



S=264397

Court File No.
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

A.R.I. OVO GROWTH CAPITAL I, LLC

Plaintiff

AND:

OCTOBER'S VERY OWN ULC

Defendant

NOTICE OF CIVIL CLAIM

This action has been started by the Plaintiff for the relief set out in Part 2 below.

If you intend to respond to this Action, you or your lawyer must:

- (a) file a Response to Civil Claim in Form 2 in the above-named registry of this Court within the time for Response to Civil Claim described below, and
- (b) serve a copy of the filed Response to Civil Claim on the Plaintiff.

If you intend to make a Counterclaim, you or your lawyer must:

- (a) file a Response to Civil Claim in Form 2 and a Counterclaim in Form 3 in the above-named registry of this Court within the time for Response to Civil Claim described below, and
- (b) serve a copy of the filed Response to Civil Claim and Counterclaim on the Plaintiff and on any new parties named in the Counterclaim.

JUDGMENT MAY BE PRONOUNCED AGAINST YOU IF YOU FAIL to file the Response to Civil Claim within the time for Response to Civil Claim described below.

Time for Response to Civil Claim

A Response to Civil Claim must be filed and served on the Plaintiff,

- (a) if you were served with the Notice of Civil Claim anywhere in Canada, within 21 days after that service,

- (b) if you were served with the Notice of Civil Claim anywhere in the United States of America, within 35 days after that service,
- (c) if you were served with the Notice of Civil Claim anywhere else, within 49 days after that service, or
- (d) if the time for Response to Civil Claim has been set by Order of the Court, within that time.

CLAIM OF THE PLAINTIFF

PART 1: STATEMENT OF FACTS

Overview

1. A.R.I. OVO Growth Capital I, LLC (“A.R.I.”) brings this claim to recover amounts owing by October’s Very Own ULC (“OVO”) under a Convertible Note Purchase Agreement and five Convertible Promissory Notes issued by OVO to A.R.I. (collectively, the “Notes”).
2. Between July 14, 2025, and August 5, 2025, OVO issued five Convertible Promissory Notes to A.R.I. in the aggregate principal amount of \$5,234,121.93.
3. The Notes were five-year convertible debt instruments containing, among other things, conversion rights, information rights, prepayment restrictions, default remedies, and a contractual Make Whole Fee designed to provide A.R.I. with a minimum negotiated return and to protect A.R.I. against the loss of the benefit of its bargain if the Notes were repaid or otherwise terminated before maturity.
4. OVO subsequently defaulted under the Notes by failing to make required payments when due and by breaching other obligations under the governing financing documents.
5. On or about February 27, 2026, A.R.I. delivered a notice of default to OVO identifying multiple Events of Default and reserving all rights and remedies available under the financing documents and at law.

6. On or about March 20, 2026, A.R.I. and OVO entered into a Forbearance Agreement pursuant to which OVO expressly acknowledged existing defaults and further acknowledged that the indebtedness and other amounts owing under the financing documents were valid, binding, and unconditionally owing, without set-off, defence, counterclaim, deduction, or reduction.
7. Thereafter, OVO made a partial payment while disputing its obligation to pay the Make Whole Fee and certain other contractual amounts.
8. OVO's payment did not satisfy all amounts owing under the Notes because substantial amounts remain due and payable, including the Make Whole Fee, default interest, enforcement costs, and other contractual amounts.
9. As of June 11, 2026, after application of payments previously received, A.R.I. claims remaining unpaid obligations of at least \$4,609,455.72, including amounts owing in respect of the Make Whole Fee, together with default-rate interest, additional legal fees and expenses, enforcement costs, A.R.I.'s contractual fees and charges, and other amounts that continue to accrue.

Parties

10. A.R.I. is a limited liability company incorporated under the laws of Delaware, U.S.A.
11. OVO is an unlimited liability company incorporated under the laws of British Columbia, which carries on business in British Columbia and other provinces.

Background

12. OVO was founded in 2008 and operates a lifestyle, apparel, music, and consumer products brand founded by Aubrey Drake Graham, professionally known as "Drake," together with Oliver El-Khatib and Noah "40" Shebib.
13. OVO operates physical retail stores in Canada, the United States (New York City, Los Angeles, Las Vegas), and the United Kingdom (London), and serves customers internationally through its e-commerce platform.

