

April 9, 2020

Re CANNTRUST

- ① This application was heard by teleconference in accordance with the changes in operation of the Commercial list in light of Covid-19 ^{crisis} and The Chief Justice's Notice to The Professions Dated March 15, 2020.
- ② On March 31, 2020 I granted an Initial Order that included a stay of proceedings until today.
- ③ At today's comeback hearing the applicants seek

②

an Amended and Restated Initial Order That includes The following:

- (a) an extension of The stay Period to July 5, 2020;
- (b) approving The proposed KERP and KERP charge;
- (c) an order staying and suspending The commencement or continuation of The Pending litigation or any proceeding in relation to The Other Defendants;
- (d) approving The engagement of the Financial Advisor and

(3)

- The Transaction Fee Charge;
- (e) increasing the maximum amount of other priority charges;
 - (f) authorizing CamTrust to make payments pursuant to The CamTrust Capital Apprehension Plan ("CCAP");
 - (g) authorizing CamTrust to pay certain pre-filing amounts to critical suppliers; and
 - (h) permitting CamTrust to pay rent to landlords.
- ④ The applicants request this CAA protection to allow

(4)

it breathing space so that it can maximize value for all of its stakeholders by the following:

- (a) Completing its remediation plan for its Vaughan Facility;
- (b) Continuing to work with Health Canada to obtain the reinstatement of its Cannabis license;
- (c) exploring a CCAA plan of compromise to resolve the multiple claims against it in a single forum; and
- (d) Facilitating the completion of the Board of Directors.

(5) Review of strategic alternatives, including a potential sale, in addition to or as an alternative to a CSA plan of compromise or arrangement.

(5) I am satisfied that I should extend the stay of proceedings to July 5, 2020 pursuant to S. 11.02(2) of the CCAA to give the applicants breathing room to achieve the above and because the applicants have acted and continue to act in good faith and with due diligence.

⑥

⑥ I am also satisfied that I should extend the stay of proceedings to the other defendants to allow the applicants an opportunity to explore a plan to resolve the multiple claims against them and the other defendants in a single forum.

⑦ Com Trust has established the KERP to incentivize certain key employees to remain in their employment during these CAA proceedings. I am satisfied that the

(7)

KERP should be approved for the following reasons:

- (a) The Monitor supports the KERP;
- (b) The Key employees would consider other employment without the KERP and the KERP charge;
- (c) The continued employment of the Key employees is integral to the Applicants' successful restructuring plan;
- (d) The Key employees have specialized knowledge and skills necessary for the continued operation of the

⑧

Applicants' business and they cannot be readily or easily replaced

(c) The terms of The KERP are fair and reasonable and The KERP charge of a Maximum of \$1.4 Million is appropriate.

⑧ The KERP Summary contains commercially sensitive and personal information regarding the identity and compensation of the Key employees. The disclosure of which could adversely affect Confidentiality and the Key Employees. It should therefore be subject to a sealing order on the terms of para 56.

⑨

of the Amended and Restated Initial Order.

⑩ I am also satisfied that the Financial Advisor Engagement and Transaction Fee Charge should be approved.

The expertise and institutional knowledge of the Financial Advisor will be beneficial in achieving a positive outcome in these CAA proceedings. The proposed fees and disbursements in the Financial Advisor's Engagement letter are fair and reasonable and supported by the Monitor. The Transaction Fee Charge is also fair and

reasonable. ⁽¹⁰⁾

(10) The Administration Charge of \$1.4 Million is granted pursuant to S. 11.52 of The CCAA. It is based upon a forecast of proportional fees for four weeks. I am satisfied that the charge appropriately reflects the length and complexity of these CCAA proceedings and is necessary to ensure the actual involvement and assistance of the necessary professionals for these CCAA proceedings.

⑪

⑪ The directors' charge of \$ 3.55 Million is approved and granted pursuant to S. 11.51 of the CCAA. It is supported by the Monitor and appropriately reflects the potential personal liabilities of Constair's directors and officers during these CCAA proceedings and is necessary to ensure the directors and officers are committed to operating the Applicant's ~~the~~ business during these CCAA proceedings.

⑫ The CCAAP payments are approved, like the KERP, they are necessary to

⑫ ensure that Camm Trust retains its key employees during these CCAA proceedings

⑬ The pre-filing critical suppliers' payments are approved, subject to the Monitor's approval, to ensure ongoing supply to the applicants.

⑭ The applicants' payment of rent to landlords is approved as recommended by the Monitor.

⑮ For these reasons, The Amended and Restated Initial Order is granted

(13)

on the terms of the attached.

(16) The order is effective today whether or not it is entered.

Hainey J.