

**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  
15315441 CANADA INC.**

Applicant

**MOTION RECORD OF THE APPLICANT  
(RE: D&O LIFT STAY, FEES APPROVAL, AND STAY EXTENSION)  
(RETURNABLE NOVEMBER 21, 2024)**

November 15, 2024

**STIKEMAN ELLIOTT LLP**  
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Lawyers for the Applicant

TO: THE SERVICE LIST

**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  
15315441 CANADA INC.**

Applicant

**I N D E X**

<b>TAB</b>	<b>DOCUMENT</b>
1.	Notice of Motion dated November 15, 2024
2.	Affidavit of Avininder Grewal, sworn November 15, 2024
3.	Draft Order (D&O Lift Stay, Fees Approval, and Stay Extension)

**TAB 1**

**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  
15315441 CANADA INC.**

Applicant

**NOTICE OF MOTION  
(RE: D&O LIFT STAY, FEES APPROVAL, AND STAY EXTENSION)**

15315441 Canada Inc. (the "**Applicant**" or "**Residual Co.**") will make a motion before Justice Osborne of the Ontario Superior Court of Justice (Commercial List) on **Thursday, November 21, 2024 at 10:00 a.m.**, or as soon after that time as the Motion can be heard.

**PROPOSED METHOD OF HEARING:** The Motion is to be heard:

- In writing under subrule 37.12.1(1);
- In writing as an opposed motion under subrule 37.12.1(4);
- In person;
- By telephone conference;
- By video conference.

at the following location:

<https://ca01web.zoom.us/j/65979875939?pwd=VVRJZHVVRWQ1cGdkRERtTGpRajNFUT09>

**THE MOTION IS FOR<sup>1</sup>**

1. Issuance of an order, among other things:
  - (a) terminating the Claims Process with respect to the adjudication of the D&O Claims;
  - (b) lifting the stay of proceedings to allow the Shareholder Claimants to bring an action against the former directors and officers of FFHC and FFI (The “**D&Os**”);
  - (c) approving the Eighth Report of the Monitor, to be filed (the “**Eighth Report**”) and the activities of the Monitor referred to therein;
  - (d) approving the fees of the Monitor and its counsel; and
  - (e) approving the extension of the Stay Period until and including March 31, 2025.
2. Such further and other relief as may be requested by the Applicants and as this Honourable Court considers just.

**THE GROUNDS FOR THE MOTION ARE:**

***Background***

3. FFHC, through its wholly-owned subsidiaries, is an independent cannabis retail chain with many retail cannabis stores open across Canada and two (2) licensed wholesale distribution facilities. Certain subsidiaries of FFHC also carry on business as a wholesale cannabis distributor and operate digital platforms which provide various services and software products relating to cannabis products.
4. Facing a severe liquidity crisis, the F&F Entities sought and obtained protection under the CCAA pursuant to the Initial Order issued by this Court on June 5, 2023 (which was amended and restated on June 15, 2023).
5. On June 19, 2023, the F&F Entities sought and obtained the SISP Order which, among other things, approved the SISP, authorized the Applicants and the Monitor to immediately

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<sup>1</sup> All capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the affidavit of Avininder Grewal sworn November 15, 2024, contained at Tab 2 of the Motion Record of the Applicants.

commence the SISP, and approved the Stalking Horse Agreement solely for the purpose of constituting the Stalking Horse Bid under the SISP.

6. Following the completion of the SISP, the F&F Entities with the assistance of the Monitor identified the successful bid and transaction. On August 29, 2023, the F&F Entities sought and obtained: (a) the Approval and Reverse Vesting Order, which, among other things, approved the Subscription Agreement dated as of August 17, 2023, between FFHC and FIKA, and the Transactions contemplated therein, and extended the Stay Period until and including October 15, 2023; and (b) the Claims Process Order approving the proposed claims process to which claimants may file claims against the Applicant.

7. The Transactions closed on September 15, 2023. Upon closing of the Transactions, among other things: (a) all of FFHC's right, title and interest in and to the Excluded Assets, Excluded Contracts, Excluded Leases and Excluded Liabilities were channeled to, assumed by and vested absolutely and exclusively in Residual Co.; and (b) the F&F Entities were deemed to cease being applicants in these CCAA Proceedings, and Residual Co. became an applicant in these CCAA Proceedings.

