COURT FILE NUMBER	**2401-17986**
COURT	**COURT OF KING'S BENCH OF ALBERTA**
JUDICIAL CENTRE	**CALGARY**
PROCEEDING	**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, RSC 1985, c. C-36, as amended** **AND IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT OF 420 INVESTMENTS LTD., 420 PREMIUM MARKETS LTD., GREEN ROCK CANNABIS (EC 1) LIMITED AND 420 DISPENSARIES LTD.**
DOCUMENT	**FIFTH REPORT OF THE MONITOR** **June 2, 2025**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

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1.0 Introduction

1. On May 29, 2024 (the "**Filing Date**"), 420 Investments Ltd. ("**420 Investments**"), 420 Premium Markets Ltd. ("**420 Premium Markets**"), and Green Rock Cannabis (EC 1) Limited ("**Green Rock"** and collectively, the "**NOI Entities**") each filed a Notice of Intention to Make a Proposal ("**NOI**"), pursuant to Section 50.4(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended (the "**BIA**") (the "**NOI Proceedings**"). KSV Restructuring Inc. ("**KSV**") consented to act as proposal trustee (the "**Proposal Trustee**") in the NOI Proceedings.

2. On September 19, 2024, the NOI Entities and 420 Dispensaries Ltd. ("**Dispensaries**" and together with the NOI Entities, the "**Applicants**") sought and obtained an initial order (the "**Initial Order**") from the Court of Kings' Bench of Alberta (the "**Court**") granting, among other things, a continuation of the NOI Proceedings under the *Companies' Creditors Arrangement Act,* R.S.C. 1985, c C-36, as amended (the "**CCAA**") (the "**CCAA Proceedings**"). This report (the "**Fifth Report**") is filed by KSV in its capacity as monitor (the "**Monitor**") in the CCAA Proceedings.

1.1 NOI Proceedings Background

1. On June 27, 2024, the NOI Entities were granted an Order by the Court (the "**First Stay Extension Order**") which included, amongst other matters, relief for the following:

   a) extending the period in which the NOI Entities could make proposals to their creditors in the NOI Proceedings and the stay of proceedings up to and including August 12, 2024;

   b) consolidating the NOI Proceedings for procedural purposes;

   c) approving a key employee retention plan (the "**KERP**");

   d) granting the following charges against the NOI Entities' current and future assets, undertakings and properties of every nature and kind whatsoever (including all real and personal property), and wherever situated, including all proceeds thereof (collectively the "**Property**") in the following relative priorities:

i. First – a charge to not exceed $300,000 as security for the fees and disbursements of the Proposal Trustee, the Proposal Trustee's counsel, Bennett Jones LLP ("**Bennett Jones**"), and the NOI Entities' counsel, Stikeman Elliott LLP ("**Stikeman**") (the "**Administration Charge**");

ii. Second – a charge in favour of the NOI Entities' directors and officers to a maximum amount of $433,000 (the "**D&O Charge**"); and

iii. Third – a charge in favour of certain key employees for amounts payable under the KERP up to a maximum amount of $373,928.17 (the "**KERP Charge**", and together with the Administration Charge and the D&O Charge, the "**Charges**").

2. On August 12, 2024, the Court granted two orders, which, amongst other matters:

a) extended the period in which the NOI Entities could make a proposal to its creditors and the stay of proceedings from August 12, 2024, up to and including September 26, 2024; and

b) provided direction to the Commercial Coordinator to schedule a half-day application for the appeal of the order for summary judgment granted by Applications Judge J.R. Farrington to be heard by the Honourable Justice Feasby on October 8, 2024.

1.2 CCAA Proceedings Background

1. Pursuant to an initial order, on September 19, 2024, the Court granted, among other things, the following relief within the CCAA Proceedings:

a) declaring the NOI Proceedings of the NOI Entities is taken up and continued under the CCAA, pursuant to section 11.6(a) of the CCAA;

b) terminating the NOI Proceedings;

c) granting a stay of all proceedings, rights, and remedies against or in respect of the Applicants not exceeding 10 days following the Initial Order (the "**Stay Period**"); and

d) confirming the granting and priority of the Charges pursuant to the First Stay Extension Order in the NOI Proceedings and taking up such Charges and amounts under the CCAA Proceedings except for the KERP Charge, which was to be reduced based on the amounts paid out to date to eligible recipients.

