

Court File No. CV-23-00711935-00CL

**TREES CORPORATION, ONTARIO CANNABIS HOLDINGS
CORP., MIRACULO INC., 2707461 ONTARIO INC., OCH ONTARIO
CONSULTING CORP., and 11819496 CANADA INC.**

**SECOND REPORT OF FTI CONSULTING CANADA INC., AS
MONITOR**

March 27, 2024

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**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 TREES CORPORATION, ONTARIO
CANNABIS HOLDINGS CORP., MIRACULO INC., 2707461
ONTARIO INC., OCH ONTARIO CONSULTING CORP., and
11819496 CANADA INC.

**SECOND REPORT TO THE COURT
SUBMITTED BY FTI CONSULTING CANADA INC.,
IN ITS CAPACITY AS MONITOR**

A. INTRODUCTION

1. On December 22, 2023, Trees Corporation (“**Trees**”), Ontario Cannabis Holdings Corp., Miraculo Inc., 2707461 Ontario Inc., OCH Ontario Consulting Corp., and 11819496 Canada Inc. (collectively, the “**Applicants**”) sought and obtained an initial order (the “**Initial Order**”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”). The proceedings commenced under the CCAA by the Applicants are referred to herein as the “**CCAA Proceedings**”.
2. The Initial Order, among other things:
 - (a) appointed Ernst & Young Inc. as monitor of the Applicants (in such capacity, the “**Former Monitor**”);
 - (b) granted a stay of proceedings in favour of the Applicants until January 2, 2024 (the “**Stay Period**”);

- (c) approved a \$60,000 debtor-in-possession credit facility (the “**DIP Facility**”) advanced by One Plant (Retail) Corp. (“**One Plant**”, and in such capacity, the “**DIP Lender**”) and granted a corresponding charge in respect thereof (the “**DIP Lender’s Charge**”); and
 - (d) granted the Administration Charge, the Subsequent Administration Charge and the Directors’ Charge (each as defined in the Initial Order) (collectively with the DIP Lender’s Charge, the “**Initial CCAA Charges**”).
3. On January 2, 2024, the Court granted an Amended and Restated Initial Order, which, among other things:
- (a) appointed FTI Consulting Canada Inc. as monitor of the Applicants (in such capacity, the “**Monitor**”);
 - (b) increased the amount of the DIP Facility to \$800,000, and increased the amount of the DIP Lender’s Charge to \$1,100,000;
 - (c) increased the amount of the Subsequent Administration Charge, decreased the amount of the Directors’ Charge, and granted the Subsequent Directors’ Charge (such charges, together with the Initial CCAA Charges, the “**CCAA Charges**”); and
 - (d) extended the Stay Period to February 29, 2024.
4. On January 29, 2024, the Court granted a Second Amended and Restated Initial Order (the “**Second ARIO**”), which, among other things:
- (a) authorized and approved the Applicants’ entry into an amended and restated debtor-in-possession term sheet dated January 23, 2024, which, among other things, increased the principal amount available under the DIP Facility to \$1,560,000;
 - (b) increased the maximum amount of the DIP Lender’s Charge to \$1,850,000;

- (c) authorized payment by the Applicants of the professional fees and disbursements of the Former Monitor and its counsel, Torys LLP (“**Torys**”), incurred during their involvement in these CCAA Proceedings;
 - (d) authorized the Applicants to incur no further expenses in relation to any securities filings required under applicable securities law during the Stay Period without any liability to the Monitor or the directors, officers, employees or other representatives of the Applicants; and
 - (e) postponed the requirement for any future annual general meeting of the shareholders of Trees during the CCAA Proceedings, and extended the time limit to call and hold such annual general meeting of shareholders until after the conclusion of the CCAA Proceedings.
5. On January 29, 2024, the Court also granted an Order (the “**SISP Order**”), which approved, among other things:
- (a) a sale and investment solicitation process (the “**SISP**”); and
 - (b) a share purchase agreement to be entered into between Trees and One Plant (in such capacity, the “**Purchaser**”) solely for the purpose of constituting the “Stalking Horse Bid” under the SISP.
6. Copies of the Second ARIO and the SISP Order are attached as Exhibits “A” and “B”, respectively, to the affidavit of Jeffrey Holmgren sworn on March 25, 2024 (found at Tab 2, 2A and 2B, respectively, of the Applicants’ Motion Record in respect of the Applicant’s Motion returnable on April 5, 2024). The related Endorsement of Justice Osborne dated January 29, 2024, is attached hereto as **Appendix “A”**.

B. PURPOSE OF THIS REPORT

7. The purpose of this second report of FTI, in its capacity as the Monitor (the “**Report**”) is to provide the Court with the Monitor’s comments and recommendations regarding the following:

- (a) The activities of the Monitor since the date of the SISP Order and the Second ARIQ;
- (b) A summary of the receipts and disbursements of the Applicants for the period January 13, 2024 to March 22, 2024;
- (c) The opinions of Torys, counsel to the Monitor, on the validity and enforceability of certain secured convertible promissory notes (the “**Secured Notes**”) that were purchased by the Purchaser as against the personal property of Trees, and the creation and perfection of the security interests created thereby;
- (d) The Applicants’ motion for the granting of:
 - (i) an approval and vesting order (the “**RVO**”), among other things:
 - a. approving the amended share purchase agreement dated March 25, 2024 (the “**Share Purchase Agreement**”) between Trees and the Purchaser, and authorizing and directing Trees and the other Applicants to take such additional steps and execute such additional documents as necessary or desirable for the completion of the transaction authorized therein (the “**Transaction**”);
 - b. vesting all of the Applicants’ right, title and interest in and to the Excluded Assets and channelling the Excluded Contracts, Excluded Leases and Excluded Liabilities into ResidualCo (each as defined in the Share Purchase Agreement);

- c. vesting all of the right, title and interest in and to the Post-Consolidation Shares (as defined in the Share Purchase Agreement) in and to the Purchaser free and clear of all Claims and Encumbrances (each as defined in the Share Purchase Agreement);
 - d. releasing and discharging all Claims and Encumbrances (as defined in the Share Purchase Agreement) from the Applicants' Property (as defined in the RVO);
 - e. cancelling and terminating, without consideration, all Equity Interests of Trees other than the Post-Consolidation Shares (each as defined in the Share Purchase Agreement); and
 - f. granting a release in favour of certain parties to these CCAA Proceedings and/or the Share Purchase Agreement.
- (ii) an order (the "**CCAA Termination Order**"), among other things:
- a. extending the Stay Period up to and including May 31, 2024
 - b. approving the activities of the Monitor as described in this report and the Monitor's First Report dated January 24, 2024 (the "**First Report**");
 - c. approving the fees and disbursements of the Monitor for the period from January 3, 2024, to the date of the Monitor's discharge;
 - d. approving the fees and disbursements of Torys, in its capacity as the Monitor's counsel, for the period from January 3, 2024, to the date of the Monitor's discharge;

- e. authorizing, but not directing, the First Director (as defined in the RVO) to assign ResidualCo, or to cause ResidualCo to be assigned, into bankruptcy; and
- f. providing for the termination of these CCAA Proceedings and the discharge of the Monitor upon the Monitor's filing of a certificate confirming that all remaining administrative matters (discussed later in this Report) have been completed by the Monitor.

C. TERMS OF REFERENCE

- 8. In preparing this Report, the Monitor has relied upon unaudited financial information of the Applicants, the Applicants' books and records and discussions with various parties, including senior management ("**Management**") of, and advisors to, the Applicants (collectively, the "**Information**").
- 9. Except as otherwise described in this Report:
 - (a) The Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook; and
 - (b) The Monitor has not examined or reviewed financial forecasts and projections referred to in this Report in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.
- 10. Future-oriented financial information reported in, or relied on, in preparing this Report is based on Management's assumptions regarding future events. Actual results will vary from these forecasts and such variations may be material.

11. The Monitor has prepared this Report in connection with the Applicants' motion for the issuance of the RVO and the CCAA Termination Order, scheduled to be heard on April 5, 2024. The Report should not be relied on for other purposes.
12. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars. Capitalized terms not otherwise defined herein have the meanings defined in the RVO and the Share Purchase Agreement, as applicable.

D. ACTIVITIES OF THE MONITOR

13. Since the date of the First Report, the Monitor has undertaken the following activities:
 - (a) engaged with Torys regarding matters related to the CCAA Proceedings, including Torys' opinion on the Secured Notes;
 - (b) posted updated and current materials in respect of these CCAA Proceedings, including the service list, on the Monitor's public website for this matter (the "**Monitor's Website**");¹
 - (c) engaged in discussions with the Applicants, their legal counsel and their directors and management regarding issues related to the Applicants' operations and borrowings under the DIP Facility and certain lease terminations;
 - (d) participated in discussions with One Plant and the Applicants regarding the Share Purchase Agreement, the DIP Facility and the SISP;
 - (e) reviewed requested advances under the DIP Facility and disbursements of the Applicants, and approved same;
 - (f) participated in discussions with and assisted the Applicants in discussions with certain landlords, suppliers, other creditors and employees related to the CCAA

¹ The Monitor's website can be accessed through this link: <http://cfcanada.fticonsulting.com/TreesCorporation/>

Proceedings and responded to requests for information from certain such parties;

- (g) engaged in discussions with Torys, the Applicants and the Applicants' legal counsel regarding certain issues related to terminated leases;
- (h) engaged in discussions with the Applicants and the Applicants' legal counsel regarding the union certification application commenced by United Food and Commercial Workers International Union, Local 1518;
- (i) continued to operate and monitor its telephone hotlines and email account for stakeholder inquiries; and
- (j) conducted and supervised activities related to the SISP, as described in greater detail in the next section of this Report.

E. SALES AND INVESTMENT SOLICITATION PROCESS

- 14. In accordance with the SISP Order, the Monitor, with the assistance of the Applicants, conducted the SISP. As discussed further below, the SISP resulted in the Purchaser acquiring the Secured Notes, leading to: (i) recoveries for the former holders of those notes on account of their secured claims; and (ii) an increase to the aggregate purchase price under the Share Purchase Agreement of approximately \$1.1 million through the Purchaser's credit bid of those secured obligations.
- 15. Capitalized terms used in this section and not otherwise defined have the meanings given to them in the SISP.

CONDUCTING THE SISP

- 16. The Monitor, with the assistance of the Applicants, conducted an extensive marketing process to solicit an acquisition of, or an investment in, the Applicants, assembling an expansive list of known potential buyers and investors.

17. The Monitor provided prospective bidders with a summary regarding the opportunity, outlining the process under the SISP and inviting them to participate (the “**Teaser**”). Interested parties that contacted the Monitor or the Applicants about the opportunity were also provided with a copy of the Teaser.
18. The SISP Order set a deadline of February 29, 2024, at 5:00 p.m. (Eastern Time) (the “**Phase I Bid Deadline**”) for Prospective Bidders to submit a non-binding letter of intent (“**LOI**”).
19. The Monitor arranged for the notice of the SISP to be published in *The Globe & Mail* (National Edition) and *Insolvency Insider* in accordance with paragraph 5 of the SISP.

PHASE I

20. Interested Prospective Bidders were provided with a confidential information package and access to an electronic data room after executing a non-disclosure agreement (the “**NDA**”).
21. 144 parties were contacted about the opportunity, excluding the Stalking Horse Bidder, and 19 parties were provided with a confidential information package and access to the Data Room after executing the NDA.
22. The Monitor received four LOIs from different bidders by the Phase I Bid Deadline. Those LOIs provided for the following proposed transactions:
 - (a) a full bid for all or substantially all of the assets of the Applicants (the “**Full Bid**”, and such bidder, the “**Full Bidder**”);
 - (b) a portion bid for certain of the Applicants’ assets that related solely to their British Columbia retail operations (the “**BC Portion Bid**”, and such bidder, the “**BC Portion Bidder**”);
 - (c) a portion bid for certain of the Applicants’ assets that related solely to their Ontario retail operations (the “**Ontario Portion Bid**”, and such bidder the “**Ontario Portion Bidder**”); and

- (d) a portion bid for certain of the Applicants' assets that related to a mix of their Ontario operations and their British Columbia operations (the "**Mixed Portion Bid**", and such bidder, the "**Mixed Portion Bidder**")
23. The Monitor, in consultation with the Applicants' counsel, reviewed each of those bids. In accordance with section 12 of the SISP, the Monitor: (i) designated the Full Bid as a Qualified Phase I Bid; and (ii) aggregated the BC Portion Bid and the Ontario Portion Bid into an Aggregate Bid, which Aggregate Bid the Monitor designated as a Qualified Phase I Bid.
24. The Monitor's counsel delivered letters to the Full Bidder on March 4, 2024, and to the BC Portion Bidder and the Ontario Portion Bidder on March 6, 2024, advising them of such designations. The Monitor and its counsel also provided those parties with comments on their respective bids.
25. The Monitor was unable to designate the Mixed Portion Bid as a Qualified Phase I Bid, because the Mixed Portion Bidder proposed to satisfy its purchase price primarily through the issuance of shares of the Mixed Portion Bidder rather than cash, as required by the SISP. On March 6, 2024, the Monitor conveyed to the Mixed Portion Bidder that it must resolve this deficiency by providing an all-cash bid, otherwise the Mixed Portion Bid would be disqualified from the SISP. Later that same day, the Mixed Portion Bidder informed the Monitor that it had withdrawn its bid from the SISP.
26. The DIP Lender was advised that there were multiple Qualified Phase I Bids.

PURCHASER'S INTENTION TO CREDIT BID THE SECURED NOTES

27. On March 1, 2024, following the Monitor's confirmation that multiple Qualified Phase I Bids had been received, the Purchaser's counsel informed the Monitor that the Purchaser intended to acquire the Secured Notes from their original noteholders and to increase the value of its bid by credit bidding that additional secured debt, up to the total amount outstanding under the Secured Notes of approximately \$1.1 million.

28. The Monitor concluded that it would have been inappropriate for the Purchaser to increase the amount of its bid prior to the Phase II Bid Deadline. Doing so would have increased the Minimum Bid Amount that the Phase II Bidders would have needed to beat—this would have represented a substantial amendment to the terms of the SISP. It may also have discouraged the remaining bidders from submitting Phase II Bids, thereby chilling the bidding process.
29. Accordingly, on March 2, 2024, the Monitor and the Applicants conveyed these concerns to the Purchaser and advised the Purchaser that: (i) it would only be permitted to credit bid the Secured Notes following the Phase II Bid Deadline, including as part of an Overbid during the Auction, if it were to be held; and (ii) if and when the Purchaser’s acquisition of that debt was sufficiently advanced, the Monitor would inform the remaining bidders of this proposed acquisition and of the Purchaser’s intention to increase its bid by credit bidding the secured amounts.
30. On March 13, the Monitor included a note in the template share purchase agreement that was uploaded to the Data Room conveying that the Purchaser had indicated its intention to acquire all of the Secured Notes and that the acquisition, if completed, would increase the value of the Purchaser’s bid by approximately \$1.1 million. On March 18, 2024, the Purchaser’s counsel provided the Monitor and counsel to the Applicants with executed assignment agreements related to the acquisition of the Secured Notes, and the acquisition ultimately closed on March 21, 2024.

PHASE II

31. Only the BC Portion Bidder and the Ontario Portion Bidder submitted a Phase II Bid by the Phase II Bid Deadline of March 15, 2024. The Full Bidder did not submit a Phase II Bid by that deadline and was therefore disqualified from the SISP. Immediately after the Phase II Bid Deadline, counsel to the Full Bidder requested the return of its deposit from the Monitor.
32. Both the BC Portion Bid and the Ontario Portion Bid contained certain deficiencies that prevented the Monitor from designating their combined Aggregate Bid as a Qualified

Phase II Bid. Accordingly, between March 18 and 19, the Monitor and its counsel provided comments to the BC Portion Bidder and the Ontario Portion Bidder. In its correspondence, the Monitor's counsel also reiterated that the Purchaser had conveyed its intention to acquire all of the Secured Notes and that the acquisition, if completed, would increase the value of the Purchaser's bid by approximately \$1.1 million.

33. On March 19, 2024, the BC Portion Bidder and the Ontario Portion Bidder both delivered revised bids and further supporting documentation to the Monitor. The Ontario Portion Bid still contained a deficiency, so the Monitor, with the consent of the Applicants and the DIP Lender, extended the deadline for its determination of whether an Auction would be held until the following morning (March 20) in order to give the Ontario Portion Bidder additional time to resolve the deficiency.
34. On March 20, 2024, the Ontario Portion Bidder delivered a revised bid to the Monitor with the deficiency resolved. Accordingly, that same day, March 20, the Monitor aggregated the BC Portion Bid and the Ontario Portion Bid into an Aggregate Bid, which Aggregate Bid the Monitor designated as a Qualified Phase II Bid. The Monitor's counsel delivered letters to both bidders that same day advising them of such designation and informing them that the Auction would be held on March 21, 2024.
35. Also on March 20, 2024, both the Ontario Portion Bidder and the BC Portion Bidder provided notice to the Monitor that they would be unwilling to increase their bids during the Auction in amounts that exceeded the Purchaser's anticipated \$1.1 million Overbid of the Secured Notes, and that they were withdrawing their respective bids from the SISP.
36. At the time that the Monitor received those notices, the Purchaser's efforts to acquire the Secured Notes were substantially complete, as being subject only to confirmation that the original noteholders had received amounts that the Purchaser had already wired as payment for the Secured Notes. In light of this and the bidders' indication that they were withdrawing from the SISP and would not attend an Auction, the Monitor determined that an Auction was not feasible or practical (i.e., it would not generate further value and would instead simply result in increased professional costs and delay).

37. Accordingly, on March 20, the Monitor accepted the BC Portion Bidder's and the Ontario Portion Bidder's withdrawal of their respective bids, cancelled the Auction, and declared the Share Purchase Agreement to be the Successful Bid. As noted, the Purchaser's acquisition of the Secured Notes closed on March 21, 2024.

RETURN OF DEPOSITS

38. In accordance with section 21 of the SISP, the Monitor returned the Phase I Deposits that it had received from bidders on March 11 and March 20, 2024, respectively, and will pay the interest thereon in April 2024 once interest is received from the bank.

F. APPROVAL OF THE SHARE PURCHASE AGREEMENT

THE SHARE PURCHASE AGREEMENT

39. Capitalized terms used in this section that are not otherwise defined have the meanings given to them in the Share Purchase Agreement.
40. The Monitor was provided opportunities to review the Share Purchase Agreement during its negotiations between the Applicants and the Purchaser, both while the Share Purchase Agreement was being negotiated for purposes of serving as the Stalking Horse Bid under the SISP and following the SISP when the Share Purchase Agreement was amended to, among other things, provide for the increase to the Purchase Price represented by the Purchaser's credit bid of the Secured Notes. The Monitor approved the final form of Share Purchase Agreement that was executed between the parties on March 25, 2024.
41. The Share Purchase Agreement is structured by way of a reverse vesting share purchase transaction. As described below, the Monitor views an RVO as necessary in these circumstances because, among other reasons, the Applicants operate a heavily regulated cannabis business with permits and licenses that are notorious for the length of time that they typically take to be transferred to a new operator. The Purchaser therefore requires an RVO to, among other things, reduce the uncertainty related to the transferability of these permits and licenses in a commercially reasonable timeframe.

42. The key terms and conditions of the Share Purchase Agreement are summarized as follows:

- (a) Structure. Trees, the ultimate parent company of each of the other Applicants, will issue new common shares to the Purchaser through a reverse vesting transaction, pursuant to which all existing equity interests of Trees will be extinguished without consideration, and the Purchaser will become the sole shareholder of Trees.
- (b) ResidualCo. Prior to the acquisition of those shares, all of the Excluded Assets and Excluded Liabilities of the Applicants will be transferred to ResidualCo pursuant to the terms of the RVO. The Share Purchase Agreement provides that the Applicants' counsel will hold the shares of ResidualCo as agent and bare trustee of the common shareholders of Trees prior to the Consolidation and Cancellation.
- (c) Purchase Price. The Purchase Price is an amount equal to \$4,887,144.48 (calculated as of April 5, 2024), comprised of:
 - (i) *Credit Bid Consideration*: the outstanding indebtedness owed by the Applicants under: (A) the debt that the Purchaser holds against the Applicants under the DIP Term Sheet; and (B) the other first-ranking secured debt that the Purchaser holds against the Applicants (including, for greater certainty, Trees' indebtedness under the Secured Notes), which aggregate amount as of April 5, 2024 is estimated to be \$4,513,371, plus accrued interest of the Closing Date (which amount shall be satisfied through the Purchaser's credit bid of such secured debt); *plus*
 - (ii) *GST/HST Obligations*: the amount of the Pre-Filing GST/HST Obligations, estimated to be \$198,773.48 (which amount shall be satisfied by the Purchaser's assumption of such liabilities through its ownership of Trees); *plus*

- (iii) *Cash Consideration*: a cash amount of \$175,000, which, as discussed further below, the Monitor expects to be sufficient to satisfy: (A) the Administration Expense Amount; *plus* (B) any other amounts secured by a CCAA Charge (and which amount shall be satisfied by a payment in cash to the Monitor).

- (d) Assumed Liabilities. The Purchaser, through its ownership of Trees, will retain only the following liabilities of the Applicants:
 - (i) all Post-Filing Claims;
 - (ii) all liabilities of the Applicants arising from and after Closing;
 - (iii) to the extent that the Applicants do not have sufficient funds on or before the Closing Date to satisfy such amounts or such amounts are not otherwise paid with the Cash Consideration, any and all Claims in priority to the Credit Bid Consideration;
 - (iv) the Pre-Filing GST/HST Obligations; and
 - (v) Intercompany Claims between members of the Applicants.

- (e) Employees. The Purchaser intends to assume all store-level employees of the Applicants and, in any event, no fewer than 95% of the total current number of store-level employees of the Applicants shall receive an offer of employment.

- (f) Material Conditions Precedent. The Closing under the Share Purchase Agreement is subject to the following material conditions precedent:
 - (i) the Applicants shall have received all required Transaction Regulatory Approvals, which shall be in full force and effect (except for those that need not be in fully force and effect prior to Closing);

- (ii) the Applicants shall have completed the Implementation Steps that are required to be completed prior to Closing;
 - (iii) the Applicants shall have terminated the employment of the Terminated Employees, if any, and all liabilities owing to any such Terminated Employees shall be transferred to ResidualCo;
 - (iv) the Court shall have granted the RVO in form and substance satisfactory to the Purchaser and the Applicants;
 - (v) all Excluded Liabilities and Excluded Assets shall have been transferred to ResidualCo, the Excluded Liabilities shall have attached to the Excluded assets and the cash proceeds from the Purchase Price and Trees shall have been released and forever discharged of all Claims and Encumbrances; and
 - (vi) Trees or its affiliates shall have sent notices of disclaimer for all known Excluded Contracts.
- (g) Implementation Steps. The Share Purchase Agreement provides for the Implementation Steps—a series of steps that shall occur prior to and at the Closing Time in accordance with the terms of the RVO. The Implementation Steps provide for, among other things: (i) the incorporation of a “Newco” entity pursuant to the *Business Corporations Act* (Ontario) and the amalgamation of such entity with Ontario Cannabis Holdings Corp. and OCH Ontario Consulting Corp.; (ii) the termination of the Terminated Employees and the calculation of Employee Priority Claims; and (iii) the satisfaction of the Purchase Price in accordance with the terms of the Share Purchase Agreement.
- (h) Outside Date. The Outside Date to consummate the Share Purchase Agreement is April 30, 2024, or such other date mutually agreed to by the Purchaser and the Applicants.

THE MONITOR'S RECOMMENDATION

43. The Monitor recommends that this Court approve the Share Purchase Agreement and grant the RVO for the following reasons:
- (a) in the Monitor's view, the SISP was commercially reasonable and conducted in accordance with the SISP Order, which allowed for the market to be broadly canvassed and for interested parties to perform due diligence. The Monitor notes that the SISP resulted in: (i) recoveries for the former holders of the Secured Notes on account of their secured claims, which holders held the highest-ranking secured claims at the Trees level below the Purchaser's secured claims; and (ii) an increase to the aggregate purchase price under the Share Purchase Agreement of approximately \$1.1 million through the Purchaser's credit bid of those secured obligations;
 - (b) the SISP provided interested parties an opportunity to submit bids for all or a portion of the Applicants' assets and/or business, with Portion Bids permitted to be aggregated with other Portion Bids;
 - (c) the Share Purchase Agreement provides the greatest recovery available in the circumstances, because all bidders had withdrawn from participating in the SISP prior to the Auction;
 - (d) the Purchaser, being the Applicants' principal secured creditor, was consulted in the development and negotiating of the SISP and supports the relief sought by the Applicants;
 - (e) the Share Purchase Agreement provides a going-concern solution for the Applicants. It contemplates the continuation of the Applicants' operations and preserves employment for all, or substantially all, of the existing employees on terms and conditions of employment that are substantially similar in the aggregate to those in effect for existing employees;

- (f) the Monitor does not believe that further time spent marketing the Applicants' business and assets will result in a better transaction. Additionally, the Applicants do not have sufficient liquidity to continue operating in the ordinary course and to continue these CCAA Proceedings during any further marketing process;
 - (g) the DIP Facility has been or will shortly be fully drawn and there is no additional funding to continue the CCAA Proceedings beyond a closing of the sale transaction set out in the Share Purchase Agreement;
 - (h) certainty is required for the Applicants, their employees and their other stakeholders in order to preserve going concern value; and
 - (i) in the Monitor's view, the terms and conditions of the Share Purchase Agreement are commercially reasonable.
44. Additionally, the Monitor believes that the RVO structure contemplated by the Share Purchase Agreement is appropriate in the circumstances. In coming to this view, the Monitor has considered the issues raised in the *Harte Gold* decision and other Canadian courts.² Those considerations include the following, among others:
- (a) ***Why is an RVO necessary in this case?*** Cannabis transactions are archetypical candidates for RVO structures, driven principally by the need to preserve permits and licenses. The transfer of cannabis permits and licenses from one operator to the other, or the application for fresh permits and licenses for such operator, is notorious for causing significant delays to cannabis transactions. This is the case with the Applicants' permits and licenses under the Share Purchase Agreement. In the Monitor's experience, such transfers or applications often take six to eight months or longer to obtain. The Applicants do not have sufficient liquidity to remain in a CCAA process for that amount of time, nor is it commercially reasonable to require the Purchaser to wait that

² *Harte Gold Corp. (Re)*, [2022 ONSC 653](#).

length of time when a far shorter approval process is available under an RVO structure. The regulatory approvals contemplated under the Share Purchase Agreement are expected to take only four to six weeks if the RVO is granted.

