



ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CL-26-00000122-0000

DATE: April 15, 2026

NO. ON LIST: 02

TITLE OF PROCEEDING: THE CANNABIST COMPANY HOLDINGS INC.; THE CANNABIST COMPANY HOLDINGS (CANADA) INC. V. EAST WEST BANK

BEFORE: JUSTICE J. DIETRICH

PARTICIPANT INFORMATION

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ENDORSEMENT OF JUSTICE J. DIETRICH:

- [1] The Applicants seek three orders today. Defined terms used but not otherwise defined herein have the meaning set out in the factum of the Applicants filed for use on this motion.
- [2] First, an order is sought approving a transaction (the “**Delaware Transaction**”) as set out in the Delaware APA between the Parent Company and Columbia Care Delaware, LLC (“**CC Delaware**”), as sellers, and Parma Holdco LLC (“**Parma**”), as purchaser, dated March 23, 2026.
- [3] Second, an order is sought approving a transaction (the “**Ohio Transaction**”) asset out in the Ohio EPA between the Parent Company and certain other entities and Holistic Industries Inc. (“**Holistic**”), as purchaser, dated March 23, 2026.
- [4] Third, an ancillary order is sought, granting certain releases upon closing of Delaware Transaction and the Ohio Transaction and sealing Confidential Exhibit “F” to the affidavit of Grant Kassel sworn March 23, 2026 until closing of the transactions or further order of the Court.
- [5] The Company operates a fully-integrated cannabis business across nine markets in the United States where medical or adult-use cannabis is legally permitted. The Company sought and was granted protection under the *Companies' Creditors Arrangement Act* on March 24, 2026. The background to these CCAA Proceedings is set out in my prior endorsements and is not repeated herein.
- [6] Prior to filing for CCAA protection, the Company conducted a dual track Strategic Review. The dual track process, conducted with the assistance of Moelis, included the Sales Process, to explore the sale of the Company either as a whole or through strategic market divestitures and a review of a stand-alone restructuring of the Company’s business and capital structure.
- [7] The Sales Process began in June of 2025 and is detailed in the Kassel Affidavit and summarized in the Second Report of the Monitor dated April 10, 2026 (the “**Second Report**”) filed in support of the Company's motion.
- [8] Upon consideration of all of the bids received through the Sales Process, including the additional bids received following the Phase 2 Bid Deadline, and the evaluation of the restructuring options, the Special Committee, in consultation with the Company’s advisors, decided to pursue a sale of the Company’s business. The Special Committee determined that pursuing a series of transactions for certain markets would maximize the value of the Company.
- [9] As part of the Sales Process, Moelis received two Phase 2 bids that expressed interest in acquiring the Company’s Delaware business. Throughout October 2025, Moelis continued to facilitate due diligence with bidders, one of which was Parma, an indirect affiliate of Millstreet, including an on-site visit to the

cultivation and manufacturing facility in Delaware. On November 24, 2025, Parma submitted an indication of interest which contemplated a separate acquisition of the Company's Delaware business, which was subsequently improved on January 2, 2026. After considering the various alternatives, on January 23, 2026, the Company and Millstreet executed the Delaware Exclusivity Agreement, pursuant to which the parties agreed to an exclusivity period and ultimately, following negotiations between the Company's advisors and Parma, on March 23, 2026, the Parent Company and its subsidiary, CC Delaware executed the Delaware APA.

- [10] The Delaware Transaction is an asset sale transaction where the Purchased Assets consist of substantially all the assets primarily used or held for use in connection with the Delaware business, other than the Excluded Assets. The Consideration to be paid by Parma includes a cash payment on closing to be adjusted based on, among other things closing cash and net working capital.
- [11] As part of the Sales Process, Moelis received four Phase 2 bids that expressed interest in acquiring the Company's Ohio Business. The Special Committee, in consultation with Moelis and its other advisors, reviewed each of the Ohio Phase 2 Bids, and after receiving feedback from three Senior Noteholders holding the largest portion of the outstanding debt under the Senior Notes, directed the Company's advisors to advance discussions with Holistic. The Holistic Bid was selected after considering a number of factors including consideration mix, certainty around deal execution and total consideration to the Company's stakeholders.
- [12] On March 23, 2026, the Special Committee, with input and advice from the Company's advisors, exercised its good faith business judgment and determined that the Company should execute the Ohio EPA.
- [13] The Ohio Transaction is a purchase of equity in a number of subsidiaries of the Company. The consideration payable includes both a cash component on closing, subject to certain adjustments, as well as a promissory note. The Ohio Transaction also contemplates an option to purchase additional membership interests if, at or prior to closing, the Ohio Division of Cannabis Control has not issued the certificate of operation for the Additional Location.
- [14] Section 36 of the CCAA provides that a debtor company may sell assets outside of the ordinary course of business if authorized to do so by the Court. Section 36(3) of the CCAA sets out the following factors for the Court to consider when determining whether to authorize a sale of assets by a debtor company in a CCAA proceeding: (a) whether the process leading to the proposed sale or disposition was reasonable in the circumstances; (b) whether the monitor approved the process leading to the proposed sale or disposition; (c) whether the monitor filed with the court a report stating that in their opinion the sale or disposition would be more beneficial to the creditors than a sale or disposition under a bankruptcy; (d) the extent to which the creditors were consulted; (e) the effects of the proposed sale or disposition on the creditors and other interested parties; and (f) whether the consideration to be received for the assets is reasonable and fair, taking into account their market value.
- [15] The criteria enumerated in s. 36(3) of the CCAA largely overlapped with the traditional common law criteria established in *Royal Bank v Soundair Corp.* for approval of a sale of assets in an insolvency scenario and remain relevant when considering the statutory test see: *Re Canwest Publishing Inc./Publications Canwest Inc.*, 2010 ONSC 2870 at para. 13.
- [16] In approving sale transactions where the sale process was conducted prior to the insolvency filing, courts have held that the same principals apply to the approval as those resulting from post-filing sale processes:

