Court File No. CV-20-00638930-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF CANNTRUST HOLDINGS INC., CANNTRUST INC., CTI HOLDINGS (OSOYOOS) INC., and ELMCLIFFE INVESTMENTS INC.

Applicants

FACTUM OF ZOLA FINANCE HOLDINGS LTD. AND IGOR GIMELSHTEIN

January 28, 2021

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PART I: OVERVIEW

1. Zola Finance Holdings Ltd. and Igor Gimelshtein (collectively, the "Zola") file this factum in response to the Applicants' motion for a Stay Extension Order,[1] CCAA Representation Order, and other relief under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended ("CCAA").

2. Zola takes no position on the Applicants' motion for a Stay Extension Order. With respect to the CCAA Representation Order, Zola takes no position as to whether it is appropriate for the CCAA Representatives and CCAA Representative Counsel to represent other Securities Claimants in this proceeding.

3. However, Zola opposes the CCAA Representation Order as proposed because, while it purportedly excludes Zola by listing it among the Excluded Securities Claimants, the Draft Representation Order nonetheless grants the CCAA Representatives and CCAA Representative Counsel the authority to: (i) negotiate and settle all of Zola's claims, which are included in the definition of Securities Claims; and (ii) agree and become parties to the Restructuring Support Agreement ("RSA"), in which Zola had no involvement and indeed no knowledge of until it was announced in a press release, and yet as drafted purports to resolve all Actions, including Zola's, as to the CannTrust Group, Mark Dawber, Greg Guyatt, John Kaden, Robert Marcovitch, Shawna Page, Ilana Platt, Mitchell Sanders and Cajun Capital Corporation.[2]

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[1] Unless otherwise indicated all capitalized terms herein have the same meaning given to them in the Affidavit of Greg Guyatt, sworn January 20, 2021 ("**Guyatt Aff.**") and the Draft CCAA Representation Order dated January 28, 2021 ("**Draft Representation Order**"), Applicants' Motion Record (Stay Extension and CCAA Representation) dated January 20, 2021 ("**AMR**"), Tabs 2, 6.

[2] Collectively, as defined in the RSA as the "**Original Settling Parties**", Guyatt Aff., Ex. G, **AMR**, Tab 2G at p 169.

4. Under the circumstances, Zola can only expect that if the Court grants the CCAA Representation Order as drafted, the Applicant and the CCAA Representatives will proceed to attempt to resolve Zola's Securities Claims as contemplated in the RSA without any notice or consultation with Zola. While Zola may later challenge the RSA on that basis, among others, the process that will lead to that unfair outcome is before the Court now, and in Zola's respectful submission needs to be addressed at this time.

5. Accordingly, if the Court determines that the CCAA Representative Order should be granted, Zola requests that the Court amend the Draft Representation Order as indicated in the attached order at Schedule "**C**" to clarify that: (i) the CCAA Representatives and CCAA Representative Counsel have no authority to negotiate or settle Securities Claims of the Excluded Securities Claimants without their explicit consent; and (ii) to require that CCAA Representatives and CCAA Representative Counsel provide reasonable notice to the Excluded Securities Claimants of any negotiations or mediation sessions that may affect their Securities Claims, and if requested by an Excluded Securities Claimant, allow them to directly and meaningfully participate in such negotiation or mediation sessions.