- (b) ***Does the RVO structure produce an economic result at least as favourable as any other viable alternative?*** An RVO structure allows for a far more advantageous conveyance of the Applicants' business to the Purchaser than would a traditional vesting order. Without an RVO, there would be substantial delay in transferring the Applicants' permits and licenses, and the ability to transfer some or all of them at all would be placed at risk. There is no other viable alternative to the Share Purchase Agreement—the Purchaser has insisted on an RVO structure and no better bids ultimately materialized in a transaction under the SISP. Both of the Phase II Bids that the Monitor received during the SISP contemplated an RVO structure. The DIP Facility has been or will shortly be fully drawn and there is no additional funding to continue the CCAA Proceedings beyond the closing of the sale transaction set out in the Share Purchase Agreement.
- (c) ***Is any stakeholder worse off under the RVO structure than they would have been under any other viable alternative?*** For the reasons described above, there is no viable alternative to the proposed RVO structure. In the Monitor's view, no stakeholders are prejudiced by the proposed RVO structure. The only realistic alternative is a liquidation of the Applicants' assets, which would produce a worse result, or no more favourable a result as the RVO would produce, for all stakeholders. Given the value of the Purchaser's senior secured claims, it would be incredibly unlikely that there would be funds available for distribution to any creditors other than the Purchaser and those creditors with priority claims. Employees would also lose the ongoing employment opportunity provided by the Share Purchase Agreement, leading to mass layoffs. Additionally, the Share Purchase Agreement provides for the

satisfaction of all known claims against the Applicants that rank in priority to the Purchaser's security.

- (d) *Does the consideration being paid for the debtor's business reflect the importance and value of the licenses and permits (or other intangible assets) being preserved under the RVO structure?* For the reasons described above, in the Monitor's view, the value of the Applicants' cannabis permits and licenses preserved under the RVO structure is the principal purpose for the proposed RVO structure. The consideration being paid by the Purchaser is directly attributable to their value and importance—without the permits and licenses, the Applicants would not be able to continue operating their cannabis business.

45. For the foregoing reasons, the Monitor supports the Applicants' motion for the RVO and recommends that this Court approve the Share Purchase Agreement and grant the proposed RVO.

G. THE SECURITY OPINION

46. As discussed above, the Purchaser acquired the Secured Notes on March 21, 2024, and increased the purchase price paid under the Share Purchase Agreement by the full amount of the obligations outstanding under the Secured Notes by way of a credit bid of such obligations. Accordingly, the Monitor instructed its counsel, Torys, to provide an opinion as to the validity and enforceability of the Secured Notes. A discussion of Torys' previous security opinions in respect of the Trees Security and the OCH Security (as both terms are defined in the First Report) was provided in the First Report.
47. Torys has prepared a written opinion dated March 26, 2024 (the "**Security Opinion**"). Subject both to the customary qualifications and assumptions set out therein and the two further non-customary qualifications and assumptions that are summarized in paragraph 48 below, Torys opines in the Security Opinion that as a matter of Ontario law:

- (a) each of the Secured Notes constitutes a legal, binding and enforceable obligation of Trees in favour of the Purchaser;
- (b) each of the Secured Notes creates in favour of the Purchaser a valid security interest in the undertakings, business, property, assets, interests and rights of Trees that is subject to the applicable security documents and to which the *Personal Property Security Act*, R.S.O. 1990, c. P.10, as amended (the “PPSA”) applies (collectively, the “**Charged Property**”); and
- (c) each of the Secured Notes, and the assignments thereof from the corresponding original noteholders to the Purchaser, has been registered, filed or recorded in all public offices where the registration, filing or recording thereof is required under the laws of the Province of Ontario to perfect the security interest created thereby in the Charged Property to which the PPSA applies.

48. As noted, the above opinions are subject to two further non-customary qualifications and assumptions. Those qualifications and assumptions are:

- (a) No Conversion. The Secured Notes provide their holders and Trees with rights to convert certain of Trees’ obligations thereunder into common share of Trees. Torys has assumed that no such conversion rights have been exercised, and notes that the Applicants’ counsel informed Torys on March 5, 2024, that they were advised by the Applicants’ management that no such conversion rights have been exercised as of that date.

Drafting Issue re: Granting of Security Interest. Each of the Secured Notes contains language in their respective sections 3.1 (the “**Granting Language**”) that granted “a Lien as and by way of a fixed and floating Lien” to and in favour of the corresponding noteholders in the applicable Charged Property. Each of the Secured Notes further defines the term “Lien” as “any mortgage, hypothec, title retention, pledge, lien, claim, trust, assignment as security, right of set-off, charge, security interest or other encumbrance whatsoever, whether fixed or

floating and howsoever created or arising” (the “**Defined Term**”). In Torys’ view, the Granting Language is not customary for a security agreement, but the better view is that it nonetheless is sufficient to create a “security interest” (as defined in the PPSA) in favour of each of the noteholders in the applicable Charged Property.

49. While Torys did not provide any opinions in respect of the validity or enforceability of the Secured Notes under British Columbia law, Torys noted that each of the Secured Notes, and the assignments thereof from the corresponding original noteholders to the Purchaser, has been duly registered in the British Columbia personal property security registry.

H. REQUEST FOR CCAA TERMINATION ORDER

50. The Applicants also seek the CCAA Termination Order in this motion. For the reasons described in the remainder of this section, the Monitor supports the Applicants’ motion for the CCAA Termination Order, including: (i) the stay extension; (ii) the termination of these CCAA Proceedings upon completion of the remaining administrative tasks; (iii) the approval of the fees and disbursements of the Monitor and Torys; and (iv) the approval of the Monitor’s activities to date.

STAY EXTENSION

51. The Stay Period currently expires on April 12, 2024. The Applicants are requesting an extension of the Stay Period to and including May 31, 2024. Additional time is required for the Applicants to complete the Transaction and for the Monitor to complete the remaining administrative tasks in these CCAA Proceedings (as described in the next section). The continuation of the stay of proceedings is necessary to provide the stability needed during that time.
52. As demonstrated by the Cash Flow Projection attached to this Report as **Appendix “B”** (the “**Revised and Extended Cash Flow Projections**”), the Applicants expect to have sufficient liquidity to fund the CCAA Proceedings up to and including April 30, 2024, the outside date for the closing of the Transaction.

53. Following closing, the Transaction will result in net cash proceeds of approximately \$175,000, which amount the Monitor expects to be sufficient to satisfy the Administrative Expense Costs for the remainder of the Stay Period (i.e., to the termination of these CCAA Proceedings) and all other amounts, if any, secured by the charges granted by the Second ARIO.

54. The Revised and Extended Cash Flow Projection is summarized below:

Trees Corporation Consolidated Cash Flow Forecast \$CDN 000's	
Forecast Week Ending (Friday)	Total 10 Weeks
Receipts	
Retail Sales and Other Receipts	\$ 3,127
Total Receipts	3,127
Disbursements	
Cannabis and Accessory Inventory Purchases	1,957
Payroll Costs-includes benefits	655
Rent	165
Operational G&A and Taxes	390
Restructuring Costs	801
Total Disbursements	3,968
Net Cash Flow	\$ (841)
Cash on hand	
Opening Balance	\$ 501
DIP Facility Draw/Repayment	360
Net Cash Flow	(841)
Ending cash balance	\$ 20
Proposed Debt-in-Process Financing	
Opening balance	\$ 1,203
Draw/(Repayment)	360
Commitment fee	-
Accrued Interest	22
Ending balance	\$ 1,585

55. The Cash Flow Projection shows *Total Receipts* of \$3.1 million and *Total Disbursements* of \$4.0 million, of which \$801,000 is restructuring costs. The negative net cash flow for the 10-week period is \$841,000.

56. The Monitor believes that the Applicants have acted and continue to act in good faith and with due diligence and that circumstances exist that make an extension of the Stay Period appropriate.
57. Based on the information currently available, the Monitor also believes that creditors of the Applicants would not be materially prejudiced by an extension of the Stay Period to May 31, 2024.
58. The Monitor supports the Applicants' request for an extension of the Stay Period to May 31, 2024, including in light of the steps required to close the Transaction and to conclude these CCAA Proceedings.

TERMINATION OF THESE CCAA PROCEEDINGS

59. If this Court grants the RVO, these CCAA Proceedings will be complete, except for the following remaining administrative matters:
 - (a) disbursement of the Administrative Expense Amount on account of Administrative Expense Costs and the other amounts, if any, secured by the CCAA Charges (as each of those terms are defined in the Share Purchase Agreement);
 - (b) the assignment of ResidualCo into bankruptcy; and
 - (c) attend to ancillary matters relating to the conclusion of the SISP, any post-closing matters arising in respect of the sale transaction set out in the Share Purchase Agreement, and the termination of the CCAA Proceedings.
60. Accordingly, in order to avoid the costs of additional appearances before this Court, the Applicants seek the CCAA Termination Order terminating these CCAA Proceedings and discharging the Monitor, each effective on the Monitor's filing of a certificate attesting to the completion of the foregoing matters.

FEE APPROVAL

61. In the CCAA Termination Order, the Applicants seek approval of:
- (a) the fees and disbursements of the Monitor for the period from January 3, 2024, to the date of the Monitor’s discharge; and
 - (b) the fees and disbursements of Torys, in its capacity as the Monitor’s legal counsel, for the period from January 3, 2024, to the date of the Monitor’s discharge.
62. Pursuant to paragraph 31 of the Second ARIO, the Monitor and its counsel have from time to time been paid their fees and disbursements at their standard rates and charges out of monies held by the Monitor upon the Applicants’ direction.
63. Paragraph 34 of the Second ARIO provides that:
34. THIS COURT ORDERS that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.
64. The Monitor and Torys have maintained records of their professional time and costs.
65. The fees and disbursements of Torys for services provided in its capacity as counsel to the Former Monitor during the period from December 18, 2023, to January 2, 2024, were previously approved by this Court in the Second ARIO.
66. The total fees and disbursements of the Monitor during the period from January 3, 2024, to March 24, 2024, amount to \$471,866.55, including applicable taxes (the “**Monitor Fees and Disbursements**”). The time spent by the Monitor’s personnel in this period is more particularly described in the affidavit of Jeffrey Rosenberg of the Monitor, sworn March 26, 2024, in support of the Applicants’ motion for the CCAA Termination Order. A copy of Mr. Rosenberg’s affidavit is attached to this Report as **Appendix “C”**.

67. The total fees and disbursements of Torys during the period from January 3, 2024, to March 24, 2024, amount to \$239,582.90, including applicable taxes (the “**Torys Fees and Disbursements**”). The time spent by Torys’ personnel in this period is more particularly described in the affidavit of David Bish of Torys, sworn March 26, 2024, in support of the Applicants’ motion for the CCAA Termination Order. For greater certainty, such time relates solely to the professional services that Torys provided in its capacity as counsel to the Monitor and not in its capacity as counsel to the Former Monitor. A copy of Mr. Bish’s affidavit is attached to this Report as **Appendix “D”**.
68. The Monitor respectfully submits that the Monitor Fees and Disbursements and the Torys Fees and Disbursements are reasonable in the circumstances and have been validly incurred in accordance with the provisions of the orders granted in these CCAA Proceedings.
69. The Monitor further notes that economic costs of the Monitor Fees and Disbursements and the Torys Fees and Disbursements are effectively borne by the DIP Lender through the DIP Facility. The Monitor understands that the DIP Lender supports the Applicants’ motion for the CCAA Termination Order, including the approval of these fees and disbursements.
70. Based on the information currently available and assuming no unforeseen events in these CCAA Proceedings, the Monitor estimates that the total fees and disbursements of the Monitor and Torys to be incurred in connection with completing the remaining administrative tasks set out above (the “**Subsequent Fees and Disbursements**”) should not exceed \$225,000 in the aggregate. As noted in the previous section, the Monitor expects that the net cash proceeds from the Transaction will be sufficient to satisfy this amount in full. The Monitor further notes that this Court’s approval of the Subsequent Fees and Disbursements as part of the CCAA Termination Order would avoid the costs of and use of judicial resources for a further fee approval motion.
71. Accordingly, the Monitor supports the Applicants’ motion for the approval of the Monitor Fees and Disbursements, the Torys Fees and Disbursements and the Subsequent Fees and Disbursements.

APPROVAL OF THE MONITOR’S ACTIVITIES

- 72. The Applicants have sought the approval of the First Report and of this Report (together, the “**Monitor’s Reports**”) and the activities of the Monitor described in the Monitor’s Reports. A copy of the First Report (without exhibits) is attached as **Appendix “E”**.
- 73. The Monitor respectfully submits that its activities from the date of its appointment to the date of this Report are reasonable in the circumstances and have been validly incurred in accordance with the provisions of the Initial Order.

I. RECEIPTS AND DISBURSEMENTS FOR THE 10-WEEK PERIOD ENDING MARCH 22, 2024

- 74. The Applicants’ actual negative net cash flow for the 10-week period ending March 22, 2024, was approximately \$696,000, as compared to a forecast negative net cash flow of approximately \$1.3 million noted in the Cash Flow Projection previously filed as Appendix “F” to the First Report. This represents a positive variance of approximately \$554,000, as summarized below:

Trees Corporation Variance Analysis \$CDN 000's				
Forecast Week Ending (Friday)	Forecasts	Actuals	Variance	
			\$	%
Receipts				
Retail Sales and Other Receipts	\$ 3,148	\$ 3,322	\$ 174	6%
Total Receipts	3,148	3,322	174	6%
Disbursements				
Cannabis and Accessory Inventory Purchases	1,942	2,055	113	6%
Payroll Costs	642	651	9	1%
Rent	178	184	6	3%
Operational G&A and Taxes	396	319	(77)	-19%
Restructuring Costs	1,240	809	(431)	-35%
Total Disbursements	4,398	4,018	(380)	-9%
				0%
Net cash receipts/(disbursements)	\$ (1,250)	\$ (696)	\$ 554	-44%
Cash on hand				
Opening Balance	\$ 57	\$ 57	\$ -	0%
DIP Facility Draw/Repayment	1,400	1,140	(260)	-19%
Net Cash Receipts/(disbursements)	(1,250)	(696)	554	-44%
Ending cash balance	\$ 207	\$ 501	\$ 294	142%
Proposed Debt-in-Process Financing				
Opening balance	\$ 60	\$ 60	\$ -	0%
Draw/(Repayment)	1,400	1,140	(260)	-19%
Commitment fee	45	-	(45)	-100%
Accrued Interest	6	3	(3)	-55%
Ending balance	\$ 1,511	\$ 1,203	\$ (308)	-20%

75. The key reasons for the variances noted in the table above are as follows:
- (a) The positive variance in *Total Receipts* was primarily due to higher than expected receipts from retail sales and LP collections;
 - (b) The negative variance in *Cannabis and Accessory Inventory Purchases* was primarily due to higher than expected inventory purchases as a result of higher than forecasted sales.
 - (c) The positive variance in *Operational G&A and Taxes* was primarily due to lower than forecasted legal payments to external corporate counsel and lower than forecasted routine operating payables.
 - (d) The positive variance in *Restructuring Costs* was driven by the timing of restructuring fees disbursed. A portion of this variance is expected to reverse in future weeks as invoices are received and paid out.

J. CONCLUSION

76. For the reasons stated in this Report, the Monitor supports the relief sought by the Applicants as summarized herein. The Monitor respectfully submits to the Court this Report.

The Monitor respectfully submits to the Court this, its Second Report.

Dated this 27th day of March, 2024.

FTI Consulting Canada Inc.
In its capacity as Monitor of
Trees Corporation, Ontario Cannabis Holdings Corp.,
Miraculo Inc., 2707461 Ontario Ltd.,
OCH Ontario Consulting Corp., and 11819496 Canada Inc.
And not in its personal or corporate capacity



Jeffrey Rosenberg
Senior Managing Director

Appendix A

Endorsement of Justice Osborne dated January 29, 2024



ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

ENDORSEMENT

COURT FILE NO.: CV-23-00711935-00CL DATE: January 29, 2024

NO. ON LIST: 7

TITLE OF PROCEEDING: **TREES CORPORATION et al v. THE ATTORNEY GENERAL OF CANADA**

BEFORE: **JUSTICE OSBORNE**

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

Name of Person Appearing	Name of Party	Contact Info
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For Defendant, Respondent, Responding Party:

Name of Person Appearing	Name of Party	Contact Info

For Other:

Name of Person Appearing	Name of Party	Contact Info
Jeffery Rosenberg	FTI Consulting Canada Inc. the Court Appointment Monitor	jeffrey.rosenberg@fticonsulting.com
Mike Noel	Counsel for FTI Consulting Canada Inc., the Court Appointed Monitor	mnoel@torys.com
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Maya Poliak	Counsel for CJ Marketing Ltd. & Arthur Minh Tri Nguyen-Cao	maya@chaitons.com
Dylan Chochla	Counsel for One Plant (Retail) Corp., the proposed DIP Lender	dchochla@fasken.com
Daniel Richer		dricher@fasken.com

ENDORSEMENT OF JUSTICE OSBORNE:

[1] The Applicants seek various relief today including:

- a. an order amending and restating the Amended and Restated Initial Order dated January 2, 2024, to
 - i. amend the DIP Lender's name from One Plant Retail Corp. to One Plant (Retail) Corp.;
 - ii. authorizing approving the Amended and Restated DIP Term Sheet increasing the principal amount available to \$1,560,000;
 - iii. increasing the DIP Lender's Charge to the maximum amount of \$1,850,000;
 - iv. extending the stay of proceedings from February 29 to and including April 12, 2024;
 - v. authorizing payment by the Applicants of the professional fees and disbursements of the previous Monitor, EY, and its counsel, Torys; and
 - vi. authorizing the Applicants to take no further steps in relation to the Securities Filings and postponing the requirement for any future AGM during the CCAA Proceedings and extending the time to call and hold such AGM until after the conclusion of the CCAA Proceedings; and
- b. an order approving the proposed SISP and related relief, including authority for the Applicants and the Monitor to immediately begin the process, and including approval of a proposed Stalking Horse Agreement between the Applicants and the DIP Lender, solely for the purpose of constituting the Stalking Horse Bid.

[2] Defined terms in this Endorsement have the meaning given to them in the motion materials and/or the First Report of FTI in its capacity as Monitor dated January 24, 2024, unless otherwise stated.

[3] The Applicants rely on the affidavit of Jeffrey Holmgren sworn January 23, 2024 together with exhibits thereto, along with the First Report of the Monitor.

[4] The Affidavit of Service filed reflects that the motion materials were served on the Service List on January 23, 2024.

[5] Save as noted below, none of the relief sought today by the Applicants is opposed, and all of the relief is strongly recommended by the Monitor and is supported by the DIP Lender and proposed Stalking Horse Bidder.

[6] The Respondents CJ Marketing Ltd. & Arthur Minh Tri Nguyen-Cao appeared today through counsel to oppose the one term of the proposed DIP Term Sheet being the commitment fee of \$40,000, and the one term of the proposed SISP and Stalking Horse Bid Agreement that provides for a break fee of \$60,000. Other than those two terms, these parties do not oppose any of the relief sought. These parties did not file any responding materials but made submissions today through their counsel. Indeed, the fact that they were opposing even these two terms of the relief being sought was confirmed to the Applicants and the Monitor only earlier this morning.

- [7] I have not set out in this Endorsement the full factual background for, and context of, the motion before me today. That is fully set out in the motion materials and summarized in the First Report of the Monitor. I have reviewed all of those materials.
- [8] First, the proposed amendment to the First ARIO to correct the name of the DIP Lender is unopposed and is clerical in nature. No party suggests that there is any substantive substitution of the counterparty or that the name change/correction has any effect on this proceeding or steps within it. Rather, it simply corrects the typographical error in accordance with the Amending and Rectification Agreement entered into by the parties. That amendment is approved.
- [9] Second, I am satisfied that the DIP Term Sheet should be amended to increase the maximum principal amount available under the DIP Facility to \$1,560,000 and that the DIP Lender's Charge should be correspondingly increased to \$1,850,000 in respect of all outstanding principal amounts, plus interest, fees and costs.
- [10] The Revised Cash Flow Forecast is clear that the Applicants will lack sufficient liquidity to continue to fund operations through the requested stay extension period absent the Amended DIP Facility.
- [11] I observe that the original terms of the DIP Term Sheet provided for up to \$800,000 of funding. Those original terms will remain the same with respect to that initial \$800,000. I further observe that this initial \$800,000 was provided without interest and without any commitment fee.
- [12] The Amended and Restated DIP Term Sheet provides for subsequent advances beyond the initial \$800,000 to be provided in maximum tranches of \$200,000, it bears interest at 15% per annum, and it is subject to a commitment fee of \$45,000. The final \$350,000 would be available to the Applicants only if Phase 2 of the proposed SISP is required. The maturity date of the Amended DIP Facility is to be extended to April 12, 2024.
- [13] As noted, the Monitor fully supports the relief sought and worked with the Applicants in determining the quantum of the Amended DIP Facility and the corresponding DIP Lender's Charge.
- [14] In my view, the relief sought in this regard should be, and is, approved. I do not think it unreasonable for the DIP Lender to seek, admittedly in its own self-interest, interest as well as a commitment fee, now that the original DIP Facility of \$800,000 is clearly (and agreed by all) to be insufficient and a total amount of almost double that original Facility is now required.
- [15] As is clear from the First Report of the Monitor, the Monitor is satisfied that the interest rate represents a market rate given the circumstances of this case and the fact that the cannabis sector generally is extremely challenging at present. It is also clear from the First Report that the Monitor is of the view that the commitment fee is also appropriate, and is within the range of fees approved by this Court in other matters, albeit at the high end of that range particularly if one considers the fact that there is the very real possibility that the SISP will not proceed to Phase 2, with the result that the final \$350,000 will not be made available to the Applicants (thereby increasing the commitment fee as a percentage of the DIP available).
- [16] I am satisfied that the Amended and Restated DIP Term Sheet should be approved according to its terms as proposed. It is the only facility available to the Applicants today. I acknowledge that the creditors opposing the commitment fee indicated that if they had more time, they may be in a position to offer an alternative DIP facility that was as favourable as, or more favourable than, the proposed Amended and Restated DIP Facility in respect of which approval is sought today.
- [17] I also appreciate that timelines are relatively short, although this motion was served in accordance with the timelines provided in the Rules. The objective fact is that there is no alternative proposed DIP facility before me today. Moreover, the DIP Lender is not prepared to extend or increase the existing DIP

Facility except on the terms proposed today. The DIP Lender is the only party who has injected any funds into the business of the Applicants to provide the requisite stability to date to preserve value for stakeholders and continuing through the proposed stay extension period, in order that a SISP can be conducted.

[18] I further observe that the Applicants will be out of cash, according to the cash flow projections, on February 2. The practical reality is that there is no alternative proposed DIP facility before me today, and the time is now. The luxury of waiting longer is not available if asset value is to be preserved.

[19] Finally, those creditors opposing the commitment fee entered into a Subordination Agreement made as of May 15, 2020 between Tweed Franchise Inc. as senior lender (now the DIP Lender as successor to Tweed) and CJ Marketing as Subordinated Lender. Pursuant to article 2.01(g) of that Subordination Agreement, “the Subordinated Lender consents to any debtor-in-possession financing provided or approved by the Senior Lender in the event of any bankruptcy or insolvency proceeding of the Obligor.”

[20] The opposing creditors (i.e., CJ Marketing) acknowledge the contractual commitment, but argue today that notwithstanding their agreement, any DIP financing terms must be fair and reasonable.

[21] I am satisfied that those creditors clearly, and with advice, consented to *any* debtor-in-possession financing provided or approved by the Senior Lender [emphasis added]. In any event, I am satisfied that the proposed Amended and Restated DIP Facility is fair and reasonable in the circumstances. It is approved.

[22] Third, I am also satisfied that the stay extension should be continued through to and including April 12, 2024. That is clearly necessary to maintain stability and allow time to run the proposed SISP. It is approved.

[23] Fourth, I am satisfied that the activities and fees of the prior Monitor, EY and its counsel, Torys, are reasonable and should be approved. The work done was clearly necessary, appropriate and consistent with the respective mandates authorized. The accounts, and the fees they represent, are reasonable and appropriate. I observe that they also reflect discounts offered by both EY as the previous Monitor and by Torys as its counsel, and further that it is clear that there have been no transition fees charged or incurred, and no duplication of work has occurred, in the transition to the current Monitor, FTI. The accounts are approved.

[24] Fifth, I am satisfied that no further costs should be incurred in connection with securities filings and that the time limit within which the Applicants are required to hold an AGM should be extended as sought.

[25] While not determinative, I draw significant comfort from the fact that the relevant regulator, the Alberta Securities Commission, was specifically provided notice of the motion for this relief, and engaged through counsel in a dialogue with the Applicants, and does not oppose the relief sought.

[26] In any event, I am satisfied that the relief is appropriate here, and is approved.

[27] Sixth, I am satisfied that the proposed SISP, including the proposed Stalking Horse Agreement, is appropriate and should be approved. It has been developed by the Applicants, in conjunction with the Monitor, as a means to the seek to maximize the value of the business assets of the Applicants.

[28] With respect to the process itself, it is designed to be broad, flexible and solicit interest in, and opportunities for, a sale of all or substantially all of the Property or Business of the Applicants, or an investment therein.