8. As a result of the Transactions, the F&F Entities are continuing to operate, with the majority of employees retaining their employment, majority of their landlords retaining a paying tenant and a majority of their suppliers retaining a paying counterparty. In addition, the Transactions generated approximately \$13 million in proceeds in excess of the secured debt of the F&F Entities.

9. Most recently, on July 12, 2024, the Applicant sought and obtained an order extending the Stay Period until and including November 29, 2024.

***Terminating Claims Process and Lifting Stay for D&O Claims***

10. The Shareholder Claimants submitted three Disputed Claims which are substantially the same and allege that the former D&Os of FFHC and FFI made negligent misrepresentations, acted in breach of their fiduciary duties, and acted in a manner that unfairly prejudiced the Shareholder Claimants.

11. As there is no separate pool of funds to recover in respect of Claims solely against the former D&Os, the Applicant, following consultation with the Monitor, decided it would be appropriate and in the best interests of the Applicant and its stakeholders, including the

Shareholder Claimants, to remove the D&O Claims from the Claims Process so that the D&O Claims may be pursued as against the D&Os outside the CCAA Proceedings.

12. The Applicants previously made arrangements for the binding of the run-off for the D&O insurance policy in favour of the former D&Os.

13. Accordingly, the Applicant is now seeking to remove the D&O Claims from the Claims Procedure and lift the stay in favour of the D&Os for the sole purpose of permitting the Shareholder Claimants to commence a civil action as against the D&Os. Permitting such relief will increase value for other unsecured creditors participating in the Claims Process, with no resulting prejudice to the Applicant and its other stakeholders, including the Shareholder Claimants.

14. The Shareholder Claimants, the D&Os, and the D&O insurers will be provided with notice of this Motion

15. The Monitor supports the removal of the D&O Claims from the Claims Process and the lifting of the stay in favour of the D&Os solely for the purpose of permitting the Shareholder Claimants to pursue the D&O Claims as against the D&Os outside the CCAA Proceedings.

***Extension of Stay Period***

16. The Applicant is seeking to extend the Stay Period from November 29, 2024, to and including March 31, 2025. The extension of the Stay Period is necessary and appropriate in the circumstances to allow the Applicant and the Monitor to complete the Claims Process and make a distribution to the Applicant's creditors.

17. The Monitor, together with the Applicant, has continued to reconcile the Claims received in the Claims Process. To date, the Monitor has reconciled and accepted 166 Claims totalling approximately \$36.0 million.

18. While the Monitor has worked to diligently review all Claims, additional time is needed to adjudicate the Disputed Claims received in the Claims Process. To date, 4 Disputed Claims totalling approximately \$8.4 million remain under dispute, excluding the D&O Claims. These Disputed Claims may be subject to continued review and adjudication by the Claims Officer.

19. Since the granting of the last order extending the Stay Period, the Applicant has acted, and is continuing to act in good faith and with due diligence in these CCAA Proceedings.

20. The Applicant currently has no operations and is expected to maintain liquidity through the proposed extension to the Stay Period. The proposed extension of the Stay Period will not materially prejudice any of the Applicant's stakeholders and the Monitor supports the proposed extension of the Stay Period.

***Approval of the Monitor's Activities and Fees***

21. The Applicant also seeks approval of the Monitor's activities described in the Eighth Report, as well as the fees and disbursements of the Monitor and its counsel in the administration of the CCAA Proceedings.

22. The Monitor and its counsel have provided invaluable assistance to the Applicant in these CCAA Proceedings and are the principal parties responsible for conducting the Claims Process.

23. Accordingly, the Applicant supports the approval of the Monitor's activities described in the Eighth Report, as well as the fees and disbursements of the Monitor and its counsel.

**OTHER GROUNDS:**

24. Section 11 and the inherent and equitable jurisdiction of this Court.

25. Rules 1.04, 2.03, 3.02, 16, 37, and 39 of the Ontario *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended.

26. Such further and other grounds as counsel may advise and this Court may permit.

**THE FOLLOWING DOCUMENTARY EVIDENCE** will be used at the hearing of the Motion:

27. The affidavit of Avininder Grewal sworn November 15, 2024, and the Exhibits thereto.

28. The Eighth Report of the Monitor.

29. Such further and other evidence as counsel may advise and this Court may permit.



November 15, 2024

**STIKEMAN ELLIOTT LLP**

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PROCEEDING COMMENCED AT TORONTO

