

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

THE HONOURABLE MR.
JUSTICE PATTILLO

)
)
)

THURSDAY, THE 24TH
DAY OF JUNE, 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
(Stay Extension)**

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 an order (i) extending the stay of proceedings, and (ii) approving and sanctioning the second amended and restated plan of compromise, arrangement and reorganization of CannTrust Holdings Inc., CannTrust Inc. and Elmclyffe Investments Inc. (the "**CannTrust Plan Companies**") pursuant to the CCAA and the *Business Corporations Act* (Ontario) dated June 2, 2021, which was subsequently amended and restated by way of the third amended and restated plan of compromise, arrangement and reorganization of the CannTrust Plan Companies pursuant to the CCAA and the *Business Corporations Act* (Ontario) dated June 16, 2021 (the "**CCAA Plan**"), was heard on June 11, 2021 and June 17, 2021 by Zoom judicial video conference due to the COVID-19 pandemic.

ON READING the materials filed by the Applicants, Ernst & Young Inc. in its capacity as monitor of the Applicants (the "**Monitor**") and certain respondents listed in **Schedule "A"** hereto (the "**Motion Materials**") and on hearing the submissions of counsel for the Applicants,

the Monitor and any such other counsel that were present as listed on the counsel slip, no other party appearing although duly served as appears from the affidavit of service, filed:

EXTENSION OF STAY PERIOD

1. **THIS COURT ORDERS** that the Stay Period provided in the Initial Order dated March 31, 2020 in these proceedings, as amended, be and is hereby extended until and including July 30, 2021 or such later date as this Court may order.

SANCTION OF CCAA PLAN

2. **THIS COURT ORDERS** that the motion of the Applicants for an order, among other things, approving and sanctioning the CCAA Plan is dismissed.

3. **THIS COURT ORDERS** that the Applicants shall have leave to seek an order approving and sanctioning a further amended and restated version of the CCAA Plan if and when the issues identified in the Endorsement of the Court dated June 24, 2021 have been addressed.

GENERAL

4. **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.

5. **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.

6. **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 and their respective agents 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 and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

7. **THIS COURT ORDERS** that each of the Applicants and the Monitor be at liberty and are 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.



SCHEDULE "A"
Motion Materials

Applicants

1. Motion Record of the Applicants dated June 2, 2021, containing:
 - a. Affidavit of Greg Guyatt, sworn June 2, 2021
2. Supplementary Motion Record of the Applicants dated June 16, 2021, containing:
 - a. Affidavit of Greg Guyatt, sworn June 16, 2021

CCAA Representatives

1. Motion Record of the CCAA Representatives dated June 2, 2021, containing:
 - a. Affidavit of Serge Kalloghlian, affirmed June 2, 2021
 - b. Confidential Affidavit of Serge Kalloghlian, affirmed June 2, 2021
2. Transcript Brief dated June 10, 2021, containing:
 - a. Transcript from the cross-examination of Serge Kalloghlian taken June 7, 2021
3. Supplementary Motion Record of the CCAA Representatives dated June 16, 2021, containing:
 - a. Affidavit of Serge Kalloghlian, affirmed June 16, 2021

Respondents

1. Motion Record of the Respondent, Peter Aceto dated June 4, 2021, containing:
 - a. Affidavit of Jonathan Preece, sworn June 4, 2021
2. Responding Motion Record of KPMG LLP dated June 4, 2021, containing:
 - a. Affidavit of Nancy Thompson, sworn June 4, 2021
 - b. Transcript of Greg Guyatt cross-examination taken March 17, 2021
 - c. Transcript of Greg Guyatt continued cross-examination taken April 13, 2021
3. Supplementary Responding Motion Record of KPMG LLP dated June 9, 2021, containing:
 - a. Supplementary Affidavit of Nancy Thompson, sworn June 9, 2021
 - b. Transcript of Serge Kalloghlian cross-examination taken June 7, 2021

- c. Transcript of Greg Guyatt cross-examination taken June 7, 2021
- 4. Responding Motion Record of Newline Canada Insurance Limited dated June 4, 2021, containing:
 - a. Affidavit of A. Benson Forrest, sworn June 4, 2021
- 5. Motion Record of Zola Finance Holdings Ltd. and Igor Gimelshtein, containing:
 - a. Affidavit of Igor Gimelshtein, sworn June 2, 2021
 - b. Affidavit of Melissa O'Connor, sworn June 4, 2021

Monitor

- 1. Tenth Report of the Monitor dated May 21, 2021
- 2. Eleventh Report of the Monitor dated June 2, 2021
- 3. Supplement to the Eleventh Report of the Monitor dated June 4, 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.

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**
Proceeding Commenced at Toronto

**ORDER
(Stay Extension)**

McCarthy Tétrault LLP
Suite 5300, TD Bank Tower
Toronto ON M5K 1E6

James Gage LSO#: 34676I
Tel: 416-601-7539
Email: jgage@mccarthy.ca

Paul Steep LSO#: 21869L
Tel: 416-601-7998
Email: psteep@mccarthy.ca

Trevor Courtis LSO#: 67715A
Tel: 416-601-7643
Email: tcourtis@mccarthy.ca

Alexander Steele LSO#: 475719P
Tel: 416-601-8370
Email: asteele@mccarthy.ca

Lawyers for the Applicants