- [29] The SISP contemplates a two-stage process pursuant to which Phase 1 would include non-binding LOIs which would be reviewed by the Applicants and the Monitor to determine whether there were any Qualified Phase 1 Bidders. If so, the process would proceed to Phase 2.
- [30] The process in general is appropriate and is approved.
- [31] With respect to the proposed Stalking Horse Agreement in particular, the Applicants are clear that approval is being sought only for the purposes of approval as a stalking horse bid. The objecting creditors have been equally clear that they reserve their rights to argue that the Stalking Horse Bid ought not to be ultimately approved as a purchase agreement, and that this issue will be addressed another day.
- [32] The proposed Stalking Horse Bid is essentially a credit bid. The proposed Purchase Price is, I acknowledge, augmented by the commitment to pay pre-filing GST/HST Obligations and Cash Consideration, all of which is estimated to be approximately \$3.6 million. Post-filing Claims liability is assumed, as are Intercompany Claims and specific Assumed Liabilities set out in the proposed agreement.
- [33] Importantly, the Purchaser intends to assume all store level employees of the Applicants and offer letters of employment to no fewer than 95% of such store level employees.
- [34] The issue, as noted above, is the break fee of \$60,000. All parties, including in particular the Applicants, the DIP Lender and proposed Stalking Horse Bidder, and the Monitor agree with the concern I expressed during the hearing of this motion that the circumstances in which a break fee reflective of additional risk would be appropriate in the context of a credit bid, would be extremely rare. My point is that the consideration being proposed in support of the Stalking Horse Bid is, in the main, not new capital exposed to this situation afresh, but rather is credit, such that the proposed Stalking Horse Bidder is already exposed for that amount and therefore ought not to be rewarded or compensated by what is, in effect, nothing new.
- [35] In the particular circumstances of this case, however, I accept the position urged upon me by the Applicants, the DIP Lender and the Monitor to the effect that the fee represents a reasonable reimbursement of the fees and costs incurred in negotiating and preparing the stalking horse bid and is not reflective of an element of risk for new capital. Given the quantum of the fee, in my view this is reasonable.
- [36] In addition, they submit and I accept that separate and apart from a consideration of the fee as a percentage of the purchase price, the fee as an absolute dollar amount is relevant. If the absolute dollar fee were, for example, \$1 million, the analysis may be very different even if it were within the percentage range of previously approved break fees. Here, however, the absolute dollar amount is relatively modest (\$60,000) and is also reasonable as against the alternative, which if the proposed SISP were not approved today, would almost inevitably involve the incurring of additional professional fees and costs in at least that amount, with the corresponding result that none of the stakeholders is better off in any event.
- [37] I appreciate that one effect of this break fee is that the cost of any alternative bid (and the opposing creditors indicate today that they anticipate submitting such a bid) necessarily increases. However, and in the particular circumstances of this case, in my view both the fact of the fee itself and the quantum of the fee are reasonable to ensure the continued stability and maximization of outcomes for all stakeholders. I also accept the submission that there is no evidence before me today of a chilling effect on the process, which is in many cases a risk militating against approval of such a break fee. Here, those creditors opposing the fee have confirmed that they, nonetheless, intend to participate in the process and submit a bid. They, at least, have not been dissuaded or “chilled” sufficiently so as to decline to participate in the process.
- [38] Having considered all of the issues, and in the absence of any evidence filed by the objecting parties, in my view the proposed SISP including the proposed Stalking Horse Bid, is reasonable and appropriate in the circumstances. It is approved. Again, to be very clear, whether the Stalking Horse Bid

should ultimately be approved as a sale agreement (as opposed to being approved as a stalking horse within the context of the SISP), is for another day.

[39] SISP Approval Order and Second Amended and Restated Initial Order to go in the form approved by me today. Both orders are effective immediately and without the necessity of issuing and entering.

A handwritten signature in black ink that reads "Osborne, J.". The signature is written in a cursive, slightly slanted style.

Justice Osborne

Appendix B

Revised and Extended Cash Flow Projection

Trees Corporation
Consolidated Cash Flow Forecast
\$CDN 000's

	Week Ending [1]	1 29/Mar/24	2 5/Apr/24	3 12/Apr/24	4 19/Apr/24	5 26/Apr/24	6 3/May/24	7 10/May/24	8 17/May/24	9 24/May/24	10 31/May/24	Total
Receipts												
Retail Sales and Other Receipts	[2]	\$ 300	\$ 344	\$ 300	\$ 300	\$ 300	\$ 344	\$ 300	\$ 300	\$ 300	\$ 344	\$ 3,127
Total Receipts		300	344	300	300	300	344	300	300	300	344	3,127
Disbursements												
Cannabis and Accessory Inventory Purchases	[3]	195	197	200	195	195	195	195	199	195	195	1,957
Payroll Costs-Includes Benefits	[4]	81	50	62	70	55	74	60	70	55	76	655
Rent	[5]	-	82	-	-	-	82	-	-	-	-	165
Operational G&A and Taxes	[6]	6	77	-	20	-	184	-	18	-	87	390
Restructuring Costs	[7]	330	199	43	38	38	38	38	38	38	-	801
Total Disbursements		611	605	305	323	288	573	293	325	288	358	3,968
Net Cash Flow		\$ (312)	\$ (262)	\$ (6)	\$ (23)	\$ 12	\$ (229)	\$ 7	\$ (25)	\$ 12	\$ (14)	\$ (841)
Cash on Hand												
Opening Balance	[8]	\$ 501	\$ 389	\$ 287	\$ 282	\$ 258	\$ 270	\$ 41	\$ 48	\$ 23	\$ 35	\$ 501
DIP Facility Draw/(Repayment)	[9]	200	160	-	-	-	-	-	-	-	-	360
Net Cash Flow		(312)	(262)	(6)	(23)	12	(229)	7	(25)	12	(14)	(841)
Ending Cash Balance		\$ 389	\$ 287	\$ 282	\$ 258	\$ 270	\$ 41	\$ 48	\$ 23	\$ 35	\$ 20	\$ 20
Proposed Debt-in-Process Financing												
Opening Balance		\$ 1,203	\$ 1,405	\$ 1,567	\$ 1,569	\$ 1,571	\$ 1,573	\$ 1,576	\$ 1,578	\$ 1,580	\$ 1,582	\$ 1,203
Draw/(Repayment)		200	160	-	-	-	-	-	-	-	-	360
Commitment Fee		-	-	-	-	-	-	-	-	-	-	-
Accrued Interest		2	2	2	2	2	2	2	2	2	2	22
Ending Balance		\$ 1,405	\$ 1,567	\$ 1,569	\$ 1,571	\$ 1,573	\$ 1,576	\$ 1,578	\$ 1,580	\$ 1,582	\$ 1,585	\$ 1,585

Notes to the Consolidated Cash Flow Forecast

[1] The purpose of the Cash Flow Forecast is to estimate the liquidity requirements of Trees Corporation, Ontario Cannabis Holdings Corp., Miraculo Inc., 2707461 Ontario Ltd., OCH Ontario Consulting Corp., and 11819496 Canada Inc. ("Trees", or the "Company") during the forecast period. The forecast above is presented in Canadian Dollars. The 10-week Cash Flow Forecast is on a cash-basis only.

[2] Retail Sales and Other Receipts includes revenues generated by the retail stores and from sales data sold.

[3] Cannabis and Accessory Inventory Purchases represents disbursements related to weekly inventory purchases from the provincial distributors in British Columbia and Ontario, as well as cannabis accessory purchases from vendors.

[4] Payroll Costs are funded on a gross basis through a third-party service.

[5] Rent represents the monthly lease obligations for leased retail stores.

[6] Operational G&A and Taxes includes expenses such as utilities, security, software, cash management services, insurance for the store locations, sales taxes, and other general administrative costs.

[7] Restructuring Costs include professional fee payments and expenses of the Applicants' legal counsel, monitor and its counsel in connection with the restructuring proceedings. Professional fees incurred by TGF, Torys, and FTI to date are forecasted to be paid in the week ending March 29, 2024, pending Court approval. Upon closing of the transaction set out in the Share Purchase Agreement, the Administrative Expense Costs will be paid to cover Pre-Close Restructuring Costs of approximately \$100,000 and Post-Close Restructuring Costs of approximately \$75,000. Costs will include (i) costs required to wind down and/or dissolve and/or bankrupt ResidualCo; and (ii) costs and expenses required to administer the Excluded Assets, Excluded Liabilities and ResidualCo.

[8] Beginning Balance represents the opening cash balance as of March 23, 2024.

[9] DIP Facility Draw/Repayment represents the projected draws and repayments under the DIP facility.

Appendix C

Affidavit of Jeffrey Rosenberg dated March 27, 2024



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 COMPROMISE OR
ARRANGEMENT OF TREES CORPORATION, ONTARIO CANNABIS
HOLDINGS CORP., MIRACULO INC., 2707461 ONTARIO LTD., OCH
ONTARIO CONSULTING CORP., and 11819496 CANADA INC

AFFIDAVIT OF JEFFREY ROSENBERG
(Sworn March 27, 2024)

I, **JEFFREY ROSENBERG**, of the City of Toronto, in the Province of Ontario,
MAKE OATH AND SAY:

1. I am a Senior Managing Director with FTI Consulting Canada Inc. (“**FTI**”), the Court-appointed monitor (the “**Monitor**”) in these proceedings (the “**CCAA Proceedings**”) and, as such, I have knowledge of the matters to which I hereinafter depose. Unless I indicate to the contrary, the facts herein are within my personal knowledge and are true. Where I have indicated that I have obtained facts from other sources, I believe those facts to be true.
2. Attached hereto as **Exhibit “A”** to this my affidavit is a true copy of the detailed invoices setting out the fees and disbursements of the Monitor from January 3, 2024 to March 24, 2024 (the “**Fee Approval Period**”), totaling \$411,691.50, including disbursements of \$5,889.51 and HST in the amount of \$54,285.54. Attached hereto as **Exhibit “B”** to this my affidavit is a schedule summarizing the invoices and the total billable hours charged.

3. Attached hereto as **Exhibit "C"** to this my affidavit is a schedule summarizing the respective billing rates of the Monitor's professionals during the Fee Approval Period.
4. The estimated fees and disbursements of FTI for the period from and including March 25, 2024, through to the date of the termination of these CCAA proceedings are not expected to exceed \$200,000 (exclusive of HST) in the aggregate.
5. Given the complexity of this matter, I believe the hourly rates and the total amount of fees are reasonable and comparable for insolvency services of this nature rendered by other firms in the City of Toronto.
6. The hours spent on this matter and disbursements incurred by the Monitor are outlined in detail in **Exhibits "A", "B", and "C"** and I believe were reasonable and appropriate in the circumstances.
7. This affidavit is sworn in connection with a motion for, inter alia, approval of the Monitor's fees and disbursements, and for no other improper purpose.

AFFIRMED by JEFFREY ROSENBERG at the City of Toronto, in the Province of Ontario, before me on March 27, 2024, in accordance with O. Reg 431/20, *Administering Oath or Declaration Remotely*.



Commissioner for Taking Affidavits



JEFFREY ROSENBERG

THIS IS **EXHIBIT "A"** REFERRED TO
IN THE AFFIDAVIT OF JEFFREY ROSENBERG,
SWORN REMOTELY BY JEFFREY ROSENBERG
BEFORE ME *BY VIDEO CONFERENCE*, THIS 27TH
DAY OF MARCH, 2024.



DAVID BISH
Commissioner for Taking Affidavits



Corporate Finance

January 10, 2024

Trees Corporation
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9
Canada

RE: CCAA Monitor
Job No. 500000.9055
Invoice No. 102900000860

Enclosed is our invoice for professional services rendered in connection with the above referenced matter. This invoice covers professional fees through January 07, 2024.

Please do not hesitate to call me to discuss this invoice or any other matter.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Jeffrey Rosenberg', written over a light blue horizontal line.

Jeffrey Rosenberg
Senior Managing Director



Invoice Remittance

Trees Corporation
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9
Canada

January 10, 2024
Invoice No. 10290000860
Job No. 500000.9055
Terms Due Upon Receipt
Currency CAD
Tax Registration:

RE: CCAA Monitor

Current Invoice Period: Charges posted through January 07, 2024

Amount Due Current Invoice

\$48,878.72

Bank Information

Please indicate our invoice number with your remittance

Account Name: FTI Consulting Canada Inc.
Bank Name: Bank of Nova Scotia
Bank Address: Scotia Plaza, 44 King Street West
Toronto, Ontario M5H 1H1
Canada

Bank Code: 002
Account Number: 0861715
Swift/BIC Code: NOSCCATT
Transit Code: 47696
Account Currency: CAD

Please remit cheque payment FTI Consulting Canada Inc.
C/O T10073
P.O. Box 10073
Postal Station A
Toronto, ON M5W 2B1
Canada



Invoice Summary

Trees Corporation
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9
Canada

January 10, 2024
Invoice No. 10290000860
Job No. 50000.9055
Terms Due Upon Receipt
Currency CAD
Tax Registration:

RE: CCAA Monitor

Current Invoice Period: Charges posted through January 07, 2024

Name	Title	Rate	Hours	Total
Jeffrey Rosenberg	Senior Managing Director	\$1,230.00	8.00	\$9,840.00
Jodi Porepa	Senior Managing Director	\$1,050.00	16.00	\$16,800.00
Carter Wood	Senior Consultant	\$590.00	27.40	\$16,166.00
Caitlin Moreland	Administrative Professional	\$155.00	2.90	\$449.50
Total Professional Services			54.30	\$43,255.50

Invoice Total	CAD Amount
	\$43,255.50
HST (13%)	\$5,623.22
Total Due	\$48,878.72



Invoice Detail

January 10, 2024

Invoice No. 102900000860
Job No. 500000.9055

Total Professional Services

Jeffrey Rosenberg

01/03/2024	Attend update calls; review of court documents; attend meeting with company.	3.00
01/04/2024	Review of files; attend update call.	3.00
01/05/2024	Attend update call with TGF; call with DIP lender; review of files.	2.00

\$1,230.00	per hour x total hrs	8.00	\$9,840.00
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Jodi Porepa

01/03/2024	Call with TGF to discuss current status of case; call with TGF, Torys, EY and management; call with Torys to discuss Order; call with EY regarding handover; review Monitor requirements and discuss next steps; preliminary review of cash flow forecast; review list of requested items; internal discussion to set up website, hotline and inbox.	4.80
01/04/2024	Call with management to discuss current status and next steps; review employee letter; review proposed disbursements; internal status update on status of Monitor requirement; review and respond to the OSB; review of cash flow forecast; review list of pre-authorized debits or PADs; review lease summary and provide comments.	4.40
01/05/2024	Internal status update; call with Jodie to discuss cash flow forecast; review cash flow forecast; review PADs; call with TGF; review and respond to third party enquiries; review lease summary.	4.60
01/06/2024	Review SISP documents, including draft Order, SISP and Share Purchase Agreement; provide comments in respect of same.	1.50
01/07/2024	Review SISP documents, including draft Order, SISP and Share Purchase Agreement; provide comments in respect of same.	0.70

\$1,050.00	per hour x total hrs	16.00	\$16,800.00
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Carter Wood

01/03/2024	Reviewing monitor reports, motion materials, and other case related documents filed by EY; internal discussions with Jodi P.; setting up FTI case website, email hotline, and phone hotline; reviewing Trees cash flow forecast; discussion with EY on work done to date and gaining an understanding about Trees Corporation.	8.80
01/04/2024	Reviewing documents provided by EY; preparing the FTI case website, email hotline, phone hotline; reviewing and summarizing Trees leases; preparing a professional fee forecast; internal discussions with Jodi P.; summarizing pre-authorized debits; reviewing cash flow forecast; compiling information on potential SISP.	8.50

FTI Consulting Canada, Inc.
 TD South Tower, 79 Wellington Street West, Suite 2010, P.O. Box 104
 Toronto, ON M5K1G8 Canada
 GST/HST Registration Number: 835718024RT0001, QST Registration Number: 1230160542TQ0001 |
 fticonsulting.com



Invoice Detail

January 10, 2024

Invoice No. 102900000860
Job No. 500000.9055

01/05/2024	Reviewing emails of parties interest in a potential SISP; logging emails received; reviewing cash flow forecast; summarizing DIP requirements and updating the monitor checklist; updating case website; internal discussions with Jodi P.; reviewing critical vendors; updating lease summary.	8.20
01/07/2024	Setting up variance analysis; updating the lease summary; updating pre-authorized debit letter.	1.90

\$590.00	per hour x total hrs	27.40	\$16,166.00
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Caitlin Moreland

01/03/2024	Website update.	0.50
01/04/2024	Website update.	2.10
01/05/2024	Website update.	0.30

\$155.00	per hour x total hrs	2.90	\$449.50
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Total Professional Services		CAD	\$43,255.50
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Corporate Finance

January 23, 2024

Trees Corporation
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9
Canada

RE: CCAA Monitor
Job No. 500000.9055
Invoice No. 102900000876

Enclosed is our invoice for professional services rendered in connection with the above referenced matter. This invoice covers professional fees through January 14, 2024.

Please do not hesitate to call me to discuss this invoice or any other matter.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Jeffrey Rosenberg', written over a light blue horizontal line.

Jeffrey Rosenberg
Senior Managing Director



Invoice Remittance

Trees Corporation
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9
Canada

January 23, 2024
Invoice No. 102900000876
Job No. 500000.9055
Terms Due Upon Receipt
Currency CAD
Tax Registration:

RE: CCAA Monitor

Current Invoice Period: Charges posted through January 14, 2024

Amount Due Current Invoice

\$46,537.92

Bank Information

Please indicate our invoice number with your remittance

Account Name: FTI Consulting Canada Inc.
Bank Name: Bank of Nova Scotia
Bank Address: Scotia Plaza, 44 King Street West
Toronto, Ontario M5H 1H1
Canada

Bank Code: 002
Account Number: 0861715
Swift/BIC Code: NOSCCATT
Transit Code: 47696
Account Currency: CAD

Please remit cheque payment FTI Consulting Canada Inc.
C/O T10073
P.O. Box 10073
Postal Station A
Toronto, ON M5W 2B1
Canada



Invoice Summary

Trees Corporation
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9
Canada

January 23, 2024
Invoice No. 102900000876
Job No. 500000.9055
Terms Due Upon Receipt
Currency CAD
Tax Registration:

RE: CCAA Monitor

Current Invoice Period: Charges posted through January 14, 2024

Name	Title	Rate	Hours	Total
Jeffrey Rosenberg	Senior Managing Director	\$1,230.00	8.50	\$10,455.00
Jodi Porepa	Senior Managing Director	\$1,050.00	6.00	\$6,300.00
Carter Wood	Senior Consultant	\$590.00	41.30	\$24,367.00
Caitlin Moreland	Administrative Professional	\$155.00	0.40	\$62.00
Total Professional Services			56.20	\$41,184.00

Invoice Total	CAD Amount
	\$41,184.00
HST (13%)	\$5,353.92
Total Due	\$46,537.92



Invoice Detail

January 23, 2024

Invoice No. 102900000876
Job No. 500000.9055

Total Professional Services

Jeffrey Rosenberg

01/08/2024	Review of court documents and attend update call with Tory's; review of correspondence with the Company.	3.00
01/09/2024	Review of payments; work on SISP and filing documents.	2.00
01/12/2024	Review of revised SISP documents; work on Monitor's Report.	3.50

\$1,230.00	per hour x total hrs	8.50	\$10,455.00
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Jodi Porepa

01/09/2024	Internal status update; review lease schedule; follow up on outstanding discussions; review mark up; review preliminary request list for sales process.	2.20
01/11/2024	Internal status update; review lease schedule; follow up on outstanding discussions; review mark up; review preliminary request list for sales process.	1.30
01/12/2024	Internal status update; review variance analysis and provide comments; review cash flow forecast and provide comments; review SISP request list and provide comments; review court report and provide updates.	1.40
01/14/2024	Review CFF; review proposed language for landlords.	1.10

\$1,050.00	per hour x total hrs	6.00	\$6,300.00
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Carter Wood

01/08/2024	Emails related to Trees Corporation; preparing stalking horse break fee analysis; prepare information request list relating to SISP; review daily disbursements for reasonableness; internal planning meeting; preparing for client discussion; discussion with Jodie R. and Jeff H. from Trees; discussion with Paul Feldman related to Trees lease; updating master lease tracker.	9.60
01/09/2024	Emails relating to Trees Corporation; preparing preliminary information request list for SISP; updating PAD halt letters for Trees; preparing variance analysis template; preparing and reviewing stalking horse comparable analysis; updating lease tracker based on discussions with Jodie R.; logging emails received to the monitor hotline; reviewing daily disbursements.	8.50



Invoice Detail

January 23, 2024

Invoice No.

102900000876

Job No.

500000.9055

01/10/2024	Emails relating to Trees Corporation; tracking parties interested in SIPS; internal planning meeting; updating lease summary; updating variance analysis based on discussions with client; preparing cleaned teaser template for Trees related to SISP; preparing draft letters to landlords regarding post-filing payments; reviewing cash flow forecast; reviewing daily disbursements; discussion with Jodie R. (Trees) on lease summary and variance analysis; reviewing DIP draw requirements; setting up FTI data room.	7.00		
01/11/2024	Emails related to Trees Corporation; reviewing and updating cash flow forecast; reviewing variance analysis; setting up FTI data room; discussion with EY regarding cash flow forecast; logging monitor hotline details; internal discussion with Jodi P.; reviewing daily disbursements.	8.40		
01/12/2024	Emails related to Trees; drafting language that will be sent to disclaimed lease landlords; compiling parties interested in SISP; logging monitor hotline emails; Internal planning; uploading documents to SISP data room; updating cash flow forecast.	5.20		
01/13/2024	Updating cash flow forecast.	1.30		
01/14/2024	Updating cash flow forecast.	1.30		
			\$590.00	per hour x total hrs
			41.30	\$24,367.00
Caitlin Moreland				
01/08/2024	Website update.	0.20		
01/09/2024	Website update.	0.20		
			\$155.00	per hour x total hrs
			0.40	\$62.00
Total Professional Services			CAD	\$41,184.00



Corporate Finance

January 29, 2024

Trees Corporation
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9
Canada

RE: CCAA Monitor
Job No. 500000.9055
Invoice No. 102900000883

Enclosed is our invoice for professional services rendered in connection with the above referenced matter. This invoice covers professional fees through January 21, 2024.

Please do not hesitate to call me to discuss this invoice or any other matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jeffrey Rosenberg", written over a light blue horizontal line.

Jeffrey Rosenberg
Senior Managing Director

FTI Consulting Canada, Inc.
TD South Tower, 79 Wellington Street West, Suite 2010, P.O. Box 104
Toronto, ON M5K1G8 Canada

GST/HST Registration Number: 835718024RT0001, QST Registration Number: 1230160542TQ0001 | fticonsulting.com



Invoice Summary

Trees Corporation
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9
Canada

Invoice No. **January 29, 2024**
Job No. **10290000883**
Terms **50000.9055**
Currency **Due Upon Receipt**
Tax Registration: **CAD**

RE: CCAA Monitor

Current Invoice Period: Charges posted through January 21, 2024

Name	Title	Rate	Hours	Total
Jeffrey Rosenberg	Senior Managing Director	\$1,230.00	9.70	\$11,931.00
Jodi Porepa	Senior Managing Director	\$1,050.00	2.10	\$2,205.00
Carter Wood	Senior Consultant	\$590.00	35.20	\$20,768.00
Total Professional Services			47.00	\$34,904.00

Invoice Total	CAD Amount
	\$34,904.00
HST (13%)	\$4,537.52
Total Due	\$39,441.52



Invoice Detail

Invoice No. January 29, 2024
Job No. 10290000883
 50000.9055

01/16/2024	Reviewing emails related to Trees; reviewing daily disbursements; reviewing initial order to determine remittance of sales tax; preparing details related to the SISP (CIM); internal discussions with Jodi P.; discussions with Trees.	7.00	
01/17/2024	Reviewing emails related to Trees; reviewing and updating variance analysis; updating cash flow forecast after discussions with Trees team; reviewing items related to the SISP (teaser template); discussion with Trees team.	6.60	
01/18/2024	Reviewing emails related to Trees; reviewing and uploading documents provided for SISP data room; internal planning meeting; providing language to Trees in regards to landlord questions on disclaimed leases; discussion with Trees team; updating cash flow forecast; work on cash flows; discussions with counsel on cash flows; updating the draft monitors report.	8.00	
01/19/2024	Reviewing emails related to Trees; internal discussion with Jodi P.; updating draft monitors report; reviewing monitors hotline and logging hotline responses; reviewing SISP items (teaser); summarizing PAD halts; updating cash flow forecast based on discussions with counsel; internal discussion with Jeff R. on cash flows; discussion with Jeff H. (Trees), Jeff R. (FTI) and Counsel on updated cash flow forecast.	7.10	
	\$590.00	per hour x total hrs	35.20
			\$20,768.00

Total Professional Services CAD \$34,904.00



Corporate Finance

January 31, 2024

Trees Corporation
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9
Canada

RE: CCAA Monitor
Job No. 500000.9055
Invoice No. 102900000895

Enclosed is our invoice for professional services rendered in connection with the above referenced matter. This invoice covers professional fees through January 28, 2024.

Please do not hesitate to call me to discuss this invoice or any other matter.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Jeffrey Rosenberg', written over a light blue horizontal line.

Jeffrey Rosenberg
Senior Managing Director



Invoice Remittance

Trees Corporation
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9
Canada

January 31, 2024
Invoice No. 10290000895
Job No. 500000.9055
Terms Due Upon Receipt
Currency CAD
Tax Registration:

RE: CCAA Monitor

Current Invoice Period: Charges posted through January 28, 2024

Amount Due Current Invoice

\$41,905.49

Bank Information

Please indicate our invoice number with your remittance

Account Name: FTI Consulting Canada Inc.
Bank Name: Bank of Nova Scotia
Bank Address: Scotia Plaza, 44 King Street West
Toronto, Ontario M5H 1H1
Canada

Bank Code: 002
Account Number: 0861715
Swift/BIC Code: NOSCCATT
Transit Code: 47696
Account Currency: CAD

Please remit cheque payment FTI Consulting Canada Inc.
C/O T10073
P.O. Box 10073
Postal Station A
Toronto, ON M5W 2B1
Canada



Invoice Summary

Trees Corporation
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9
Canada

January 31, 2024
Invoice No. 10290000895
Job No. 50000.9055
Terms Due Upon Receipt
Currency CAD
Tax Registration:

RE: CCAA Monitor

Current Invoice Period: Charges posted through January 28, 2024

Name	Title	Rate	Hours	Total
Jeffrey Rosenberg	Senior Managing Director	\$1,230.00	14.00	\$17,220.00
Jodi Porepa	Senior Managing Director	\$1,050.00	1.00	\$1,050.00
Carter Wood	Senior Consultant	\$590.00	31.60	\$18,644.00
Caitlin Moreland	Administrative Professional	\$155.00	1.10	\$170.50
Total Professional Services			47.70	\$37,084.50

Invoice Total	CAD Amount
	\$37,084.50
HST (13%)	\$4,820.99
Total Due	\$41,905.49



Invoice Detail

January 31, 2024

Invoice No.

10290000895

Job No.

500000.9055

Total Professional Services

Jeffrey Rosenberg

01/22/2024	Attend several calls; review of materials for sales process.	2.00
01/23/2024	Review revised documents and update Monitor's Report.	2.00
01/24/2024	Work on filing Monitor's report.	3.00
01/25/2024	Review Factum of the Applicants; review of various comments regarding the same; review of disclaimers; review of draft CIM.	2.00
01/26/2024	Work on court matters; attend call with TGF; attend call with Chaitons; attend call with Torys.	2.00
01/27/2024	Review of correspondence to and from TGF and Torys; work on purchase price analysis.	1.50
01/28/2024	Review of sales process documents; work on CIM.	1.50

\$1,230.00	per hour x total hrs	14.00	\$17,220.00
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Jodi Porepa

01/23/2024	Review proposed disbursements; review cash flow forecast; review third party enquiries; review and respond to landlord enquiries.	0.50
01/25/2024	Review proposed disbursements; review cash flow forecast; review third party enquiries; review and respond to landlord enquiries.	0.50

\$1,050.00	per hour x total hrs	1.00	\$1,050.00
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Carter Wood

01/22/2024	Preparing for and having discussion with disclaimed lease landlord; drafting newspaper notice related to SISP; reviewing teaser; reviewing and responding to emails related to Trees; reviewing data room materials; updating variance analysis for the prior week; reviewing and approving daily disbursements; discussions with Trees (Jodie R.); internal discussions with Jeff R. and Jodi. H.	4.90
01/23/2024	Reviewing and responding to emails related to Trees; updating cash flow forecast based on revised DIP terms; preparing and updating monitors report; internal discussions with Jeff R. and Jodi P.; discussion with Torys on monitors report.	10.30
01/24/2024	Reviewing and responding to emails related to Trees; reviewing variance analysis; providing updates for case website; updating monitors report; Internal discussion with Jeff R.; discussion with Torys relating to monitors report; reviewing data room documents; discussion with Trees (Jodie R.); internal discussion with Jodi P.; reviewing and approving daily disbursements.	5.30



Invoice Detail

January 31, 2024

Invoice No.