see *Re Nelson Education Limited*, 2015 ONSC 5557 at para. 31-33,35-59 and *Re Bloom Lake*, 2015 QCCS 1920 at paras. 25-27 and 29.

- [17] In considering these factors, I am satisfied that the Delaware Transaction and the Ohio Transaction should be approved. The Sales Process was robust, competitive, and a broad canvassing of the market over a lengthy period of approximately eight months. The Sales Process was also informed by the prior processes conducted beginning in mid-2024, which included the Company having engaged in discussions with, among others, an ad hoc group of former senior noteholders, certain debt capital providers, and other national multi-state cannabis operators, regarding potential transactions. The Company undertook significant efforts to obtain the best price possible in the circumstances and there is no evidence to suggest that the Company may have acted in bad faith or improvidently.
- [18] Among other things: the Company, in consultation with Moelis and its other advisors engaged with bidders throughout the Sales Process to drive competitive tension and improve value, consideration mix, and other key deal terms; upon consideration of all the bids received through the Sales Process and the evaluation of restructuring options, the Special Committee, in consultation with the Company's advisors, determined that pursuing a series of select transactions for certain markets would maximize the value of the Company, as compared to a sale of the entire Company; throughout November 2025, the Company and its advisors advanced negotiations with Holistic to improve the terms of the Holistic Bid; and following favourable industry developments around the issuance of the EO, the Company engaged in negotiations with Holistic and Parma to increase the aggregate consideration for the Company's Ohio and Delaware businesses, respectively.
- [19] The Monitor also recommends approval of the Transactions as set out in the Second Report given its views that, among other things: (a) the pre-filing marketing and sales process in respect of the Company's business was extensive; (b) Moelis and the Company conducted a broad and thorough marketing process such that the market for potential purchasers of the Company's Delaware and Ohio businesses were thoroughly canvassed; (c) potential bidders had sufficient time and access to detailed information to perform due diligence to adequately assess the Company's business; (d) the Sales Process was carried out fairly with appropriate governance and decision making; and (e) the Transactions are the best available options in the circumstances for the Company and its stakeholders.
- [20] No opposition to the transactions was raised. The Company and its advisors engaged and consulted with its fulcrum creditor group, the Senior Noteholders, throughout the Sales Process.
- [21] With respect to the Ohio Transaction, among other benefits: (a) as an equity sale, the Subsidiaries being acquired remain responsible for their liabilities in the ordinary course. The primary liability that is being "released" is the Senior Noteholders' security interest over the equity of the Subsidiaries contemplated to be acquired; (b) by transferring the Ohio business as a going concern to a scaled industry operator, the Ohio Transaction preserves critical relationships with regulators, patients/customers, suppliers, landlords, and local communities; and (c) Holistic has obtained its senior lenders' approval for the transaction and, as confirmed in the Ohio EPA, will have sufficient immediately available funds to pay the Initial Closing Cash Payment and perform all obligations under the seller note at and after closing.
- [22] With respect to the Delaware Transaction, among other benefits: (a) the Buyer is assuming substantially all liabilities in the ordinary course. The primary liabilities that are being excluded are the Senior Noteholders' security interest over the assets being acquired and unpaid U.S. federal income taxes for the pre-closing period to the extent such liability arises solely from the Company filing U.S. federal income

tax returns taking the position that Section 280E does not apply to the Company; (b) the purchaser is a scaled industry operator, and by preserving the business as a going concern, the Delaware Transaction preserves critical relationships with regulators, patients/customers, suppliers, landlords, and local communities; and (c) the Delaware Transaction contemplates preservation of substantially all the employees (with base pay no less favourable than pre-closing levels, substantially comparable short-term cash incentive opportunities, and in the aggregate, substantially comparable employee benefits.