PART II: FACTS

A. Zola's Claims

6. Zola's claims are the largest individual claims represented in this proceeding. Zola purchased three million shares of CannTrust in late September 2018, including two million CannTrust shares over the TSX. In total, Zola invested $37.8 million in CannTrust.[3] By contrast,

[3] Affidavit of Igor Gimelshtein, sworn October 26, 2020 ("**Gimelshtein Aff.**"), paras 10-12, Zola Responding Motion Record ("**Zola MR**"), Tab 1; Zola Statement of Claim, Gimelshtein Aff., Ex. "A", **Zola MR**, Tab 1A.

the individuals currently represented by CCAA Canadian Representative Counsel have incurred combined losses of approximately $400,000.[4]

7. Unlike any of the other Securities Claimants, Zola has pleaded claims arising from direct discussions with CannTrust officers, in particular Eric Paul ("Paul") and Peter Aceto. Zola alleges that Paul misrepresented to them prior to investing in CannTrust that licensing was not a concern for CannTrust and omitted to disclose CannTrust's illegal conduct, which Zola relied on when investing in CannTrust.[5]

8. Because Zola alleges that they would not have invested but for their reliance on Paul's misleading representations and CannTrust's misleading representations in its financial disclosures, Zola is seeking the full amount of its investment, less amounts received for a small number of sold shares, as damages.[6] The CCAA Representative Counsel's damages claim is based on a trading model, which does not account for Zola's claim seeking to be put back into the position it would have been but for CannTrust's, and Paul's on CannTrust's behalf, misstatements.[7]

B. The CCAA Representation Order and RSA

9. The Draft Representation Order appears to authorize the CCAA Representatives and CCAA Representative Counsel to negotiate the settlement of Securities Claims and related claims. Securities Claims means:

> (i) any Claim against CannTrust Holdings asserted by a plaintiff or putative plaintiff in an Action; and

[4] Transcript of the January 27, 2021 Cross-Examination of Serge Kalloghlian ("**Kalloghlian Trans.**"), Q. 14, **Zola MR,** Tab 2, p 81.
[5] Zola Statement of Claim, Gimelshtein Aff., Ex. "A", at paras 101-104, **Zola MR**, Tab 1A, pp 42-43.
[6] Zola Statement of Claim, Gimelshtein Aff., Ex. "A", at para 181, **Zola MR**, Tab 1A, pp 67-68.
[7] *See* Kalloghlian Trans., Qs. 85-86, **Zola MR**, Tab 2, p106.

> (ii) any other Claim against CannTrust Holdings that has been or could be asserted by or on behalf of a current or former shareholder of CannTrust Holdings or another Person in relation to the purchase, sale or ownership by such Person (including as a legal, registered or beneficial purchaser, seller or owner) on or before the Filing Date of an equity interest (as defined in the CCAA) in CannTrust Holdings.[8]

10. Zola is a current shareholder of CannTrust and has alleged claims against CannTrust related to "the purchase, sale or ownership" of such shares. As such, Zola has Securities Claims. Further, the Draft Representation Order explicitly includes Zola's claim, *Zola Finance Holdings Ltd. v. CannTrust Holdings Inc. et al.,* Court File No. CV-19- 00002329-00CP (ON SC), as one of the "Actions" captured by the definition of "Securities Claim".[9]

11. On January 19, 2021, CannTrust reached an agreement with the CCAA Representative Counsel "regarding a framework for the settlement of all Securities Claims against CannTrust Holdings and various related claims", the RSA.[10] To that end, the RSA defines "Released Securities-Related Claims" as:

> (A) any and all Securities Claims and Securities- Related Claims against any of the Released Parties, (B) any and all Securities-Related Indemnity Claims against any of the Released Parties, and (C) any and all other demands, claims (including claims for contribution or indemnity), actions, causes of action, counterclaims, suits, debts, sums of money, liabilities, accounts, covenants, damages, judgments, orders (including orders for injunctive relief or specific performance and compliance orders), expenses, executions, encumbrances and recoveries on account of any liability, obligation, demand or cause of action of whatever nature (including for, alleged oppression, misrepresentation, wrongful conduct, fraud or breach of fiduciary duty by any Settlement Party) that any Securities Claimant or Co-Defendant has or may be entitled to assert against any of the Released Parties, whether known or unknown, matured or unmatured, contingent or actual, direct, indirect or derivative, at common law, in equity or under statute, foreseen or unforeseen, existing or hereafter arising, in any jurisdiction, based in whole or in part on any act, omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing, matter or occurrence existing or taking