2. Further on September 19, 2024, the Court granted the Applicants' application for an amended and restated initial order ("**Amended and Restated Initial Order**"), which, amongst other matters, extended the Stay Period to, and including, December 16, 2024.

3. Also on September 19, 2024, the Court granted the Applicants' application for an order (the "**Claims Procedure Order**") approving the solicitation, determination and resolution of claims against the Applicants (the "**Claims Procedure**").

4. On October 2, 2024, the Court granted the Applicants' application for an order (the "**SISP Order**") which approved, amongst other matters, a sale and investment solicitation process ("**SISP**").

5. On December 5, 2024, the Court granted the Applicants' application for an Order to extend the Stay Period from December 16, 2024, to February 25, 2025 and seal certain confidential appendices to the Monitor's first report, dated November 29, 2024.

6. On February 14, 2025, the Court granted:

   a) the Applicant's application for an order, among other things, extending the Stay Period to, and including, March 31, 2025; and

   b) the Monitor's application for an order, among other things, declaring that the Late Claims (as defined in the Monitor's second report, dated February 7, 2025) were not barred under Section 12 of the Claims Procedure Order.

7. On March 18, 2025, the Court issued an Order which, among other things, sealed certain exhibits of the first affidavit of Ms. Lisa Roy, sworn March 7, 2025. Subsequently, on April 1, 2025, the Court issued an Order which, among other things, sealed certain appendices to the third report of the Monitor, dated March 11, 2025 (the "**Monitor's Third Report**").

8. On March 27, 2025, the Honourable Justice M.H. Bourque issued a decision (the "**Bourque Decision**") which granted the Applicants' application for an order (the "**Meeting Order**"), which among other things, authorized the Applicants to hold a meeting with its creditors for the purpose of considering and voting on the Applicants' proposed plan of arrangement, including subsequent amendments (the "**Plan**").

9. Correspondingly, the Bourque Decision extended the Stay Period to, and including, May 23, 2025, and dismissed the opposing application by High Park Shops Inc. ("**High Park**") to resume the SISP and grant enhanced powers to the Monitor. A copy of the Bourque Decision is attached hereto as **Appendix "A"**.

10. On May 7, 2025, the Honourable Justice M.H. Bourque issued a decision which dismissed the Applicants' application for an order to disallow Tilray Brands, Inc. from voting on the Plan, whether in their own capacity, through an assigned claim, or through a proxy (the "**Second Bourque Decision**"). Justice M.H. Bourque further granted an extension to the Stay Period to, and including, June 30, 2025.

1.3 High Park Litigation Background

1. As more fully described in the first report of the Proposal Trustee, dated June 24, 2024 (the "**Proposal Trustee's First Report**"), on August 28, 2019, 420 Investments entered into an arrangement agreement (the "**Arrangement Agreement**") with High Park and Tilray Inc. ("**Tilray**") pursuant to which High Park and Tilray would purchase the outstanding shares of 420 Investments. In addition to the Arrangement Agreement, the Applicants and High Park entered into a loan agreement on August 28, 2019, to facilitate the Arrangement Agreement and fund the Applicants operations (the "**Loan Agreement**").

2. On February 26, 2020, the Arrangement Agreement was terminated by High Park and Tilray (the "**Termination**"). In the Applicants' view, the Termination resulted in damages in excess of $130 million. As a result, on February 21, 2020, 420 Investments commenced litigation against Tilray and High Park in the Court (the "**Litigation**"). In response High Park submitted a counter-claim for payment of the amounts owed to them under a secured loan agreement (the "**Counter-Claim**").

3. In early 2024, High Park obtained an order for summary judgement in respect of their Counter-Claim. This order for summary judgement was then overturned pursuant to an appeal heard by the Honourable Justice Feasby on October 8, 2024 (the "**Feasby Decision**"). The Feasby Decision was then subsequently unanimously upheld by the Alberta Court of Appeal following an appeal filed by High Park.

