back to YBCI as part of the License.

303. I resigned as CEO of PDI on July 5, 2016, informing the Receiver as follows:

"Hi Jamie, Although, I have yet to make any decision in regards to ybci submitting a bid for all or a portion of the pdi assets, I think that it is appropriate for me to resign my position as president/ceo of pdi and plsi at this time as I am seriously considering it. I will send you a final invoice regarding outstanding fees and expenses. However, I am concerned about the integrity of the assets between now and the projected closing date in early September. I am also concerned about the ability of the remaining staff members to be able to fully respond to patent and or scientific questions, especially relating to the therapeutics and technology portions of the portfolio. In order to ensure that asset values are not negatively impacted by my absence during this time window, I am willing to be engaged by pdi on an hourly basis for specific issues as needed. Let me know if this is of interest to you. Best regards, Dayan" (EXHIBIT EQ)

304. I was never contacted by the Receiver regarding any science or technology questions after July 5, 2016.

305. I was never contacted by the Receiver directly or in conjunction with a potential bidder regarding any pre-bid negotiations relating to the YBCI License or my role in the post-receivership entity.

306. Any notion that I was responsible for any prospective purchaser to withdraw from the sales process is preposterous. A successful sale of PDI's assets was in the best interests of YBCI from both YBCI's position as a creditor of PDI as well as YBCI's position as PDI's largest shareholder.

307. I have been 100% consistent with the Receiver regarding the YBCI License. At all times, I have expressed my willingness to the Receiver to negotiate in good faith the transfer and assignment of the License to the new purchaser. I reaffirmed this position with Jamie Engen on August 2, 2016:

"Hi Jamie, Thank you for contacting me yesterday and including me in the group of other potential bidders that you said you were contacting who also did not submit a bid last Friday. I appreciated your call and please let me know if you intend to re-open the bidding process. In regards to the bids that you informed me that were submitted on Friday, I would like to reiterate that YBCI remains open to discussing the YBCI license and matters relating thereto with you and the bidders at your earliest convenience. YBCI remains committed to working with you and the Court to effect an outcome that is positive to the creditors and employees of PDI. Best regards, Dayan" (EXHIBIT ER)

308. On July 13, 2016, YBCI gave notice to PDI, as per the License, requesting that PDI comply with the provisions agreed to between the parties in amendment #3 and #4 by August 15, 2016 (the "PDI Notice") (EXHIBIT ES).

309. The Receiver made no attempt to enter into meaningful discussions with YBCI relating to the PDI Notice, the YBCI License or the rights granted to the parties thereunder.

310. The PDI Notice was not posted to the virtual data room and, to the best of my knowledge, potential purchasers of PDI's assets were not provided with the PDI notice such that they could perform their own due diligence on the merits of YBCI's position and engage with YBCI as appropriate to ensure an uncontested bid and sale agreement.

311. Throughout the sales process, GOFI/MLD were intent on influencing and outright controlling as many aspects of the Receiver's duties as possible, such as:

