



SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

ENDORSEMENT

COURT FILE NO.: CV-23-00700581-00CL DATE: November 21, 2024

NO. ON LIST: 3

TITLE OF PROCEEDING: **FIRE & FLOWER HOLDINGS CORP. et al v. FENCOTT et al**

BEFORE: JUSTICE OSBORNE

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

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For Monitor:

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For Other, Self-Represented:

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

[1] The Applicant, 15315441 Canada Inc., seeks an order:

- a. terminating the Claims Process with respect to 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 dated November 15, 2024 and the activities of the Monitor described therein;
- d. approving the fees of the Monitor and its counsel; and
- e. extending the Stay Period until and including March 31, 2025.

[2] The Applicant relies on the affidavit of A. Grewal sworn November 15, 2024 together with exhibits thereto, and the Eighth Report of the Monitor. Defined terms in this Endorsement have the meaning given to them in the motion materials and/or the Eighth Report, unless otherwise stated.

[3] The relief sought today is recommended by the Monitor, and is not opposed by any party, save that FIKA, the Purchaser, requested an adjournment of the motion for approval of the fees of the monitor and its counsel in order that they be incentivized and motivated to complete the Claims Process as quickly as possible.

[4] Counsel for the Applicant confirmed that the Shareholder Claimants, the D&Os, and the D&O insurers were provided with notice of this motion.

[5] The Shareholder Claimants submitted three Disputed Claims, which are substantially the same as one another, and which allege that the former D&Os of FFHC and FFI made negligent misrepresentations, breached duties owed and acted in a manner that unfairly prejudiced the Shareholder Claimants.

[6] There is no separate pool of funds for recovery in respect of Claims solely as against the former D&Os, with the result that the Applicant, following consultation with the Monitor, determined that it would be appropriate in the best interests of the Applicant and the stakeholders, including the Shareholder Claimants (some of whom are observing in Court today), to remove the D&O Claims from the Claims Process so that they may be pursued outside the CCAA Proceedings. The Applicants previously made arrangements for the binding of the runoff for the D&O insurance policy in favour of the former D&Os.

[7] I am satisfied that the requested relief is appropriate in the circumstances, and that 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. The relief is fully supported and recommended by the Monitor.

[8] I am also satisfied that the activities of the Monitor as reflected in the Eighth Report, and the Eighth Report itself, are appropriate and should be approved. The activities are accretive to the progress of this matter and are consistent with the mandate given to the Monitor and its counsel as reflected in the original appointment order. The fees, approval of which was already adjourned once and which have been outstanding for some time, are approved. They are reasonable, appropriate and reflect the activities undertaken. There is no reason to delay that approval today, there being no opposing materials filed and no substantive objections raised to those fees.

[9] Finally, I am satisfied that the proposed stay extension should be granted. The Applicant has acted and is continuing to act in good faith and with due diligence, it currently has no operations and is expected to maintain

liquidity throughout the proposed extension period. I am satisfied that there will be no material prejudice to any of the Applicant stakeholders. The Monitor supports the proposed stay extension.

[10] Order to go in the form signed by me today which is effective immediately and without the necessity of issuing and entering.

Olson, J.