1.4 Purposes of this Fifth Report[1]

1. This Fifth Report is intended to provide the Court with further information related to the relief sought in the Applicants' application scheduled for June 3, 2025, and specifically provides information regarding:

   a) a brief description of the settlement entered between Tilray and the Applicants prior to the Second Bourque Decision;

   b) an update with respect to the meeting of creditors that was recommenced following an adjournment on May 9, 2025, and again on May 12, 2025 (the "**Creditors' Meeting**"), in accordance with the Meeting Order and the results of the Affected Creditors' vote on the Applicants' Plan;

   c) the Monitor's comments and recommendations with respect to the Applicants' request for an Order sanctioning and approving the Plan (the "**Plan Sanction Order**");

   d) the Monitor's comments and recommendations with respect to the Applicants' request for an Order (the "**Termination and Discharge Order**"), which, among other things:

[1] Capitalized terms in this Fifth Report have their meaning provided to them in the Meeting Order or the Plan, unless otherwise defined herein.

i. declares that the CCAA Proceedings shall be concluded and terminated immediately upon the Monitor filing with the Court the certificate (the "**CCAA Termination Certificate**") and confirming that the Plan has been fully implemented and all payments contemplated by the Plan have occurred (the "**Plan Implementation**");

ii. directing the Monitor to file the CCAA Termination Certificate; and

iii. declaring that, upon the Monitor filing with the Court the Monitor's discharge certificate (the "**Monitor's Discharge Certificate**"): (1) all cash distributions to be made under the Plan have been made; (2) all shares to be issued pursuant to the Parent Share Election in the Plan have been issued; and (3) all Litigation Proceeds Promissory Notes to be issued pursuant to the Litigation Proceeds Election in the Plan have been issued, the Monitor shall be discharged and released from any and all further obligations as Monitor, but shall remain Monitor to perform such incidental and administrative duties as may be required under the Plan;

e) the Monitor's comments with respect to the request for a sealing order, sealing the Settlement Agreement and Settlement Agreement Use of Proceeds (both defined below) until the termination of these CCAA Proceedings or further order of this Court (the "**Sealing Order**"); and

f) the Monitor's comments with respect to the implementation of the Plan and the termination of these CCAA Proceedings.

1.5 Scope and Terms of Reference

1. In preparing this Fifth Report, the Monitor has relied upon the Applicants' unaudited financial information, books and records, information available in the public domain and discussions with the Applicants' management ("**Management**") and Stikeman.

2. The Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the financial information relied on to prepare this Fifth Report in a manner that complies with Canadian Auditing Standards ("**CAS**") pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under the CAS in respect of such information. Any party wishing to place reliance on the financial information should perform its own due diligence.

3. This Fifth Report should be read in conjunction with the materials filed by the Applicants, including the Affidavits of Scott Morrow, the Chief Executive Officer of the Applicants, sworn June 19, 2024, August 6, 2024, September 10, 2024, November 25, 2024, February 3, 2025, March 4, 2025, April 17, 2025, and May 26, 2025 and any supplemental affidavit filed by the Applicants in advance of the June 3, 2025 application (collectively, the "**Morrow Affidavits**"). Capitalized terms not defined in this Fifth Report have the meanings ascribed to them in the Morrow Affidavits.

1.6 Currency

1. Unless otherwise noted, all currency references in this Fifth Report are in Canadian dollars.

1.7 Court Materials

1. Court materials filed in these proceedings are made available by KSV on its case website at www.ksvadvisory.com/experience/case/420 (the "**Case Website**").

2.0 Settlement Agreement

1. Effective May 11, 2025, Tilray, High Park, and the Applicants executed a global settlement agreement (the "**Settlement Agreement**"). As the terms and conditions of the Settlement Agreement are confidential, a copy has not been attached to this Fifth Report. Notwithstanding the confidentiality of the Settlement Agreement, the agreement counterparties have provided the Monitor with an unredacted copy of the Settlement Agreement. The Monitor understands that an unredacted copy was provided to the Court by the Applicants, who are seeking a sealing order over the Settlement Agreement. Due to the commercially sensitive information contained in the Settlement Agreement, the Monitor supports the limited sealing order being sought by the Applicants.

2. The funds from the Settlement Agreement will be used, in part, to fund the following:

   a) the Plan Implementation Fund (defined below);

   b) the Charges; and

   c) any contractual amounts payable in connection with the Settlement Agreement.

3. A use of proceeds has been prepared by the Applicants reflecting the use of the funds from the Settlement Agreement (the "**Settlement Agreement Use of Proceeds**") and is attached hereto as **Confidential Appendix "A"**.

4. The Monitor has reviewed both the Settlement Agreement and the Settlement Agreement Use of Proceeds and has no specific concerns with the terms of the Settlement Agreement, or the flow of funds contemplated under the Settlement Agreement Use of Proceeds.

