Court File Number: CV-21-00657098-00CL

Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

In Re TGF Acquisition Parent Ltd, Sun Rich Fresh Foods Inc.
Plaintiff(s)

AND

Tiffany Gate Foods Inc.
Defendant(s)

Case Management ☐ Yes ☐ No by Judge: ____________________

Counsel	Telephone No.:	Facsimile No.:

☐ Order ☐ Direction for Registrar **(No formal order need be taken out)**
☐ Above action transferred to the Commercial List at Toronto **(No formal order need be taken out)**

☐ Adjourned to: ____________________
☐ Time Table approved (as follows):

The Endorsement in this matter is attached in handwritten form as Schedule "A". Order to go in accordance with the Endorsement in the form of the accompanying signed Order.

June 22/21
Date

Wilton-Siegel J.
Judge's Signature

☐ Additional Pages ________

Schedule "A"

The Applicants seek a number of orders with a view to the winding-down of these proceedings under the Companies' Creditors Arrangement Act (the "CCAA").

The Applicants seek an order terminating the CCAA proceedings and authorizing the Applicants to make an assignment in bankruptcy. The Court's authority for such orders is found in s.11 of the CCAA. It is appropriate to make such orders given that the sale transactions have been completed and the Applicants have no business operations or activities other than completion of certain transition services which will be completed before such actions.

The Applicants also seek an order that certain escrow funds relating to an earlier purchase and sale transaction be released from escrow and paid to the vendors on that transaction. It is understood that only one potential claim exists, that the claim has not been pursued, that counsel for the claimant was served with notice of the present proceeding and has not objected and that, in any event, any such claim would be an unsecured claim having no value in these CCAA proceedings. It is therefore reasonable to grant such order in order to resolve this issue.

The Applicants seek a further order lifting the stay to allow insured claims to continue to determine liability in order that claimants can recover from applicable insurance policies. The Applicants are aware of one insured claim that may be covered under a general liability policy. Continuing such actions could potentially increase recoveries for creditors. It will not cause any material costs or detriment to the Applicants. The balance of convenience therefore favours lifting of the stay for this purpose. The insured claims claimants, if any, would suffer a detriment otherwise whereas the Applicants will not suffer any prejudice. I note as well that the Monitor supports the lifting of the stay.

The Applicants seek the approval of the Monitor's four reports to the court, which have not previously been approved. No objections have been raised to these reports. In addition, the Monitor seeks approval of its fees and disbursements as well as the fees and disbursements of its legal counsel as set out in its Fourth Report and any additional fees to an aggregate of $475,000, plus disbursements and HST, until the termination date. No objections to these fees or additional fees have been raised by any of the creditors.

The Applicants also seek an extension of the stay until the earlier of August 31, 2021 and the date of filing of the termination certificate. This request is made in good faith. There is no evidence of any material prejudice to any creditors. The Applicants are projected to have sufficient cash to fund projected operating costs during such period. The Monitor supports this extension. It is therefore reasonable and in the Court's authority under s. 11.01 of the CCAA to grant such relief.

The requested order also includes an order to change the ~~style~~ of cause of these proceedings to reflect the name changes of the Applicants following the sale of their respective assets, including their respective names. The requested relief is not only reasonable but arguably necessary under the terms of the asset sales.

Lastly, the Applicants seek releases of the sole director of the Applicants as well as of the Monitor and its counsel. The Court has such authority under s. 5.1(1) and s. 11 of the CCAA, notwithstanding the absence of a plan of compromise or arrangement. Following the factors cited by Koehnen J. in <u>Green Relief Inc. (Re.)</u>, I note the following. Each of the parties materially contributed to the successful sale of the assets of the Applicants. The terms of the releases are consistent with other releases granted in similar circumstances and are in that sense fair and reasonable. They are also not overly broad and, in particular, ~~do not~~ carve out and preserve claims not permitted to be released under s.5.1(2) of the CCAA and insured claims. All creditors on the service list were served and there were no objections. In addition, there are no known claims with respect to the parties to be released. In the case of Mr. Anderson, the effect will also be to release the Director's Charge for distribution to the creditors. Accordingly I am satisfied that such ~~claims~~ releases are reasonable and appropriate in the circumstances and should be granted.

I would also add that any claims which may in the future be asserted against any of the released parties, or against any of the other professionals who acted in respect of these proceedings, should be commenced on the Commercial List.