- a. Despite Barry Markowsky's conflicts of interest described herein, GOFI/MLD insisted that the Receiver hire Barry Markowsky and also insisted that Barry Markowsky be present at all potential bidder meetings. It is my understanding from discussions with Jamie Engen that the financing of the Receiver by the GOFI/Concorde/PIC syndicate (i.e. MLD) was dependent upon the Receiver's acceptance of Barry Markowsky's engagement. Jamie Engen also informed me that when he attempted to negotiate the terms of Barry Markowsky's engagement that Doug Banzet told him that he had already negotiated the terms with Barry Markowsky and that Jamie Engen was expected to accept them as presented because Doug Banzet was financing the Receiver.
- b. It is also my understanding that Doug Banzet micromanaged all PDI expenses paid by the Receiver and that he insisted upon approving all expenses paid by the Receiver.
- c. Both Doug Banzet and Barry Markowsky traveled with Jamie Engen and me to Japan, China, and Hong Kong to monitor potential bidder interest from these countries. This was a major turn-off to everyone attending the meetings and sent a chilling message to all Prospective Purchasers that the Receiver was in bed with the very people that put PDI into Receivership and that the Sales Process was not objective because the Receiver was being chaperoned by one of the Potential Purchasers and that this Prospective Purchaser was actually paying the Receiver.
- d. Doug Banzet and Barry Markowsky repeatedly circumvented Jamie Engen and myself by contacting Shawn Ritchie directly and solicited confidential PDI information from Shawn Ritchie. Shawn Ritchie was knowingly complicit in these actions by providing confidential information to Barry Markowsky/GOFI.
- e. On April 26, 2016, GOFI/MLD attempted to prevent or restrict the Receiver from seeking alternative financing by asking the Court to give them a first right of refusal on alternative lending sources, which would have allowed GOFI to stop financing the Receiver to create a financial stress situation and then if the Receiver successfully negotiated alternative financing, then GOFI could resume financing on the terms negotiated by the Receiver with the new lender. Obviously, no new lender would agree to these terms, which was the point;
- f. On July 18, 2016, GOFI/MLD advocated at Court that the GOFI/MLD right to veto the sale of assets contained within the MLD agreement was not stayed as per the Court order, despite the fact that the Receivership process was initiated by GOFI/MLD and the fact that the Receivership order was actually drafted by GOFI/MLD. GOFI/MLD was attempting to control which bids the Receiver could accept by exercising their veto over bids that GOFI/MLD did not like.

312. Even more appalling is the fact that Jamie Engen repeatedly told me that Barry Markowsky and Shawn Ritchie were of no benefit to the sales process. Barry Markowsky was presented by GOFI to Jamie Engen as a former GSK executive that had lots of contacts in the pharmaceutical industry and was critical to the success of the Sales Process. However, when Jamie Engen met with Barry Markowsky regarding his marketing plan (after being engaged as per GOFI's demand), Barry Markowsky replied that his plan was to start Googling the internet for relevant companies. He was also resistant to Jamie Engen's request to keep a ledger of all contacted companies. Furthermore, Barry Markowsky's idea was to send a generic email to the info@ email address of these companies. Barry Markowsky was resistant to investigating potential leads to find the actual person responsible for business development and contacting them directly. For this, PDI was paying Barry Markowsky \$1,500/day + expenses. According to Jamie Engen, GOFI had grossly exaggerated Barry Markowsky's qualifications and doubted that he had held any position above middle management in any company. Even PDI employees recognized that Barry Markowsky was not qualified on any level and did not know what he was talking about. GOFI was hell-bent on replacing John Hyshka and getting another inside guy at PDI. Qualifications were not important.

313. In regards to Shawn Ritchie, Jamie Engen told me that Shawn Ritchie told him that a 20% bonus was fine for the other PDI employees but that his KERP should be three times his annual salary. Jamie Engen was laughing when he told me this and further told me that if it was not for GOFI funding the Receivership, that he would have terminated Shawn Ritchie because, as far as he could tell, there was nothing that Shawn Ritchie was actually working on relating to the ongoing operations at PDI. He also could not understand where the perception at GOFI/MLD that Shawn Ritchie was a key person at PDI came from as he had no operational skills or responsibilities regarding the medical laboratory, device manufacturing, or the therapeutics divisions. Again, GOFI was only interested in having a mole in PDI to protect its own interests.

314. Unfortunately for the shareholders of PDI, FTI Consulting Inc. was either too weak stand up to the bully tactics of GOFI/MLD or they were complicit in allowing GOFI/MLD excessive influence over the sales process in order that they could continue to collect their Receivership fees, which are substantial.