14. Drake is OVO's majority owner, co-founder, and central cultural figure. OVO generated approximately \$72 million in revenue in 2024 and nearly \$400 million in cumulative revenue from 2019 through 2024.
15. While earning those revenues, OVO suffered net losses, specifically negative EBITDA (earnings before interest, taxes, depreciation, and amortization) of approximately \$8 million in 2024 and approximately \$12 million in the aggregate during the three-year period from 2022 through 2024.
16. In or around Q12025, OVO sought external financing, including debt and equity capital, in connection with its business operations and growth initiatives.
17. At that time, an affiliated entity, October's Very Own Merchandising ("OVO Merchandising"), was subject to an existing credit facility with Royal Bank of Canada ("RBC").
18. In connection with that RBC credit facility, Aubrey Drake Graham, Oliver El-Khatib, and Noah Shebib, who were also OVO's principals in connection with the A.R.I. financing relationship, personally guaranteed certain OVO Merchandising obligations to RBC.
19. On or about February 24, 2025, Aubrey Drake Graham, Oliver El-Khatib, and Noah Shebib entered into a side letter (the "Side Letter") in connection with the RBC credit facilities in which they personally guaranteed a portion of the debt.
20. One release condition of the guarantee obligations was evidence satisfactory to RBC that there had been an equity investment of no less than \$30 million in OVO Merchandising and that certain facilities, totaling approximately \$10 million at the time, had been repaid in full.
21. The Side Letter further provided that OVO Merchandising could use proceeds from the \$30 million equity injection to satisfy those identified facilities.

22. Shortly after the Side Letter was executed, in or around March 2025, OVO contacted A.R.I. regarding both near-term bridge capital and a contemplated \$30 million equity-linked financing.
23. OVO's investor materials stated that the majority of the proceeds from the contemplated \$30 million financing would be used for paid growth marketing, for which OVO had not historically spent material amounts.
24. In connection with that financing process, OVO and A.R.I. were introduced through a mutual connection and thereafter discussed potential financing transactions, including an initial senior secured loan transaction and, subsequently, the Notes.

The Separate Senior Secured Loan Transaction

25. Before OVO issued the Notes to A.R.I., on or about May 16, 2025, A.R.I. Senior Secured Growth Credit Fund, LP, through A.R.I. Agent, LLC (both affiliates of A.R.I.), entered into a senior secured loan transaction with October's Very Own IP Holdings ("OVO Holdings"), an affiliate of OVO.
26. The senior secured loan was secured by OVO intellectual property collateral, including rights relating to the name "October's Very Own" and OVO's owl logo.
27. The senior secured loan transaction provided for a \$10 million facility, of which an initial tranche of \$2.5 million was advanced.
28. The senior secured loan transaction was separate from the Notes and involved different parties, different financing documents, different economic terms, different collateral, and different repayment obligations.
29. Following the closing of the first tranche of the senior secured loan, OVO sought additional external capital from A.R.I. and its affiliates through the Notes as part of OVO's contemplated \$30 million equity-linked financing.

30. Following the senior secured loan transaction, beginning in July 2025, OVO and A.R.I. separately entered into the Note financing described herein.
31. Around the same time as OVO's defaults under the Notes, OVO Holdings defaulted under the senior secured loan transaction.
32. Following those defaults, OVO Holdings entered into a separate forbearance arrangement with respect to the senior secured loan and paid a USD \$75,000 forbearance fee.
33. On or about March 31, 2026, OVO Holdings repaid the senior secured loan.
34. The repayment of the senior secured loan satisfied obligations arising under that facility only.
35. The repayment of the senior secured loan did not satisfy, reduce, waive, compromise, or otherwise affect OVO's obligations under the Notes, the Forbearance Agreement or any other agreements.

Convertible Debt Agreements

36. On or about July 14, 2025, the parties entered into a Convertible Note Purchase Agreement (the "**Purchase Agreement**").
37. Pursuant to the Purchase Agreement, OVO issued and sold to A.R.I., and A.R.I. purchased, five Convertible Promissory Notes having an aggregate principal amount of \$5,234,121.93, as follows:
 - (a) Convertible Promissory Note, Note No. 1, dated July 14, 2025, in the original principal amount of \$500,063.78;
 - (b) Convertible Promissory Note, Note No. 2, dated July 25, 2025, in the original principal amount of \$323,958.15;

- (c) Convertible Promissory Note, Note No. 3, dated August 5, 2025, in the original principal amount of \$1,512,500.00;
 - (d) Convertible Promissory Note, Note No. 4, dated August 5, 2025, in the original principal amount of \$2,345,320.00; and
 - (e) Convertible Promissory Note, Note No. 5, dated August 5, 2025, in the original principal amount of \$552,280.00; (each a “**Note**” and collectively, the “**Notes**”).
38. Pursuant to the Purchase Agreement and the Notes (collectively, the “**Convertible Debt Agreements**”), A.R.I. advanced funds to OVO, and OVO agreed to abide by the terms of the Convertible Debt Agreements.