**NOTICE OF MOTION  
(RE: D&O LIFT STAY, FEES APPROVAL, AND  
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Lawyers for the Applicant

## TAB 2

Court File No. CV-23-00700581-00CL

**ONTARIO  
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**AFFIDAVIT OF AVININDER GREWAL  
(Sworn November 15, 2024)**

I, Avininder Grewal, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY:

1. I am the sole director of 15315441 Canada Inc. ("**Residual Co.**" or the "**Applicant**") and have held this position since August 28, 2023. Prior to September 15, 2023, I was a director of Fire & Flower Holdings Corp. ("**FFHC**"), Fire & Flower Inc. ("**FFI**"), 13318184 Canada Inc., 11180703 Canada Inc., 10926671 Canada Ltd., Friendly Stranger Holdings Corp., Pineapple Express Delivery Inc., and Hifyre Inc. (collectively, the "**F&F Entities**") and became a director of each of the F&F Entities at different times. However, I was a director of each of the F&F Entities both prior to the commencement and throughout the CCAA Proceedings (as defined below). Accordingly, I have personal knowledge of the matters to which I hereinafter depose, except where otherwise stated. Where I have relied upon such information, I do verily believe such information to be true.

2. Capitalized terms used herein and not otherwise defined have the meanings ascribed to them in my affidavits sworn October 6, 2023, January 23, 2024, April 3, 2024, and July 8, 2024 (the "**Fourth Grewal Affidavit**"). All references to monetary amounts in this affidavit are in Canadian dollars unless otherwise indicated.

3. I swear this affidavit in support of the Applicant's motion (the "**Motion**") for the issuance of an order, among other things:

(a) terminating the Claims Process with respect to the adjudication of the D&O Claims;

- (b) lifting the stay of proceedings to allow the Shareholder Claimants to bring an action against the former directors and officers of FFHC and FFI (The “**D&Os**”);
- (c) approving the Eighth Report of the Monitor, to be filed (the “**Eighth Report**”) and the activities of the Monitor referred to therein;
- (d) approving the fees of the Monitor and its counsel; and
- (e) approving the extension of the Stay Period until and including March 31, 2025.

## I. BACKGROUND

4. FFHC, through its wholly-owned subsidiaries, is an independent cannabis retail chain with many retail cannabis stores open across Canada and two (2) licensed wholesale distribution facilities. Certain subsidiaries of FFHC also carry on business as a wholesale cannabis distributor and operate digital platforms which provide various services and software products relating to cannabis products.

5. Facing a severe liquidity crisis, the F&F Entities sought and obtained protection under the CCAA pursuant to the Initial Order issued by this Court on June 5, 2023.

6. Among other things, the Initial Order:

- (a) appointed FTI as Monitor of the F&F Entities;
- (b) granted the Initial Stay of Proceedings in favour of the F&F Entities, their directors and officers, and the Monitor;
- (c) approved the execution by the F&F Entities of the DIP Facility Agreement entered into on June 5, 2023, with the DIP Lender, pursuant to which the DIP Lender agreed to advance to the F&F Entities, a total amount of up to \$9.8 million, during the CCAA Proceedings, of which an Initial Advance of \$2.7 million was to be advanced during the Initial Stay of Proceedings;
- (d) granted the following priority charges against the F&F Entities’ Property:
  - (i) the Administration Charge against the Property in the amount of \$600,000, as security for the payment of the professional fees and disbursements

incurred and to be incurred by the Monitor, counsel to the Monitor, and counsel to the F&F Entities;

- (ii) the DIP Lender's Charge against the Property in the amount of the Initial Advance as security for the F&F Entities' obligations under the DIP Facility Agreement; and
- (iii) the D&O Charge against the Property in the maximum amount of \$2,800,000 in favour of the directors and officers of the F&F Entities as security for the F&F Entities' obligation to indemnify such D&Os for obligations and liabilities incurred in such capacities after the commencement of the CCAA Proceedings.

7. On June 15, 2023, the F&F Entities sought and obtained the ARIO, which, among other things:

- (a) extended the Stay Period to and including September 1, 2023;
- (b) approved the KERP and granted the KERP Charge in the amount of \$1.16 million against the Property as security for payments under the KERP; and
- (c) authorized the F&F Entities to increase the amounts which may be borrowed by the F&F Entities under the DIP Facility Agreement to \$9.8 million and granted a corresponding increase to the DIP Lender's Charge.