3.0 Summary of the Creditors' Meeting

3.1 The Creditors' Meeting and Plan Amendments

Initial Plan

1. As discussed in more detail in the Monitor's Third Report, the Applicants' filed an initial plan of arrangement, which, among other things, provided for a cash recovery to the Affected Creditors of 55% (the "**Initial Plan**"). The definition of Affected Creditors under the Initial Plan included the unsecured creditors of 420 Premium, and operated under the assumption that the unsecured creditors of 420 Investments would refile their claims prior to the Creditors' Meeting to be included as Affected Creditors under the Initial Plan.

The Meeting Order

2. On March 27, 2025, the Honourable Justice M.H. Bourque granted the Meeting Order authorizing the applicants to hold the Creditors' Meeting on April 11, 2025.

3. On March 31, 2025, the Monitor sent copies of the Meeting Materials (as defined in the Meeting Order) to the Service List and on April 3, 2025, the Monitor sent copies of the Meeting Order and the Meeting Materials to each of the Affected Creditors.

4. On April 8, 2025, the Monitor served its supplement to the Third Report (the "**Supplement to the Third Report**") to provide information and the Monitor's views on the Amended Plan (as defined below).

First Amended Plan

5. For various reasons described in the Monitor's Supplement to the Third Report, the Applicants' made several amendments to the Initial Plan. These amendments included, among other things: (i) increasing the cash recovery to Affected Creditors from 55% to 70%; and (ii) including the unsecured creditors of 420 Investments as Affected Creditors pursuant to the Plan (the "**Amended Plan**"). In section 4.0 of the Supplement to the Third Report, the Monitor advised creditors that it continued to recommend Affected Creditors vote in favour of the Amended Plan.

The Creditors' Meeting

6. On April 11, 2025, the Creditors' Meeting was convened in accordance with the Meeting Order. As further outlined in the Monitor's fourth report, dated April 25, 2021, the Creditors' Meeting was adjourned to May 9, 2025, to allow for the Applicants to apply to this Court for relief related to concerns the Applicants had with certain proxies obtained by Tilray.

Second Amendments to the Plan and Creditors' Meeting Adjournment

7. Following an application before Justice M.H. Bourque on April 28, 2025, and prior to the reconvened Creditors' Meeting, the Applicants advised the Monitor that they were in meaningful discussions with Tilray to reach a global settlement agreement regarding the Tilray Litigation that would result in Tilray supporting the Amended Plan.

8. As a result of the forthcoming Settlement Agreement, the Applicants advised the Monitor that further amendments to the Amended Plan were required. Accordingly, prior to May 9, 2025, when the Creditors' Meeting was to be reconvened, the Applicants' worked with the Monitor to further amend the Amended Plan to be consistent with the terms of the Settlement Agreement .

9. On May 7, 2025, the Applicants' circulated a finalized version of the Amended Plan, which incorporated several amendments (the "**Second Plan Amendments**"), including: (i) reference that the Plan would now be funded by the proceeds raised from the Settlement Agreement; and (ii) clarifying that any election made for the Litigation Proceeds would now result in a recovery of nil for the Affected Creditors.

10. Notwithstanding the finalizing of the Second Plan Amendments, the Applicants' determined that more time was required prior to May 9, 2025, in order to finalize the Settlement Agreement and provide the Affected Creditors with additional time to review the further Amended Plan. Accordingly, at the Creditor's Meeting held on May 9, 2025, a motion was made by Mr. Morrow, in his personal capacity as an Affected Creditor, to briefly further adjourn the Creditors' Meeting to May 12, 2025 (the "**Second Adjournment**"). After a discussion regarding the requested Second Adjournment, the Applicants' creditors voted unanimously in favour of the Second Adjournment.

3.2 Outcome of the Creditors' Meeting

1. The Creditors' Meeting was reconvened at 10:00 AM Calgary time on Monday, May 12, 2025, virtually by Microsoft Teams. A total of 4 Affected Creditors attended the Creditor' Meeting virtually.

2. Mr. Andrew Basi, Managing Director of KSV, acted as chair (the "**Chair**") of the Creditors' Meeting and appointed Mr. Ross Graham, Senior Manager of KSV, as scrutineer (the "**Scrutineer**").

3. At the Creditors' Meeting there was a quorum present and, accordingly, the Chair declared the Creditors' Meeting to be properly constituted. Repersentatives of the Applicants', the Monitor and their respective legal counsel were available to answer questions through the Creditors' Meeting.