Material Terms of the Convertible Debt Agreements

39. The Convertible Debt Agreements provide, *inter alia*, that:
- (a) A.R.I. has certain Conversion Rights, as defined and described in more detail below;
 - (b) OVO must pay interest on the outstanding principal at 10% per annum (the “**Applicable Rate**”), payable quarterly in advance on the first business day of each quarter;
 - (c) any overdue amount bears additional interest at 2% per annum above the Applicable Rate until paid (the “**Default Rate**”);
 - (d) the Maturity Date for repayment of the Notes is June 30, 2030;
 - (e) upon the occurrence of an Event of Default, A.R.I. is entitled to accelerate the indebtedness and demand immediate payment of all amounts owing;
 - (f) if the Notes are repaid or become due prior to the Maturity Date, including upon acceleration following an Event of Default, OVO is required to pay the

Make Whole Fee, being an additional amount determined in accordance with the Notes to provide A.R.I. with the minimum contractual return agreed to by the parties;

- (g) OVO may not prepay the Notes prior to the Maturity Date without A.R.I.'s consent, and any permitted prepayment must include all amounts owing under the Notes, including the Make Whole Fee; and
- (h) the parties attorn to the exclusive jurisdiction of the courts of British Columbia in respect of any action or proceeding arising thereunder.

The Conversion Rights and the Make Whole Fee

- 40. The Notes were structured as five-year convertible debt instruments that provide A.R.I. with valuable contractual rights to become equity holders in OVO (the "**Conversion Rights**").
- 41. In specified circumstances, including certain financing transactions and change-of-control transactions, A.R.I. was entitled to convert amounts owing under the Notes into equity securities of OVO rather than receive repayment in cash.
- 42. The Conversion Rights were subject to pricing protections negotiated by the parties, including a 20% conversion discount and a valuation cap of \$200 million.
- 43. The conversion discount and valuation cap provided A.R.I. with the opportunity, in specified circumstances, to acquire equity in OVO at a price below that available to other investors and formed part of the consideration negotiated by the parties for A.R.I.'s investment in the Notes.
- 44. The Conversion Rights, the conversion discount, the valuation cap, and the Make Whole Fee formed part of a single integrated economic bargain negotiated between the parties.

45. Repayment, acceleration, redemption, or other early termination of the Notes before maturity would terminate A.R.I.'s ability to exercise the Conversion Rights and thereby deprive A.R.I. of the opportunity to realize the potential value associated with those rights.
46. The Make Whole Fee formed a material part of the negotiated consideration for A.R.I.'s investment in the Notes and preserved A.R.I.'s bargained-for economics in circumstances where the Notes were repaid or otherwise terminated (due to a default, or otherwise) before maturity, depriving A.R.I. of the Conversion Rights.

OVO Defaults under the Convertible Debt Agreements

47. OVO defaulted under the Convertible Debt Agreements by, among other things, failing to make required quarterly interest payments when due. For example:
 - (a) interest payments that were due beginning in July and August of 2025 were not paid when due and remained unpaid beyond the applicable three (3) Business Day grace period provided under the Notes. Such amounts were not remitted until January 2, 2026; and
 - (b) interest for the first quarter of 2026, which was due on January 2, 2026, was likewise not paid when due and remained unpaid beyond the applicable three (3) Business Day grace period and was not remitted until February 19, 2026.
48. Each failure to pay interest within the prescribed time and applicable grace period constituted an Event of Default under section 6(a) of the Notes. Subsequent payment of certain of those amounts did not cure the consequences of the Events of Default or waive A.R.I.'s rights arising therefrom, including its entitlement to, *inter alia*, interest at the Default Rate.
49. In addition, certain payments made by OVO were not made in accordance with the payment provisions of the Notes, including payments that were remitted to an

account held by an entity other than A.R.I. Any such payments did not comply with the Notes and did not operate as a waiver or modification of the payment terms.