102900000895

Job No.

500000.9055

01/25/2024	Reviewing data room documents; internal discussion with Jeff R.; reviewing and responding to emails related to Trees; reviewing and approving daily disbursements.	1.90
01/26/2024	Updating draft newspaper notice related to SISP; reviewing and responding to emails related to Trees; preparing for call with counsel; discussions with counsel; reviewing lease terms; internal discussions with Jeff R. and Jodi P.; discussion with Trees (Jeff H.) on data room documents.	5.10
01/27/2024	Reviewing and responding to emails related to Trees; reviewing Trees disbursements.	0.50
01/28/2024	Reviewing and responding to emails related to Trees; updating data room documents; updating CIM.	3.60

\$590.00	per hour x total hrs	31.60	\$18,644.00
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Caitlin Moreland

01/23/2024	Website update.	0.30
01/24/2024	Website update.	0.60
01/26/2024	Website update.	0.20

\$155.00	per hour x total hrs	1.10	\$170.50
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Total Professional Services	CAD	\$37,084.50
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Corporate Finance

February 08, 2024

Trees Corporation
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9
Canada

RE: CCAA Monitor
Job No. 500000.9055
Invoice No. 102900000941

Enclosed is our invoice for professional services rendered in connection with the above referenced matter. This invoice covers professional fees through February 04, 2024.

Please do not hesitate to call me to discuss this invoice or any other matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jeffrey Rosenberg", written over a light blue horizontal line.

Jeffrey Rosenberg
Senior Managing Director

FTI Consulting Canada, Inc.
TD South Tower, 79 Wellington Street West, Suite 2010, P.O. Box 104
Toronto, ON M5K1G8 Canada

GST/HST Registration Number: 835718024RT0001, QST Registration Number: 1230160542TQ0001 | fticonsulting.com



Invoice Remittance

**Trees Corporation
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9
Canada**

**Invoice No.
Job No.
Terms
Currency
Tax Registration:**

**February 08, 2024
102900000941
500000.9055
Due Upon Receipt
CAD**

RE: CCAA Monitor

Current Invoice Period: Charges posted through February 04, 2024

Amount Due Current Invoice \$48,511.10

Bank Information

Please indicate our invoice number with your remittance

Account Name:	FTI Consulting Canada Inc.	Bank Code:	002
Bank Name:	Bank of Nova Scotia	Account Number:	0861715
Bank Address:	Scotia Plaza, 44 King Street West Toronto, Ontario M5H 1H1 Canada	Swift/BIC Code:	NOSCCATT
		Transit Code:	47696
		Account Currency:	CAD

Please remit cheque payments to:	FTI Consulting Canada Inc. C/O T10073 P.O. Box 10073 Postal Station A Toronto, ON M5W 2B1 Canada
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Invoice Summary

Trees Corporation
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9
Canada

February 08, 2024
Invoice No. 102900000941
Job No. 50000.9055
Terms Due Upon Receipt
Currency CAD
Tax Registration:

RE: CCAA Monitor

Current Invoice Period: Charges posted through February 04, 2024

Name	Title	Rate	Hours	Total
Dean Mullett	Senior Managing Director	\$1,230.00	3.00	\$3,690.00
Jeffrey Rosenberg	Senior Managing Director	\$1,230.00	11.90	\$14,637.00
William Reid	Senior Consultant	\$690.00	6.60	\$4,554.00
Carter Wood	Senior Consultant	\$590.00	24.10	\$14,219.00
Caitlin Moreland	Administrative Professional	\$155.00	1.30	\$201.50
Total Professional Services			46.90	\$37,301.50
Expenses				Total
Advertising				\$5,628.68
Total Expenses				\$5,628.68
Invoice Total				CAD Amount
				\$42,930.18
HST (13%)				\$5,580.92
Total Due				\$48,511.10



Invoice Detail

February 08, 2024
Invoice No. 10290000941
Job No. 500000.9055

Total Professional Services
Dean Mullett

01/29/2024	Call with Jeff Rosenberg; review teaser.	0.60		
01/30/2024	Review teaser, buyer list, nda; oversee reach outs; calls with Jeff Rosenberg regarding same.	1.30		
01/31/2024	Interested party reach out oversight; call with Jeff Rosenberg regarding the same.	0.80		
02/01/2024	Interested parties reach outs.	0.10		
02/02/2024	Work on reach outs.	0.20		
			3.00	\$3,690.00
			per hour x total hrs	
			\$1,230.00	

Jeffrey Rosenberg

01/29/2024	Review of correspondence to TGF; correspondence to TGF; review of correspondence from Torys; review of further correspondence from TGF regarding the hearing; work on CIM; call with Dean Mullett.	1.40		
01/30/2024	Kick of off sales process; review numerous emails of interest and disinterest; arrange for NDA's; emails to and from TGF; call with Dean Mullett.	3.50		
01/31/2024	Attend calls with prospective purchasers; review of emails from prospective purchasers; call with Dean Mullett.	3.50		
02/01/2024	Review of correspondence from Aird & Berlis and correspondence from TGF and Torys; review of invoices; calls with numerous prospective purchasers; review of various NDA's.	3.00		
02/02/2024	Review of correspondence and newspaper advertisement.	0.50		
			11.90	\$14,637.00
			per hour x total hrs	
			\$1,230.00	

William Reid

01/30/2024	Preparation of NDA; reach out list; and organization of reach outs.	6.60		
			6.60	\$4,554.00
			per hour x total hrs	
			\$690.00	

FTI Consulting Canada, Inc.
 TD South Tower, 79 Wellington Street West, Suite 2010, P.O. Box 104
 Toronto, ON M5K1G8 Canada

GST/HST Registration Number: 835718024RT0001, QST Registration Number: 1230160542TQ0001 | fticonsulting.com



Invoice Detail

February 08, 2024
Invoice No. 10290000941
Job No. 500000.9055

Carter Wood

01/29/2024	Updating CIM; reviewing and sending emails related to Trees; reviewing and updating variance analysis; reviewing draft newspaper notices from the Globe & Mail and Insolvency Insider; discussion with the CRA; logging hotline emails; reviewing and approving daily disbursements; updating teaser.	3.90	
01/30/2024	Reviewing and sending emails related to Trees; updating teaser language; updating data room; preparing invoice summary; reviewing updated newspaper draft for Globe & Mail and Insolvency Insider; sending NDAs related to SISP; reviewing and approving disbursements; communication regarding SISP with potential bidders.	8.30	
01/31/2024	Communication with potential bidders relating to the SISP; providing and reviewing NDAs related to SISP; logging hotline emails and responding to hotline inquiries; discussion with Trees; reviewing and daily disbursements.	4.80	
02/01/2024	Reviewing and sending emails related to Trees; reviewing NDAs and adding potential bidders to the SISP data room; responding to hotline inquiries; reviewing operating AP; reviewing variance analysis; discussions with potential bidders for SISP; discussion with Trees; reviewing and approving disbursements.	5.20	
02/02/2024	Reviewing and sending emails related to Trees; reviewing NDAs and adding potential bidders to SISP data room; reviewing and approving disbursements; SISP related communication.	1.50	
02/04/2024	Reviewing NDAs and adding potential bidders to data room; SISP related communication.	0.40	
\$590.00		per hour x total hrs	24.10
			\$14,219.00

Caitlin Moreland

01/30/2024	Website update.	0.30	
01/31/2024	Website update.	0.80	
02/01/2024	Website update.	0.20	
\$155.00		per hour x total hrs	1.30
			\$201.50

FTI Consulting Canada, Inc.
 TD South Tower, 79 Wellington Street West, Suite 2010, P.O. Box 104
 Toronto, ON M5K1G8 Canada

GST/HST Registration Number: 835718024RT0001, QST Registration Number: 1230160542TQ0001 | fticonsulting.com



Invoice Detail

February 08, 2024
Invoice No. 10290000941
Job No. 500000.9055

Total Professional Services	CAD	\$37,301.50
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Corporate Finance

February 20, 2024

Trees Corporation
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9
Canada

RE: CCAA Monitor
Job No. 500000.9055
Invoice No. 102900000954

Enclosed is our invoice for professional services rendered in connection with the above referenced matter. This invoice covers professional fees through February 11, 2024.

Please do not hesitate to call me to discuss this invoice or any other matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jeffrey Rosenberg", with a long horizontal stroke extending to the right.

Jeffrey Rosenberg
Senior Managing Director

FTI Consulting Canada, Inc.
TD South Tower, 79 Wellington Street West, Suite 2010, P.O. Box 104
Toronto, ON M5K1G8 Canada

GST/HST Registration Number: 835718024RT0001, QST Registration Number: 1230160542TQ0001 | fticonsulting.com



Invoice Remittance

**Trees Corporation
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9
Canada**

**Invoice No.
Job No.
Terms
Currency
Tax Registration:**

**February 20, 2024
102900000954
500000.9055
Due Upon Receipt
CAD**

RE: CCAA Monitor

Current Invoice Period: Charges posted through February 11, 2024

Amount Due Current Invoice \$33,588.12

Bank Information

Please indicate our invoice number with your remittance

Account Name:	FTI Consulting Canada Inc.	Bank Code:	002
Bank Name:	Bank of Nova Scotia	Account Number:	0861715
Bank Address:	Scotia Plaza, 44 King Street West Toronto, Ontario M5H 1H1 Canada	Swift/BIC Code:	NOSCCATT
		Transit Code:	47696
		Account Currency:	CAD

Please remit cheque payments to:	FTI Consulting Canada Inc. C/O T10073 P.O. Box 10073 Postal Station A Toronto, ON M5W 2B1 Canada
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Invoice Summary

Trees Corporation
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9
Canada

February 20, 2024
Invoice No. 102900000954
Job No. 50000.9055
Terms Due Upon Receipt
Currency CAD
Tax Registration:

RE: CCAA Monitor

Current Invoice Period: Charges posted through February 11, 2024

Name	Title	Rate	Hours	Total
Dean Mullett	Senior Managing Director	\$1,230.00	0.60	\$738.00
Jeffrey Rosenberg	Senior Managing Director	\$1,230.00	14.50	\$17,835.00
Jodi Porepa	Senior Managing Director	\$1,050.00	1.60	\$1,680.00
Carter Wood	Senior Consultant	\$590.00	16.00	\$9,440.00
Caitlin Moreland	Administrative Professional	\$155.00	0.20	\$31.00
Total Professional Services			32.90	\$29,724.00

Invoice Total	CAD Amount
	\$29,724.00
HST (13%)	\$3,864.12
Total Due	\$33,588.12



Invoice Detail

February 20, 2024
Invoice No. 10290000954
Job No. 500000.9055

Total Professional Services
Dean Mullett

02/05/2024	Reach out correspondence.	0.30	
02/09/2024	Feedback from reach outs.	0.30	
	\$1,230.00	per hour x total hrs	0.60 \$738.00

Jeffrey Rosenberg

02/05/2024	Work on SISP; attend various calls regarding the same.	3.00	
02/06/2024	Reviewing requests from Inspired Cannibus; discussions with interested parties; review of information requests from interested parties.	2.50	
02/07/2024	Work with prospective purchase including Northern Helm, Tokyo Smoke, Stifel, Inspired Cannabis and SVB; work on supplier issues; call with Company on various matters.	2.70	
02/08/2024	Review of correspondence regarding tolling agreement; review of operational issues; attend calls with prospective purchasers; review of disclaimers and information lists.	3.10	
02/09/2024	Calls with prospective purchasers; review of email from legal counsel; planning for phase 2 of sale process.	3.20	
	\$1,230.00	per hour x total hrs	14.50 \$17,835.00

Jodi Porepa

02/05/2024	Review variances; review proposed disbursements; internal status update and respond to enquiries.	0.50	
02/06/2024	Review variances; review proposed disbursements; internal status update and respond to enquiries.	0.50	
02/08/2024	Review variances; review proposed disbursements; internal status update and respond to enquiries.	0.60	
	\$1,050.00	per hour x total hrs	1.60 \$1,680.00

Carter Wood

FTI Consulting Canada, Inc.
TD South Tower, 79 Wellington Street West, Suite 2010, P.O. Box 104
Toronto, ON M5K1G8 Canada

GST/HST Registration Number: 835718024RT0001, QST Registration Number: 1230160542TQ0001 | fticonsulting.com



Invoice Detail

February 20, 2024
Invoice No. 10290000954
Job No. 500000.9055

02/05/2024	Reviewing and responding to emails related to Trees; organizing calls related to the SISP; responding and tracking hotline emails; reviewing NDAs and adding parties to the data room; discussion with potential bidder; internal discussion with Jodi P.	2.20		
02/06/2024	Reviewing and responding to emails related to Trees; reviewing variance analysis; discussion with Trees (Jodie R.); reviewing NDAs and adding parties to data room; SISP communication; internal discussions with Jeff R and Jodi P; reviewing and approving disbursements.	4.70		
02/07/2024	Reviewing and responding to emails related to Trees; discussions with utility company on discontinuation notices; reviewing NDAs; discussion with Trees (Jeff H); discussion with potential bidder; reviewing and approving disbursements.	4.60		
02/08/2024	Reviewing and responding to emails related to Trees; discussions with utility company relating to disconnection notices; responding to hotline and updating hotline log; SISP communication; reviewing and approving disbursements; discussion with potential bidder; discussion with Trees (Jodie R.).	3.20		
02/09/2024	Reviewing and responding to emails related to Trees; SISP communication; discussion with potential bidder; reviewing and approving disbursements.	1.30		
	\$590.00	per hour x total hrs	16.00	\$9,440.00

Caitlin Moreland

02/06/2024	Website update.	0.20		
	\$155.00	per hour x total hrs	0.20	\$31.00

Total Professional Services			CAD	\$29,724.00
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Corporate Finance

February 26, 2024

Trees Corporation
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9
Canada

RE: CCAA Monitor
Job No. 500000.9055
Invoice No. 102900000971

Enclosed is our invoice for professional services rendered in connection with the above referenced matter. This invoice covers professional fees through February 18, 2024.

Please do not hesitate to call me to discuss this invoice or any other matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jeffrey Rosenberg", written over a light blue horizontal line.

Jeffrey Rosenberg
Senior Managing Director

FTI Consulting Canada, Inc.
TD South Tower, 79 Wellington Street West, Suite 2010, P.O. Box 104
Toronto, ON M5K1G8 Canada

GST/HST Registration Number: 835718024RT0001, QST Registration Number: 1230160542TQ0001 | fticonsulting.com



Invoice Remittance

**Trees Corporation
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9
Canada**

**Invoice No.
Job No.
Terms
Currency
Tax Registration:**

**February 26, 2024
102900000971
500000.9055
Due Upon Receipt
CAD**

RE: CCAA Monitor

Current Invoice Period: Charges posted through February 18, 2024

Amount Due Current Invoice \$29,878.33

Bank Information

Please indicate our invoice number with your remittance

Account Name:	FTI Consulting Canada Inc.	Bank Code:	002
Bank Name:	Bank of Nova Scotia	Account Number:	0861715
Bank Address:	Scotia Plaza, 44 King Street West Toronto, Ontario M5H 1H1 Canada	Swift/BIC Code:	NOSCCATT
		Transit Code:	47696
		Account Currency:	CAD

Please remit cheque payments to:	FTI Consulting Canada Inc. C/O T10073 P.O. Box 10073 Postal Station A Toronto, ON M5W 2B1 Canada
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Invoice Summary

Trees Corporation
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9
Canada

February 26, 2024
Invoice No. 10290000971
Job No. 50000.9055
Terms Due Upon Receipt
Currency CAD
Tax Registration:

RE: CCAA Monitor

Current Invoice Period: Charges posted through February 18, 2024

Name	Title	Rate	Hours	Total
Dean Mullett	Senior Managing Director	\$1,230.00	0.30	\$369.00
Jeffrey Rosenberg	Senior Managing Director	\$1,230.00	11.90	\$14,637.00
Jodi Porepa	Senior Managing Director	\$1,050.00	1.90	\$1,995.00
Carter Wood	Senior Consultant	\$590.00	16.00	\$9,440.00
Total Professional Services			30.10	\$26,441.00

Invoice Total	CAD Amount
	\$26,441.00
HST (13%)	\$3,437.33
Total Due	\$29,878.33



Invoice Detail

February 26, 2024
Invoice No. 10290000971
Job No. 500000.9055

Total Professional Services
Dean Mullett

02/12/2024	Receive call from interested parties.	0.20	
02/14/2024	Receive call from interested parties.	0.10	
		\$1,230.00	per hour x total hrs
		0.30	\$369.00

Jeffrey Rosenberg

02/12/2024	Review of correspondence from prospective purchasers; work on CIM; review of employee matters.	1.70	
02/13/2024	Review of requests from potential purchasers; work on sale process matters.	1.40	
02/14/2024	Review of correspondence from various purchasers.	3.10	
02/15/2024	Work on due diligence matters for prospective purchasers; attend calls with prospective purchasers; attend calls with management; work on ASC matters.	2.80	
02/16/2024	Calls with prospective purchasers; call with company; work on various sale process matters.	2.90	
		\$1,230.00	per hour x total hrs
		11.90	\$14,637.00

Jodi Porepa

02/12/2024	Internal status update; review proposed disbursements; review variance analysis.	1.10	
02/18/2024	Review outstanding items and provide comments; review draft communication and provide comments; review updated variance analysis.	0.80	
		\$1,050.00	per hour x total hrs
		1.90	\$1,995.00

Carter Wood



Invoice Detail

February 26, 2024
Invoice No. 10290000971
Job No. 500000.9055

02/12/2024	Reviewing and responding to Trees emails; updating CIM; SISP communication; updating variance analysis template and reviewing cumulative cash flow variances; reviewing and approving disbursements.	3.10	
02/13/2024	Reviewing and responding to Trees emails; SISP communication; internal discussions with Jeff R and Jodi P; reviewing and approving disbursements.	2.30	
02/14/2024	Reviewing and responding to Trees emails; SISP communication; review professional fee variance analysis; review Trees cash flow variance analysis; review NDAs; review and approve disbursements.	4.10	
02/15/2024	Reviewing and responding to Trees emails; SISP communication; discussion with potential bidder and Trees management; reviewing and approving disbursements.	3.30	
02/16/2024	Reviewing and responding to Trees emails; SISP related communication; reviewing and redacting files to be provided to potential bidders; reviewing and approving disbursements.	2.90	
02/17/2024	Reviewing and responding to Trees emails; SISP communication.	0.30	
	\$590.00	per hour x total hrs	16.00
			\$9,440.00

Total Professional Services CAD \$26,441.00

FTI Consulting Canada, Inc.
 TD South Tower, 79 Wellington Street West, Suite 2010, P.O. Box 104
 Toronto, ON M5K1G8 Canada

GST/HST Registration Number: 835718024RT0001, QST Registration Number: 1230160542TQ0001 | fticonsulting.com



Corporate Finance

March 11, 2024

Trees Corporation
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9
Canada

RE: CCAA Monitor
Job No. 500000.9055
Invoice No. 102900001016

Enclosed is our invoice for professional services rendered in connection with the above referenced matter. This invoice covers professional fees through February 29, 2024.

Please do not hesitate to call me to discuss this invoice or any other matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jeffrey Rosenberg", written over a light blue horizontal line.

Jeffrey Rosenberg
Senior Managing Director

FTI Consulting Canada, Inc.
TD South Tower, 79 Wellington Street West, Suite 2010, P.O. Box 104
Toronto, ON M5K1G8 Canada

GST/HST Registration Number: 835718024RT0001, QST Registration Number: 1230160542TQ0001 | fticonsulting.com



Invoice Summary

Trees Corporation
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9
Canada

March 11, 2024
Invoice No. 102900001016
Job No. 50000.9055
Terms Due Upon Receipt
Currency CAD
Tax Registration:

RE: CCAA Monitor

Current Invoice Period: Charges posted through February 29, 2024

Name	Title	Rate	Hours	Total
Dean Mullett	Senior Managing Director	\$1,230.00	1.50	\$1,845.00
Jeffrey Rosenberg	Senior Managing Director	\$1,230.00	20.00	\$24,600.00
Carter Wood	Senior Consultant	\$590.00	25.30	\$14,927.00
Caitlin Moreland	Administrative Professional	\$155.00	0.30	\$46.50
Total Professional Services			47.10	\$41,418.50
Expenses				Total
Advertising				\$248.60
Delivery & Courier				\$12.23
Total Expenses				\$260.83
Invoice Total				CAD Amount
				\$41,679.33
HST (13%)				\$5,418.31
Total Due				\$47,097.64

FTI Consulting Canada, Inc.
TD South Tower, 79 Wellington Street West, Suite 2010, P.O. Box 104
Toronto, ON M5K1G8 Canada

GST/HST Registration Number: 835718024RT0001, QST Registration Number: 1230160542TQ0001 | fticonsulting.com



Invoice Detail

Invoice No. March 11, 2024
Job No. 102900001016
 500000.9055

Total Professional Services
Dean Mullett

02/20/2024	Interested party communications.	0.10		
02/21/2024	Interested party communications.	0.40		
02/23/2024	Call with interested party, preparation and debrief with Jeff Rosenberg.	0.50		
02/26/2024	Emails with interested parties regarding financial capability.	0.10		
02/27/2024	Various emails with Jeff Rosenberg regarding bidder financial wherewithal; emails with bidder regarding the same.	0.20		
02/29/2024	Correspondence with bidders.	0.20		
	\$1,230.00	per hour x total hrs	1.50	\$1,845.00

Jeffrey Rosenberg

02/20/2024	Attend update call with legal counsel.	0.40		
02/20/2024	Calls with prospective purchasers; review of files.	2.40		
02/21/2024	Calls with prospective purchasers; review of documents; meeting with staff.	2.10		
02/22/2024	Call with prospective purchasers; review of files; meeting with staff.	2.20		
02/23/2024	Calls with prospective purchasers; review of files; review of DIP draws; review of files; meeting with staff.	2.40		
02/26/2024	Responding to potential purchasers; review and sign disclaimer.	2.10		
02/27/2024	Attend call with Staking Horse bidder regarding tax issues; call with Faskens, call with TGF; call with management; meeting with staff.	3.20		
02/28/2024	Call with prospective purchasers; review of LOI.	2.10		
02/29/2024	Calls with potential purchasers; review of bids; attend various calls regarding the same.	3.10		
	\$1,230.00	per hour x total hrs	20.00	\$24,600.00

Carter Wood



Invoice Detail

Invoice No. March 11, 2024
Job No. 102900001016
 500000.9055

02/21/2024	Reviewing and responding to Trees related emails; internal discussions with Jeff Rosenberg; discussions with Jeff Holmgren on HST/GST related items; reviewing CRA assessments; reviewing variance analysis; reviewing and approving disbursements; SISP communication and reviewing NDAs.	3.80	
02/22/2024	Reviewing and responding to Trees related emails; preparing invoice summary; drafting language related to notices received by ASC; internal discussions with Jeff Rosenberg; discussions with potential bidder; reviewing NDAs received; reviewing and approving disbursements.	1.90	
02/23/2024	Reviewing and responding to Trees related emails; internal discussion with Jodi Porepa; discussion with Jodie Rubel; reviewing and approving disbursements.	2.20	
02/25/2024	SISP related communication.	0.30	
02/26/2024	Reviewing and responding to emails related to Trees; reviewing SISP related documents and responding to potential bidders; sending disclaimer notice; updating variance analysis and DIP roll forward; finalizing LOI template and other final documents for data room prior to phase 1 deadline; discussion with counsel of potential bidders; responding to creditor inquiries through the hotline; reviewing and approving disbursements.	5.20	
02/27/2024	Reviewing and responding to emails related to Trees; reviewing variance analysis; reviewing NDAs and updating counsel on new NDAs; internal discussions with Jeff Rosenberg. and Jodi Porepa; discussion with potential bidder; updating phase 2 request list; reviewing and approving daily disbursements.	3.50	
02/28/2024	Reviewing and responding to emails related to Trees; rafting language to be updated on case website; updating lease summary based on discussions with Trees; SISP related communication; reviewing and approving daily disbursements; discussion with CRA; reviewing phase 1 bid submissions.	4.60	
02/29/2024	Reviewing and responding to emails related to Trees; SISP communication; reviewing Phase 1 Bids received; reviewing and approving disbursements.	3.80	
	\$590.00	per hour x total hrs	25.30
			\$14,927.00

Caitlin Moreland

02/28/2024	Website update.	0.30	
	\$155.00	per hour x total hrs	0.30
			\$46.50

FTI Consulting Canada, Inc.
 TD South Tower, 79 Wellington Street West, Suite 2010, P.O. Box 104
 Toronto, ON M5K1G8 Canada

GST/HST Registration Number: 835718024RT0001, QST Registration Number: 1230160542TQ0001 | fticonsulting.com



Corporate Finance

March 18, 2024

Trees Corporation
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9
Canada

RE: CCAA Monitor
Job No. 500000.9055
Invoice No. 102900001035

Enclosed is our invoice for professional services rendered in connection with the above referenced matter. This invoice covers professional fees through March 10, 2024.

Please do not hesitate to call me to discuss this invoice or any other matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jeffrey Rosenberg", written over a light blue horizontal line.

