

May 20, 2026

## BY HAND DELIVERY & EMAIL

The Honourable Justice John A. Keith  
Supreme Court of Nova Scotia  
The Law Courts  
1815 Upper Water Street  
Halifax NS B3J 1S7

Dear Justice Keith:

**Re: In the Matter of the *Companies' Creditors Arrangement Act* (the "CCAA") and in the Matter of CFFI Ventures Inc. ("CFFI"), Supreme Court of Nova Scotia (Halifax), Court File No. 551716 – Relief Sought at May 22, 2026 Case Management Call**

We are counsel for Brendan Paddick regarding the above-noted matter.

We write in advance of the case management call scheduled for May 22, 2026, to raise two concerns regarding the relief being sought by CFFI at that call.

First, we are concerned that insufficient specific information has been disclosed about the proposed termination, severance, and retention payments to the four former employees of CFFI for us to determine whether to support the relief being sought. The Second Report of the Monitor dated May 19, 2026 indicates that CFFI is seeking approval of severance and retention payments in the aggregate amount of \$641,106. While the Monitor has expressed support for the proposed payments, we have not been provided with sufficient details regarding, among other things, the individual amounts payable to each former employee, the basis upon which the bonus amounts were determined, or the terms of the arrangements pursuant to which the former employees continued to provide services during the restructuring. In light of the well-established case law for approval of a key employee retention plan in CCAA proceedings requiring arm's length safeguards, necessity, and reasonableness of design<sup>1</sup>, we submit that further disclosure is required before the Court is asked to approve this relief.

Second, we are concerned that the relief being sought at the May 22, 2026 case management call is outside the scope of what was contemplated for that call. Your Lordship's letter to counsel dated May 1,

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<sup>1</sup> See *Aralez Pharmaceuticals Inc. (Re)*, 2018 ONSC 6980 at paragraph 30.

DAVIES

2026, summarizing the procedural directions from the April 30, 2026 case conference, set out the following agenda items for the May 22 call: (a) determining the motion for a Second Amended and Restated Initial Order; (b) setting a filing schedule for the motion to approve CFFI's Sale and Investment Solicitation Process on June 9, 2026; and (c) discussing any issues which have arisen in the interim and require the Court's attention. The approval of severance and retention payments to former employees was not included among the agenda items for the May 22 call. We respectfully submit that seeking substantive relief of this nature, particularly where stakeholders have not been afforded adequate time and information to assess the proposed payments, goes beyond the scope of the May 22 case management call as established by the Court.

All of which is respectfully submitted.

Yours truly,

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Natasha MacParland