50. OVO has breached additional obligations under the Convertible Debt Agreements, including material covenant obligations. These breaches constitute Events of Default under section 6(c) of the Notes to the extent not cured within the applicable cure periods.
51. On or about February 27, 2026, A.R.I., through its counsel, delivered a written notice to OVO (the "**Default Notice**"), advising that multiple Events of Default had occurred under the Notes, including the payment defaults described above, and reserving all rights and remedies available under the Convertible Debt Agreements and at law, including the right to accelerate the indebtedness and demand immediate payment of all amounts owing.
52. By reason of the foregoing Events of Default, A.R.I. became entitled to accelerate, and did accelerate or treat as accelerated, the indebtedness under the Notes, such that all outstanding principal, accrued and unpaid interest at the Default Rate, and all other amounts owing under the Convertible Debt Agreements, including the Make Whole Fee became immediately due and payable.

OVO and A.R.I. enter into a Forbearance Agreement

53. On or about March 20, 2026, A.R.I. and OVO entered into a forbearance agreement (the "**Forbearance Agreement**"), pursuant to which A.R.I. agreed to temporarily refrain from exercising its enforcement rights under the Convertible Debt Agreements, conditional upon OVO's strict compliance with its terms.
54. Under the Forbearance Agreement, OVO, among other things:
 - (a) acknowledged and admitted the existing Events of Default under the Convertible Debt Agreements as defined therein;
 - (b) confirmed that all amounts owing under the Convertible Debt Agreements

were valid, binding, and unconditionally due and owing to A.R.I., without set-off, defence, or counterclaim;

- (c) undertook, without prejudice to A.R.I.'s existing rights under the Convertible Debt Agreements, to repay the indebtedness then owing under the Convertible Debt Agreements, including principal, the Make Whole Fee, accrued interest at the Default Rate, a forbearance fee of USD \$150,000 (USD \$75,000 of which was payable upon execution), and A.R.I.'s enforcement costs (collectively, the "**Outstanding Debt**"); and
 - (d) confirmed that the Forbearance Period would expire on June 1, 2026, at 5:00 p.m. (eastern time), subject to earlier termination in accordance with the Forbearance Agreement.
55. Pursuant to the Forbearance Agreement, OVO agreed to pay the Outstanding Debt in full on or before May 1, 2026, subject to a conditional extension to July 1, 2026, at 5:00 p.m. (eastern time) if specified requirements were satisfied. OVO did not satisfy those requirements.
56. OVO failed to pay the Outstanding Debt during the term of the Forbearance Agreement or otherwise comply with the terms of that agreement. As a result, the Forbearance Period terminated in accordance with its terms, and A.R.I. became entitled to exercise all rights and remedies under the Convertible Debt Agreements and the Forbearance Agreement.
57. On or about May 25, 2026, A.R.I. delivered a repayment statement to OVO setting out the amounts A.R.I. calculated as owing under the Convertible Debt Agreements and the Forbearance Agreement, including principal, the Make Whole Fee, accrued interest, default interest, legal fees, enforcement costs, and other contractual amounts. A.R.I. advised OVO that payment in full required payment of all such amounts, not merely repayment of principal.

OVO Makes Partial Payments That Do Not Satisfy the Outstanding Debt

58. On or about May 27, 2026, A.R.I. received a wire payment in the aggregate amount of USD \$3,824,768.54 from ADG Sound Inc. Management Account. The wire details identified the payment reference as “OVO NOTES”. A.R.I. received and retained those funds solely as a partial payment on account and under a full reservation of rights, and did not accept them as full payment or satisfaction of all amounts owing under the Convertible Debt Agreements.
59. A.R.I. expressly demanded payment in full of all amounts owing under the Convertible Debt Agreements, including, without limitation, the Make Whole Fee, accrued and unpaid interest, interest at the Default Rate, legal costs, disbursements, and other enforcement-related expenses, costs, and all other amounts payable thereunder.
60. OVO took the position that it owes no Make Whole Fee at all, and its partial payment satisfied its debt in full, while disputing its obligation to pay additional amounts due and owing.
61. On or about May 29, 2026, A.R.I. advised OVO that payment in full required payment of all amounts owing under the Convertible Debt Agreements, including the Make Whole Fee, accrued interest at the Default Rate, and enforcement costs.
62. After defaulting under the Convertible Debt Agreements and obtaining A.R.I.’s forbearance, OVO has attempted to avoid its full contractual payment obligations. Despite demand, OVO continues to refuse to pay the full amounts owing under the Convertible Debt Agreements, which include, among other things:
 - (a) the Make Whole Fee;
 - (b) A.R.I.’s legal costs and disbursements in pursuing enforcement; and
 - (c) all amounts of interest at the Default Rate owing under the Convertible Debt Agreements.