Jeffrey Rosenberg
Senior Managing Director

FTI Consulting Canada, Inc.
TD South Tower, 79 Wellington Street West, Suite 2010, P.O. Box 104
Toronto, ON M5K1G8 Canada

GST/HST Registration Number: 835718024RT0001, QST Registration Number: 1230160542TQ0001 | fticonsulting.com



Invoice Summary

Trees Corporation
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9
Canada

Invoice No. March 18, 2024
Job No. 102900001035
Terms 50000.9055
Currency Due Upon Receipt
Tax Registration: CAD

RE: CCAA Monitor

Current Invoice Period: Charges posted through March 10, 2024

Name	Title	Rate	Hours	Total
Dean Mullett	Senior Managing Director	\$1,230.00	1.10	\$1,353.00
Jeffrey Rosenberg	Senior Managing Director	\$1,230.00	16.60	\$20,418.00
Jodi Porepa	Senior Managing Director	\$1,050.00	7.50	\$7,875.00
Richard Kim	Managing Director	\$1,000.00	2.00	\$2,000.00
Carter Wood	Senior Consultant	\$590.00	22.80	\$13,452.00
Total Professional Services			50.00	\$45,098.00

Invoice Total	CAD Amount
	\$45,098.00
HST (13%)	\$5,862.74
Total Due	\$50,960.74

FTI Consulting Canada, Inc.
TD South Tower, 79 Wellington Street West, Suite 2010, P.O. Box 104
Toronto, ON M5K1G8 Canada

GST/HST Registration Number: 835718024RT0001, QST Registration Number: 1230160542TQ0001 | fticonsulting.com



Invoice Detail

Invoice No. March 18, 2024
Job No. 102900001035
 500000.9055

Total Professional Services
Dean Mullett

03/06/2024	Status update with Jodi Porepa; planning with Richard Kim regarding Phase 2 bids.	0.20	
03/07/2024	Discussion with Jeff Rosenberg regarding bid status; call with Jodi Porepa regarding bidders and process to manage.	0.40	
03/08/2024	Site visit and purchase agree strategy with Richard Kim; review VDR phase 2 cover email; discuss with Richard Kim regarding revised stalking horse agreement.	0.30	
03/09/2024	Emails with TGF regarding stalking horse SPA.	0.20	
	\$1,230.00	per hour x total hrs	1.10
			\$1,353.00

Jeffrey Rosenberg

03/01/2024	Review of bids; work on sales matters; correspondence to and from legal counsel; call with the union.	3.30	
03/04/2024	Review bid summary; attend update call with company regarding the same; review of notice from US agent; review of operational matters; attend call with High tide; review of correspondence with FIKA.	3.10	
03/05/2024	Work on phase 2 data request room lists materials; review of security matters.	1.70	
03/06/2024	Review various pieces of correspondence; attend update calls; review of security matters; review letters to offers; review of agreements; review of employee issues.	2.60	
03/07/2024	Call with TGF regarding security; review of various pieces of correspondence.	1.40	
03/08/2024	Work on data room matters; review of revised agreement.	1.90	
03/10/2024	Review of revised bid agreement; review or correspondence; changes to revised bid agreement; preparation schedules; call with staking horse bidder.	2.60	
	\$1,230.00	per hour x total hrs	16.60
			\$20,418.00

Jodi Porepa



Invoice Detail

Invoice No.
Job No.

March 18, 2024
102900001035
500000.9055

03/05/2024	Internal discussion on Trees SISP; discussion on CCAA issues; determine next steps for SISP.	1.40	
03/06/2024	Review bid summary; review bid communication; reach out to bidders; discussions with counsel in respect of same; call with counsel to discuss security review.	2.00	
03/07/2024	Review update list of diligence for Phase II; call with bidder to discuss next steps; internal discussion regarding SISP and next steps; respond to third party emails; review union communication; review RVO; review draft administration charge.	2.40	
03/08/2024	Review confidential information memorandum (CIM) and provide comments; review and finalize data room; review RVO and provide comments.	1.70	
\$1,050.00		per hour x total hrs	7.50
			\$7,875.00

Richard Kim

03/07/2024	Review of SISP materials and calls on the same.	0.80	
03/08/2024	Review of SISP materials and calls on the same.	1.00	
03/10/2024	Review of SISP materials and calls on the same.	0.20	
\$1,000.00		per hour x total hrs	2.00
			\$2,000.00

Carter Wood

03/01/2024	Reviewing and responding to emails related to Trees; reviewing and approving disbursements; discussion with potential bidder; discussion with lawyers and Trees related to union discussions.	2.00	
03/03/2024	Updating summary of Phase 1 bids.	1.00	
03/04/2024	Reviewing Phase 1 bids with counsel; preparing files for phase 2 data room; reviewing variance analysis; discussion with potential bidder; reviewing and approving daily disbursements.	3.40	
03/05/2024	Updating variance analysis based on discussions with Jodie R.; internal discussion with Jodi Porepa; preparing files and data room for Phase 2; reviewing and approving daily disbursements.	3.90	
03/06/2024	Preparing administrative charge estimate; internal discussion with Jodi Porepa; reviewing and responding to emails related to Trees; call with counsel to discuss file matters; discussions with potential bidder; reviewing and approving disbursements.	3.60	

FTI Consulting Canada, Inc.
TD South Tower, 79 Wellington Street West, Suite 2010, P.O. Box 104
Toronto, ON M5K1G8 Canada

GST/HST Registration Number: 835718024RT0001, QST Registration Number: 1230160542TQ0001 | fticonsulting.com



Corporate Finance

March 22, 2024

Trees Corporation
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9
Canada

RE: CCAA Monitor
Job No. 500000.9055
Invoice No. 102900001052

Enclosed is our invoice for professional services rendered in connection with the above referenced matter. This invoice covers professional fees through March 17, 2024.

Please do not hesitate to call me to discuss this invoice or any other matter.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Jeffrey Rosenberg', written over a light blue horizontal line.

Jeffrey Rosenberg
Senior Managing Director

FTI Consulting Canada, Inc.
TD South Tower, 79 Wellington Street West, Suite 2010, P.O. Box 104
Toronto, ON M5K1G8 Canada

GST/HST Registration Number: 835718024RT0001, QST Registration Number: 1230160542TQ0001 | fticonsulting.com



Invoice Summary

Trees Corporation
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9
Canada

Invoice No. **March 22, 2024**
Job No. **102900001052**
Terms **50000.9055**
Currency **Due Upon Receipt**
Tax Registration: **CAD**

RE: CCAA Monitor

Current Invoice Period: Charges posted through March 17, 2024

Name	Title	Rate	Hours	Total
Dean Mullett	Senior Managing Director	\$1,230.00	1.30	\$1,599.00
Jeffrey Rosenberg	Senior Managing Director	\$1,230.00	11.90	\$14,637.00
Jodi Porepa	Senior Managing Director	\$1,050.00	2.10	\$2,205.00
Richard Kim	Managing Director	\$1,000.00	1.80	\$1,800.00
Carter Wood	Senior Consultant	\$590.00	25.40	\$14,986.00
Caitlin Moreland	Administrative Professional	\$155.00	0.30	\$46.50
Total Professional Services			42.80	\$35,273.50

Invoice Total	CAD Amount
	\$35,273.50
HST (13%)	\$4,585.56
Total Due	\$39,859.06



Invoice Detail

Invoice No. March 22, 2024
Job No. 102900001052
 500000.9055

Total Professional Services
Dean Mullett

03/11/2024	Call with Jeff Rosenberg regarding store tours; discuss with Richard Kim regarding the same.	0.30	
03/12/2024	Call with Jeff Rosenberg regarding bidders.	0.20	
03/14/2024	Call with Jeff Rosenberg regarding expected bids.	0.20	
03/15/2024	Discuss bids and next steps with Richard Kim.	0.50	
03/16/2024	Emails with bidders.	0.10	
	\$1,230.00	per hour x total hrs	1.30
			\$1,599.00

Jeffrey Rosenberg

03/11/2024	Review of revised agreement; review of financial schedules; attend call with FIKA.	1.50	
03/12/2024	Work on queries from prospective purchasers.	1.00	
03/13/2024	Work on sales process; review of documents.	1.70	
03/14/2024	Review of Admin Expense schedules; calls with Fasken; call with TGF; call with management; calls with prospective purchasers.	2.50	
03/15/2024	Review offers with respect to Bid deadline.	2.10	
03/16/2024	Continue review and work on offers.	1.10	
03/17/2024	Attend update call; review of letters to prospective purchasers.	2.00	
	\$1,230.00	per hour x total hrs	11.90
			\$14,637.00

Jodi Porepa

03/12/2024	Review Administrative Expense estimates; review and provide comments on tax summary for SISF; update on sales process.	1.20	
03/15/2024	Internal call to discuss variance analysis; review proposed DIP draw; discussions regarding vendor enquiries; discussions regarding wind down of stores.	0.90	
	\$1,050.00	per hour x total hrs	2.10
			\$2,205.00

Richard Kim

FTI Consulting Canada, Inc.
 TD South Tower, 79 Wellington Street West, Suite 2010, P.O. Box 104
 Toronto, ON M5K1G8 Canada

GST/HST Registration Number: 835718024RT0001, QST Registration Number: 1230160542TQ0001 | fticonsulting.com



Invoice Detail

Invoice No. March 22, 2024
Job No. 102900001052
 500000.9055

03/11/2024	Work on bidder matters.	0.80	
03/14/2024	Work on bidder matters.	0.20	
03/15/2024	Work on bidder matters.	0.80	
	\$1,000.00	per hour x total hrs	1.80
			\$1,800.00

Carter Wood

03/11/2024	Reviewing and responding to Trees related emails; SISIP related communication; discussion with potential bidder; updating professional fee summary; providing diligence details to potential bidders; reviewing and approving daily disbursements.	3.80	
03/12/2024	Reviewing and responding to Trees related emails; administrative expense analysis; responding to diligence requests from potential bidders; reviewing variance analysis; reviewing and approving daily disbursements.	2.40	
03/13/2024	Reviewing and responding to emails; reviewing variance analysis; responding to hotline inquiries; updating administrative expense estimate; reviewing cash flows; adding items to data room based on due diligence requests; discussions with Jeff R and Counsel on administrative expense estimate; reviewing and approving daily disbursements.	5.80	
03/14/2024	Reviewing and responding to Trees related emails; updating administrative expense analysis based on comments; responding to potential bidders diligence requests; reviewing and approving daily disbursements; discussion with potential bidders on Phase 2 requirements; discussion with Jeff H. and Jeff R.; reviewing DIP term sheet to confirm advance requirements.	5.40	
03/15/2024	Reviewing and responding to Trees related emails; internal discussion with Jodi P.; internal discussions with Jeff R. regarding Phase 2 Bids; reviewing cash flows for DIP advance approval; reviewing Phase 2 Bids received; reviewing and approving daily disbursements.	4.50	
03/16/2024	Reviewing Phase 2 Bids received and email correspondence with counsel regarding the same.	1.50	
03/17/2024	Reviewing and responding to Trees related emails; discussion on Phase 2 Bids received with Torys and TGF; analysis of purchase price allocation.	2.00	
	\$590.00	per hour x total hrs	25.40
			\$14,986.00

FTI Consulting Canada, Inc.
 TD South Tower, 79 Wellington Street West, Suite 2010, P.O. Box 104
 Toronto, ON M5K1G8 Canada

GST/HST Registration Number: 835718024RT0001, QST Registration Number: 1230160542TQ0001 | fticonsulting.com



Invoice Detail

Invoice No. March 22, 2024
Job No. 102900001052
500000.9055

Caitlin Moreland

03/13/2024	Website update.		0.30	
		\$155.00	per hour x total hrs	0.30
				\$46.50

Total Professional Services			CAD	\$35,273.50
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Corporate Finance

March 25, 2024

Trees Corporation
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9
Canada

RE: CCAA Monitor
Job No. 500000.9055
Invoice No. 102900001055

Enclosed is our invoice for professional services rendered in connection with the above referenced matter. This invoice covers professional fees through March 24, 2024.

Please do not hesitate to call me to discuss this invoice or any other matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jeffrey Rosenberg", written over a light blue horizontal line.

Jeffrey Rosenberg
Senior Managing Director

FTI Consulting Canada, Inc.
TD South Tower, 79 Wellington Street West, Suite 2010, P.O. Box 104
Toronto, ON M5K1G8 Canada

GST/HST Registration Number: 835718024RT0001, QST Registration Number: 1230160542TQ0001 | fticonsulting.com



Invoice Summary

Trees Corporation
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9
Canada

March 25, 2024
Invoice No. 102900001055
Job No. 500000.9055
Terms Due Upon Receipt
Currency CAD
Tax Registration:

RE: CCAA Monitor

Current Invoice Period: Charges posted through March 24, 2024

Name	Title	Rate	Hours	Total
Dean Mullett	Senior Managing Director	\$1,230.00	0.30	\$369.00
Jeffrey Rosenberg	Senior Managing Director	\$1,230.00	18.10	\$22,263.00
Richard Kim	Managing Director	\$1,000.00	4.10	\$4,100.00
Carter Wood	Senior Consultant	\$590.00	22.50	\$13,275.00
Total Professional Services			45.00	\$40,007.00

Invoice Total	CAD Amount
	\$40,007.00
HST (13%)	\$5,200.91
Total Due	\$45,207.91



Invoice Detail

Invoice No. March 25, 2024
Job No. 102900001055
 500000.9055

Total Professional Services
Dean Mullett

03/20/2024	Bid and auction status update with Richard Kim.	0.30		
	\$1,230.00	per hour x total hrs	0.30	\$369.00

Jeffrey Rosenberg

03/18/2024	Attend call with legal counsel; attend several call with prospective purchasers; review correspondence from secured creditors; return of deposit; work on assignment matters.	3.10		
03/19/2024	Attend call with purchaser; attend call with Torys; attend calls with prospective purchasers; attend call with legal counsel.	2.90		
03/20/2024	Correspondence with legal counsel; work on revised bid; attend several calls regarding the same; attend calls regarding the auction.	3.10		
03/21/2024	Work on closing matters; work on sales matters.	2.30		
03/22/2024	Work on closing document matters; review of changes to Approval and Reverse Vesting Order; review of PPSA searches; correspondence to secured creditor.	3.20		
03/23/2024	Review of Olser comments on supplemental recognition order (0.5); review of updated stalking horse bid; review of Stay Extension and Termination Order; work on Admin estimate; review of cash flows.	2.70		
03/24/2024	Work on interest calculation analysis.	0.80		
	\$1,230.00	per hour x total hrs	18.10	\$22,263.00

Richard Kim

03/18/2024	Work on SISP including attend various update calls.	0.50		
03/19/2024	Work on SISP including attend various update calls.	1.10		
03/20/2024	Work on SISP including attend various update calls.	2.20		
03/21/2024	Work on SISP including attend various update calls.	0.30		
	\$1,000.00	per hour x total hrs	4.10	\$4,100.00

FTI Consulting Canada, Inc.
 TD South Tower, 79 Wellington Street West, Suite 2010, P.O. Box 104
 Toronto, ON M5K1G8 Canada

GST/HST Registration Number: 835718024RT0001, QST Registration Number: 1230160542TQ0001 | fticonsulting.com



Invoice Detail

Invoice No. March 25, 2024
Job No. 102900001055
 500000.9055

Carter Wood

03/18/2024	Reviewing and responding to emails related to Trees; Internal discussions with Jeff Rosenberg on steps forward and work to be completed; discussions with bidders; reviewing variance analysis; discussions with utility companies regarding closed stores; discussion with Trees; preparing refunds of phase 1 deposits; reviewing and approving daily disbursements.	3.00	
03/19/2024	Reviewing and responding to emails related to Trees; discussion with bidder on items to fix within bid; reviewing updated bids submitted; reviewing and approving daily disbursements; responding to hotline inquiries; discussion with counsel on updated bids.	4.00	
03/20/2024	Reviewing and responding to emails related to Trees; reviewing updated bids submitted; preparing for auction; discussion with counsel regarding updated bids and auction; discussion with utility companies regarding disconnection notices; review and approval of daily disbursements.	5.70	
03/21/2024	Reviewing and responding to emails related to Trees; internal discussion with Jeff Rosenberg on steps moving forward and reviewing work product; discussion with counsel on next steps after successful bidder was chosen; updating cash flow forecast; reviewing and approving daily disbursements.	2.10	
03/22/2024	Reviewing and responding to Trees related emails; reviewing cash flow forecast; updating administrative expense estimate; reviewing professional fees; internal discussion with Jeff Rosenberg on path forward; discussions with Trees related to cash flow forecast; reviewing and approving daily disbursements.	2.50	
03/23/2024	Reviewing and responding to Trees related emails; reviewing credit bid consideration calculations; analyzing administrative expense estimate; updating cash flow forecast.	4.00	
03/24/2024	Updating monitor report; reviewing work with Jeff Rosenberg.	1.20	
	\$590.00	per hour x total hrs	22.50
			\$13,275.00

Total Professional Services CAD \$40,007.00

THIS IS **EXHIBIT “B”** REFERRED TO
IN THE AFFIDAVIT OF JEFFREY ROSENBERG,
SWORN REMOTELY BY JEFFREY ROSENBERG
BEFORE ME *BY VIDEO CONFERENCE*, THIS 27TH
DAY OF MARCH, 2024.



DAVID BISH
Commissioner for Taking Affidavits

Invoice No.	Date	Period Covered	Fees (\$)	Expenses (\$)	HST (\$)	Total (\$)	Hours Billed
102900000860	1/10/2024	1/3/2024 - 1/7/2024	43,255.50	-	5,623.22	48,878.72	54.30
102900000876	1/23/2024	1/8/2024 - 1/14/2024	41,184.00	-	5,353.92	46,537.92	56.20
102900000883	1/29/2024	1/15/2024 - 1/21/2024	34,904.00	-	4,537.52	39,441.52	47.00
102900000895	1/31/2024	1/22/2024 - 1/28/2024	37,084.50	-	4,820.99	41,905.49	47.70
102900000941	2/8/2024	1/29/2024 - 2/4/2024	37,301.50	5,628.68	5,580.92	48,511.10	46.90
102900000954	2/20/2024	2/5/2024 - 2/9/2024	29,724.00	-	3,864.12	33,588.12	32.90
102900000971	2/26/2024	2/12/2024 - 2/18/2024	26,441.00	-	3,437.33	29,878.33	30.10
102900001016	3/11/2024	2/20/2024 - 2/29/2024	41,418.50	260.83	5,418.31	47,097.64	47.10
102900001035	3/18/2024	3/1/2024 - 3/10/2024	45,098.00	-	5,862.74	50,960.74	50.00
102900001052	3/22/2024	3/11/2024 - 3/17/2024	35,273.50	-	4,585.56	39,859.06	42.80
102900001055	3/25/2024	3/18/2024 - 3/24/2024	40,007.00	-	5,200.91	45,207.91	45.00
Total			411,691.50	5,889.51	54,285.54	471,866.55	500.00

THIS IS EXHIBIT "C" REFERRED
TO IN THE AFFIDAVIT OF JEFFREY ROSENBERG,
SWORN REMOTELY BY JEFFREY ROSENBERG
BEFORE ME *BY VIDEO CONFERENCE*, THIS 27TH
DAY OF MARCH, 2024.



DAVID BISH

Commissioner for Taking Affidavits

Title	Professional	Rate (\$)	Fees Billed (\$)	Hours Worked
Senior Managing Director	Jeffrey Rosenberg	1,230.00	178,473.00	145.10
Senior Managing Director	Jodi Porepa	1,050.00	40,110.00	38.20
Senior Managing Director	Dean Mullett	1,230.00	9,963.00	8.10
Managing Director	Richard Kim	1,000.00	7,900.00	7.90
Senior Consultant	William Reid	690.00	4,554.00	6.60
Senior Consultant	Carter Wood	590.00	169,684.00	287.60
Administrative Professional	Caitlin Moreland	155.00	1,007.50	6.50
Totals			411,691.50	500.00

Appendix D

Affidavit of David Bish dated March 26, 2024



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 TREES CORPORATION, ONTARIO
CANNABIS HOLDINGS CORP., MIRACULO INC., 2707461
ONTARIO LTD., OCH ONTARIO CONSULTING CORP.,
and 11819496 CANADA INC.

Applicants

AFFIDAVIT OF DAVID BISH
(SWORN MARCH 26, 2024)

I, David Bish, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY that:

1. I am a partner of Torys LLP (“**Torys**”), lawyers for FTI Consulting Canada Inc. (“**FTI**”), in its capacity as the court-appointed monitor (in such capacity, the “**Monitor**”) of Trees Corporation, Ontario Cannabis Holdings Corp., Miraculo Inc., 2707461 Ontario Ltd., OCH Ontario Consulting Corp., and 11819496 Canada Inc. (collectively, the “**Applicants**”). As such, I have knowledge of the matters to which I hereinafter depose.

2. This affidavit is sworn in support of the Applicants’ motion for, among other things, an order approving the fees and disbursements of Torys, as lawyers for the Monitor.

3. I confirm that the accounts attached hereto as **Exhibit “A”** are true copies of the accounts of Torys (the “**Accounts**”) from and after January 3, 2024, through to and including March 24,

2024, (the “**Fee Period**”) and affirm that the Accounts accurately reflect the services provided by Torys to the Monitor in this matter during the Fee Period and the fees and disbursements claimed by it. I also affirm that the time summaries attached to the Accounts relate to the Accounts and were generated by Torys.

4. A summary of Torys’ fees and disbursements (inclusive of HST) during the Fee Period is attached hereto as **Exhibit “B”**. Torys’ Accounts for which approval is being sought in respect of its services to the Monitor are in the total amount of \$239,582.90, inclusive of disbursements and taxes.

5. Attached hereto as **Exhibit “C”** is a summary of additional information with respect to all members of Torys who have worked on this matter during the Fee Period, their title, their year of call (if applicable) and their rates. I confirm that this schedule contains an accurate account of such information.

6. The estimated fees and disbursements of Torys for the period from and including March 25, 2024, through to the date of the termination of these CCAA proceedings are not expected to exceed \$25,000 (exclusive of HST) in the aggregate.

7. The legal costs and expenses incurred in respect of Torys’ representation of the Monitor in this matter as set out in the Accounts were properly incurred and are fair and reasonable considering the circumstances of these proceedings.

AFFIRMED by David Bish at the City of Toronto, in the Province of Ontario, before me on March 26, 2024, in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits
(or as may be)

SCOTT BOMHOF
(LSO#37006F)



DAVID BISH

THIS IS **EXHIBIT “A”** REFERRED TO
IN THE AFFIDAVIT OF DAVID BISH,
AFFIRMED REMOTELY BY DAVID BISH
BEFORE ME *BY VIDEO CONFERENCE*, THIS 26TH
DAY OF MARCH 2024.



SCOTT BOMHOF
Commissioner for Taking Affidavits

Exhibit "A"

Torys Accounts



79 Wellington St. W., 30th Floor
Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada
P. 416.865.0040 | F. 416.865.7380
www.torys.com
GST / HST Registration R119420685

February 13, 2024

Invoice: 1632595
Matter: 39586-2008

FTI Consulting Canada Inc.
79 Wellington Street West, Suite 2010
Toronto, ON M5K 1G8

Attention: Jeffrey Rosenberg
Email: jeffrey.rosenberg@fticonsulting.com

Re: CCAA Proceedings of Trees Corporation et al.

For professional services rendered for the period ending January 31, 2024, as described on the attached schedule.

Fee		\$103,784.50
Disbursements Subject to Ontario - HST		
OnCorp - Services (Taxable)		337.30
Disbursements Not Subject to Tax		
OnCorp - Services (Non-Taxable)	\$52.50	52.50
Ontario - HST		<u>13,535.83</u>
Total Payable in Canadian Funds		<u>\$117,710.13</u>

Re: CCAA Proceedings of Trees Corporation et al.

Matter: 39586-2008

Invoice: 1632595

Time Summary

Date	Lawyer	Narrative	Hours
03/01/24	David B. Bish	Emails with TGF team and FTI team re: settling final form of ARIO following comeback hearing, next steps following granting of ARIO / preparations to seek approval of SISP and prospective stalking horse bid; email with judge re: final form of ARIO; emails with M. Noel / TGF team re: Tweed security review;	0.6
03/01/24	Mike Noel	Coordinating security opinion for the Tweed loan and security documents;	0.3
04/01/24	David B. Bish	Emails with TGF team and FTI team re: securities relief / service of Alberta Securities Commission and establishing creditor communications / website / hotline;	0.2
04/01/24	Jaidyn S. McEwen	Reviewing the Ontario search results for OCH Ontario Consulting Corp. and Ontario Cannabis Holdings Corp., and drafting Schedule B to the Security Opinion based on these results;	1.8
05/01/24	David B. Bish	Emails with M. Noel / T. Henderson and with Fasken / TGF re: Tweed security review; email from D. Harland re: draft stalking horse share purchase agreement;	0.4
05/01/24	Mike Noel	Reviewing Tweed security package and preparing security opinion in respect of same; emails with TGF and Fasken to request documents for same;	3.2
06/01/24	David B. Bish	Email from D. Harland re: draft SISP and SISP approval order; review and comment on draft stalking horse share purchase agreement and emails with J. Rosenberg / J. Porepa / M. Noel re: same; emails with M. Noel re: review / comments on draft SISP and SISP approval order;	2.2
07/01/24	Mike Noel	Reviewing draft SISP and SISP Order from the company; emails with the Monitor re same; drafting security opinion in respect of the Tweed security package;	2.9
07/01/24	David B. Bish	Emails with M. Noel / FTI team re: comments on draft SISP / SISP approval order and draft stalking horse share purchase agreement;	1.4
08/01/24	Mike Noel	Preparing for and attending call with FTI to discuss issues and comments with the draft SISP, SISP Order and SPA that were provided by the debtors' counsel; incorporating comments from	6.4

Re: CCAA Proceedings of Trees Corporation et al.

Matter: 39586-2008

Invoice: 1632595

Time Summary

Date	Lawyer	Narrative	Hours
		that discussion into same; drafting and sending emails to the debtors' counsel to provide those comments; drafting a security opinion in respect of the Tweed security package and assignment of same to the DIP Lender; reviewing lending and security documents in furtherance of same; emails with the debtors' and the DIP Lender's counsel re same; emails with D. Bish, T. Henderson and J. MacEwen re same; coordinating PPSA searches for same;	
08/01/24	Tyrel Henderson	Updating security opinion;	0.7
08/01/24	David B. Bish	Emails and video conference with M. Noel / FTI team re: comments on draft SISP / SISP approval order and draft stalking horse share purchase agreement and emails with TGF team passing on comments; emails with D. Harland et al. re: status of preparations for next court hearing / materials; emails from court office and with service list re: issued Endorsement re: amended and restated initial order, and review same; emails with M. Noel / T. Henderson re: security review / correcting deficiencies noted;	2.4
08/01/24	Jaidyn S. McEwen	Ordering new Ontario, Alberta, and British Columbia PPSA searches for Trees Corporation, Ontario Cannabis Holdings Corp., and OCH Ontario Consulting Corp., reviewing the new results and comparing against the old results, amending Schedule B to reflect the latest results in both the Ontario and Alberta Security Opinions;	1.9
09/01/24	David B. Bish	Emails with J. Rosenberg / J. Porepa / M. Noel re: Monitor's First Report / drafting same; email from D. Harland re: revised SISP Order / SISP and review same and emails with FTI team / M. Noel re: further comments; emails with M. Noel re: Tweed security review; email from D. Harland re: amended form of ARIO, and review same and discuss with FTI team / M. Noel; emails / call with R. Thornton and emails with D. Harland re: fee approvals at next court hearing; emails with M. Noel / TGF team re: status of litigation against Trees entities; emails with D. Richer et al. re:	1.8

Re: CCAA Proceedings of Trees Corporation et al.