4. The Chair opened the Creditors' Meeting by outlining the purpose of the meeting and then offer attendees the opportunity to pose any questions with respect to the Amended Plan, the Second Plan Amendments, or the restructuring process more generally.

5. The Chair then read the resolution to approve the Amended Plan. The Resolution was proposed and seconded by two proxy holders representing the Affected Creditors and the meeting moved to voting.

   Results of the Vote

6. The Chair asked the Affected Creditors' if any wished to amend their vote indicated via their previously submitted proxies. Mr. Michael Gendel, General Legal Counsel of Tilray, requested to amend Tilray's votes pursuant to two previously assigned claims to vote in favour of the Amended Plan.

7. Hearing no further voting amendments were requested by the remaining Affected Creditors in attendance, the Scrutineer then tabulated the votes. The Affected Creditors voted unanimously in favour of the Amended Plan. The Affected Creditors were comprised of 18 Affected Creditors with an aggregate value of Affected Claims in the amount of $2,655,454.31.

8. The Chair noted that with all votes tabulated, the support of the Affected Creditors for the Amended Plan was greater than the required majority in number and in dollar value to approve the Amended Plan in accordance with the CCAA (the "**Required Majority**").

9. Accordingly, the Chair advised the Affected Creditors that the resolution to approve the Amended Plan had been approved by the Required Majority and the Applicants would be making an application to have the Amended Plan sanctioned by the Court on June 3, 2025. The Chair then adjourned the Creditors' Meeting in order for the Applicants to seek sanctioning of the Amended Plan.

4.0 Plan Implementation and Distribution

1. The implementation of the Amended Plan is conditional upon this Court granting the Plan Sanction Order.

2. Pursuant to the Plan Sanction Order, the Amended Plan requires the establishment of a plan implementation fund (the "Plan Implementation Fund") to be funded by Applicants for an amount equal to the amount needed to satisfy the Affected Claims.

3. The Monitor will hold the Plan Implementation Fund in a segregated account to be used to pay or satisfy all amounts payable to the Affected Creditors.

4. The Monitor's current estimate of the amount necessary to establish the Plan Implentation Fund is as follows (these amounts are subject to change):

Category	Amount ($)
Creditor Payments	**1,284,889**
KERP Payment[2]	**235,000**
Unpaid Invoiced Professional fees and estimated WIP due on Plan Implementation[3]	**360,000**
Total	**1,879,889**

[2] The Company has reached agreement with certain KERP recipients to reduce KERP payments in the amount of $59,920.

[3] The applicants legal counsel, the Monitor and the Monitor's counsel have agreed to certain fee reductions and post-payment of certain fees to paid over a period post-Plan implementation.

5.0 CCAA Termination and Release of the Administration Charge and Directors' Charge

1. The Applicants are seeking the approval of a two-stage approach for the conclusion of these CCAA Proceedings and the discharge of the Monitor. The Monitor is supportive of this approach, which is summarized below, as it will allow the Applicants to expeditiously emerge from these CCAA proceedings and will further allow the Monitor to efficiently complete its remaining obligations under the Amended Plan.

2. Initially, the Monitor will be authorized to issue the CCAA Termination Certificate following the Plan Implementation. Further, the Monitor will be authorized to issue the Monitor's Discharge Certificate upon confirmation that all payments and distributions contemplated in Article 5 of the Plan have occurred or been deemed to have occurred.

3. Should this Court grant the Sanction Order as requested, upon filing the CCAA Termination Certificate, the CCAA Proceedings shall be concluded and terminated. Notwithstanding the filing of the CCAA Termination Certificate, the Monitor shall, until the filing of the Monitor's Discharge Certificate remains Monitor of the Applicants for the purposes of performing such incidental and administrative duties as may be required under the Plan, and any other obligations of the Monitor.

4. In connection with the Plan Sanctioning Order, each of the Charges shall be dealt with as set out in Article 5.4(c) of the Plan effective on the Implementation Date.

6.0 Releases

1. The Plan provides for releases on the Plan Implementation in favour of various parties including (referred collectively as, the "**Released Parties**"):

    a) the Applicants;

    b) the past and current employees, legal and financial advisors, and other representatives of the Applicants;

    c) the Applicants' directors and officers;

    d) the Monitor and its legal advisors; and

e) any other person who is the beneficiary of a release under the Plan. (collectively, excluding (d) above, the "**Applicant Released Parties**".)