SECTION X: SUMMARY OF GOFI'S INVESTMENTS IN PDI AND MLD, GOFI'S VALUATIONS OF PDI AND MLD FROM FEBRUARY 28 2015 (PRIOR TO THE MLD AGREEMENT AND RECEIVERSHIP OF PDI) TO FEBRUARY 28, 2016 (AFTER PDI RECEIVERSHIP)

315. On November 6, 2014 in a letter to the PDI BOD Doug Banzet stated, "I personally find it very difficult to comprehend any situation where forcing PDI into bankruptcy is more beneficial to the corporation, its shareholders, employees and other stakeholders when other options are available, particularly given that bankruptcy is usually a worst case scenario for shareholders, whom many of the directors represent. I can't stress enough that, as directors, we need to act in the best interests of PDI and its constituents". This statement was a blatant lie. While this statement was distributed to the entire PDI BOD, its real purpose was to induce me into trusting him and for me to believe that he had the best interests of PDI at heart. Gaining my trust was essential in order for him to get me to ultimately agree to the YBCI loan and the MLD agreement. After forcing PDI to accept the terms of what would become MLD agreement on June 12, 2015 and presenting it to me and PDI as the only option available to PDI to prevent bankruptcy, Doug Banzet systematically acted to drive PDI into bankruptcy such that GOFI/MLD could obtain debt security against PDI's intellectual property assets and force a sale of this intellectual property to MLD:

- a. Doug Banzet blocked YBCI from advancing working capital to PDI;
- b. Doug Banzet refused to support multiple PDI financing options presented to PDI which could have prevented a PDI bankruptcy;
- c. Doug Banzet tried to amend the MLD agreement to include additional PDI assets that he and MLD were fully aware were not part of the negotiated agreement, an agreement that GOFI/MLD designed, drafted and presented to PDI. Doug Banzet/GOFI/MLD then threatened PDI with a frivolous lawsuit if PDI did not accept their amendment;
- d. Doug Banzet intentionally created an insolvency crisis at PDI by blocking all PDI financing options. This then enabled Doug Banzet/GOFI to issue demand of payment notices to PDI and initiate bankruptcy proceedings against PDI;
- e. GOFI/MLD chose FTI Consulting Inc. to be the receiver to be responsible for the sale of PDI's assets. FTI had no experience whatsoever in medical biotech or diagnostics.
- f. Doug Banzet/GOFI micromanaged FTI and obstructed the PDI sales process and manipulated the PDI sales process such that credible purchasers would not bid for PDI's assets. FTI passively agreed to virtually all of Doug Banzet's demands from who to hire and what expenses to pay.
- g. Doug Banzet/GOFI/MLD financed the entire receivership process and aggressively resisted any attempt to have any non-MLD investor finance the receiver. MLD wanted to make sure that they held 100% of the receivership certificates at the end of the receivership. In contrast to the secured debt that GOFI used to force the PDI bankruptcy (which did not enable GOFI to foreclose on PDI's intellectual property), the debt that GOFI/MLD advanced to the receiver was secured by all of PDI's assets, including PDI's intellectual property.
- h. On July 29, 2015, GOFI/MLD was the sole bidder for all of PDI's assets. GOFI/MLD offered to buy all of PDI's assets for just their pre-receivership debt (~\$1,100,000) and the debt that they had advanced to the receiver (~\$3,650,000).
- i. Under MLD's proposed bid scenario, PDI shareholders will receive \$0.00/share, despite GOFI valuing these shares at \$70.00/share

[INSERT MLD VALUATION FROM AUGUST 31, 2016 GOFI ANNUAL REPORT]

316. As can be seen from the above evidence and analyses, GOFI has, at all times, considered the assets of PDI highly valuable. So much so that they coveted owning and controlling these PDI assets themselves. The minority PDI shareholders Grant Kook and Doug Banzet/GOFI, L. David Dube/Concorde, and Greg Yuel/PIC devised and subsequently executed the above described plot to transfer all of the asset value of PDI to their jointly owned company, MLD, thereby defrauding every single other shareholder of PDI, the largest of which is YBCI.