Matter: 39586-2008

Invoice: 1632595

Time Summary

Date	Lawyer	Narrative	Hours
09/01/24	Mike Noel	security reviews / rectification agreements / open items; call with J. Rosenberg re: status; Emails with D. Bish re preparation of the monitor's first report; preparing a first draft of same; emails with the Applicants' counsel and the DIP Lender's counsel re open issues with Torys' review of the Tweed security; revising draft of same;	1.2
09/01/24	Tyrel Henderson	Updating security opinion; reviewing correspondence;	1.3
10/01/24	David B. Bish	Emails with R. Chakrabarti / M. Noel re: litigation claims status; emails with N. Levine / D. Richer / M. Noel et al. re: security reviews / open items; emails with M. Noel re: Monitor's first report;	0.6
10/01/24	Mike Noel	Drafting the first report of the monitor in support of the SISP and stalking horse approval motion; emails with counsel to Tweed re Torys' review of the DIP Lender's security documents; emails with D. Bish re same;	6.4
11/01/24	David B. Bish	Review and comment on Monitor's draft First Report and emails with M. Noel re: same; review and comment on draft fee affidavit, and emails with M. Noel re: same; emails with M. Noel / J. Porepa / J. Rosenbeg / N. Levine re: security review;	1.6
11/01/24	Mike Noel	Drafting Torys fee affidavit re approval of the Former Monitor's fees and Torys fees incurred in its representation of the Former Monitor; emails with D. Bish re same; coordinating the preparation of account summaries for the schedules of same; emails with J. Rosenberg and J. Porepa to discuss proposal from N. Levine re confidentiality agreement; emails with N. Levine re same;	3.8
12/01/24	Mike Noel	Reviewing loan and security documents provided by Fasken in furtherance of security opinion; emails with Fasken re same; emails with D. Bish and T. Henderson re same; preparing for and attending call with J. Rosenberg, J. Porepa and D. Bish to discuss;	1.6
12/01/24	David B. Bish	Status video-conference with J. Rosenberg / J. Porepa / M. Noel and further emails with same	1.4

Re: CCAA Proceedings of Trees Corporation et al.

Matter: 39586-2008

Invoice: 1632595

Time Summary

Date	Lawyer	Narrative	Hours
		and with TGF team re: draft Monitor's First Report, fee affidavit and status of court hearing / SISP / stalking horse share purchase agreement; emails with M. Noel / T. Henderson / D. Richer re: finalizing draft security opinions / remaining open items; email from R. Chakrabarti re: revised stalking horse share purchase agreement, and emails with M. Noel re: same; emails with A. Morrison / R. Thornton re: passing accounts;	
12/01/24	Tyrel Henderson	Emails with M. Noel re: security opinions;	0.1
13/01/24	Mike Noel	Reviewing latest draft of Stalking Horse Agreement received from TGF and preparing a list of comments and issues in same; emails with D. Bish, J. Rosenberg and J. Porepa re same;	2.0
13/01/24	David B. Bish	Emails with M. Noel re: comments on revised draft stalking horse share purchase agreement, and provide same to J. Rosenberg / J. Porepa;	0.4
14/01/24	David B. Bish	Emails with J. Rosenberg / J. Porepa / M. Noel re: comments on revised share purchase agreement (stalking horse);	0.3
14/01/24	Mike Noel	Revising language in security opinion re Tweed security;	0.2
15/01/24	Mike Noel	Coordinating schedules for the Torys fee affidavit; preparing for and attending call with J. Rosenberg and D. Bish to discuss draft SPA; preparing email for TGF with comments on same;	3.0
15/01/24	Tyrel Henderson	Updating Alberta security opinion;	0.4
15/01/24	David B. Bish	Emails / video conference with J. Rosenberg / J. Porepa / M. Noel re: preparation for next motion / status of draft motion materials, SISP and stalking horse agreement / updating cash flow forecast / consideration of DIP amendments / Monitor's Report; emails with TGF / Torys / FTI re: scheduling next court hearing (SISP approval motion); review and comment on revised stalking horse agreement and emails with all parties re: same;	2.4
17/01/24	Mike Noel	Reviewing draft of stalking horse SPA from TGF; emails with FTI re same; emails with Fasken re PPSA searches; emails with T. Henderson re same;	1.3

Re: CCAA Proceedings of Trees Corporation et al.

Matter: 39586-2008

Invoice: 1632595

Time Summary

Date	Lawyer	Narrative	Hours
17/01/24	Tyrel Henderson	Reviewing PPSA searches; emails with M. Noel re: security opinions;	0.2
17/01/24	David B. Bish	Emails with M. Noel / FTI / Fasken / TGF re: security assignments and updated PPSA registrations for security opinions; review and comment on revised share purchase stalking horse agreement and emails with all parties re: same; emails with M. Grossell et al. re: fee affidavits for passing of accounts; ;	1.1
18/01/24	Mike Noel	Reviewing revised draft of the SISP from TGF; preparing a summary of issues in same for J. Rosenberg and J. Porepa; reviewing draft of the Trees group's affidavit in support of the SISP motion; preparing summary of same for J. Rosenberg and J. Porepa; revising draft of the Monitor's First Report to conform to wording of Trees affidavit; finalizing Torys fee affidavit and swearing same; emails with Ernst & Young Inc. team re same; coordinating activities required to finalize motion materials and First Report for service;	6.3
18/01/24	Tyrel Henderson	Emails with M. Noel and J. McEwen re: security opinions;	0.2
18/01/24	David B. Bish	Video conference / emails with J. Rosenberg / J. Porepa / M. Noel re: advancing DIP, stalking horse share purchase agreement, SISP, updated cash flow projections, and Monitor's Report; finalize and swear fee affidavit for passing of accounts; review revised SISP and emails with all parties re: same; emails with TGF / FTI / Torys re: increased DIP and further amendments to the DIP; review draft company affidavit in support of SISP / stalking horse and emails with all parties re: same, and emails with M. Noel / FTI re: conforming Monitor's Report to affidavit and comments on the draft affidavit; video conference with FTI / TGF re: increasing DIP and amending terms and updated cash flow forecasts; emails with Torys / Faskens re: confirmation of PPSA amendments for assigned security (for security opinions); emails with M. Noel / T. Henderson re: finalizing security opinions; emails with M. Noel /	3.8

Re: CCAA Proceedings of Trees Corporation et al.

Matter: 39586-2008

Invoice: 1632595

Time Summary

Date	Lawyer	Narrative	Hours
18/01/24	Jaidyn S. McEwen	J. Rosenberg / J. Porepa / C. Wood re: updated draft of Monitor's Report; Reviewing the January 15 Ontario, British Columbia and Alberta PPSA results and updating Schedule B of the Security Opinion to reflect the amendments;	2.0
19/01/24	Mike Noel	Emails with TGF to discuss stay extension relief; emails with Ernst & Young Inc. team re fee affidavit; emails with Fasken (DIP Lender's counsel) re PPSA searches; reviewing same for purposes of finalizing security opinion; emails with T. Henderson re same; emails with J. Rosenberg and J. Porepa to deliver final security opinions;	1.5
19/01/24	David B. Bish	Emails with TGF / FTI / Torys re: advancing motion materials, SISP, amended DIP, stalking horse purchase agreement, revised cash flow forecast and related matters, and further emails including Fasken re: amended DIP terms and stalking horse purchase agreement; finalize security opinions with M. Noel and deliver same to FTI team;	2.6
19/01/24	Tyrel Henderson	Updating and circulating Alberta security opinion;	0.7
22/01/24	David B. Bish	Continued discussions with Fasken / FTI / TGF / Torys re: negotiation of amended DIP terms, and emails with all parties re: updated cash flow forecast; video conference with J. Rosenberg on latest developments / open issues with DIP terms; email from court office re: updated Endorsement and emails with FTI re: posting same; emails with all parties re: finalizing stalking horse purchase agreement, SISP and amended DIP term sheet, and review same;	2.0
22/01/24	Mike Noel	Reviewing draft stalking horse purchase agreement TGF; considering email correspondence from TGF, Fasken and D. Bish;	0.5
23/01/24	Mike Noel	Drafting the Monitor's first report in the Trees matter; attending call and emails with C. Wood, J. Rosenberg and D. Bish re same; providing and coordinating comments with TGF and FTI on various documents in connection with the	4.9

Re: CCAA Proceedings of Trees Corporation et al.

Matter: 39586-2008

Invoice: 1632595

Time Summary

Date	Lawyer	Narrative	Hours
23/01/24	David B. Bish	Applicants' motion for the SISP Order and the Second ARIO, including the stalking horse agreement and the Applicants' affidavit; Emails / video calls with J. Rosenberg / J. Porepa / C. Wood / M. Noel re: draft Monitor's Report and review / comment on same; emails with service list re: service of motion materials / pending hearing; emails with TGF team / FTI team / M. Noel re: draft Monitor's Report;	1.6
24/01/24	Mike Noel	Finalizing, compiling and serving the Monitor's First Report in respect of the SISP Order and Second ARIO; emails with TGF and FTI re same;	3.5
24/01/24	David B. Bish	Emails / video calls with J. Rosenberg / J. Porepa / C. Wood / M. Noel / TGF team re: draft Monitor's Report and advancing same; finalize and serve Monitor's Report;	1.4
25/01/24	Mike Noel	Filing the Monitor's First Report on OneKey; emails with Alterna re its inclusion on service list; reviewing and providing comments on the Applicants' factum in support of their motion for the SISP Order and the Second ARIO;	1.0
25/01/24	David B. Bish	Emails with TGF / FTI / Torys re: Applicants' draft factum and review / comments on same; emails with M. Poliak re: questions about SISP process / stalking horse, and emails / discussion with FTI / TGF / Torys re: same;	0.8
26/01/24	Mike Noel	Preparing for and attending call with M. Poliak to discuss issues relating to the Applicants' upcoming motion; follow-up emails and discussion with M. Grossell re same; follow-up emails with M. Poliak re same; correspondence and calls with TGF re same; drafting an email to be sent to a landlord regarding its potential claims in the CCAA proceedings and next steps re same; attending call with C. Wood and J. Porepa re same;	5.0
26/01/24	David B. Bish	Emails / video conference with M. Poliak / TGF / FTI / Torys re: questions about SISP / stalking horse bid / DIP amendment / pending court hearing; emails with M. Noel and with TGF / FTI teams re: landlord inquiry / responding to same;	1.5

Re: CCAA Proceedings of Trees Corporation et al.

Matter: 39586-2008

Invoice: 1632595

Time Summary

Date	Lawyer	Narrative	Hours
27/01/24	David B. Bish	Emails with M. Poliak et al. re: continued questions about stalking horse bid / SISP / purchase price calculation and allocation;	0.6
28/01/24	David B. Bish	Emails with J. Rosenberg / C. Wood re: draft SISP advertisement;	0.1
29/01/24	David B. Bish	Prepare for and attend at virtual hearing (SISP / stalking horse approval and other relief), and emails / video calls with TGF / FTI / Chaitons / Torys re: status of hearing / unanticipated opposition from 2nd secured creditor to DIP commitment fee and stalking horse break fee; call / emails with J. Rosenberg re: preparing for court / responding to points raised in opposition; call / emails with M. Poliak re: request for Monitor clarification re: bidding in SISP / treating of credit bids, and follow-up call / emails with J. Rosenberg / J. Porepa re: same; emails with court / service list / FTI re: issued order and endorsement, and review endorsement; emails with Fasken / FTI re: access to SISP data room;	3.3
29/01/24	Mike Noel	Preparing for and attending hearing in respect of the Applicants' motion for the SISP Order and the Second ARIO; reviewing emails from M. Poliak re the position of her client on the motion;	1.9

Lawyer Summary

<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
David B. Bish	34.5	1,510.00	52,095.00
Mike Noel	56.9	800.00	45,520.00
Jaidyn S. McEwen	5.7	435.00	2,479.50
Tyrel Henderson	3.6	1,025.00	3,690.00
TOTAL HOURS & FEES	100.7		\$103,784.50



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www.torys.com
GST / HST Registration R119420685

February 13, 2024

FTI Consulting Canada Inc.
79 Wellington Street West, Suite 2010
Toronto, ON M5K 1G8

Attention: Jeffrey Rosenberg
Email: jeffrey.rosenberg@fticonsulting.com

Invoice Number:	1632595
Matter Number:	39586-2008
Invoice Total:	\$117,710.13 CAD

Kindly reference invoice number when remitting payment.

Please mail remittance to:

Torys LLP
79 Wellington Street West, Suite 3000
Box 270, TD Centre
Toronto, Ontario M5K 1N2
Canada

Remittance by Electronic Banking (please include invoice number):

TD Canada Trust	Account Name:	Torys LLP
55 King Street	Bank ID:	004
West	Branch Number:	10202
Toronto, Ontario	Account (CAD):	5364535
M5K 1A2	Account (USD):	7389354
Canada	Bank Swift Code:	TDOMCATTOR

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GST / HST Registration R119420685

March 11, 2024

Invoice: 1634946
Matter: 39586-2008

FTI Consulting Canada Inc.
79 Wellington Street West, Suite 2010
Toronto, ON M5K 1G8

Attention: Jeffrey Rosenberg
Email: jeffrey.rosenberg@fticonsulting.com

Re: CCAA Proceedings of Trees Corporation et al.

For professional services rendered for the period ending February 29, 2024, as described on the attached schedule.

Fee	\$15,609.00
Ontario - HST	<u>2,029.17</u>
Total Payable in Canadian Funds	<u>\$17,638.17</u>

Re: CCAA Proceedings of Trees Corporation et al.

Matter: 39586-2008

Invoice: 1634946

Time Summary

Date	Lawyer	Narrative	Hours
01/02/24	Mike Noel	Reviewing and considering correspondence from Aird & Berlis re certain accounts; emails with D. Bish re same;	0.5
01/02/24	David B. Bish	Emails with E. Ezaki / M. Grossell / M. Noel / J. Rosenberg et al. re: request to lift stay to commence action for unpaid fees due to limitation period concerns, and propose resolution of same; email from R. Chakrabarti re: issued SISP Order and amended ARIO;	0.5
06/02/24	Mike Noel	Call with Aird & Berlis, TGF and D. Bish to discuss potential tolling agreement in respect of Aird & Berlis's claim;	0.1
06/02/24	David B. Bish	Video conference / emails with TGF / Aird & Berlis / Torys / FTI re: law firm claim and limitations issue, and proposed tolling agreement to resolve same;	0.5
08/02/24	David B. Bish	Emails with TGF / FTI / Torys and with Aird & Berlis re: tolling of limitations periods for law firm claim and re: disclaimer of lease (St. Catherine) and draft notice of same;	0.5
09/02/24	David B. Bish	Emails with TGF / Aird & Berlis / FTI / Torys re: tolling arrangement for claims for unpaid legal fees;	0.5
16/02/24	David B. Bish	Emails with M. Grossell / J. Rosenberg et al. re: Disclaimer Notice (St. Catherines location);	0.2
22/02/24	David B. Bish	Call from J. Rosenberg re: SISP process and information request from bidder / responding to same; emails with M. Grossell / J. Rosenberg et al. re: Alberta cease trade order;	0.4
23/02/24	David B. Bish	Emails with D. Chochla / M. Grossell / J. Rosenberg et al. re: stalking horse bidder's request to consider pre-closing amalgamations / tax structuring to address inter-company debt;	0.4
24/02/24	David B. Bish	Emails with prospective bidder's counsel / FTI re: request for call to discuss SISP / interest in participating;	0.3
26/02/24	Mike Noel	reviewing and providing comments on template LOI for the dataroom from C Wood; emails with D Bish re same; attending call with Miller Thomson to discuss potential bid in the SISP;	4.0

Re: CCAA Proceedings of Trees Corporation et al.

Matter: 39586-2008

Invoice: 1634946

Time Summary

Date	Lawyer	Narrative	Hours
26/02/24	David B. Bish	follow-up call with J Rosenberg and D Bish re same; Video conference with L. Ellis / J. Rosenberg et al. re: prospective purchaser inquiries re: SISP, and follow-up video conference with FTI / Torys re: same; emails with M. Grossell / J. Rosenberg et al. re: B.C. labour hearing for unionization / certification (B.C. location) and company response to same / draft letter, and review and comment on same; review template form of phase 1 letter of intent and emails with C. Wood / J. Rosenberg / M. Noel re: same; emails with TGF / FTI / Torys re: disclaimer of St. Catherines location;	2.3
27/02/24	David B. Bish	Video conference with Faskens / TGF / FTI / Torys re: treatment of inter-company debt under stalking horse agreement;	0.7
29/02/24	David B. Bish	Emails with J. Rosenberg / C. Wood / J. Porepa / M. Noel re: Phase 1 bids / deposits received; emails from bidders submitting Phase 1 bids, and briefly review bids received; emails with D. Fuke et al. re: revised stalking horse bid; emails with TGF / FTI / Torys re: status of Phase 1 bids received; review bid summary from C. Wood;	1.6

Lawyer Summary

<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Mike Noel	4.6	800.00	3,680.00
David B. Bish	7.9	1,510.00	11,929.00
TOTAL HOURS & FEES	12.5		\$15,609.00



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March 11, 2024

FTI Consulting Canada Inc.
79 Wellington Street West, Suite 2010
Toronto, ON M5K 1G8

Attention: Jeffrey Rosenberg
Email: jeffrey.rosenberg@fticonsulting.com

Invoice Number: 1634946
Matter Number: 39586-2008
Invoice Total: **\$17,638.17 CAD**

Kindly reference invoice number when remitting payment.

Please mail remittance to:

Torys LLP
79 Wellington Street West, Suite 3000
Box 270, TD Centre
Toronto, Ontario M5K 1N2
Canada

Remittance by Electronic Banking (please include invoice number):

TD Canada Trust	Account Name:	Torys LLP
55 King Street	Bank ID:	004
West	Branch Number:	10202
Toronto, Ontario	Account (CAD):	5364535
M5K 1A2	Account (USD):	7389354
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March 25, 2024

Invoice: 1636453
Matter: 39586-2008

FTI Consulting Canada Inc.
79 Wellington Street West, Suite 2010
Toronto, ON M5K 1G8

Attention: Jeffrey Rosenberg
Email: jeffrey.rosenberg@fticonsulting.com

Re: CCAA Proceedings of Trees Corporation et al.

For professional services rendered for the period ending March 24, 2024, as described on the attached schedule.

Fee	\$91,837.00
Disbursements Subject to Ontario - HST	
OnCorp - Services (Taxable)	345.05
Disbursements Not Subject to Tax	
OnCorp - Services (Non-Taxable)	68.88
Ontario - HST	<u>11,983.67</u>
Total Payable in Canadian Funds	<u>\$104,234.60</u>

Re: CCAA Proceedings of Trees Corporation et al.

Matter: 39586-2008

Invoice: 1636453

Time Summary

Date	Lawyer	Narrative	Hours
01/03/24	Mike Noel	Reviewing Phase I Bids that came through as part of the SISP and preparing a list of comments on same; emails with D. Bish re same; emails with C. Wood re same;	1.8
01/03/24	David B. Bish	Emails with FTI / Torys re: Phase 1 bids received and review of same / identification of issues with bids and next steps, and preparation of bid summary / discussions with TGF re: same; emails with D. Chocla et al. re: acquisition of further secured debt by stalking horse bidder and intention to credit bid same / request for Monitor to conduct security review; call with J. Rosenberg re: Phase 1 bids / next steps; email from K. Yip re: memo setting out pre-closing reorg steps for stalking horse transaction;	1.7
02/03/24	Mike Noel	Emails with Fasken re security review; finalizing list of comments on Phase I Bids and sending same to D. Bish;	0.5
02/03/24	David B. Bish	Emails from bidders re: status of Phase 1 / qualification for Phase 2 of SISP; emails with M. Noel re: security review for additional secured debt to be acquired by stalking horse purchaser, and emails with D. Chocla et al. re: same; emails with TGF / Fasken / FTI re: proposal by stalking horse bidder to amend bid to increase credit bid purchase price; emails with FTI / M. Noel re: Phase 1 bid summary / identification of issues to address;	1.4
03/03/24	David B. Bish	Emails with J. Rosenberg et al. re: bid reviews; email with M. Vasey et al. re: responding to Phase 1 bid;	0.1
04/03/24	Mike Noel	Reviewing security documents as part of the security review; preparing a written opinion in furtherance of same; emails with D. Bish, J. Rosenberg and C. Wood re issues with the security documents and analysis of same; attending call with J. Rosenberg, C. Wood, M. Grossell and D. Harland to discuss Phase I Bids; preparing a letter to Fika providing confirmation of Qualified Phase I Bid status and the Monitor's comments on the bid; emails with D. Bish, J. Rosenberg and C. Wood re same;	11.8

Re: CCAA Proceedings of Trees Corporation et al.

Matter: 39586-2008

Invoice: 1636453

Time Summary

Date	Lawyer	Narrative	Hours
04/03/24	David B. Bish	Emails with M. Noel re: security review (additional secured debt to be credit bid by stalking horse purchaser) and Phase 1 bid reviews / responding to bidders / next steps, and further emails re: same with FTI / TGF;	1.1
05/03/24	David B. Bish	Emails with Torys / TGF / FTI re: end of Phase 1 of SISP, launch of Phase 2, security review (additional secured debt that may be acquired by stalking horse purchaser), and revised stalking horse APA / finalizing schedules;	1.6
05/03/24	Mike Noel	Reviewing security documents as part of the security review; preparing a written opinion in furtherance of same; calls with J. Porepa re same; emails with D. Bish, J. Porepa and C. Wood re issues with the security documents and analysis of same; emails and call with A. Schwenk to discuss research re same; emails with TGF and Fasken re same; emails with J. Porepa re schedules to the Stalking Horse Agreement;	5.2
06/03/24	David B. Bish	Emails and video conference with Fasken team / Torys / FTI / TGF re: stalking horse bidder's potential acquisition of additional security / issues raised in security review; emails with FTI / Torys re: communications with bidders; emails with FTI / TGF / Torys re: finalizing schedules for stalking horse agreement; emails with TGF / FTI / Torys re: draft letters from company to union and labour relations board (BC) re: organizing drive and impact of CCAA proceedings on same, and review and comment on same; emails with FTI / Torys re: Phase 1 bidder electing to drop out of process / addressing same; emails with TGF / FTI / Torys re: final letters to labour relations board re: organizing drive / impact of CCAA proceedings / scheduling of hearing;	2.2
06/03/24	Mike Noel	Emails with J. Porepa and M. Grossell re schedules to the Stalking Horse Agreement; emails and call with J. Porepa re communications with bidders; preparing letters to be delivered to two bidders providing confirmation of Qualified Phase I Bid and the Monitor's comments on same;	3.5

Re: CCAA Proceedings of Trees Corporation et al.

Matter: 39586-2008

Invoice: 1636453

Time Summary

Date	Lawyer	Narrative	Hours
07/03/24	David B. Bish	emails with J Porepa re same; drafting security opinion; call with Fasken re same; Emails with FTI / TGF / Torys re: letters to union / labour relations board (BC);	0.2
08/03/24	David B. Bish	Emails with FTI / TGF / Torys re: letters to union / labour relations board (BC) and re: return of deposit to bidder dropping out of SISP and finalizing SPA schedules for stalking horse bid for posting to data room;	0.5
08/03/24	Mike Noel	Emails with TGF team and J. Porepa re SISP; call with J. Porepa to discuss same;	0.4
09/03/24	David B. Bish	Emails with M. Grossell / R. Kim / J. Rosenberg re: phase 2 bid template / comments on same;	0.2
10/03/24	David B. Bish	Emails with FTI / TGF / Torys re: phase 2 bid template / comments on same;	0.3
10/03/24	Mike Noel	Reviewing and providing comments on the proposed template SPA to be posted for bidders in the data room; call with J. Rosenberg to discuss same; emails with J. Rosenberg and M. Grossell re same;	1.9
11/03/24	Mike Noel	Drafting security opinion; reviewing corporate search summary from A. Schwenk in furtherance of same; emails with D. Bish and TGF re terms of template SPA addressing unionized employees;	2.7
11/03/24	David B. Bish	Emails with FTI / Torys re: meeting with SISP bidder and template purchase agreement / treatment of employees (including BC unionization issues), and further emails with TGF / FTI / Torys re: same; emails with M. Noel and with FTI re: admin expense estimate for bidders; emails with TGF re: scheduling sale approval hearing;	1.0
12/03/24	David B. Bish	Emails with M. Noel / FTI / TGF and with the court office re: scheduling sale approval hearing, and emails with M. Noel / FTI re: admin expense estimate for bidders;	0.6
13/03/24	Mike Noel	Preparing for and attending call with D. Bish, J. Rosenberg and C. Wood re administrative expense estimate; call with A Schwenk to discuss security opinion;	0.8

Re: CCAA Proceedings of Trees Corporation et al.

Matter: 39586-2008

Invoice: 1636453

Time Summary

Date	Lawyer	Narrative	Hours
13/03/24	David B. Bish	Emails / call with J. Rosenberg and with M. Noel / FTI team re: sale process;	0.2
14/03/24	David B. Bish	Emails with FTI / TGF / M. Noel re: sale process / bids / admin expenses estimate / status of union certification application; emails with D. Chochla et al. re: purchase of additional secured claims by stalking horse bidder / intention to bid same / security review;	1.8
14/03/24	Mike Noel	Reviewing assignment documents from Fasken in furtherance of security opinion; emails and calls with J. Rosenberg and D. Bish to discuss various issues with bidders in the SISP;	1.9
15/03/24	Mike Noel	Reviewing and providing comments on the Phase II Bids received in the SISP; emails with D. Bish, J Rosenberg, C. Wood and TGF re same;	2.9
15/03/24	David B. Bish	Emails with D. Chochla et al. re: status of purchase of additional secured debt / evidencing same for security review; emails with FTI / TGF / M. Noel re: bid deadline / bids received, and review bids / bid summaries / identification of open issues;	2.8
16/03/24	David B. Bish	Continued emails with FTI / TGF / M. Noel re: evaluation of bids received / open issues and steps to resolve same; email from R. Chakrabarti re: potential impact of bids on employees seeking unionization in B.C.;	1.1
16/03/24	Mike Noel	Emails with J. Rosenberg, D. Bish and C. Wood re Phase II Bids;	0.3
17/03/24	Mike Noel	Reviewing and commenting on summary of Phase II Bids received from FTI and TGF; preparing for and attending call with J. Rosenberg, D. Bish, M. Grossell and C. Wood re same; drafting letters to be delivered to Phase II Bidders re deficiencies with their bids; emails with J. Rosenberg and M. Grossell re same	2.0
17/03/24	David B. Bish	Video conference / emails with FTI / TGF / M. Noel re: continued assessment of bids / determination of qualified bid status / open issues with bids and resolving same / draft letters to bidders advising of status;	1.8

Re: CCAA Proceedings of Trees Corporation et al.