[8] Draft Representation Order, Appendix "A", **AMR**, Tab 6, p 909.
[9] Draft Representation Order, Appendix "D", **AMR**, Tab 6, p 913.
[10] Guyatt Aff. para 66, **AMR**, Tab 2F, p 38.

place at or prior to the Effective Time that in any way relate to or arise out of or in connection with:

(i) any of the Actions;

(ii) any of the Securities Claims, Securities-Related Claims, Securities-Related Indemnity Claims or Securities-Related Matters; or

(iii) the CCAA Proceedings or any matter or transaction involving any member of the CannTrust Group occurring in or in connection with the CCAA Proceedings (including the CCAA Plan and the development of it),

but excluding Non-Released CannTrust Claims.[11]

12. Zola's claims are captured by this definition. To avoid any doubt, Schedule "A" explicitly lists Zola's action as one of the "Actions" released by the RSA.[12]

13. The Draft Representation Order, among other things, authorizes the CCAA Representatives and CCAA Representative Counsel to agree to and be bound by the RSA.[13] Although it appears that authorization is being sought, it actually seems that they have already agreed to it, as they have already signed it.[14] Zola was not informed of the RSA prior to January 19, 2021, nor was it invited to sign the RSA, despite the purported compromise of Zola's claims.[15]

14. The proposed CCAA Representative's Counsel's failure to advise Zola of the RSA is just the latest example of Zola's exclusion. The Court issued a Mediation Order on May 8, 2020,[16] and since then Zola has been almost entirely excluded, despite Justice O'Connor's expressed desire that it be included. Apart from receiving short-notice invitations to attend mediation sessions at which CannTrust has declined to negotiate directly with Zola and updates that advise that the

[11] RSA, Guyatt Aff. Ex. G, **AMR**, Tab 2G, pp 170-171.
[12] RSA, Schedule "A", Guyatt Aff. Ex. G, **AMR**, Tab 2G, p 194; Kalloghlian Trans., Qs. 26-28, **Zola MR**, Tab 2, pp 84-85.
[13] Draft Representation Order, para 8(d), **AMR**, Tab 6, p 904.
[14] RSA, Guyatt Aff. Ex. G, **AMR**, Tab 2G, pp 187-193.
[15] Kalloghlian Trans., Q. 105, **Zola MR**, Tab 2, p 113.
[16] Guyatt Aff. para 62, **AMR**, Tab 2F, p 37.

details of the offers exchanged are confidential, Zola has had little opportunity to advance its interests in this Court-ordered process.[17] Yet the CCAA Representative Counsel propose to resolve "claims that are relevant to the Securities Claimants in relation to all the causes of action that arise to be considered in the context of the mediation".[18]

15. Zola is not the only party in this proceeding that has raised concerns about the CCAA Representative Counsel's and CannTrust's approach to the resolution of the claims that gave rise to this insolvency proceeding. As set out in the Underwriters' Motion Record, they have raised concerns about the proposed piecemeal approach to a resolution.[19] The Forum Defendants and Eric Paul have raised similar concerns in correspondence dated January 28, 2021. Their concerns are particularly weighty given the primary reason that CannTrust sought CCAA protection was to achieve a global resolution of the multiple claims it was facing.[20]

PART III: ISSUE

16. Whether the Court should grant the Draft Representation Order, which excludes Zola from the representation of the CCAA Representative Counsel, but authorizes the CCAA Representative Counsel to nonetheless compromise Zola's claims. ***Respectfully, no. The Court should amend the Draft Representation Order to ensure that all parties have fair and meaningful rights of participation in the Court-ordered mediation process and negotiations that will resolve the claims that are the primary focus of this CCAA proceeding.***

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[17] Gimelshtein Aff., at paras 19-23, **Zola MR**, Tab 1A, pp 6-7.
[18] Kalloghlian Trans., Q. 100, **Zola MR**, Tab 2, p 111.
[19] Letters dated December 15, 31, and January 27, 2021 to the Affidavit of Colette Koopman sworn January 27, 2021, Motion Record of the Underwriters, Tabs A-C.
[20] Guyatt Aff. para 61, **AMR**, Tab 2F, p 36.