63. A.R.I. pleads and relies upon the Forbearance Agreement as OVO's acknowledgment of the indebtedness, waiver of defences, estoppel, and the subsequent events following default.
64. The Forbearance Agreement did not extinguish or replace OVO's obligations under the Convertible Debt Agreements, which remain in full force and effect, except as expressly amended.

Make Whole Fee

65. The Make Whole Fee is the contractual amount required to provide A.R.I. with the agreed minimum return if the Notes are repaid, become due, or are otherwise taken out before A.R.I. receives the benefit of the five-year investment period and the equity-linked rights attached to the Notes.
66. The Notes define the "Make Whole Fee" as follows:

"Make Whole Fee" means such additional amount as is necessary to cause the internal rate of return to the Holder, with respect to the Note, as determined by Holder using the XIRR function of Microsoft Excel, on an aggregate basis, to be equal to at least fifteen percent (15%)."
67. The Notes were structured and priced based on an expected five-year investment term.
68. The Make Whole Fee is calculated by determining the additional amount required to cause A.R.I.'s internal rate of return on the Notes, on an aggregate basis over the five-year term, to equal at least 15% annually.
69. It is calculated using the XIRR function in Microsoft Excel in accordance with the definition contained in the Notes and based upon the date of each Note and the contractual maturity date.
70. Calculated in accordance with the Notes, the Make Whole Fee is \$4,158,001.06.

71. The original principal investment under the Notes was \$5,234,121.93.
72. Accordingly, the sum of the principal and Make Whole Fee is \$9,392,122.99.

Amounts Remaining Owing

73. OVO has not paid all amounts owing under the Convertible Debt Agreements.
74. As of June 11, 2026, the total amount remaining due and owing pursuant to the Convertible Debt Agreements, including, without limitation, the outstanding Make Whole Fee, default interest, legal fees, professional fees, enforcement costs, lender expenses, and other recoverable amounts, is \$4,609,455.72.
75. The amounts owing to A.R.I. continue to accrue.

PART 2: RELIEF SOUGHT

1. A.R.I. claims the following relief against OVO:
 - (a) judgment in the amount of \$4,609,455.72, calculated as of June 11, 2026, or such greater or other amount as may be proven, for amounts owing under the Convertible Debt Agreements;
 - (b) payment of all further amounts that have accrued or continue to accrue under the Convertible Debt Agreements, including default interest, legal fees and expenses, professional fees, enforcement costs, lender expenses, contractual fees and charges, and other amounts payable thereunder;
 - (c) in the alternative, damages for breach of contract in the amount of \$4,609,455.72 as of June 11, 2026, or such greater or other amount as may be proven;
 - (d) a declaration that the Make Whole Fee provisions in the Notes are valid and enforceable and that OVO is obligated to pay the Make Whole Fee to A.R.I. as part of the amounts owing under the Convertible Debt Agreements;

- (e) pre-judgment interest on the amounts found owing, in accordance with the contractual rates set out in the Convertible Debt Agreements, and in the alternative pursuant to the *Court Order Interest Act*, R.S.B.C. 1996, c. 79;
- (f) post-judgment interest on the amounts found owing, in accordance with the contractual rates set out in the Convertible Debt Agreements, and in the alternative pursuant to the *Court Order Interest Act*, R.S.B.C. 1996, c. 79;
- (g) costs of this proceeding, including contractual legal fees, professional fees, enforcement costs, and expenses to the extent recoverable under the Convertible Debt Agreements, or applicable law; and
- (h) such further and other relief as this Honourable Court considers just.

PART 3: LEGAL BASIS

Breach of Contract

1. The Convertible Debt Agreements are valid and enforceable agreements between A.R.I. and OVO.
2. OVO breached the Convertible Debt Agreements by, *inter alia*:
 - a) failing to make required payments when due;
 - b) failing to pay all amounts owing following Events of Default and acceleration;
 - c) failing to pay the Make Whole Fee;
 - d) failing to pay default interest, legal fees and expenses, professional fees, enforcement costs, lender expenses, contractual fees and charges, and other amounts payable thereunder; and
 - e) failing to provide required financial reporting and information.