8. On June 19, 2023, the F&F Entities sought and obtained the SISP Order, which, among other things:

- (a) approved the SISP and authorized the F&F Entities and the Monitor to immediately commence the SISP; and
- (b) approved the Stalking Horse Agreement dated as of June 21, 2023, between FFHC and the Stalking Horse Bidder solely for the purpose of constituting the "Stalking Horse Bid" under the SISP.

9. Following the completion of the SISP, the F&F Entities with the assistance of the Monitor identified the successful bid and transaction. On August 29, 2023, the F&F Entities sought and obtained from the Court:

- (a) the Approval and Reverse Vesting Order which, among other things:
  - (i) approved the Subscription Agreement dated as of August 17, 2023, between FFHC and FIKA and the Transactions contemplated therein; and
  - (ii) extended the Stay Period until and including October 15, 2023; and
- (b) the Claims Process Order which approved the proposed Claims Process pursuant to which claimants may file claims against the Applicant.

10. The Transactions closed on September 15, 2023. Among other things, the following occurred upon delivery of the Monitor's Closing Certificate and closing of the Transaction:

- (a) all of FFHC's right, title and interest in and to the Excluded Assets vested absolutely and exclusively in Residual Co. All applicable Claims and Encumbrances continued to attach to the Excluded Assets and to the Purchase Price;
- (b) all Excluded Contracts, Excluded Leases and Excluded Liabilities were channeled to, assumed by and vested absolutely and exclusively in Residual Co.; and
- (c) the F&F Entities were deemed to cease being applicants in these CCAA Proceedings, with Residual Co. becoming an applicant in these CCAA Proceedings, and the F&F Entities were deemed to be released from the purview of the ARIO and all other Orders of this Court granted in respect of these CCAA Proceedings, save and except for the Approval and Reverse Vesting Order.

11. As a result of the Transactions, the F&F Entities are continuing to operate, with the majority of employees retaining their employment, a majority of their landlords retaining a paying tenant and a majority of their suppliers retaining a paying counterparty. In addition, the Transactions generated approximately \$13 million in proceeds in excess of the secured debt of the F&F Entities.

12. On October 13, 2023, the Applicant sought and obtained the Stay Extension, Distribution, and Fees Approval Order, which:

- (a) approved the Fourth Report of the Monitor and the activities of the Monitor referred to therein;

- (b) approved the fees of the Monitor and its counsel;
  - (c) authorized the Monitor to make certain distributions from the Cash Consideration received and held by the Monitor in connection with the Transactions; and
  - (d) extended the Stay Period until and including January 30, 2024.
13. On January 29, 2024, the Applicant sought and obtained the Stay Extension and Late Claims Approval Order which (a) extended the Stay Period until and including April 15, 2024; and (b) authorized the Monitor to accept, revise or disallow late claims filed after the Claims Bar Date.
14. On April 9, 2024, the Applicant sought and obtained an order extending the Stay Period until and including July 15, 2024.
15. On July 12, 2024, the Applicant sought and obtained an order extending the Stay Period until and including November 29, 2024.
16. Copies of all orders, together with all other filings in the CCAA Proceedings, are available on the Monitor's website at: <https://cfcanada.fticonsulting.com/fireandflower/>

## II. UPDATE ON APPLICANT'S ACTIVITIES

17. Following issuance of the last order extending the Stay Period until and including November 29, 2024, the Applicant has been working with the Monitor in good faith and with due diligence towards completing the Claims Process and making a distribution to its creditors.

### A. Claims Process<sup>1</sup>

18. As described in and at the time of the Fourth Grewal Affidavit:
- (a) the Claims Bar Date for all Proofs of Claim for Pre-Filing Claims and Restructuring Claims was October 12, 2023;

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<sup>1</sup> Capitalized terms used herein and not otherwise defined have the meanings ascribed to them in the Claims Process Order.



- (b) the Monitor received a total of 199 Claims in the approximate aggregate amount of \$295,262,000 by the Claims Bar Date and 12 Late Claims in the approximate aggregate amount of \$1,148,000 after the Claims Bar Date;
- (c) the Monitor, together with the Applicant, reconciled and accepted 160 Claims totalling approximately \$32.9 million; and
- (d) 13 Claims totalling approximately \$14.4 million were under dispute (the “**Disputed Claims**”).