PART IV: LAW AND ARGUMENT

17. Representation orders in CCAA proceedings can undoubtedly protect vulnerable parties and create efficiencies. However, a Court asked to issue a representation order in a CCAA proceeding must consider fairness and the position of other stakeholders.[21] Here, as drafted, the Draft Representation Order is inherently unfair. The Draft Representation Order excludes Zola from the parties represented by the CCAA Representative Counsel, but not their claims. The Draft Representation Order authorizes the CCAA Representatives and CCAA Representative counsel to engage in negotiations without Zola that will extinguish their action, but provides no means by which Zola can ensure that it has any input into that process.

18. This approach is being taken even though Zola has the largest claims of any party that has appeared in a proceeding (by a significant multiple) which is premised on CannTrust's assertions that the litigation is the primary reason for its insolvency.[22] In this context, it would be patently unfair for this Court to authorize a representation order that would allow CannTrust to compromise Zola's claims without any means of participation in that process.

19. The Draft Representation Order's scope, which authorizes the resolution of claims beyond those of the individuals who purportedly need protection and representation, is atypical of representation orders. More commonly, representation orders in CCAA proceedings authorize the Court-appointed representatives to pursue the claims of the people they represent and do so by referring to "claims by the class members", for example.[23] The Draft Representation Order,

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[21] *Canwest Publishing Inc.*, 2010 ONSC 1328 at para 21.
[22] Guyatt Aff. para 61, **AMR**, Tab 2F, p 36.
[23] *Poseidon Concepts, Re*, May 31, 2013 Order, Alberta Queen's Bench, Ct. File No. 1301-04364 at para 1; *Nortel Networks Corp., Re*, May 27, 2009 Order, Ontario Superior Court of Justice, Ct. File No. 09-CL-7950 at para 2.

however, authorizes the CCAA Representatives and CCAA Representative Counsel to do more than pursue class members' claims, which is unnecessary, and at least in Zola's case prejudicial.[24]

20. It is no answer to say that Zola is excluded from the Draft Representation Order and therefore may negotiate its own resolution. The evidence is to the contrary. The proposed RSA purports to compromise Zola's claims, and Canadian CCAA Representative Counsel acknowledge that they never advised Zola that they had reached this agreement.[25]

21. Meanwhile, Canadian CCAA Representative Counsel admit that they will attempt to resolve "claims that are relevant to the Securities Claimants in relation to all the causes of action that arise to be considered in the context of the mediation".[26] These include Zola's claims. There is no evidence before this Court that Zola will have any opportunity to participate in the negotiations in which CannTrust, and apparently CCAA Representative Counsel, seek to compromise their claims.

22. The CCAA is not a shield from liability. Yet, that is exactly what will occur if Zola is prevented from participating meaningfully in the resolution of its claims. If the parties are permitted to continue in this manner, it can only lead to further opposition and further delays, which are in no one's interest.

23. Further, CannTrust has expressed the need for an expedient resolution of the CCAA process. Surely, the most effective way to achieve the certainty of such a resolution is to engage

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[24] The Draft Representation Order is also unusual in that it does not provide for an opt-out process, even though negotiations are ongoing, and some Securities Claimants might prefer to represent themselves. *See* *Poseidon Concepts, Re,* May 31, 2013 Order, Alberta Queen's Bench, Ct. File No. 1301-04364; *Nortel Networks Corp., Re,* May 27, 2009 Order, Ontario Superior Court of Justice, Ct. File No. 09-CL-7950.
[25] Kalloghlian Trans., Q. 105, **Zola MR**, Tab 2, p 113.
[26] Kalloghlian Trans., Q. 100, **Zola MR**, Tab 2, p 111.

with stakeholders, rather than to negotiate with its selected partner and then attempt to impose that outcome on the others, which has been the approach of the Applicants and the CCAA Representative Counsel to date.