3. As a result of OVO's breaches, A.R.I. is entitled to judgment for all amounts owing under the Convertible Debt Agreements, together with interest and costs.

Acknowledgment of Indebtedness, Waiver of Defences, Estoppel and Release

4. Pursuant to the Forbearance Agreement, OVO acknowledged, confirmed, and agreed that the indebtedness and all other amounts properly payable under the Financing Agreements (as defined in the Forbearance Agreement), which include the Convertible Debt Agreements, were valid, binding, and unconditionally owing to A.R.I., without any right of set-off, defence, counterclaim, deduction, reduction, or other basis for non-payment, and OVO is estopped from disputing such indebtedness.
5. OVO further acknowledged and agreed that existing defaults had occurred and were continuing under the Financing Agreements, that A.R.I. had not waived and did not intend to waive such defaults, and that nothing in the Forbearance Agreement or the transactions contemplated by it constituted any such waiver.
6. OVO also acknowledged and agreed that statements of indebtedness issued by A.R.I. were to be accepted as accurate statements of the amount and particulars of the indebtedness, absent manifest error.
7. Further, pursuant to the Forbearance Agreement, OVO released and discharged A.R.I. and related releasees from all claims, counterclaims, defences, rights of set-off, demands, and liabilities arising on or prior to the date of the Forbearance Agreement in connection with the Convertible Debt Agreements and related transactions. As such, OVO is not entitled to assert any such released claim, defence, counterclaim, or set-off in answer to this proceeding.

Make Whole Fee

8. Pursuant to the Convertible Debt Agreements, upon the occurrence of Events of Default and the acceleration of the Notes prior to the scheduled maturity date, OVO

became obligated to pay the Make Whole Fee, being the additional amount determined in accordance with the Notes to provide A.R.I. with the minimum contractual return agreed to by the parties.

9. The Notes define the "Make Whole Fee" as "such additional amount as is necessary to cause the internal rate of return to the Holder, with respect to the Note, as determined by Holder using the XIRR function of Microsoft Excel, on an aggregate basis, to be equal to at least fifteen percent (15%)."
10. By reason of OVO's Events of Default, the acceleration of the Notes, and OVO's failure to repay all amounts owing in accordance with the Convertible Debt Agreements and the Forbearance Agreement, the Make Whole Fee became due and payable in accordance with its terms. OVO has failed to pay the Make Whole Fee and remains in breach of its contractual obligations.
11. The Make Whole Fee is a valid and enforceable contractual entitlement forming part of the indebtedness owing by OVO under the Convertible Debt Agreements.

OVO is Indebted to A.R.I.

12. Further, or in the alternative, OVO is indebted to A.R.I. for money lent and advanced pursuant to the Convertible Debt Agreements. OVO has failed to repay the Make Whole Fee, A.R.I.'s legal and other professional fees and all other amounts owing under the Convertible Debt Agreements. A.R.I. is entitled to recover those sums as a liquidated debt due and owing.

Damages

13. As a result of OVO's breaches of the Convertible Debt Agreements, A.R.I. has suffered loss and damage.
14. As of June 11, 2026, after application of payments previously received, A.R.I. calculated remaining unpaid obligations of \$4,609,455.72.

15. The amounts owing to A.R.I. continue to accrue.
16. A.R.I. is entitled to recover all amounts owing under the Convertible Debt Agreements, including the Make Whole Fee, default interest, legal fees and expenses, professional fees, enforcement costs, lender expenses, contractual fees and charges, pre-judgment interest, post-judgment interest, costs of this proceeding, and such further amounts as may be proven.

Application of Payments

17. Pursuant to section 4.7 of the Forbearance Agreement, which amends the application of payments provisions under the Convertible Debt Agreements, all amounts received by A.R.I. may be applied in A.R.I.'s sole and absolute discretion, including to enforcement-related amounts, legal costs and expenses, accrued and unpaid interest (including at the Default Rate), and principal and other obligations of OVO.
18. OVO's payment of USD \$3,824,768.54 on or about May 27, 2026, did not, as a matter of contract, extinguish or satisfy all amounts then owing.
19. A.R.I. has demanded payment of the Outstanding Debt from OVO, but OVO has failed or refused to pay all amounts owing.
20. In accordance with section 4.7 of the Forbearance Agreement, A.R.I. was entitled to apply that payment in its sole and absolute discretion and irrespective of any contrary instruction or position asserted by OVO. Accordingly, OVO's payment did not constitute repayment in full of the Outstanding Debt.
21. A.R.I. expressly advised OVO that any payments received would be applied in its sole and absolute discretion and would not constitute repayment in full absent payment of all amounts owing.