- [23] The Applicants are seeking provisions in the relevant orders which, among other things, waive all claims of any third parties in any way related to, arising from, or in connection with: (a) the consummation of the Transactions (or the pre-closing restructuring in the case of the Ohio Transaction); (b) the commencement or existence of the CCAA Proceedings, the Chapter 15 Proceeding, or any insolvency proceeding in respect of the Applicants or the Subsidiaries; (c) the insolvency of any of the Applicants or any alleged insolvency of the Subsidiaries; (d) any cross-default caused by the actions or inactions of the Applicants or the Subsidiaries (other than the Company being acquired) under a Contract; or (e) in the case of the Ohio Transaction, a change of control arising from the implementation of the Ohio Transaction. The relief requested does not waive any monetary defaults. I am satisfied that such relief is appropriate here and similar relief has been granted in other CCAA approval and vesting orders: see *Just Energy Group Inc. et al.*, Approval and Vesting Order dated November 3, 2022, at paras. 12 and 14 (Court File No. CV-21-00658423-00CL) and *Harte Gold Corp.*, Approval and Reverse Vesting Order dated January 28, 2022, at paras. 13 and 15. and the Assignment, Approval and Vesting Order granted in the CCAA proceedings of *Sandvine Corporation et al.*, Court File No. CV-24-00730836-00CL at paras. 14 and 20.
- [24] The proposed Delaware Sale Approval Order being sought by the Applicants provides that CC Delaware will be deemed to have become an applicant in the CCAA Proceedings for all purposes, one minute prior to closing of the Delaware Transaction and upon CC Delaware being deemed as an applicant in these CCAA Proceedings, it shall be entitled to the benefits and protections of the CCAA and any orders made in these CCAA Proceedings. I am satisfied this relief is appropriate in that CC Delaware satisfies the statutory requirements to be a CCAA applicant as: (a) it is an affiliated debtor company with claims exceeding \$5 million; (b) it is insolvent; and (c) it is the seller under the Delaware Transaction and the proceeds of sale of the Delaware Transaction are to be deposited in an account located in Canada.
- [25] The Ancillary Order requested includes releases in favour of the Released Parties from the Released Claims. As set out in the draft order, the Released Parties include the current directors, officers, employees and advisors of the Applicants and the Subsidiaries, the Monitor and its counsel, and directors, officers and employees, and the Ohio Buyer or Delaware Buyer respectively, and its current and former directors, officers, employees and counsel. The proposed Released Claims include claims related to the applicable purchase agreement, Transaction, the Strategic Review, and the restructuring and sale efforts of the Applicants and the Subsidiaries including the use of proceeds related thereto, the CCAA Proceedings and the Chapter 15 Proceedings.
- [26] The following criteria are ordinarily considered with respect to third-party releases provided for under a plan: (a) whether the claims to be released are rationally connected to the purpose of the restructuring; (b) whether the release contributed to the restructuring; (c) whether the release is fair, reasonable and not overly broad; (d) whether the restructuring could succeed without the release; (e) whether the release benefits the debtor as well as the creditors generally; and (f) creditors' knowledge of the nature and the effect of the releases: see *Lydian International Limited (Re)*, 2020 ONSC 4006 at para. 54. These factors are also applicable when releases are sought in connection with a sale transaction under the CCAA: see *Green Relief Inc (Re)*, 2020 ONSC 6837.

- [27] Evidence regarding the contributions of the Monitor, the directors, management and the Special Committee to the Strategic Review, the CCAA Proceeding, the Delaware Transaction and the Ohio Transaction is set out in the affidavit Thomas Lynch sworn April 9, 2026 and the Second Report. The proposed releases do not cover former directors or officers of the Company and also do not cover general liabilities that may arise from the Company's operations. As well, the proposed releases do not include any claims that cannot be released under s. 5.1(2) of the CCAA, claims constituting fraud, willful misconduct or gross negligence or any obligation under the relevant transaction documents or court orders. All potentially affected stakeholders were served notice of the commencement of the CCAA Proceedings and were directed to the Monitor's case webpage which includes all motion materials filed in these CCAA Proceedings, including the Applicants' motion record seeking the Releases.
- [28] Having considered the evidence and the above factors, and subject to the amendments discussed today during the hearing, which are intended to ensure the releases are related to the Delaware Transaction and the Ohio Transaction being approved and not generally to the CCAA Proceedings or the Chapter 15 Proceedings, I am satisfied that the releases are appropriate.
- [29] The limited sealing order being sought is necessary to preserve the Applicants' ability to maximize the value of the property in the event the transactions do not close. I am satisfied that the requested sealing order for the Confidential Exhibit (being a summary of relevant offers received during the Sales Process) meets the test in *Sherman Estate v. Donovan* 2021 SCC 25 at para 38 and that disclosure of this information would pose a risk to the public interest in enabling stakeholders of a company in insolvency proceedings to maximize the realization of assets.
- [30] Orders to go in the form signed by me this day with immediate effect.



Date: Apr 15, 2026

Justice J. Dietrich