PART V: ORDER REQUESTED

24. For the foregoing reasons, Zola respectfully requests that this Court amend the Draft Representation Order in a manner consistent with Schedule "**C**" attached hereto.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 28th day of January 2021.

Wright Henry LLP/Siskinds LLP

Lawyers for Zola Finance Holdings Ltd. and
Igor Gimelshtein

SCHEDULE "A" – LIST OF AUTHORITIES

1. *Canwest Publishing Inc.*, 2010 ONSC 1328

2. *Poseidon Concepts, Re,* May 31, 2013 Order, ABQB, Ct. File No. 1301-04364

3. *Nortel Networks Corp., Re,* May 27, 2009 Order, ONSC, Ct. File No. 09-CL-7950

SCHEDULE "B" – RELEVANT STATUTES

1. None

SCHEDULE "C"

Court File No. CV-20-00638930-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	FRIDAY, THE 29th
	)	
MR. JUSTICE HAINEY	)	OF JANUARY, 2021

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF CANNTRUST HOLDINGS INC., CANNTRUST INC., CTI HOLDINGS (OSOYOOS) INC. AND ELMCLIFFE INVESTMENTS INC.

Applicants

ORDER

(CCAA Representatives and
CCAA Representative Counsel Appointment Order)

THIS MOTION made by the Applicants pursuant to the *Companies' Creditors Arrangement* Act, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for, among other things, an order appointing representatives and representative counsel for Securities Claimants (as defined below), was heard this day by way of Zoom judicial video conference due to the COVID-19 pandemic.

ON READING (i) the Notice of Motion of the Applicants dated January 20, 2021, (ii) the affidavit of Greg Guyatt sworn January 20, 2021 (the "**Guyatt Affidavit**") and the exhibits thereto, (iii) the affidavit of Serge Kalloghlian sworn January 20, 2021 and the exhibits thereto, (iv) the affidavit of James W. Johnson sworn January 20, 2021 and the exhibits thereto, and (v) the Sixth Report of Ernst & Young Inc. in its capacity as the monitor of the Applicants (the "**Monitor**") dated January 25, 2021 (the "**Sixth Report**"), and on hearing the submissions of counsel for the Applicants, the Monitor and such other counsel as were present as listed on the counsel slip, no one else appearing although duly served as appears from the Affidavit of Service of Alexander Steele sworn January 27, 2021:

SERVICE

1. **THIS COURT ORDERS** that the time for service and filing of the Notice of Motion and the Motion Record of the Applicants in support of this motion and the Sixth Report is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

DEFINITIONS

2. **THIS COURT ORDERS** that, in addition to the capitalized terms defined elsewhere in this Order, the capitalized terms set out in Schedule "A" have the meanings given to them in that schedule.

APPOINTMENT OF CCAA REPRESENTATIVES AND CCAA REPRESENTATIVE COUNSEL

3. **THIS COURT ORDERS** that, subject to paragraph 7, Dharambir Singh and Patrick Hrusa (the **"CCAA Canadian Representatives"**) are hereby appointed to represent the interests of all Canadian and Non-U.S. Securities Claimants in these proceedings in relation to their Securities Claims and any related claims, including in relation to any negotiations with respect to the settlement of Securities Claims and the prosecution or settlement of any related claims and the development of the CCAA Plan and any related definitive documentation.

