



ONTARIO SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

**COUNSEL SLIP/ENDORSEMENT**

COURT FILE  
NO.:

CV-24-00715773-00CL

DATE:

January 13, 2025

NO. ON LIST: 5

TITLE OF  
PROCEEDING:  
BEFORE  
JUSTICE:

BZAM LTD. et al  
JUSTICE OSBORNE

**PARTICIPANT INFORMATION**

**For Plaintiff, Applicant, Moving Party, Crown:**

Name of Person Appearing	Name of Party	Contact Info
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**ENDORSEMENT OF JUSTICE OSBORNE:**

1. The Applicants seek various heads of relief today:
  - a. an approval and vesting order in respect of the Edmonton Property, approving the share purchase agreement dated January 6, 2025 with 2627411 Alberta Ltd. as Purchaser, together with related relief, authorizing BZAM Cannabis to complete the Agreement and vesting in the Purchaser all of the right, title and interest of BZAM Cannabis, in and to the Edmonton Property;
  - b. an order authorizing the Applicants to distribute the Proceeds to Avison Young in respect of its Broker Fee payable under the Listing Agreement, and to Cortland Credit as DIP Lender, and in respect of partial repayment of the indebtedness of the Applicants;
  - c. an ancillary order extending the stay of proceedings to and including March 31, 2025;
  - d. a sealing order in respect of the Settlement Agreement and the Confidential Supplement to the Second Report of the Monitor, and further the Confidential Appendix to the Eighth Report; and
  - e. an order approving the Confidential Settlement, the Supplement to the Seventh Report, the Eighth Report, and the activities of the Monitor described therein.
2. The Applicants rely upon the affidavit of Matthew Milich sworn January, 2025, together with exhibits thereto, and the Confidential Settlement, the Supplement to the Seventh Report, and the Eighth Report of the Monitor, filed. Defined terms in this Endorsement have the meaning given to them in the motion materials and the Reports of the Monitor, unless otherwise stated.
3. The Service List has been served. The relief sought today is unopposed.
4. First, I am satisfied that the approval and vesting order in respect of the agreement of purchase and sale for the Edmonton Property should be approved. Jurisdiction for approval flows from section 36 of the CCAA.
5. I am satisfied that both the factors set out in section 36(3) of the CCAA and the *Soundair Principles* have been met here. The SISF was extensive, reasonable and fair and was performed in accordance with the earlier order of this Court. No offers for the Edmonton Property other than the JL LOI were received despite the extensive efforts of the Monitor to solicit interest.
6. The proposed agreement is the result of extensive negotiation and discussions between the Applicants and the Purchaser, in consultation with the Monitor and the DIP Lender. The Purchaser and JL Legacy are independent third parties unrelated to the Applicants or the Stalking Horse Purchaser. Approval is strongly supported by the DIP Lender (Cortland, the economic fulcrum creditor) and is strongly recommended by the Monitor who views the transaction as more beneficial than a liquidation.

7. Second, I am satisfied that the proposed distributions should be approved. Avison Young provided services in accordance with its obligations under the Listing Agreement and the Monitor is satisfied that the proposed distribution accords with the fees payable thereunder. The proposed distribution to Cortland, is appropriate given its indebtedness. I observe that the proposed distribution to Cortland will not repay that indebtedness in full. Given that the Stalking Horse Transaction is structured to only repay the outstanding obligations of Cortland, other creditors of the Applicants are no worse off by the proposed distributions than they would be under similar distribution order sought, following completion of the Stalking Horse Transaction.
8. Third, I am satisfied that the stay of proceedings should be extended. It is currently set to expire today. Jurisdiction to extend flows from section 11.02(2) of the CCAA, and I am satisfied that circumstances exist that make the order appropriate and that the Applicants have acted, and are acting, in good faith and with due diligence. The cash flow forecast appended to the Eighth Report demonstrates that there should be sufficient liquidity to fund operations and these proceedings through the proposed stay extension period.
9. Fourth, the proposed sealing order should be granted pursuant to section 137(2) of the *Courts of Justice Act*. I am satisfied that the factors set out by the Supreme Court of Canada in *Sierra Club* as refined in *Sherman Estate* have been met here.
10. Finally, I am satisfied that the Reports of the Monitor and the activities described therein, should be approved. The activities are consistent with the mandate given to the Monitor and the original appointment order and have been accretive to the progress of this proceeding for the benefit of stakeholders.
11. I have signed both the approval and vesting order and the ancillary order. Both orders have immediate effect without issuing and entering.

O'Brien J.