

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

B E T W E E N:

**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.,
CTI HOLDINGS (OSOYOOS) INC. AND ELMCLIFFE INVESTMENTS INC.**

Applicants

**RESPONDING RECORD OF THE RESPONDENT
ERIC PAUL**

March 11, 2021

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AND TO: **SERVICE LIST**

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
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B E T W E E N:

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
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AFFIDAVIT OF SUSAN BARTLETT

I, Susan Bartlett, of the City of Toronto, in the Province of Ontario, MAKE OATH AND
SAY:

1. I am a legal assistant with the law firm of Stockwoods LLP, lawyers for the Respondent Eric Paul, and, as such, have knowledge of the matters contained in this Affidavit. Where I do not have personal knowledge, I have stated the source of my information and verily believe it to be true.

2. A copy of an indemnity agreement dated as of November 25, 2014 as between CannTrust Inc. and Eric Paul is attached as Exhibit "A".

3. I make this affidavit in support of Mr. Paul's response to the Applicants' motion for the Meeting Order (as that term is defined in the Notice of Motion) and for no other or improper purpose.

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SWORN remotely by Susan Bartlett of the
City of Toronto in the Province of Ontario
before me at the City of Toronto in the
Province of Ontario, on March 11, 2021 in
accordance with O. Reg. 431/20,
Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits
(or as may be)

CAITLIN MILNE
LSO # 74695F
Barrister and Solicitor



SUSAN BARTLETT

This is Exhibit "A" referred to in the Affidavit of Susan Bartlett sworn March 11, 2021.



Commissioner for Taking Affidavits

INDEMNIFICATION AGREEMENT

THIS AGREEMENT made as of the 25th day of November, 2014.

B E T W E E N:

CANNTRUST INC.,
a corporation incorporated under
the laws of the Province of Ontario,

(hereinafter referred to as the "**Indemnitor**")

OF THE FIRST PART;

- and -

ERIC PAUL,
of the Province of Ontario,

(hereinafter referred to as the "**Indemnitee**")

OF THE SECOND PART.

WHEREAS at the request and for the benefit of the Indemnitor, the Indemnitee has consented to act and has been duly elected to act as a director of the Indemnitor;

AND WHEREAS the Indemnitee, as a condition of consenting to act as a director of the Indemnitor, has required that the Indemnitor enter into this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the consent by the Indemnitee to act as a director of the Indemnitor and of the sum of Ten (\$10.00) Dollars now paid by the Indemnitee to the Indemnitor, the receipt and sufficiency of which is hereby acknowledged, the parties hereto covenant and agree, to the extent permitted by law, as follows:

1. The Indemnitor shall indemnify and save the Indemnitee harmless:
 - (a) From and against any and all claims of every nature and kind whatsoever which may be made against him/her by any person, firm, corporation, government, or by any governmental department, body, commission, board, bureau, agency or instrumentality including the Crown in any of Her capacities, arising out of or in any way connected with the management, operation, activities or existence of the Indemnitor;

- (b) From and against any and all liability, losses, damages, costs, charges, expenses, fines and penalties which the Indemnitee may sustain, incur or be liable for in consequence of him/her acting as a Director of the Indemnitor whether sustained or incurred by reason of his/her negligence, default, breach of duty, breach of trust, failure to exercise due diligence or otherwise in relation to the Indemnitor;
- (c) In particular, and without in any way limiting the generality of the foregoing, from and against all liabilities and penalties at any time imposed upon the Indemnitee or any claims at any time made against the Indemnitee under or by virtue of any provision of any Municipal, Provincial or Federal Act, statute, regulation, by-law, ordinance or other enactment, or any re-enactment or amendment of any such Acts, statutes, regulations, by-laws or ordinances and which in any way involve the affairs or business of the Indemnitor;
- (d) From and against all costs, charges and expenses, including all amounts paid to settle an action or satisfy any judgment, reasonably incurred by the Indemnitee in respect of any civil, or administrative action or proceeding to which the Indemnitee is made a party by reason of being or having been a director of the Indemnitor, if:
 - (i) the Indemnitee acted honestly and in good faith with a view to the best interests of the Corporation, and
 - (ii) in the case of an administrative action or proceeding that is enforced by a monetary penalty, the Indemnitee had reasonable grounds for believing that his/her conduct was lawful; and
- (e) In respect of any action by or on behalf of the Indemnitor to procure a judgement in its favour to which the Indemnitee is made a party by reason of being or having been a director of the Indemnitor, the Indemnitor hereby undertakes and agrees (subject to obtaining approval of the court having jurisdiction) to indemnify and save harmless the Indemnitee and his/her heirs and legal representatives, respectively, against all costs, charges and expenses reasonably incurred by the Indemnitee in connection with any such action if the Indemnitee fulfilled the conditions set forth in subparagraphs (d) and (d)(i) above. The Indemnitor also agrees to make application to, and use its best efforts to obtain such approval of the court.

2. The Indemnitor shall indemnify the Indemnitee and his/her heirs and legal representatives respectively against all costs, charges and expenses reasonably incurred by the Indemnitee in respect of any civil, or administrative action or proceeding to which the Indemnitee is made a party by reason of being or having been a director of the Indemnitor and in respect of which the Indemnitee has been substantially successful in the defence.

3. The Indemnitor shall at its sole cost and expense defend any such claim, demand or action based on such cause of action which is brought against the Indemnatee and shall pay to the Indemnatee the full amount of any such claim, obligation, commitment, liability, costs, charges, losses, damages, expenses, fines or penalties incurred by the Indemnatee within ten days after notice thereof is given to the Indemnitor by the Indemnatee.
4. Nothing in this Agreement shall prevent the Indemnatee from resigning as a Director of the Indemnitor at any time.
5. Any notice required or permitted to be given by any party hereto shall be sufficiently given and delivered or sent by registered mail, postage prepaid, addressed to the party entitled to receive same at the address hereinbefore set forth for each of the respective parties and shall be deemed to have been given or made on the date on which it was delivered or the day following the day it was transmitted by telex, telecopy or telegram or if mailed shall be deemed to have been given or made on the third business day, excluding Saturdays, following the day on which it was mailed except in the event of interruption of mail service after mailing, in which event it shall be deemed to have been given or made when actually received. The parties hereto may change their address for service from time to time by notice to each of the other parties in accordance with the foregoing.
6. If any provision of this Agreement, including without limitation all or any part of paragraph 1 hereof, shall be held invalid or contrary to law, the remainder of this Agreement, including without limitation the remainder of paragraph 1 as the case may be, shall nevertheless be and be deemed to be valid and binding upon the parties hereto.
7. This Agreement shall be constructed in accordance with and be governed by the laws of the Province of Ontario.
8. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective personal representatives, successors and assigns.
9. This Agreement may not be assigned by the Indemnitor without the express written consent of the Indemnatee.

IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals as of the day and year first written above.

SIGNED, SEALED AND DELIVERED
in the presence of

Witness

CANNTRUST INC.

Per: 
Authorized Signing Officer


Eric Paul

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Proceeding commenced at TORONTO

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