4. **THIS COURT ORDERS** that, subject to paragraph 7, Granite Point Master Fund, LP and Granite Point Capital Scorpion Focused Ideas Fund (the **"CCAA U.S. Representatives"**, and collectively with the CCAA Canadian Representatives, the **"CCAA Representatives"**) are hereby appointed to represent the interests of the U.S. Securities Claimants in these proceedings in relation to their Securities Claims and any related claims, including in relation to any negotiations with respect to the settlement of Securities Claims and the prosecution or settlement of any related claims and the development of the CCAA Plan and any related definitive documentation.

5. **THIS COURT ORDERS** that, subject to paragraph 7, A. Dimitri Lascaris Law Professional Corporation, Henein Hutchinson LLP, Kalloghlian Myers LLP and Strosberg Sasso Sutts LLP **("CCAA Canadian Representative Counsel")** are hereby appointed as counsel for the Canadian and Non-U.S. Securities Claimants in these proceedings in relation to their Securities Claims and any related claims, and are authorized and directed to take instructions from the CCAA Canadian Representatives, when and to the extent instructions are provided by them on matters from time to time, and otherwise are authorized to act on behalf of the Canadian and Non-U.S. Securities Claimants from time to time in these proceedings in relation to their Securities Claims and any related claims.

6. **THIS COURT ORDERS** that, subject to paragraph 7, Weisz Fell Kour LLP in association with U.S. Class Action counsel Labaton Sucharow LLP, ("**CCAA U.S. Representative Counsel**" and collectively with CCAA Canadian Representative Counsel, **"CCAA Representative Counsel**") are hereby appointed as counsel for the U.S. Securities Claimants in these proceedings in relation to their Securities Claims and any related claims, and are authorized and directed to take instructions from the CCAA U.S. Representatives, when and to the extent instructions are provided by them on matters from time to time, and otherwise are authorized to act on behalf of the U.S. Securities Claimants from time to time in these proceedings in relation to their Securities Claims and any related claims.

7. **THIS COURT ORDERS** that: Zola Finance Holdings Ltd and Igor Gimelshtein; 1604070 Alberta Ltd., Jeff Dyck, and Diran Avedian; and Shmuel Farhi and their respective counsel are not subject to paragraphs 3, 4, 5, and 6 of this Order (collectively, together with any other person who this Court orders is not subject to paragraphs 3, 4, 5, or 6 of this Order, the "**Excluded Securities Claimants**"). The CCAA Representatives and CCAA Representative Counsel have no authority to negotiate or settle Securities Claims of the Excluded Securities Claimants, without the explicit consent of that Excluded Securities Claimant.

8. **THIS COURT ORDERS** that, without limiting the scope of the authorizations granted in paragraphs 3, 4, 5, 6, 7 and 9:

(a) the CCAA Representatives and CCAA Representative Counsel shall be at liberty to consult with each other, the Monitor and its counsel, the Applicants and their counsel, and other stakeholders and their respective counsel, including in relation to any negotiations with respect to the settlement of Securities Claims and the prosecution or settlement of any related claims and the development of the CCAA Plan and any related definitive documentation;

(b) the CCAA Representatives and CCAA Representative Counsel shall be at liberty to consult with and obtain input from Securities Claimants in relation to their activities in their respective roles under this Order;

(c) the CCAA Representatives and CCAA Representative Counsel shall be required to provide reasonable notice to the Excluded Securities Claimants of any negotiations or mediation sessions that may affect their Securities Claims and, if requested by that Excluded Securities Claimant, allow them to participate in the negotiation process or mediation session.

~~(b)~~(d) the CCAA Representatives and CCAA Representative Counsel, in their respective capacities as such, shall be at liberty to enter into one or more non-disclosure agreements with the Applicants in relation to confidential information of, or relating to, the Applicants or relating to the Securities Claims;

~~(c)~~(e) the CCAA Representatives and CCAA Representative Counsel, in their capacities as such, shall be at liberty to agree to become parties to, and be bound by, the Restructuring Support Agreement (provided that nothing in this Order constitutes approval of the Restructuring Support Agreement or the transactions contemplated thereby); and

~~(d)~~(f) the CCAA Representatives and CCAA Representative Counsel shall be at liberty to apply to this Court, on notice to the Monitor and the Applicants, for advice and directions at such times as they may so require.