Matter: 39586-2008

Invoice: 1636453

Time Summary

Date	Lawyer	Narrative	Hours
18/03/24	David B. Bish	Emails with FTI / TGF / M. Noel re: finalizing assessment of bids / resolving open issues with bids / communications with bidders / next steps / auction preparations / status of further security acquisition by stalking horse bidder; emails with D. Richer et al. re: evidencing security purchases by stalking horse bidder;	1.4
18/03/24	Mike Noel	Finalizing letters to be sent to Phase II Bidders to provide the Monitor's comments on, and certain deficiencies with, their bids; drafting Monitor's Second Report; attending call with J. Rosenberg, C. Wood and representatives of Phase II Bidders to discuss same; calls with J. Rosenberg re same; coordinating communication with FTI, TGF and Phase II Bidders;	5.7
19/03/24	David B. Bish	Emails with M. Noel / FTI / TGF re: phase 2 bids / open issues and preparations for auctions / communications with bidders / review of bid clarifications from bidders;	1.6
19/03/24	Mike Noel	Reviewing revised Phase II Bids received from bidders; drafting letter to one Phase II Bidder to attempt to resolve deficiencies in its bid; call with J. Rosenberg, C. Wood, D. Bish and TGF to discuss revised Phase II Bids and next steps re same; attending various calls with J. Rosenberg re same; coordinating communication with FTI, TGF and Phase II Bidders;	3.9
20/03/24	David B. Bish	Emails with FTI / TGF / M. Noel and discussions with M. Noel re: preparations and procedures for auction, communications with bidders, clarifications for open items with bids, and additional security acquired by stalking horse purchase for credit bidding; further emails re: withdrawal of bidder / termination of auction and next steps;	1.6
20/03/24	Mike Noel	Drafting correspondence to Phase II Bidders to coordinate logistics and other details regarding the Auction in the SISP; various calls with J. Rosenberg to discuss the Auction; call and emails with J. Rosenberg, C. Wood, D. Bish, M. Grossell and D. Harland re Auction process; reviewing correspondence from the Phase II Bidders	5.9

Re: CCAA Proceedings of Trees Corporation et al.

Matter: 39586-2008

Invoice: 1636453

Time Summary

Date	Lawyer	Narrative	Hours
21/03/24	David B. Bish	indicating their intention to withdraw from the Auction; drafting correspondence to Phase II Bidders to discuss same; drafting Monitor's Second Report; Emails with Fasken et al. re: completion of security purchase / assignment and PPSA registrations; emails / video conference with FTI / TGF / M. Noel re: pending motion to approve winning bid / planning for CCAA termination; emails with M. Noel re: security opinion for newly-assigned security; emails with TGF / M. Noel / FTI re: amended share purchase agreement and revised RVO / comments on same; emails with M. Noel re: fee affidavit;	1.4
21/03/24	Mike Noel	Drafting the Monitor's second report, Torys' fee affidavit, FTI's fee affidavit, and Torys' security opinion; preparing for and attending call with J. Rosenberg, C. Wood, D. Bish, M. Grossell and D Harland to discuss the Applicants' motion for the RVO and related relief; discussions with D Bish re same; reviewing and providing comments on the Successful Bid and the RVO in connection with same; emails with D Bish and M Grossell re same;	6.3
22/03/24	David B. Bish	Emails with Fasken / M. Noel re: completion of security assignment, and further emails with M. Noel re: security opinion; emails with FTI / M. Noel re: estimated admin expenses to be paid by stalking horse purchaser; review and comment on Monitor's Second Report and emails with M. Noel / FTI re: same; emails with TGF / Torys / FTI re: comments on draft RVO;	1.6
22/03/24	Mike Noel	Drafting the Monitor's second report in support of the motion for the RVO and CCAA Termination Order; call with J. Rosenberg and D. Bish re return of deposit to bidders; emails with Fasken re security opinion; emails with TGF re draft RVO;	6.9
23/03/24	David B. Bish	Emails with TGF / Fasken / FTI / M. Noel re: finalizing draft RVO with stalking horse purchaser; email from D. Harland re: draft CCAA Ancillary Order (stay extension / CCAA termination);	0.3

Re: CCAA Proceedings of Trees Corporation et al.

Matter: 39586-2008

Invoice: 1636453

Time Summary

Date	Lawyer	Narrative	Hours
24/03/24	David B. Bish	Email from R. Chakrabarti re: draft affidavit; email from D. Harland re: revised draft RVO;	0.2

Lawyer Summary

<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Mike Noel	64.4	800.00	51,520.00
David B. Bish	26.7	1,510.00	40,317.00
TOTAL HOURS & FEES	91.1		\$91,837.00



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Toronto, Ontario M5K 1N2 Canada
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www.torys.com
GST / HST Registration R119420685

March 25, 2024

FTI Consulting Canada Inc.
79 Wellington Street West, Suite 2010
Toronto, ON M5K 1G8

Attention: Jeffrey Rosenberg
Email: jeffrey.rosenberg@fticonsulting.com

Invoice Number:	1636453
Matter Number:	39586-2008
Invoice Total:	\$104,234.60 CAD

Kindly reference invoice number when remitting payment.

Please mail remittance to:

Torys LLP
79 Wellington Street West, Suite 3000
Box 270, TD Centre
Toronto, Ontario M5K 1N2
Canada

Remittance by Electronic Banking (please include invoice number):

TD Canada Trust	Account Name:	Torys LLP
55 King Street	Bank ID:	004
West	Branch Number:	10202
Toronto, Ontario	Account (CAD):	5364535
M5K 1A2	Account (USD):	7389354
Canada	Bank Swift Code:	TDOMCATTOR

Payment is due within 30 days from the date of the invoice. Please retain this copy for your files. Interest will be charged on all accounts overdue one month or more.

THIS IS **EXHIBIT “B”** REFERRED TO
IN THE AFFIDAVIT OF DAVID BISH,
AFFIRMED REMOTELY BY DAVID BISH
BEFORE ME *BY VIDEO CONFERENCE*, THIS 26TH
DAY OF MARCH 2024.



SCOTT BOMHOF
Commissioner for Taking Affidavits

Exhibit "B"
Account Summary

TORYS LLP
ACCOUNT SUMMARY

Invoice No.	Invoice Date	Total Hours	Fees	Disbursements	Tax	Invoice Total
1632595	2/13/2024	101.0	103,784.50	389.80	13,535.83	117,710.13
1634946	3/11/2024	12.5	15,609.00	0.00	2,029.17	17,638.17
1636453	3/25/2024	91.1	91,837.00	413.93	11,983.67	104,234.60
Total (CDN)		204.6	211,230.50	803.73	27,548.67	239,582.90

THIS IS **EXHIBIT “C”** REFERRED TO
IN THE AFFIDAVIT OF DAVID BISH,
AFFIRMED REMOTELY BY DAVID BISH
BEFORE ME *BY VIDEO CONFERENCE*, THIS 26TH
DAY OF MARCH 2024.



SCOTT BOMHOF
Commissioner for Taking Affidavits

Exhibit "C"
Personnel Summary

**TORYS LLP
PERSONNEL SUMMARY**

Staff	Title	Year of Call	Total Hours	Hourly Rate (\$CDN)	*Amount Billed (\$CDN)
Bish, David	Partner	1999	69.1	\$1,510.00	\$104,341.00
Henderson, Tyrel	Associate	2014	3.6	\$1,025.00	\$3,690.00
McEwen, Jaidyn	Articling Student		6.0	\$413.25	\$2,479.50
Noel, Mike	Associate	2020	125.9	\$800.00	\$100,720.00
Total (CDN)					\$211,230.50

* Fees ONLY - Excludes Disbursements & Tax

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 TREES
CORPORATION, ONTARIO CANNABIS HOLDINGS CORP., MIRACULO INC., 2707461
ONTARIO LTD., OCH ONTARIO CONSULTING CORP., AND 11819496 CANADA INC.

Court File No. CV-23-00711935-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at TORONTO

AFFIDAVIT OF DAVID BISH
(Sworn March 26, 2024)

TORYS LLP

79 Wellington St. W., 30th Floor
Box 270, TD South Tower
Toronto, ON M5K 1N2

David Bish (LSO #: 41629A)
Tel: 416.865.7353
Email: dbish@torys.com

Mike Noel (LSO#: 80130F)
Tel: 416.865.7378
Email: mnoel@torys.com

Lawyers for FTI Consulting Canada Inc.,
the Monitor

Appendix E

First Report of the Monitor dated January 24, 2024 (without Exhibits)

Court File No. CV-23-00711935-00CL

**TREES CORPORATION, ONTARIO CANNABIS HOLDINGS
CORP., MIRACULO INC., 2707461 ONTARIO LTD., OCH
ONTARIO CONSULTING CORP., and 11819496 CANADA INC.**

**FIRST REPORT OF FTI CONSULTING CANADA INC., AS
MONITOR**

January 24, 2024

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**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 TREES CORPORATION, ONTARIO
CANNABIS HOLDINGS CORP., MIRACULO INC., 2707461
ONTARIO LTD., OCH ONTARIO CONSULTING CORP., and
11819496 CANADA INC.

**FIRST REPORT TO THE COURT
SUBMITTED BY FTI CONSULTING CANADA INC.,
IN ITS CAPACITY AS MONITOR**

A. INTRODUCTION

1. On December 22, 2023, Trees Corporation (“**Trees**”), Ontario Cannabis Holdings Corp. (“**OCHC**”), Miraculo Inc., 2707461 Ontario Ltd., OCH Ontario Consulting Corp. (“**OCHOCC**”), and 11819496 Canada Inc. (collectively, the “**Applicants**”) sought and obtained an initial order (the “**Initial Order**”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”). The proceedings commenced under the CCAA by the Applicants are referred to herein as the “**CCAA Proceedings**”.
2. The Initial Order, among other things:
 - (a) appointed Ernst & Young Inc. (“**EY**”) as monitor of the Applicants (in such capacity, the “**Former Monitor**”);
 - (b) granted a stay of proceedings in favour of the Applicants until January 2, 2024 (the “**Stay Period**”);

- (c) approved a \$60,000 debtor-in-possession credit facility (the “**DIP Facility**”) and granted a corresponding charge in respect thereof (the “**DIP Lender’s Charge**”); and
 - (d) granted the Administration Charge, the Subsequent Administration Charge and the Directors’ Charge (each as defined in the Initial Order) (collectively with the DIP Lender’s Charge, the “**Initial CCAA Charges**”).
3. The Court granted the Amended and Restated Initial Order (the “**ARIO**”) on January 2, 2024, which, among other things:
- (a) appointed FTI Consulting Canada Inc. as monitor of the Applicants (in such capacity, the “**Monitor**”);
 - (b) authorized the Applicants to pay certain pre-filing amounts owed to suppliers that they deem critical to their business;
 - (c) increased the amount of the DIP Facility to \$800,000, and increased the amount of the DIP Lender’s Charge to \$1,100,000;
 - (d) increased the amount of the Subsequent Administration Charge, decreased the amount of the Directors’ Charge, and granted the Subsequent Directors’ Charge (such charges, together with the Initial CCAA Charges, the “**CCAA Charges**”); and
 - (e) extended the Stay Period to February 29, 2024.
4. Copies of the ARIO and the related Endorsement of Chief Justice Morawetz dated January 8, 2024 (the “**Morawetz CJ Endorsement**”), are attached as **Appendices “A” and “B”**, respectively.
5. The purpose of this first report of FTI, in its capacity as the Monitor (the “**Report**”) is to provide the Court with the Monitor’s comments and recommendations regarding the following:

- (a) The activities of the Monitor since the date of its appointment under the ARIO;
- (b) The receipts and disbursements of the Applicants for the period January 2, 2024 to January 12, 2024;
- (c) The opinions of Torys LLP (“**Torys**”), counsel to the Monitor, on the validity and enforceability of certain loan and security documents held by One Plant (Retail) Corp. (the “**DIP Lender**” or “**One Plant**”) as against the personal property of: (i) Trees (the “**Trees Security**”); and (ii) OCHC and OCHOCC (the “**OCH Security**”, and together with the Trees Security, the “**Security**”), and the creation and perfection of the security interests created thereby;
- (d) The Applicants’ motion for the granting of:
 - (i) an order (the “**Second ARIO**”) amending and restating the ARIO to, among other things:
 - a. amend the DIP Lender’s name from “One Plant Retail Corp.” to “One Plant (Retail) Corp.”;
 - b. authorize and approve the Applicants’ entry into an amended and restated debtor-in-possession term sheet dated January 23, 2024 (the “**A&R DIP Term Sheet**”), which, among other things, increases the principal amount available under the DIP Facility to \$1,560,000;
 - c. increase the maximum amount of the DIP Lender’s Charge to \$1,850,000;
 - d. authorize payment by the Applicants of the professional fees and disbursements of the Former Monitor and its counsel, Torys, incurred during their involvement in these CCAA Proceedings;

- e. authorizing the Applicants to incur no further expenses in relation to any securities filings required under applicable securities law during the Stay Period without any liability to the Monitor or the directors, officers, employees or other representatives of the Applicants; and
 - f. postpone the requirement for any future annual general meeting of the shareholders of Trees during the CCAA Proceedings, and extending the time limit to call and hold such annual general meeting of shareholders until after the conclusion of the CCAA Proceedings;
- (ii) an order (the “**SISP Order**”), among other things:
- a. approving the SISP (as defined below);
 - b. authorizing the Applicants and the Monitor to immediately commence the SISP and to take any and all actions as may be necessary or desirable to implement and carry out the SISP in accordance with its terms and the SISP Order;
 - c. approving the Stalking Horse Agreement (as defined below) to be entered into between Trees and One Plant (in such capacity, the “**Stalking Horse Bidder**”) solely for the purpose of constituting the “Stalking Horse Agreement” under the SISP;
 - d. approving the Bid Protections (as defined below); and
 - e. extending the Stay Period to and including April 12, 2024.

B. TERMS OF REFERENCE

6. In preparing this Report, the Monitor has relied upon unaudited financial information of the Applicants, the Applicants’ books and records and discussions with various parties,

including senior management (“**Management**”) of, and advisors to, the Applicants, and the Former Monitor (collectively, the “**Information**”).

7. Except as otherwise described in this Report:
 - (a) The Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook; and
 - (b) The Monitor has not examined or reviewed financial forecasts and projections referred to in this Report in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.
8. Future-oriented financial information reported in, or relied on, in preparing this Report is based on Management’s assumptions regarding future events. Actual results will vary from these forecasts and such variations may be material.
9. The Monitor has prepared this Report in connection with the Applicants’ motion for the issuance of the SISP Order and the Second ARIO, scheduled to be heard on January 29, 2024. The Report should not be relied on for other purposes.
10. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars. Capitalized terms not otherwise defined herein have the meanings defined in the ARIO.

C. ACTIVITIES OF THE MONITOR

NOTICES AND COMMUNICATIONS

11. The Monitor has established a website at <http://cfcanada.fticonsulting.com/treescorporation/> (the “**Monitor’s Website**”) on which updates on the CCAA Proceedings will be posted periodically, together with all the Court materials filed in the CCAA Proceedings. In addition, the Monitor has established a dedicated email address (treescorporation@fticonsulting.com) and hotlines (416-649-8043

or 1-833-705-4470) to allow stakeholders to communicate directly with the Monitor in order to address any questions or concerns in respect of the CCAA Proceedings.

12. Based on its discussions with the Former Monitor and its counsel, the Monitor understands that, pursuant to paragraph 43 of the Initial Order, the Former Monitor had, prior to the Monitor's appointment:
 - (a) arranged for the publication of a notice containing the information prescribed under the CCAA in *The Globe and Mail* (National Edition) on January 2, 2024;
 - (b) made a copy of the Initial Order and the application materials publicly available by posting them on the Former Monitor's website;
 - (c) sent, in the prescribed manner, a notice to every known creditor with a claim against the Applicants of more than \$1,000; and
 - (d) prepared a list of those creditors and the estimated amounts of those claims, and made such list publicly available on the Former Monitor's Website (the "**Known Creditor List**").

13. In light of the Former Monitor's activities described in the foregoing paragraph, the Monitor, pursuant to paragraph 47 of the ARIO:
 - (a) made a copy of the Initial Order, the ARIO, the application materials, the Former Monitor's Pre-Filing Report and the Former Monitor's First Report publicly available by posting them on the Monitor's Website on or about January 4, 2024; and
 - (b) made the Known Creditor List publicly available on the Monitor's Website.

OTHER ACTIVITIES OF THE MONITOR

14. In addition to the activities listed above, the Monitor has also undertaken the following activities since the commencement of its appointment under the ARIO:

- (a) posted an updated and current service list for these CCAA Proceedings on the Monitor's Website;
- (b) engaged in discussions with the Former Monitor to ensure a smooth and uninterrupted transition of the monitor role from the Former Monitor to the Monitor;
- (c) engaged in discussions with the Applicants, its legal counsel, and its directors and Management regarding issues related to the Applicants' operations and borrowings under the DIP Facility;
- (d) participated in discussions with One Plant and its advisors regarding matters related to the DIP Facility, including in respect of the A&R DIP Term Sheet;
- (e) participated in discussions with and assisted the Applicants in discussions with certain landlords, suppliers, other creditors and employees related to the CCAA Proceedings and responded to requests for information from certain such parties;
- (f) engaged in discussions with the Applicants, their legal counsel, One Plant and its legal counsel regarding the SISP and One Plant's participation in same as the Stalking Horse Bidder;
- (g) engaged with the Monitor's legal counsel, Torys, regarding matters related to the CCAA Proceedings, including regarding Torys' opinion on the Security; and
- (h) in connection with the SISP, engaged with the Applicants to prepare the materials required to set up a virtual data room and a list of potential bidders.

D. REQUEST FOR APPROVAL OF THE PROPOSED SALE AND INVESTMENT SOLICITATION PROCESS AND STALKING HORSE AGREEMENT

15. At the commencement of the CCAA Proceedings, the Applicants advised that they intended to seek approval of a sale and investment solicitation process (the “SISP”). The proposed SISP is attached as **Appendix “C”** hereto. Capitalized terms in this section not otherwise defined herein have the meanings ascribed to them in the SISP.
16. At the hearing for approval of the SISP, the Applicants will seek the SISP Order and authorization for the Applicants and the Monitor to take such actions that may be necessary or desirable to carry out the SISP. The SISP will be carried out by the Applicants in consultation with the Monitor.
17. A summary of the SISP is set out below. If there are any discrepancies between the terms of the SISP and the description of same herein, the terms of the SISP shall govern.
18. The timing of key milestones relating to the SISP are as follows:

Milestone	Deadline
Commencement of SISP	January 29, 2024
Distribution of the Notice, Teaser Letter Confidentiality Agreement and Acknowledgement of SISP	As soon as reasonably practicable following the date on which the SISP Order is granted
Phase I Bid Deadline	February 29, 2024
Phase II Bid Deadline	March 15, 2024
Selection of Successful Bid(s), Back-Up Bid(s), or Notification of Auction (if any)	March 19, 2024
Auction (if any)	No later than March 22, 2024
Sale Approval Hearing	As soon as practicable
Closing Date Deadline	A maximum of 4 weeks after the Sale Approval Hearing, but by no later than the Outside Date

Pursuant to the SISP Order, the Monitor, with the approval of the Applicants and the DIP Lender, may amend the SISP and/or extend the timelines and milestones set out above.

OVERVIEW OF THE SISP

19. The Applicants have proposed a flexible SISP, designed to maximize opportunities for the sale of, or investment in, all or part of the Applicants' assets and business (the "**Opportunity**"). A potential transaction may include one or more of a restructuring, recapitalization or other form of reorganization of the business and affairs of the Applicants as a going concern, or a sale of all, substantially all, or one or more components of the Property and the Business as a going concern or otherwise.
20. The Monitor and the Applicants will develop a list of potential bidders. This list will include parties that have approached the Applicants or the Monitor and advised that they have an interest in the Opportunity, as well as strategic parties whom the Monitor or the Applicants believe may be interested in the Opportunity.
21. The Monitor, with the assistance of the Applicants, will prepare: (i) a Teaser Letter describing the Opportunity and inviting recipients of the Teaser Letter to express their interest pursuant to the SISP; and (ii) a form of Confidentiality Agreement to be sent to parties interested in the process.
22. The Monitor, with the assistance of the Applicants, will cause the Notice to be published in *The Globe & Mail* (National Edition), *Insolvency Insider* and any other newspaper, journal or industry publication as the Applicants and the Monitor consider appropriate.
23. The Monitor, with the assistance of the Applicants, will send the Teaser Letter, the Confidentiality Agreement and the Acknowledgement of the SISP to all Known Potential Bidders as soon as reasonably practicable following the date on which the SISP Order is granted, and to any other party who requests a copy of those materials or is otherwise identified to the Monitor or the Applicants as a potential bidder.
24. Each prospective bidder that has executed a Confidentiality Agreement and Acknowledgement of the SISP will be given access to an electronic data room created and

maintained by the Applicants or the Monitor containing confidential information related to the Opportunity.

PHASE I

25. Following their own due diligence, a Phase I Qualified Bidder who wishes to submit a Phase I Bid must deliver a non-binding letter of intent to the Monitor and the Applicants by no later than 5:00 p.m. (EST) on February 29, 2024.
26. In order for a Phase I Bid to be considered a Qualifying Phase I Bid, it must comply with certain conditions, including that:
 - (a) it is received by the Phase I Bid Deadline;
 - (b) it identifies the material terms and conditions of the proposed transaction;
 - (c) it clearly indicates a Purchase Price that is not less than the Minimum Bid Amount, estimated to be \$3,638,192.08 as of the Phase II Bid Deadline, which amount is comprised of the sum of: (i) the Purchase Price under the Stalking Horse Agreement; *plus* (ii) the Break Fee (i.e., \$60,000); *plus* (iii) a \$50,000 overbid; for greater certainty, such Purchase Price must provide for payment in full in cash on closing in an amount sufficient to satisfy all indebtedness, fees, and expenses owed by the Applicants under: (i) the DIP Facility; and (ii) any first-ranking secured debt of the Applicants held by the DIP Lender or its nominees or affiliates;
 - (d) it is accompanied by a cash deposit in an amount equal to 10% of the Purchase Price, paid to the Monitor in trust in accordance with the SISP;
 - (e) it identifies the proposed number of employees of the Applicants who are expected to become employees of the Phase I Bidder upon closing;
 - (f) it is accompanied by written evidence indicating that the Phase I Bidder has obtained, or shall obtain on or before the Phase II Bid Deadline, the necessary

sources of financing for it to close the proposed transaction, including contact details required to verify same;

- (g) it provides a description of any additional due diligence required in order to submit a Qualified Phase II Bid and the impact such due diligence may have on the Purchase Price;
 - (h) it clearly identifies each person that will be directly or indirectly sponsoring or participating in the Phase I Bid;
 - (i) it contains an acknowledgement and representation that the Phase I Bidder has relied solely upon its own independent review and due diligence, and did not rely on any statements, representations or similar things by the Applicants or the Monitor, in making its Phase I Bid;
 - (j) it contains evidence that the Phase I Bidder has obtained the requisite corporate authorizations and approvals in respect of its Phase I Bid; and
 - (k) it does not include any request or entitlement to any break or termination fee, expense reimbursement or similar payment.
27. The Stalking Horse Agreement shall be deemed to be a Qualified Phase I Bid for purposes of the SISP.
28. The Applicants, with the consent of the Monitor, may aggregate Portion Bids received to meet or exceed the Minimum Bid Amount.
29. The Applicants, with the Monitor's consent, may waive compliance with any one or more of these requirements to qualify a Qualified Phase I Bid.
30. If no Qualified Phase I Bids are received by the Phase I Bid Deadline (other than the Stalking Horse Agreement), then: (i) the Stalking Horse Agreement shall be declared the Successful Bid; (ii) Phase II of the SISP will not be conducted; and (iii) the Applicants will seek Court approval of the Stalking Horse Agreement as the Successful Bid.

PHASE II

31. If one or more Qualified Phase I Bids are received by the Phase I Bid Deadline (in addition to the Stalking Horse Agreement), the SISP will continue to Phase II, with binding offers being required on or before 5:00 p.m. (EST) on March 15, 2024. A Phase II Bid will be considered a Qualified Phase II Bid if it complies with certain conditions, including that:
- (a) it has been received by the Phase II Bid Deadline;
 - (b) it complies with all of the requirements for a Phase I Bid;
 - (c) it contains a cover letter stating that the Phase II Bid is irrevocable until Court approval of the Successful Bid(s), provided that if such Phase II Bidder is selected as the Successful Bidder or the Back-Up Bidder, its Phase II Bid shall remain irrevocable until the Back-Up Bid Expiration Date;
 - (d) it provides full details of the proposed number of employees of the Applicants who will become employees of the Phase II Bidder upon closing;
 - (e) it contains a duly authorized and executed definitive purchase agreement, together with all completed schedules thereto, along with a blackline to the Form Purchase Agreement (in the case of a Sale Proposal) or a duly authorized and executed binding term sheet (in the case of an Investment Proposal);
 - (f) it is not conditional on the outcome of further due diligence, obtaining financing and/or any other material closing conditions;
 - (g) it is accompanied by written evidence that the Phase II Bidder has the necessary financial ability to fully fund and consummate the transaction contemplated by the Phase II Bid and satisfy its obligations under the definitive purchase agreement;
 - (h) it contains an acknowledgement and representation that the Phase II Bidder has relied solely upon its own independent review and due diligence, and did not

rely on any statements, representations or similar things by the Applicants or the Monitor, in making its Phase II Bid;

- (i) it contains an acknowledgement and representation that the Phase II Bidder will promptly commence any governmental or regulatory review of the proposed transaction by the applicable competition, antitrust or other applicable governmental authorities, including those regulating in the cannabis sector; and
 - (j) it contains evidence that the Phase II Bidder has obtained the requisite corporate authorizations and approvals in respect of its Phase II Bid.
32. The Applicants and the Monitor will review and evaluate each Phase II Qualified Bid that is received and will determine the Successful Bid and the Back-up Bid (if any). As part of this evaluation, the Monitor may conduct an auction in accordance with the auction procedures set forth in Schedule “C” of the SISP.
33. Upon the selection of the Successful Bid and the Back-up Bid (if any), the Applicants will apply to the Court for the approval of the Successful Bid.