19. Since the Fourth Grewal Affidavit, the Monitor, together with the Applicant, has continued to reconcile the Claims received. To date, the Monitor has reconciled and accepted 166 Claims totalling approximately \$36.0 million.

20. While the Monitor has worked to diligently review all Claims, additional time is needed to adjudicate the Disputed Claims received in the Claims Process. As at the date of this affidavit, 4 Disputed Claims totalling approximately \$8.4 million remain under dispute, excluding the D&O Claims discussed below. The Disputed Claims may be subject to continued review and adjudication by the Claims Officer, Niels Ortved, if negotiated settlements between the Applicant, the Monitor, and the claimants are not reached.

21. I understand the Monitor will provide a more extensive update on the Claims received, their resolution, and the anticipated timeline to complete the Claims Process in its Eighth Report.

**B. Additional Activities**

22. In addition to the activities of the Applicant described above, since the granting of the last order extending the Stay Period, the Applicant has also:

- (a) responded to creditor and stakeholder enquiries regarding these CCAA Proceedings;
- (b) worked to complete the Applicant’s annual corporate filings; and
- (c) conserved cash by engaging in discussions and working towards settling 4 Disputed Claims.

### III. RELIEF SOUGHT

#### A. Terminating Claims Process and Lifting Stay For D&O Claims

23. The Shareholder Claimants submitted three Disputed Claims which are substantially the same and allege that the former D&Os of FFHC and FFI made negligent misrepresentations, acted in breach of their fiduciary duties, and acted in a manner that unfairly prejudiced the Shareholder Claimants. The aggregate amount being sought by the Shareholder Claimants is \$307,280.

24. As highlighted in the Fourth Grewal Affidavit, as there is no separate pool of funds to recover in respect of Claims solely against the former D&Os, the Applicant, following consultation with the Monitor, decided it would be appropriate and in the best interests of the Applicant and its stakeholders, including the Shareholder Claimants, to remove the D&O Claims from the Claims Process so that the D&O Claims may be pursued as against the D&Os outside the CCAA Proceedings. As stated in my affidavit sworn October 6, 2023, the Applicant made arrangements for the binding of the run-off for the D&O insurance policy in favour of the former D&Os of the F&F Entities, as the former D&Os acted diligently and in the best interests of the F&F Entities' stakeholders throughout the CCAA Proceedings which resulted a going-concern solution for the F&F Entities' business.

25. Accordingly, the Applicant is now seeking to remove the D&O Claims from the Claims Procedure and lift the stay in favour of the D&Os for the sole purpose of permitting the Shareholder Claimants to commence a civil action as against the D&Os. Permitting such relief will increase value for other unsecured creditors participating in the Claims Process, with no resulting prejudice to the Applicant and its other stakeholders, including the Shareholder Claimants.

26. I understand that the Monitor has had multiple discussions with the Shareholder Claimants as it relates to the potential for the Shareholder Claimants to pursue the D&O Claims as against the D&Os outside the CCAA Proceedings.

27. I am advised by Philip Yang of Stikeman Elliott LLP ("**Stikeman**") that the Shareholder Claimants, the D&Os, and the D&O insurers will be provided with notice of this Motion.

28. The Monitor supports the removal of the D&O Claims from the Claims Process and the lifting of the stay in favour of the D&Os solely for the purpose of permitting the Shareholder Claimants to pursue the D&O Claims as against the D&Os outside the CCAA Proceedings.

**B. Stay Extension**

29. The Applicant is seeking to extend the Stay Period from November 29, 2024, to and including March 31, 2025. The extension of the Stay Period is necessary and appropriate in the circumstances to allow the Applicant and the Monitor to complete the Claims Process and make a distribution to the Applicant's creditors.

30. As set out above, the Applicant has acted, and is continuing to act in good faith and with due diligence in these CCAA Proceedings. The Applicant currently has no operations and is expected to maintain liquidity through the proposed extension to the Stay Period.

31. I do not believe that the proposed extension of the Stay Period will materially prejudice any of the Applicant's stakeholders. Further, I understand that the Monitor supports the proposed extension of the Stay Period and will be providing further details with respect to the appropriateness of the requested extension of the Stay Period in its Eighth Report.

**C. Approval of the Monitor's Activities and Fees**

32. The Applicant also seeks approval of the Monitor's activities described in the Eighth Report, as well as the fees and disbursements of the Monitor and its counsel in the administration of the CCAA Proceedings. To this end, I understand that the Monitor and its counsel will prepare and file fee affidavits with the Court in advance of the hearing of this motion.