9. **THIS COURT ORDERS** that the CCAA Representatives and CCAA Representative Counsel are authorized to take all steps and to do all acts necessary or desirable to carry out the terms of this Order, including dealing with any other court, regulatory body and other government ministry, department or agency, and to take all such steps as are necessary or incidental hereto.

NOTICE PROCEDURE

10. **THIS COURT ORDERS** that each of the Applicants and CCAA Representative Counsel are authorized and directed to provide to the Monitor without delay and without charge, the names, last known addresses and last known e-mail addresses (if any) of all Securities Claimants of which they are specifically aware currently or from whom they have received written notice, including the plaintiffs named in any of the Actions ("**Known Securities Claimants**"), and the Applicants and CCAA Representative Counsel are hereby permitted to do so pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, as amended.

11. **THIS COURT ORDERS** that the Monitor shall not disclose the names of any Securities Claimants or Known Securities Claimants, other than to the Applicants, without prior written notice from CCAA Representative Counsel.

12. **THIS COURT ORDERS** that notice of the granting of this Order shall be provided as follows:

(a) notice in substantially the form set out in Schedule "B" hereto (the "**Notice**") shall be published by the Applicants in *The Globe and Mail* (National Edition) and the Wall Street Journal on at least one occasion within five (5) Business Days of the date of this Order;

(b) the Applicants shall issue a press release consisting of, or that includes, the Notice, in form and content satisfactory to the Monitor, and make a corresponding filing on SEDAR, within five (5) Business Days of the date of this Order;

(c) the Monitor shall send a copy of the Notice to each of the Known Securities Claimants within three (3) Business Days of this Order by email (if known) or by first class mail, addressed to the Known Securities Claimants at the addresses provided by the Applicants and CCAA Representative Counsel pursuant to paragraph 10; and

(d) the Monitor shall post a copy of the Notice to the Monitor's Website.

13. **THIS COURT ORDERS** that treatment of the Securities Claims of the Excluded Securities Claimants pursuant to any CCAA Plan proposed by the Applicants or any further Order of the Court in these proceedings is not changed, limited, or otherwise affected by their status as Excluded Securities Claimants under this Order.

PROTECTIONS

14. **THIS COURT ORDERS** that the CCAA Representatives and CCAA Representative Counsel shall have no liability as a result of their appointment or the fulfillment of their duties in carrying out the provisions of this Order or any further Order of the Court in these proceedings, save and except for any gross negligence or wilful misconduct on their part.

15. **THIS COURT ORDERS** that the appointment of CCAA Representative Counsel pursuant to this Order shall not prevent any of the individual lawyers from the firms that comprise CCAA Representative Counsel from acting as trustee(s) of any trust established for the benefit of Securities Claimants pursuant to the CCAA Plan.

MISCELLANEOUS

16. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada, outside Canada and against all persons against whom it may be enforceable.

17. **THIS COURT ORDERS** that this Order is effective from the date that it is made, and is enforceable without any need for entry and filing.

18. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, or abroad, to give effect to this Order and to assist the Applicants, the Monitor, the CCAA Representatives and CCAA Representative Counsel in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants, the Monitor, the CCAA Representatives and CCAA Representative Counsel as may be necessary or desirable to give effect to this Order, or to assist the Applicants, the Monitor, the CCAA Representatives and CCAA Representative Counsel in carrying out the terms of this Order.

19. **THIS COURT ORDERS** that each of the Applicants, the Monitor, the CCAA Representatives and CCAA Representative Counsel be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT,* R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF CANNTRUST HOLDINGS INC. ET AL.

Applicants

Court File No. CV-20-00638930-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

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