



**SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**ENDORSEMENT**

**COURT FILE NO.:** CV-24- 00715773-00CL

**DATE:** April 19, 2024

**NO. ON LIST:** 2

**TITLE OF PROCEEDING:** In the Matter of **BZAM LTD.**

**BEFORE:** JUSTICE OSBORNE

**PARTICIPANT INFORMATION**

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

<b>Name of Person Appearing</b>	<b>Name of Party</b>	<b>Contact Info</b>
WINTON, ANDREW IONIS, DAVID	FINAL BELL CORP.	awinton@lolg.ca dionis@lolg.ca

**For Defendant, Respondent, Responding Party:**

<b>Name of Person Appearing</b>	<b>Name of Party</b>	<b>Contact Info</b>
BLINICK, JOSEPH	BZAM LTD.	blinickj@bennettjones.com
	BZAM HOLDINGS INC.	
	BZAM MANAGEMENT INC.	
	BZAM CANNABIS CORP.	
	FOLIUM LIFE SCIENCE INC.	
	102172093 SASKATCHEWAN LTD.	
	THE GREEN ORGANIC DUTCHMAN LTD.	
	MEDICAN ORGANIC INC.	
HIGH ROAD HOLDING CORP.		
PENDRITH, COLIN LEVINE, NATALIE	CORTLAND CREDIT LENDING CORPORATION	cpendrith@cassels.com nlevine@cassels.com

**For Other, Self-Represented:**

<b>Name of Person Appearing</b>	<b>Name of Party</b>	<b>Contact Info</b>
ROSENBERG, JEFF YANG, PHILIP KONYUKHOVA, MARIA	FTI Consulting (Monitor)	Jeffrey.rosenberg@fticonsulting.com pyang@stikeman.com mkonyukhova@stikeman.com

---

**ENDORSEMENT OF JUSTICE OSBORNE:**

- [1] The trial of an issue in this CCAA proceeding was scheduled to be heard on April 22 and 23, 2024. After scheduling the trial, I conducted two trial management conferences, the most recent of which was earlier this week, specifically for the purpose of ensuring that the matter was on track and would proceed. All was in order.
- [2] This morning, counsel for Final Bell requested an urgent case conference before me to request an adjournment of the trial on the basis of the disclosure of documents late yesterday, which Final Bell asserts fundamentally change the landscape of the issues, such that it is seeking further supplementary production from BZAM and a further examination for discovery, and then leave to file an amended opening statement.
- [3] BZAM, strongly supported by the secured lender and DIP lender, Cortland, submits that the documents are in the nature of corrections and clarifications, relate to issues that could have been explored on examinations for discovery already conducted but which were not, and in any event, do not reflect any prejudice that could not be fully addressed by a brief supplementary examination for discovery of the relevant witness and an amended opening statement from Final Bell, both of which things BZAM would consent to.
- [4] Having heard from all of the parties, and the Court-appointed Monitor, I am, with great reluctance, adjourning this trial of an issue. It was scheduled on an expedited basis with the consent and at the request of the parties, given other ongoing steps in this restructuring, which would or could be fundamentally affected by a determination on this issue.
- [5] The issue (or issues) to be tried are important. Final Bell was acquired by BZAM shortly before filing for CCAA protection. Final Bell alleges fraudulent misrepresentation in connection with that transaction and seeks the remedy of rescission with the obvious potential of having a fundamental effect on what constitutes the property of the Debtor.
- [6] Each of Final Bell and BZAM filed an aide memoire in respect of today's attendance, and as noted above, I heard submissions from all parties and the Court-appointed Monitor. Based on the materials filed and the submissions made, I cannot conclude that the issue is minor. It may be, but I cannot conclude that today. I explored with the parties the possibility of brief examinations for discovery being conducted over the weekend and revised materials being filed thereafter. Final Bell strenuously submitted that such would not remedy the prejudice it says it has suffered.
- [7] One of the reasons that I cannot conclude today that there has been no unfairness is that the trial is about allegations of fraudulent misrepresentations and, specifically, what the obligations and liabilities were of

BZAM at the relevant time. The newly disclosed documents consist of Canada Revenue Agency documents relevant to the issue of what indebtedness was owing to the CRA at certain points in time. That could be important to a determination of the trial, and in my view, fairness militates in favour of an adjournment.

- [8] I noted above that I granted the adjournment reluctantly, and I say this for a number of reasons, including the fact that the disruption to the Commercial List schedule is significant and the potential ramifications of an adjournment on the parties to this issue, and on other parties and stakeholders in this CCAA proceeding, could be significant. I have reminded all parties that there could well be material cost consequences resulting from this claim and the adjournment. I have also made it very clear to the parties that there was significant disruption to the schedule of the Commercial List to free up the two days next week, on an emergency basis, and I was not at all certain that two consecutive days could be accommodated again, at least before the summer.
- [9] I observe that the SISP, which was one of the factors militating in favour of an expedited date (and there are others) has now been terminated, such that the Stalking Horse Agreement would be the Successful Bid, and I further observe that the principal of the Stalking Horse Bidder is the current Chairman of BZAM.
- [10] I have directed that once all parties are in agreement that additional production has been made, and examinations have been completed, the Monitor may request a brief case conference before me, at which I will do my best to reschedule this trial as soon as it can be accommodated, ideally for a shorter period of time than the two days presently booked, even if that means the two days may not be consecutive (which is not my preference).

Olson, J.