33. The Monitor and its counsel have provided invaluable assistance to the Applicant in these CCAA Proceedings and are the principal parties responsible for conducting the Claims Process.


34. I am advised by Maria Konyukhova of Stikeman that the rates and fees charged by the Monitor and its counsel are reasonable and market for insolvency proceedings of similar complexity.

35. Accordingly, the Applicant supports the approval of the Monitor's activities described in the Eighth Report, as well as the fees and disbursements of the Monitor and its counsel.

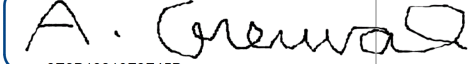
**IV. CONCLUSION**

36. In light of the foregoing, I believe that the relief sought by the Applicant in connection with this Motion is reasonable and appropriate in the circumstances. I understand that the Monitor is also supportive of the relief sought by the Applicant in connection with this Motion.

SWORN remotely via videoconference, by Avininder Grewal, stated as being located in the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in Province of Ontario, this day of November 15, 2024, in accordance with O. Reg 431/20, *Administering Oath or Declaration Remotely*.

DocuSigned by:  
  
36124C4218DD47C...

Commissioner for Taking Affidavits, etc.  
PHILIP YANG

DocuSigned by:  
  
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**AVININDER GREWAL**

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

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Applicant

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PROCEEDING COMMENCED AT TORONTO

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(SWORN NOVEMBER 15, 2024)**

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Lawyers for the Applicant

## TAB 3

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

THE HONOURABLE )  
 ) THURSDAY, THE 21<sup>ST</sup> DAY  
 )  
JUSTICE OSBORNE ) OF NOVEMBER, 2024

**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 15315441 CANADA INC.**

**Applicant**

**ORDER  
(D&O LIFT STAY, FEES APPROVAL, AND STAY EXTENSION)**

**THIS MOTION**, made by 15315441 Canada Inc. (the "**Applicant**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an order (the "**Order**"), among other things: (a) terminating the Claims Procedure (as defined below) with respect to the adjudication of the D&O Claims (as defined below); (b) lifting the Stay (as defined below) to allow the Shareholder Claimants (as defined below) to bring an action (the "**Action**") against the former directors and officers of Fire & Flower Holdings Corp. and Fire & Flower Inc. (the "**Former D&Os**"); (c) approving the Eighth Report (the "**Eighth Report**") of FTI Consulting Canada Inc., in its capacity as monitor of the Applicant (in such capacity, the "**Monitor**") dated November 15, 2024, and the activities of the Monitor described therein; (d) approving the fees and disbursements of the Monitor, as described in the affidavit of Jeffrey Rosenberg sworn November 15, 2024 (the "**Rosenberg Affidavit**") and the fees and disbursements of the Monitor's counsel, Thornton Grout Finnigan LLP ("**TGF**"), as described in the affidavit of Leanne Williams sworn November 15, 2024 (the "**Williams Affidavit**", and together with the Rosenberg Affidavit, the "**Fee Affidavits**"); and (e) extending the Stay Period (as defined below) was heard this day by judicial videoconference via Zoom.

**ON READING** the Applicant's Notice of Motion dated November 15, 2024, the affidavit of Avininder Grewal sworn November 15, 2024 (the "**Grewal Affidavit**"), and the Exhibits thereto, the Eighth Report, and the appendices thereto, and on hearing the submissions of counsel for the

Applicant, counsel for the Monitor, and such other parties listed on the Participant Information Form, with no one else appearing although duly served as appears from the affidavit of service of Philip Yang, sworn November 15, 2024.

## **SERVICE AND DEFINITIONS**

1. **THIS COURT ORDERS** that the time for service and filing 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** that capitalized terms used herein and not otherwise defined have the meanings given to them below:
  - (a) **“CCAA Commencement Date”** means June 5, 2023;
  - (b) **“Claims Procedure”** means the procedure approved by way of the Claims Procedure Order dated August 19, 2023, for, among other things, the identification, quantification, and resolution of certain claims of creditors of Fire & Flower Holdings Corp., Fire & Flower Inc. and their respective directors and officers;
  - (c) **“D&O Claims”** means the three disputed claims totaling approximately \$0.3 million in the aggregate filed within the Claims Procedure by the Shareholder Claimants, as described in the Grewal Affidavit;
  - (d) **“Shareholder Claimants”** mean the former shareholders of Fire & Flower Holdings Corp. who have asserted the D&O Claims; and
  - (e) All other capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to them in the Eighth Report or the Grewal Affidavit, as applicable.