OVERVIEW OF THE STALKING HORSE AGREEMENT¹

34. In an effort to provide certainty and stability during these CCAA Proceedings and the SISP, the SISP includes the Stalking Horse Agreement, the material terms of which are as follows:
- (a) Trees, the parent company of each of the other Applicants, will issue new common shares to the Stalking Horse Bidder through a reverse vesting transaction, pursuant to which all existing equity interests of Trees will be extinguished without consideration, and the Stalking Horse Bidder will become the sole shareholder of Trees;

¹ All capitalized terms used in this section and not otherwise defined shall have the meanings given thereto in the form of Stalking Horse Agreement.

- (b) prior to the acquisition of those shares, ResidualCo will be incorporated and all of the Excluded Assets and Excluded Liabilities of the Applicants will be transferred to ResidualCo pursuant to the terms of a reverse vesting order;
- (c) the Purchase Price is an amount equal to:
 - (i) *Credit Bid Consideration*: the outstanding indebtedness owed by the Applicants under: (A) the debt that the Stalking Horse Bidder holds against the Applicants under the DIP Term Sheet; and (B) the other first-ranking secured debt that the Stalking Horse Bidder holds against the Applicants, which aggregate amount as of January 17, 2024 is estimated to be \$2,360,945 (which amount shall be satisfied through the Stalking Horse Bidder's credit bid of such secured debt); *plus*
 - (ii) *GST/HST Obligations*: the amount of the Pre-Filing GST/HST Obligations, estimated to be \$198,773.48 (which amount shall be satisfied by the Stalking Horse Bidder's assumption of such liabilities); *plus*
 - (iii) *Cash Consideration*: an amount sufficient to satisfy: (A) the Administration Expense Amount; *plus* (B) any Post-Filing Tax Obligations, to the extent that the Applicants do not have sufficient funds on or before the Closing Date to satisfy such amounts (which amount shall be satisfied by a payment in cash to the Monitor);
- (d) as noted, some or all of the cash portion of the Purchase Price will be used to pay to the Monitor the Administrative Expense Amount, which amount the Monitor will use to pay the Administrative Expense Costs and the CCAA Charge Amount (*i.e.*, an amount sufficient to satisfy the obligations secured by the CCAA Charges);

- (e) the Stalking Horse Bidder, through its ownership of Trees, will retain only the following liabilities of the Applicants:
 - (i) all Post-Filing Claims;
 - (ii) all post-Closing liabilities of the Applicants;
 - (iii) to the extent that the Applicants do not have sufficient funds on or before the Closing Date to satisfy such amounts or such amounts are not otherwise paid with the Cash Consideration, any and all Claims in priority to the Credit Bid Consideration;
 - (iv) the Pre-Filing GST/HST Obligations;
 - (v) Intercompany Claims; and
 - (vi) such other liabilities as set forth in the Schedules to the Stalking Horse Agreement, which are to be completed by the Phase I Bid Deadline;
- (f) the Stalking Horse Bidder intends to assume all store-level employees of the Applicants and, in any event, no fewer than 95% of the total current number of store-level employees of the Applicants shall receive an offer of employment;
- (g) the Stalking Horse Bidder is entitled to a Break Fee equal to \$60,000, which amount is equal to approximately 1.6% of the Purchase Price; and
- (h) the Outside Date to consummate the Transactions is April 30, 2024.

THE MONITOR'S INVOLVEMENT IN THE SISP AND STALKING HORSE AGREEMENT

35. The Monitor was consulted in designing the SISP and was party to discussions with One Plant as a potential stalking horse bidder. The Monitor was provided the opportunity to comment on the SISP and on the form of Stalking Horse Agreement. The Monitor will be actively involved in the conduct of the SISP, including through frequent consultation with the Applicants and potential bidders.

36. The Applicants and the Monitor will carry out the SISP in the manner approved by the Court. The Monitor is entitled to receive all information in relation to the SISP and will have certain approval rights in respect of key steps taken therein.
37. The SISP Order provides that the Monitor, the Applicants and their respective affiliates, partners, employees, representatives and agents will have no liability with respect to any claims in connection the conducting of the SISP, except to the extent such claims result from the gross negligence or wilful misconduct of the Monitor or the Applicant, as applicable.

MONITOR'S COMMENTS AND RECOMMENDATION

38. As described in the affidavit of Jeffrey Holmgren sworn January 23, 2024 (the "**Holmgren Affidavit**"), the Applicants engaged in discussions with One Plant to act as a potential stalking horse bidder in these CCAA Proceedings.
39. The SISP procedures contemplate a marketing process to provide any additional parties with the ability to submit a bid with respect to the Opportunity.
40. To date, the Monitor has received several inbound calls from prospective purchasers interested in the SISP, which the Monitor has added to its outreach list. The Monitor has also been working with the Applicants to populate the virtual data room for the SISP. The Monitor expects to be in a position to commence the SISP immediately following the Court's granting of the SISP Order.
41. The benefits of having a stalking horse bid are well recognized by the CCAA courts, including:
 - (a) setting a "floor price" for the business and assets, enabling interested parties to understand from the start of a SISP, the value that they have to beat in order to become a successful bidder;

- (b) providing certainty of a going-concern solution for the operations through a transaction that can be closed if there are no superior offers, thereby helping maintain stability and operations during the proceedings; and
 - (c) streamlining the bidding process as the stalking horse agreement provides a template for competing bidders to use for the submission of competing offers.
42. The Monitor has considered whether, in light of the fact that the Stalking Horse Agreement is structured as a reverse vesting order (“**RVO**”) transaction, it is reasonable and appropriate for the Court to approve the Stalking Horse Agreement solely for purposes of constituting the “Stalking Horse Agreement” under the SISP. The Monitor is aware that reverse vesting orders are not the “norm” in insolvency proceedings and should be sought only in exceptional circumstances with consideration for various factors recently set out by a number of Canadian courts, including those set out by Justice Penny in *Harte Gold Corp. (Re)*, 2022 ONSC 653.
43. Although the approval of an RVO is not before the Court in the Applicants’ motion, the Monitor considers it appropriate to comment briefly, given that the Stalking Horse Agreement contemplates an RVO structure. The Monitor notes that RVOs are commonly sought and granted in the context of distressed sales in the cannabis industry because the business is dependent upon licenses and a regulatory framework that is not easily addressed in the traditional asset sale and vesting order framework. Accordingly, while the Court will have to be satisfied as to the appropriateness of an RVO at the proper time, the Monitor believes it is appropriate to approve the Stalking Horse Agreement for the purpose of acting as a stalking horse bid notwithstanding that it utilizes an RVO structure. The Monitor will comment more fully on the propriety of an RVO structure in the event that the successful bid arising from the SISP is, in fact, an RVO transaction.
44. The Monitor has reviewed all stalking horse processes valued at lower than \$10 million and approved in CCAA and *Bankruptcy and Insolvency Act* proceedings between January 2019 to December 2023 (the “**Stalking Horse Comparison Period**”) in order to assess the reasonableness of the break fees approved by the Courts. The Monitor has also reviewed

all credit bids approved by the Courts during the Stalking Horse Comparison Period. Attached as **Appendix “D”** is a chart of the observed break fees ranging in size from approximately 2.4% to 5.0% for the six bids reviewed during the Stalking Horse Comparison Period, and break fees ranging in size from approximately 0% to 4.8% for the two credit bids reviewed during the same period. The results are also summarized in the tables below:

All Stalking Horse Bids	Transaction Value (“TV”) ¹	Total Fees ²	Total Fees % of TV
Maximum	7,240,000	174,800	2.4%
Average	4,236,518	168,300	4.0%
Minimum	1,500,000	75,000	5.0%

Credit Bids	Transaction Value (“TV”)	Total Fees	Total Fees % of TV
Maximum	6,750,000	325,000	4.8%
Average	4,875,000	162,500	3.3%
Minimum	3,000,000	0	0%

Notes

1. Transaction Value is the stalking horse bid value

2. Total Fees include Break Fees and Expense Reimbursements

45. The Monitor notes that the proposed Stalking Horse Agreement has fees totalling approximately 3%, which fees include the Break Fee, the Commitment Fee under the A&R DIP Term Sheet (as described below) and accrued interest under the DIP Facility. Based on the experience of the Monitor and its review of stalking horse processes lower than \$10 million during the Stalking Horse Comparison Period, the Monitor is of the view that the Break Fee provided in the Stalking Horse Agreement is lower than the average rate during the Stalking Horse Comparison Period and is reasonable in the circumstances.

46. The Monitor, therefore, is of the view that, in the circumstances:

- (a) the SISP provides for a broad, open, fair and transparent process with an appropriate level of independent oversight and flexibility necessary for the Applicants to consider the broad range of potential transactions that may be available to generate value from the Business;
 - (b) the SISP should encourage and facilitate bidding by interested parties and no aspect of the SISP should discourage parties from submitting bids;
 - (c) the SISP provides a reasonable opportunity for other bidders to submit a bid;
 - (d) if necessary, the Auction process will provide the opportunity for all Qualified Phase 2 Bidders, including the Stalking Horse Bidder, to further increase their bids, thereby ensuring that realizations are maximized for all stakeholders of the Applicants;
 - (e) given the efforts described in the Holmgren Affidavit regarding its discussions with One Plant, the fact that One Plant is the DIP Lender and the liquidity issues faced by the Applicants, the timelines of the SISP are reasonable;
 - (f) the provisions of the SISP, including the potential Auction, are reasonable, appropriate and reasonably consistent with both market practices and with SISP processes approved by the Court in other CCAA cases;
 - (g) the Break Fee set out in the Stalking Horse Agreement is within the range of rates identified as part of the Stalking Horse Comparison Period, and therefore is reasonable in the circumstances; and
 - (h) the SISP provides appropriate and reasonable oversight by the Monitor and will best enable the Applicants to maximize recoveries for its stakeholders.
47. Accordingly, the Monitor respectfully recommends that the Applicants' request for approval of the SISP and authorization to use the Stalking Horse Agreement as the Stalking Horse Bid in the SISP be granted.

E. AMENDED AND RESTATED DIP FACILITY AND INCREASE TO DIP LENDER'S CHARGE

48. Since the ARIO first approved the DIP Facility on January 2, 2024, the Monitor, in consultation with the Applicants, has developed the Revised and Extended Cash Flow Projections (defined below), which indicates that the Applicants will fully draw on the original principal amount of \$800,000 available under the DIP Facility by the week ending February 2, 2024. The Applicants, in consultation with the Monitor, have therefore determined that they will require additional funding to complete the SISF and close the Successful Bid or Back-Up Bid, as applicable.
49. Accordingly, the Applicants are seeking the approval of the A&R DIP Term Sheet, pursuant to which, among other things, the DIP Lender has agreed to increase the maximum principal available under the DIP Facility from \$800,000 to \$1,560,000.
50. The following is a summary of the A&R DIP Term Sheet's material amendments to the DIP Facility:
- (a) DIP Facility: The maximum principal amount of the DIP Facility shall be increased from the original commitment of \$800,000 to a new commitment of \$1,560,000, in accordance with the Revised and Extended Cash Flow Projections.
 - (b) Original Commitment: Advances made in respect of the original \$800,000 available under the DIP Facility shall continue to bear interest at a rate of 0% without a commitment fee.
 - (c) New Commitment: In respect of the new \$760,000 commitment (the "**New Commitment**"), advances shall be made in tranches of \$200,000 beginning no earlier than the week of February 16, 2024. Such advances shall be subject to the following key terms and conditions:
 - (i) interest shall accrue at the rate of 15% per annum;

- (ii) a commitment fee is payable to the DIP Lender in an amount of \$45,000, representing approximately 6% of the New Commitment;
 - (iii) the Applicants shall have conducted all material activities at all material times in accordance with the Cash Flow Projections in force at such time; and
 - (iv) if no Qualifying Phase I Bids are received under the SISP (other than the Stalking Horse Agreement) and the SISP is therefore terminated following the Phase I Bid Deadline, the New Commitment shall be reduced from \$760,000 to \$410,000.
- (d) Maturity Date: The Maturity Date shall be extended to April 12, 2024, which the DIP Lender agrees may be extended for an additional 60 calendar days, subject to the Applicants achieving certain milestones.
- (e) Additional Event of Default: An additional Event of Default occurs where the Applicants fail to conduct all material activities at all material times in accordance with the Cash Flow Projections in force at such time.

51. Attached as **Appendix “E”** is a chart of the observed interest rates of DIP loans that are valued at less than \$2 million, for the period between January 2022 and December 2023 (“**DIP Comparison Period**”), which are summarized in the table below:

	Interest Rate	DIP Fees as a % of DIP Loan
Maximum	18%	11.8%
Average	9.6%	1.7%
Minimum	0%	0%

52. Based on the experience of the Monitor and on the information available to it, the Monitor is of the view that the interest rate provided in the A&R DIP Term Sheet is within an acceptable range as compared to the DIP loans that the Monitor reviewed over the DIP Comparison Period. The Commitment Fee as a percentage of the New Commitment is also

within an acceptable range during the DIP Comparison Period. The Monitor is of the view that both fees are reasonable in the circumstances. The Monitor notes that the DIP Lender is entitled to be reimbursed for its reasonable professional fees associated with providing the DIP Facility as previously approved by the Court and that the Monitor has not considered these reimbursement entitlements in its above comparative analysis.

53. The Monitor supports the Applicants' request for the Court's approval of the A&R DIP Term Sheet, the corresponding increase to the maximum principal amount available under the DIP Facility and the increase to the maximum amount of the DIP Lender's Charge.
54. In coming to this conclusion, the Monitor has considered, among other things, that without this relief, the Revised and Extended Cash Flow Projections indicates that the Applicants will have insufficient liquidity to continue these CCAA proceedings beyond the week of February 2, 2024, and will therefore be unable to complete the SISP or close a transaction. The Monitor is also mindful of the costs of switching to a new lender to provide fresh debtor-in-possession financing to cover this shortfall, including the risk that such a new lender might not be found. In light of these considerations, the Monitor views the terms of the A&R Term Sheet as fair and reasonable in the circumstances.

F. THE SECURITY OPINIONS

55. Given the Stalking Horse Agreement is structured as a credit bid whereby the Stalking Horse Bidder would credit bid, among other things, the Trees Security and the OCH Security, the Monitor has instructed its counsel, Torys, to provide opinions as to the validity and enforceability of the Trees Security and the OCH Security.
56. In respect of the Trees Security, Torys has prepared a written opinion dated January 19, 2024 (the "**Trees Security Opinion**"). Subject to the customary qualifications and assumptions set out therein, Torys opines in the Trees Security Opinion that:
 - (a) the Trees Security constitutes a valid and enforceable obligation of Trees in favour of One Plant;

- (b) the Trees Security creates in favour of One Plant a valid security interest in the undertaking, business, property, assets, interests and rights of Trees that is subject to the applicable security documents (collectively, the “**Trees Charged Property**”);
 - (c) the Trees Security has been registered, filed or recorded in all public offices where the registration, filing or recording thereof is required under the laws of the Province of Alberta to perfect the security interest created thereby in the Trees Charged Property to which the Alberta PPSA applies; and
 - (d) the Trees Security has been registered, filed or recorded in all public offices where the registration, filing or recording thereof is required under the laws of the Province of Ontario to perfect the security interest created thereby in the Trees Charged Property to which the Ontario PPSA applies.
57. Due to the applicable loan and security documents governing the Trees Security being governed by Alberta law, Torys’ opinions described in paragraphs 56(a) to 56(c) are restricted to the laws of the Province of Alberta and the laws of Canada applicable therein. Torys’ opinion described in paragraph 56(d) is restricted to the laws of the Province of Ontario and the laws of Canada applicable therein.
58. In respect of the OCH Security, Torys has prepared a written opinion dated January 19, 2024 (the “**OCH Security Opinion**”). Subject to the customary qualifications and assumptions set out therein, Torys opines in the OCH Security Opinion that:
- (a) the OCH Security constitutes a valid and enforceable obligation of OCHC and OCHOCC in favour of One Plant;
 - (b) the OCH Security creates in favour of One Plant a valid security interest in the undertaking, business, property, assets, interests and rights of OCHC and OCHOCC that is subject to the applicable security documents (collectively, the “**OCH Charged Property**”); and

- (c) the OCH Security has been registered, filed or recorded in all public offices where the registration, filing or recording thereof is required under the laws of the Province of Ontario to perfect the security interest created thereby in the OCH Charged Property to which the Ontario PPSA applies.

G. SECURITIES ACT RELIEF

- 59. The Second ARIO includes language that would grant the Applicants relief from certain obligations under applicable securities laws, regulations and rules, including the *Securities Act* (Alberta).
- 60. Specifically, these amendments, among other things, would authorize Trees to incur no further expenses in relation to any filings (including financial statements), disclosures, core or non-core documents, restatements, amendments to existing filings, press releases or any other actions (collectively, the “**Securities Filings**”) and any future annual general meetings of the shareholders of Trees (a “**Shareholders’ Meeting**”) that may be required by any federal, provincial or other law respecting securities or capital markets in Canada.
- 61. The Second ARIO also includes language providing that none of the directors, officers, employees, or other representatives of the Applicants, nor the Monitor, shall have any personal liability for any failure by the Applicants to make any Securities Filings required by applicable securities legislation, regulations or rules.
- 62. Finally, the Second ARIO explicitly states that the above relief does not restrict the ability of any securities regulator or stock exchange from taking any action or exercising any discretion permitted under the CCAA, nor does it encroach on the jurisdiction of any securities regulatory authorities in the manner of regulating the conduct of market participants.
- 63. The Monitor has been advised by the Applicants’ counsel that they have had direct discussions with the Alberta Securities Commission (the “**ASC**”) regarding this proposed relief, and that the ASC has no concerns with the relief sought.

64. The Monitor understands that this relief is being sought by the Applicants given the time and costs associated with preparing the Securities Filings and holding Shareholders' Meetings, which would detract the Applicants from focusing on the SISP, a successful transaction and their restructuring and would increase the overall costs of the restructuring. The Monitor notes that detailed financial information will continue to be made publicly available through the materials filed in the CCAA Proceedings.
65. In the Monitor's experience, this type of relief is not uncommon for public companies that commence CCAA proceedings and the Monitor is supportive of this relief sought by the Applicants in the circumstances.

H. RECEIPTS AND DISBURSEMENTS FOR THE TWO-WEEK PERIOD ENDING JANUARY 12, 2024

66. The Applicants' actual negative net cash flow for the two-week period ending January 12, 2024 was approximately \$112,000, as compared to a forecast negative net cash flow of approximately \$558,000 noted in the Cash Flow Projection previously filed as Appendix "B" to the Former Monitor's First Report. This represents a positive variance of approximately \$446,000, as summarized below:

Trees Corporation Variance Analysis \$CDN 000's				
Forecast Week Ending (Friday)	Forecasts	Actuals	Variance	
			\$	%
Receipts				
Retail Sales and Other Receipts	\$ 1,210	\$ 731	\$ (479)	-40%
Total Receipts	1,210	731	- 479	-40%
Disbursements				
Cannabis and Accessory Inventory Purchases	795	507	(288)	-36%
Payroll Costs	219	151	(68)	-31%
Rent	120	90	(31)	-26%
Operational G&A and Taxes	334	71	(263)	-79%
Restructuring Costs	300	25	(275)	-92%
Total Disbursements	1,767	843	(924)	-52%
Net cash receipts/(disbursements)	\$ (558)	\$ (112)	\$ 446	-80%
Cash on hand				
Opening Balance	\$ 169	\$ 169	\$ -	0%
DIP Facility Draw/Repayment	540	-	(540)	-100%
Net Cash Receipts/(disbursements)	(558)	(112)	446	-80%
Ending cash balance	\$ 151	\$ 57	\$ (94)	-62%
Proposed Debt-in-Process Financing				
Opening balance	\$ 60	\$ 60	\$ -	0%
Draw/(Repayment)	540	-	(540)	-100%
Commitment fee	-	-	-	0%
Accrued Interest	-	-	-	0%
Ending balance	\$ 600	\$ 60	\$ (540)	-90%

67. The Cash Flow Projection previously filed as Appendix “B” to the Former Monitor’s First Report included a duplicative forecast period and, as a result, the forecast period above for purposes of determining the receipts and disbursements for a two-week period includes duplication of the week ending December 31, 2023. The key reasons for the variances noted in the table above, excluding the duplicative period, are as follows:

- (a) the negative variance in *Total Receipts* was primarily due to lower than expected receipts from retail sales and LP collections;
- (b) the positive variance in *Cannabis and Accessory Inventory Purchases* was primarily driven by lower than expected inventory purchases as a result of lower than forecasted sales and anticipated store closures;
- (c) the positive variance in *Rent* was primarily driven by timing of rent payments, as well as lower than forecasted payments related to disclaimed leases. A

portion of this variance is expected to reverse in future weeks as pro-rata post-filing lease payments are made;

- (d) the positive variance in *Operational G&A and Taxes* was primarily driven by lower than forecasted legal payments to external corporate counsel. A portion of this variance is expected to reverse in future weeks as invoices are received and paid out; and
- (e) the positive variance in *Restructuring Costs* was driven by the timing of restructuring fees disbursed. A portion of this variance is expected to reverse in future weeks as invoices are received and paid out.

I. REQUEST FOR AN EXTENSION OF THE STAY PERIOD

- 68. The Stay Period currently expires on February 29, 2024. The Applicants are requesting an extension of the Stay Period to and including April 12, 2024. The Applicants require additional time to implement the SISP and select a Successful Bid.
- 69. The Applicants' Cash Flow Projection demonstrates that, with the increase to the DIP Facility provided by the A&R DIP Term Sheet, the Applicants expect to have sufficient liquidity to fund the CCAA Proceedings during the requested extension of the Stay Period.
- 70. As demonstrated by the Cash Flow Projection attached to this Report as **Appendix "F"** (the "**Revised and Extended Cash Flow Projections**"), the Applicants forecast that they will have sufficient liquidity to fund their obligations and the costs of the CCAA proceedings through the end of the extended Stay Period. The Revised and Extended Cash Flow Projection is summarized below:

Trees Corporation Consolidated Cash Flow Forecast \$CDN 000's	
Forecast Week Ending (Friday)	Total 13 Weeks
Receipts	
Retail Sales and Other Receipts	\$ 4,095
Total Receipts	4,095
Disbursements	
Cannabis and Accessory Inventory Purchases	2,525
Payroll Costs-includes benefits	826
Rent	267
Operational G&A and Taxes	481
Restructuring Costs	1,477
Total Disbursements	5,577
Net Cash Flow	\$ (1,481)
Cash on hand	
Opening Balance	\$ 57
DIP Facility Draw/Repayment	1,560
Net Cash Flow	(1,481)
Ending cash balance	\$ 136
Proposed Debt-in-Procession Financing	
Opening balance	\$ 60
Draw/(Repayment)	1,560
Commitment fee	45
Accrued Interest	13
Ending balance	\$ 1,678

71. The Cash Flow Projection shows *Total Receipts* of \$4.1 million and *Total Disbursements* of \$5.6 million, of which \$1.5 million is restructuring costs of which \$0.36 million relates to costs up to the appointment of the Monitor. The negative net cash flow for the 13-week period is \$1.5 million. As such, the Applicants will require additional draws from the DIP Facility of approximately \$1.6 million during the 13-week period ending April 12, 2024. The Monitor notes that, pursuant to the A&R DIP Term Sheet, if Phase II of the SISP is not required, the DIP Lender will not be required to fund advances greater than \$1.2 million. In this scenario, the Applicants will continue to have sufficient liquidity during the Stay Period because the Applicants will avoid the forecasted restructuring costs associated with Phase II of the SISP and a potential Auction.
72. The Monitor believes that the Applicants have acted and continue to act in good faith and with due diligence and that circumstances exist that make an extension of the Stay Period appropriate.

73. Based on the information currently available, the Monitor also believes that creditors of the Applicants would not be materially prejudiced by an extension of the Stay Period to April 12, 2024.
74. The Monitor supports the Applicants' request for an extension of the Stay Period to April 12, 2024, including in light of the SISP and the timelines set out therein.

J. MOTION FOR FEE APPROVAL

75. The Monitor supports the Applicants' motion for approval of:
 - (a) the fees and disbursements of the Former Monitor for the period from December 17, 2023 to January 2, 2024, in an amount of \$66,817.48, inclusive of disbursements and taxes; and
 - (b) the fees and disbursements of Torys, in its capacity as the Former Monitor's legal counsel, for the period from December 18, 2023 to January 2, 2024, in an amount of \$70,062.19, inclusive of disbursements and taxes.
76. The work performed by the Former Monitor was critical to these CCAA Proceedings and permitted an efficient transition of the monitor role to the Monitor. As set forth in the Former Monitor's Pre-Filing Report and the Former Monitor's First Report, the Former Monitor, among other things:
 - (a) reviewed the Applicants' books and records, including those relating to their credit facilities;
 - (b) engaged with the Applicants' management on various calls and correspondence to better understand their business and the challenges that led to their CCAA filing;
 - (c) assisted the Applicants in preparing their 13-week cash flow forecast and a proposed budget underlying that forecast;

- (d) helped the Applicants with considering cost reduction opportunities and options with respect to unprofitable retail locations;
- (e) responded to calls and e-mails received from creditors, employees and other parties with respect to these CCAA Proceedings during the comeback period;
- (f) reviewed the Applicants' disbursements; and
- (g) participated in discussions among the Applicants and certain stakeholders in respect of the January 2, 2024 comeback hearing and related issues.

77. The Monitor respectfully submits that the fees and disbursements of the Former Monitor and of Torys, as counsel to the Former Monitor, are reasonable in the circumstances and have been validly incurred in accordance with the provisions of the Initial Order.

K. CONCLUSION

78. For the reasons stated in this Report, the Monitor supports the relief sought by the Applicants as summarized herein. The Monitor respectfully submits to the Court this Report.

The Monitor respectfully submits to the Court this, its First Report.

Dated this 24th day of January, 2024.

FTI Consulting Canada Inc.
In its capacity as Monitor of
Trees Corporation, Ontario Cannabis Holdings Corp.,
Miraculo Inc., 2707461 Ontario Ltd.,
OCH Ontario Consulting Corp., and 11819496 Canada Inc.
And not in its personal or corporate capacity



Jeffrey Rosenberg
Senior Managing Director



Jodi Porepa
Senior Managing Director

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 TREES
CORPORATION, ONTARIO CANNABIS HOLDINGS CORP., MIRACULO INC., 2707461
ONTARIO LTD., OCH ONTARIO CONSULTING CORP., AND 11819496 CANADA INC.

Court File No. CV-23-00711935-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at TORONTO

SECOND REPORT OF
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