

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

(Motions for Approval of CCAA Canadian Representative Counsel's Fees and of
Additional RSAs, Notice and the Claims Administrator)

Before: Penny J.

Heard (by videoconference in Toronto): December 17, 2021

Endorsement

On December 17, 2021, I granted orders in this CCAA proceeding with brief reasons to follow. These are the reasons.

There are two motions before the Court in this proceeding. There is no opposition.

The first motion seeks to implement approvals granted in Pattillo J.'s July 16, 2021, Sanction Order approving CannTrust Holdings' CCAA Plan.

I am satisfied that the approvals sought are consistent with and appropriately implement the Sanction Order.

The sealing order is necessary for the brief period until Plan closing to preserve the parties' ability to maximize returns and complete the Plan as approved.

The second motion involves the approval of Canadian and US counsels' fees. The fees for which approval is sought are fully consistent with counsel's retainers with the representative plaintiffs, the terms of which the jurisprudence treats as presumptively valid and fair. In addition, the result achieved on this settlement

appears to be excellent, considering the damages sustained by the securities claimants, the legal and factual impediments to recovery and CannTrust's financial position. This is one of the largest recoveries in a Canadian securities class action. Counsel took on significant risk in asserting claims against these defendants because of the multiple factual and legal impediments to establishing liability and damages and, with respect to some of the defendants, enforcing a judgment. These risks included the risk of having no success and/or minimal recovery while devoting massive resources to the prosecution of this action. Finally, the requested fees are within the range of percentages that Ontario courts have approved (between 20% to 33% are typical in class proceedings). This was not an easy case and the settlement process was long, complex and involved. Canadian representative counsel committed over 2,460 lawyer hours (with a time value of over \$4.5 million) and out-of-pocket disbursements exceeding \$360,000. The implied multiplier is also well within the bounds of multipliers considered appropriate by the court in similar cases.

The representatives who retained Canadian and US counsel are supportive of the fees proposed.

For these reasons, the fees are approved.

A handwritten signature in blue ink, appearing to read "Penny J." with a period at the end.

Penny J.