## **D&O CLAIMS PROCEDURE**

3. **THIS COURT ORDERS** that the Claims Procedure with respect to the adjudication of the D&O Claims be and is hereby terminated.
4. **THIS COURT ORDERS** that nothing in this Order shall be deemed to terminate the Claims Procedure with respect to claims which are not D&O Claims.



## LIFT STAY

5. **THIS COURT ORDERS** that the stay of proceedings (the “**Stay**”) provided for at paragraphs 14 and 15 of the Amended and Restated Initial Order dated June 15, 2023 (the “**Initial Order**”), as most recently extended by the Stay Extension and Approval of Monitor’s Activities Order dated July 12, 2024, be and is hereby lifted solely for the purpose of allowing the Shareholder Claimants to commence and pursue the D&O Claims against the Former D&Os.
6. **THIS COURT ORDERS** that except as expressly provided for in this Order, all other stays of proceedings provided for in the Initial Order remain in full force and effect in accordance with the terms of the Initial Order.
7. **THIS COURT ORDERS** that, subject to further order of this Court, the Applicant will not be required to participate in or defend any Action or any hearing authorized in paragraph 5 above, or incur any costs in respect of the Action or any such hearings. Subject to: (a) an agreement between the Shareholder Claimants and the Monitor; or (b) further Order of this Court, the Shareholder Claimants and Former D&Os shall not:
  - (i) seek, make, or obtain, whether directly or indirectly, as the case may be, any further claim, counterclaim or recovery from, against, or in respect of the Applicant;
  - (ii) add the Applicant to the Action; or
  - (iii) seek, or obtain, any costs awards, judgments or any relief of any kind against, or in respect of the Applicant in the Action.
8. **THIS COURT ORDERS** that the Shareholder Claimants’ rights to any discovery from, examination, or participation of the Applicant and the Monitor in the Action shall be limited solely to the provision of any documents that the Monitor may have available to it pursuant to section 8.1 of the Subscription Agreement between Fire & Flower Holdings Corp. and 2759054 Ontario Inc. dated August 17, 2023 (as amended from time to time) as approved by this Court on August 29, 2023.

## **EXTENSION OF THE STAY PERIOD**

9. **THIS COURT ORDERS** that the Stay Period, as defined in the Initial Order, is hereby extended until March 31, 2025.

## **APPROVAL OF THE MONITOR'S REPORTS, ACTIVITIES, AND FEES**

10. **THIS COURT ORDERS AND DECLARES** that the Eighth Report and the activities of the Monitor referred to therein are hereby ratified and approved; provided, however, that only the Monitor, in its personal capacity and only with respect to its own liability, shall be entitled to rely upon or utilize in any way such approvals.
11. **THIS COURT ORDERS** that the fees and disbursements of the Monitor for the period from October 1, 2023, to September 30, 2024, as set out in the Rosenberg Affidavit, are hereby approved.
12. **THIS COURT ORDERS** that the fees and disbursements of TGF, as legal counsel to the Monitor, for the period from October 1, 2023, to September 30, 2024, as set out in the Williams Affidavit, are hereby approved.

## **GENERAL**

13. **THIS COURT ORDERS** that the Applicant or the Monitor may apply to the Court as necessary to seek further orders and directions to give effect to this Order.
14. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.
15. **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 Applicant, 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 Applicant 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 Applicant and the Monitor and their respective agents 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. Prevailing Eastern Time on the date hereof.
17. **THIS COURT ORDERS** that this Order is enforceable without the need for entry and filing.

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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 A PLAN OF COMPROMISE OR ARRANGEMENT OF 15315441  
CANADA INC.

Applicant

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

PROCEEDING COMMENCED AT TORONTO

**ORDER  
(D&O LIFT STAY, FEES APPROVAL,  
AND STAY EXTENSION)**

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AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 15315441  
CANADA INC.

Applicant

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

PROCEEDING COMMENCED AT TORONTO

**MOTION RECORD OF THE APPLICANT  
(RETURNABLE NOVEMBER 21, 2024)**

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