



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

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE  
JUSTICE OSBORNE

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MONDAY, THE 24<sup>th</sup>  
DAY OF JULY, 2023

**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 FIRE  
& FLOWER HOLDINGS CORP., FIRE & FLOWER INC. 13318184 CANADA INC.,  
11180703 CANADA INC., 10926671 CANADA LTD., FRIENDLY STRANGER  
HOLDINGS CORP., PINEAPPLE EXPRESS DELIVERY INC., and HIFYRE INC.**

Applicants

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**ORDER**

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THIS MOTION, made by Turning Point Brands (Canada) Inc. (“**TPB**”) for an Order, among other things, declaring that Goods and the Balance, each as defined in the Exclusive Distribution Agreement between TPB and Fire & Flower, Inc. (“**F&F**”) dated January 5, 2023 (the “**Consignment Agreement**”), do not form part of the property of the Applicants, and related relief.

ON READING the affidavit of Mikail Fancy sworn June 17, 2023 and the exhibits thereto, the affidavit of Stephane Trudel sworn June 28, 2023 and the exhibits thereto, the Second Report of the FTI Consulting Inc., in its capacity as court-appointed monitor (the “**Monitor**”) to the court dated July 5<sup>th</sup>, 2023, and hearing the submissions from counsel to TPB, counsel to the Applicants, counsel to the Monitor and counsel to 2707031 Ontario Inc., and being informed that the order sought is unopposed, no one appearing for any other party, although duly served as appears from the affidavit of service of Haddon Murray sworn June 17, 2023,

## CONSIGNMENT TERMS

1. **THIS COURT ORDERS** F&F shall continue to have the right to sell the Goods as agent of TPB pursuant to the Consignment Agreement unless and until F&F validly disclaims the Consignment Agreement.

2. **THIS COURT ORDERS AND DIRECTS** that, notwithstanding any co-mingling of funds, any Balance (as defined in the Consignment Agreement) obtained on or after June 5, 2023 up to a maximum amount of \$500,000 and not paid by the Applicants does not form a part of the property of the Applicants and is held by the Applicants for the benefit of TPB.

3. **THIS COURT ORDERS AND DIRECTS** that the Applicants shall pay the Balance obtained on or after June 5, 2023 to TPB in accordance with the provisions of the Consignment Agreement, but, in the event of any order being granted:

- a. ending the stay of proceedings;
- b. assigning one or more of the Applicants into bankruptcy;
- c. appointing a receiver over the assets of one or more of the Applicants; or
- d. permitting enforcement under the terms of the DIP Facility Agreement entered into on June 5, 2023 with no alternative debtor-in-possession financing obtained by the Applicants,

provided that the order has not been appealed and, if it has, that the appeal has not been dismissed, TPB shall be entitled to demand the payment of, and, upon such demand, the Applicants shall pay, the full amount of any Balance accrued and not paid by the Applicants on or after June 5, 2023 (the “**Arrears**”). For greater certainty, upon demand in accordance with this provision, the Applicants are authorized and directed to make the above payment prior to making any other payments or distributions to creditors.

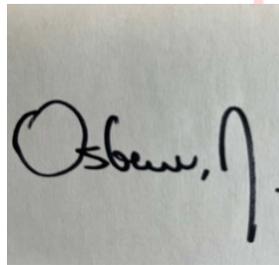
4. **THIS COURT ORDERS that**, notwithstanding:

- a. the pendency of these proceedings;

- b. any applications for a bankruptcy order now or hereafter issued pursuant to the Bankruptcy and Insolvency Act (Canada) in respect of the Applicants and any bankruptcy order issued pursuant to any such applications; and
- c. any assignment in bankruptcy made in respect of the Applicants;

TPB's right to, and interest, in the Goods and to the Arrears or payment of funds equivalent in value to the Arrears pursuant to this Order shall be binding on any receiver or trustee in bankruptcy that may be appointed in respect of the Applicants and shall not be void or voidable by creditors of the Applicants, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada), or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

5. **THIS COURT ORDERS** that the balance of the relief sought on the motion made by TPB is dismissed, with prejudice.



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13318184 CANADA INC., 11180703 CANADA INC., 10926671 CANADA LTED., FRIENDLY STRANGER HOLDINGS CORP., PINEAPPLE  
EXPRESS DELIVERY INC., and HIFYRE INC.

Applicants

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

PROCEEDING COMMENCED AT TORONTO

**ORDER**

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