Plaintiff's address for service:

c/o:
Kyle Plunkett

Brian Chung
Sara Romeih

Aird & Berlis LLP
Barristers and Solicitors
Brookfield Place
181 Bay Street
Suite 1800
Toronto, ON M5J 2T9

and

c/o:
Arden Beddoes

McEwan Partners
Vancouver Centre II
1500 – 733 Seymour Street
Vancouver, BC V6B 0S6

Fax number address for service (if any):

N/A

E-mail address for service (if any):

abeddoes@mcewanpartners.com

Place of trial:

Vancouver, BC

The address of the registry is:

800 Smithe Street
Vancouver, BC V6Z 2E1

Date: June 11, 2026



Signature of Arden Beddoes
Lawyer for Plaintiff

**ENDORSEMENT ON ORIGINATING PLEADING OR PETITION
FOR SERVICE OUTSIDE BRITISH COLUMBIA**

The Plaintiff claims the right to serve this pleading on the Defendant, October's Very Own ULC, outside British Columbia on the grounds that the claim arises out of the Convertible Debt Agreements, which contain an exclusive jurisdiction clause in favour of the courts of the Province of British Columbia, and the Defendant is a British Columbia company carrying on business in British Columbia.

Further, the notice provision in the Purchase Agreement (s. 5(b)) provides that notice ought to be provided to the parties at the addresses specified on the signature page / schedules, as follows:

October's Very Own ULC
Attn: Derek Jancar (drex@octobersveryown.net)
134 Park Lawn Road
Etobicoke, ON M8Y 3H8
Canada

Rule 7-1 (1) of the Supreme Court Civil Rules states:

- (1) Unless all parties of record consent or the Court otherwise orders, each party of record to an action must, within 35 days after the end of the pleading period,
 - (a) prepare a List of Documents in Form 22 that lists
 - (i) all documents that are or have been in the party's possession or control and that could, if available, be used by any party at trial to prove or disprove a material fact, and
 - (ii) all other documents to which the party intends to refer at trial, and
 - (b) serve the list on all parties of record.

APPENDIX

Part 1: CONCISE SUMMARY OF NATURE OF CLAIM:

Claim for recovery of amounts owing following defaults under the Convertible Note Purchase Agreement and Notes. Payment is sought of the outstanding balance, interest, and enforcement costs.

Part 2: THIS CLAIM ARISES FROM THE FOLLOWING:

A personal injury arising out of:

- a motor vehicle accident
- medical malpractice
- another cause

A dispute concerning:

- | | |
|--|---|
| <input type="checkbox"/> contaminated sites | <input type="checkbox"/> an employment relationship |
| <input type="checkbox"/> construction defects | <input type="checkbox"/> a will or other issues concerning the probate of an estate |
| <input type="checkbox"/> real property (real estate) | <input type="checkbox"/> a matter not listed here |
| <input type="checkbox"/> personal property | <input type="checkbox"/> the provision of goods or services or other general commercial matters |
| <input type="checkbox"/> investment losses | |
| <input checked="" type="checkbox"/> the lending of money | |

Part 3: THIS CLAIM INVOLVES:

- | | |
|---|---|
| <input type="checkbox"/> a class action | <input type="checkbox"/> conflict of laws |
| <input type="checkbox"/> maritime law | <input checked="" type="checkbox"/> none of the above |
| <input type="checkbox"/> aboriginal law | <input type="checkbox"/> do not know |
| <input type="checkbox"/> constitutional law | |

Part 4: ENACTMENTS:

- | | |
|--|--|
| <input type="checkbox"/> Builders Lien Act | <input type="checkbox"/> Motor Vehicle Act |
| <input checked="" type="checkbox"/> Court Order interest | <input type="checkbox"/> Occupiers Liability Act |
| <input type="checkbox"/> Insurance (Motor Vehicle) Act | <input type="checkbox"/> Supreme Court Act |
| <input type="checkbox"/> Insurance (Vehicle) Act | <input type="checkbox"/> Wills Variation Act |
| | Other: [description] |