

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE MR.	)	THURSDAY, THE 10 <sup>th</sup>
	)	
JUSTICE MCEWEN	)	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 FIGR  
BRANDS, INC., FIGR NORFOLK INC. AND CANADA'S ISLAND GARDEN INC.  
(collectively, the "**Applicants**")



**ANCILLARY ORDER**  
**(Second DIP Amendment, Stay Extension, DIP Distribution, Sealing, Pre-Filing  
Intercompany Claims & Monitor Fee Approval)**

**THIS MOTION**, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, for an order, *inter alia*: (i) approving the Second DIP Amendment and distributions to the DIP Lender as repayment of amounts owing thereunder; (ii) approving an extension of the Stay Period; (iii) approving the Pre-Filing Intercompany Claims Resolution Process; (iv) sealing the Confidential Exhibits and the Confidential Appendix; and (v) approving the Fifth Report (as defined below) and the Monitor's activities and fees described therein, and certain related relief, was heard this day by Zoom videoconference as a result of the COVID-19 pandemic.

**ON READING** the Notice of Motion of the Applicants, the affidavit of Michael Devon sworn June 2, 2021 (the "**June 2 Devon Affidavit**"), the Fifth Report of FTI Consulting Canada Inc. (the "**Fifth Report**"), in its capacity as Monitor of the Applicants (the "**Monitor**"), filed, and on hearing the submissions of counsel for the Applicants, counsel for the Monitor, counsel for Alliance One Tobacco Canada Inc. (the "**DIP Lender**"), and such other counsel as were present,

no one else appearing although duly served as appears from the affidavit of service of Aiden Nelms sworn;

### **SERVICE AND DEFINITIONS**

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

2. **THIS COURT ORDERS AND DECLARES** that all terms not otherwise defined herein shall have the meaning ascribed to them in the Amended and Restated Initial Order dated January 29, 2021, the Claims Procedure Order dated February 22, 2021, the Employee Claims Procedure Order dated April 30, 2021, or the June 2 Devon Affidavit, as applicable.

### **SECOND DIP AMENDMENT**

3. **THIS COURT ORDERS** that the execution by the Applicants of the Second DIP Amendment, a copy of which is attached as Appendix "A" to the Fifth Report, is hereby authorized and approved, and the Applicants are hereby authorized and empowered to borrow up to an additional \$3,000,000 (\$16,000,000 in the aggregate) (plus costs and interest) pursuant to the Commitment Letter as amended by the Second DIP Amendment.

4. **THIS COURT ORDERS** that:

- (a) paragraphs 33 to 38 of the Amended and Restated Initial Order shall apply to the Commitment Letter as amended by the Second DIP Amendment and all references to the Commitment Letter contained in the Amended and Restated Initial Order shall be deemed to be references to the Commitment Letter as amended by the Second DIP Amendment;
- (b) the DIP Lender's Charge shall secure all amounts owing by the Applicants to the DIP Lender under the Commitment Letter and the Definitive Documents as amended by the Second DIP Amendment; and

- (c) for greater certainty, paragraphs 36 and 40 of the Amended and Restated Initial Order are hereby amended to replace the references to "\$13,000,000" with "\$16,000,000".

#### **DISTRIBUTION IN RESPECT OF DIP CHARGE**

5. **THIS COURT ORDERS** that, following the Closing Time (as defined in the CIG Sale Agreement), the Applicants with the consent of the Monitor (or the Monitor on behalf of the Applicants) are authorized and empowered to make or to cause to be made distributions from time to time from available funds or proceeds at that time held or received by the Applicants or in the future held or received by the Applicants (or the Monitor on behalf of the Applicants) to the DIP Lender in repayment of the obligations secured by the DIP Lender's Charge.

#### **EXTENSION OF THE STAY PERIOD**

6. **THIS COURT ORDERS** that the Stay Period be and is hereby extended until and including September 3, 2021.

#### **SEALING**

7. **THIS COURT ORDERS** that the Confidential Exhibits to the June 2 Devon Affidavit and the Confidential Appendix to the Fifth Report are hereby sealed and shall not form part of the public record until further order of the Court.

#### **APPROVAL OF THE FIFTH REPORT AND THE MONITOR'S ACTIVITIES AND FEES**

8. **THIS COURT ORDERS** that the Fifth Report, and the activities of the Monitor and its counsel referred to therein be and are hereby approved; provided, however, that only the Monitor, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

9. **THIS COURT ORDERS** that the fees and disbursements of the Monitor and its counsel, as set out in the Fifth Report, be and are hereby approved.

## **PRE-FILING INTERCOMPANY CLAIMS RESOLUTION PROCESS**

10. **THIS COURT ORDERS** that any Person wishing to object to the validity or quantum of any of the Pre-Filing Intercompany Claims summarized in the Fifth Report must serve an objection (a "**Pre-Filing Intercompany Claims Objection**") sufficiently describing the grounds for such objection in writing to the Monitor, with a copy to all Persons on the Service List, by no later than 5:00 p.m. (Toronto time) on the date that is thirty (30) days after the Monitor serves the Pre-Filing Intercompany Claims Notice (the "**Pre-Filing Intercompany Claims Objection Date**") as provided for in paragraph 11 below.

11. **THIS COURT ORDERS** that the Monitor shall send a notice (the "**Pre-Filing Intercompany Claims Notice**") by email to the Service List, as well as to each Claimant that has submitted a Proof of Claim or Employee Claimant who has received an Employee Claim Statement, each as of the date of this Order, by email to the email address indicated on such Proof of Claim or Employee Claim Statement, (i) providing an electronic link to the Fifth Report and indicating that the Monitor's review and summary of the Pre-Filing Intercompany Claims is set out therein; (ii) providing an electronic link to this Order; and (iii) referencing the Pre-Filing Intercompany Claims Objection Date contained in paragraph 10 hereof.

12. **THIS COURT ORDERS** that, in the event that a Pre-Filing Intercompany Claims Objection cannot be resolved or settled, the Monitor may seek a scheduling appointment before the Court, on notice to the Service List, to seek a schedule for the hearing of a motion to determine the validity and quantum of one or more of the Pre-filing Intercompany Claims. Prior to such motion, the Monitor shall prepare a further report (the "**Objections and Recommendations Report**") summarizing: all Pre-Filing Intercompany Claims Objections received and the Monitor's view and recommendation to the Court with respect to the Pre-Filing Intercompany Claims Objections.

13. **THIS COURT ORDERS** that in the event that no Persons served a Pre-Filing Intercompany Claims Objection by the Pre-Filing Intercompany Claims Objection Date, the Monitor shall advise the Service List in writing that no Pre-Filing Intercompany Claims Objections were received, and the Pre-Filing Intercompany Claims as set out in the Fifth Report are and shall be deemed to be accepted as valid claims.

**GENERAL**

14. **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, 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, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

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

16. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Toronto time on the date of this Order.

  
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**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF FIGR BRANDS, INC., FIGR NORFOLK INC. AND CANADA'S ISLAND GARDEN INC.**

Court File No.: CV-21-00655373-00CL

10 June 21

The Order shall go as per the draft filed and signed. The Monitor supports the Order and it is otherwise unopposed.

There is sufficient liquidity to support the stay extension.

I reviewed the other relief with counsel and I am satisfied the all proposed terms are fair and reasonable. The reports and fees are also approved.



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

Proceedings Commenced in Toronto

**ANCILLARY ORDER**

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