



SUPERIOR COURT OF JUSTICE

ENDORSEMENT

COURT FILE NO.: CV-24-00717664-00CL DATE: September 27, 2024

NO. ON LIST: 4

TITLE OF PROCEEDING: HERITAGE CANNABIS HOLDINGS CORP. et al. v. HIS MAJESTY THE KING IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE

BEFORE: **W.D. BLACK J.**

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

Name of Person Appearing	Name of Party	Contact Info
Chris Burr, Counsel	KPMG, The Monitor	chris.burr@blakes.com

For Defendant, Respondent, Responding Party:

Name of Person Appearing	Name of Party	Contact Info
Danish Afroz, Counsel Laura Culleton, Counsel	HERITAGE CANNABIS HOLDINGS CORP. 4005477 B.C. LTD. HERITAGE CANNABIS WEST CORPORATION MAINSTRAIN MARKET LTD. HERITAGE CANNABIS EAST CORPORATION PUREFARMA SOLUTIONS INC. 333 JARVIS REALTY INC. 5450 REALTY INC. HERITAGE CANNABIS EXCHANGE CORP. PREMIUM 5 LTD.	dafroz@chaitons.com laurac@chaitons.com

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
Pritesh Patel Tim Montgomery	KPMG, Monitor	pritchpatel@kpmg.ca timmontgomery@kpmg.ca

ENDORSEMENT OF JUSTICE BLACK:

[1] The Monitor was before me today seeking an order to bring these CCAA proceedings to a close.

[2] The proceedings were commenced on April 2, 2024, when this court granted an initial order providing the initial applicants protection under the CCAA and appointing KPMG Inc. as Monitor.

[3] Within the proceedings, the initial applicants conducted a court-supervised sale and investor solicitation process (the "SISP"), which led to a set of transactions (the "Transactions") in respect of which this court granted an Approval and Reverse Vesting Order dated June 26, 2024 (the "ARVO") approving the Transactions, vesting the unwanted liabilities of the Purchased Entities (as defined in an amended and restated stalking horse agreement (the "A&R SHA") dated June 17, 2024) in 1000921087 Ontario Inc. ("Residual Co.") and adding Residual Co. as an applicant in these CCAA proceedings.

[4] The Transactions closed on August 29, 2024, and the Purchased Entities were removed as applicants herein. 1005477 B.C. Ltd., Mainstrain Market Ltd. and Residual Co. are now the "Remaining Applicants of these CCAA proceedings.

[5] The Remaining Applicants have no ongoing operations as substantially all of the business and assets of the group of which they were a part (the "Heritage Group") were sold pursuant to the Transactions.

[6] However, certain administrative matters remain to be attended to by the Monitor on behalf of the Remaining Applicants, including:

- (a) Preparing materials to make assignments in bankruptcy for each of the Remaining Applicants; and
- (b) Transitioning the CCAA proceedings into bankruptcy proceedings to allow for an orderly winding-up of the Remaining Applicants.

[7] There are sufficient funds on hand, in a cash reserve established by the A&R SHA in an Administrative Expense Account (as defined) to cover the costs of the Monitor's remaining activities. I also approve payment of up to \$60,000 for the remaining fees and disbursements of the Monitor and its counsel.

[8] For these purposes, the Monitor seeks the Termination Order, which contemplates and sets out the details of these various remaining steps. In order to accommodate the remaining steps required, I am granting an extension of the stay period, as requested.

[9] The Monitor also seeks, and the Termination Order provides for release (the "Releases" for various participants in the process, including the Monitor and its counsel, counsel to the applicants, and each of their respective affiliates and present and former officers, directors, partners, employees, and agents (collectively the "Released Parties").

[10] I am satisfied based on the materials that the Released Parties were in each case necessary and essential to the restructuring process, and that the Releases are appropriately limited in scope.

[11] I am also satisfied that the Monitor's activities for the relevant period, and its second, third and fourth reports describing those activities are all appropriate, and I approve them. I also approve the Monitor's fees, and those of its counsel, all of which appear reasonable to me.

[12] As the Monitor aptly puts it in its factum, "these CCAA proceedings have served their purpose." The business and operations of the original applicants have been sold, and the remaining applicants have no remaining material assets and conduct no ongoing business activities. As such, I am prepared to grant the CCAA Termination Order, a signed copy of which is attached.



W.D. BLACK J.

Date: September 27, 2024