2. The Plan provides for releases in favour of the Released Parties, which include certain third parties, in a customary form and in line with other CCAA plans of compromise and arrangement previously approved by this Court. The Monitor is of the view that the Released Parties provided significant benefits to the Applicants' and their creditors over the court of these CCAA Proceedings, and that without their involvement, the successful restructuring of the Applicants would not likely have been possible.

3. The work undertaken by the Applicant Released Parties included managing the day-to-day operations of the Applicants and developing the Plan. Additionally, the Applicant Released Parties have negotiated with creditors and entered in the Settlement Agreement, which has benefited the CCAA Proceedings, and allowed for a plan of arrangement that was unanimously supported by affected creditors. The Monitor is of the view that the releases in favour of the Released Parties are reasonable and appropriate in the circumstances.

7.0 Sanction Of Amended Plan

1. As outlined in the Monitor's Third Report and the Supplement to the Third Report, the Monitor concluded that the Plan would result in recoveries to Affected Creditors greater than would be received under the Sale Scenario (as defined in the Monitor's Third Report).

2. The Monitor consulted with the Applicants regarding the various amendments, including the Second Amendments, and continues to believe that the Amended Plan will result in a better recovery to Affective Creditors than they would receive under the Sale Scenario.

3. The Monitor further supports this Court's sanction of the Amended Plan for, among others, the following reasons:

    i. The Applicants are a "debtor company" under the section 2(1) of the CCAA;

    ii. The Applicants have total claims against them over $5,000,000;

    iii. The Applicants creditors were properly classified under the Amended Plan;

iv. The Monitor provided notice of the Creditor's Meeting in accordance with the Meeting Order;

v. The Creditors Meeting was properly constituted, adjourned and reconvened;

vi. Eligible Creditors were present (whether in person of via proxy) and the creditors vote was properly carried out; and

vii. The Amended Plan was approved unanimously, surpassing the Required Majority for approval under the CCAA.

4. The Monitor continues to believe that the Amended Plan was fair and reasonable and warrants the sanction of this Court. Notably, throughout these proceedings the Applicants have operated as a going concern and the unanimously approved Amended Plan will allow for the Applicants' business to continue as a going concern while ensuring a fair and reasonable recovery for the Affected Creditors.

8.0 Sealing Order

1. The Applicants are proposing to seal the Settlement Agreement attached as Confidential Appendix "A" to the ninth affidavit of Scott Morrow, dated May 26, 2025, until further Order of the Court or termination of these CCAA Proceedings (whichever is earlier). Further the Monitor is seeking to seal the Settlement Agreement Use of Proceeds attached as Confidential Appendix "A" to this Fifth Report, until further Order of this Court. . The Monitor believes that no party will be prejudiced if the Settlement Agreement and the Settlement Agreement Waterfall are sealed in the manner requested.

2. In the Monitor's view, the salutary effects of sealing such information from the public record until further Order of the Court greatly outweigh the deleterious effects of not doing so under the circumstances. Accordingly, the Monitor believes the proposed Sealing Order is reasonable and appropriate in the circumstances.

9.0 Professional Fees

1. Pursuant to paragraph 30 of the ARIO, the monitor and its counsel are to be paid their reasonable fees and disbursement at their standard rates and charges, by the Applicants as part of the costs of these proceedings and the Applicants are authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicants on a monthly basis.

2. The Termination and Discharge Order seeks to have the fees and disbursements of KSV, in its capacity as Proposal Trustee and Monitor, including those of its legal counsel, approved by the Court.

3. KSV, in its capacity as Proposal Trustee and Monitor, and Bennett Jones have maintained detailed records of their professional time and costs.

4. KSV's fees, in its capacity as Proposal Trustee and Monitor (including acting as Sales Agent with respect to the SISP), from April 4, 2024 to May 31, 2025 (including estimates of WIP for May 2025) were $669,082.50 plus disbursements of $2,428.24.

5. Bennett Jones' fees from May 31, 2024 to May 31, 2025 (including estimates for WIP for May, 2025) were $321,865.00 plus disbursements of $3,096.07.

6. A summary of the accounts rendered by KSV, in its capacity as Proposal Trustee and Monitor, and Bennett Jones is attached as **Appendix "B"**. The Monitor will provided copies of the detailed accounts for each KSV and Bennett Jones to the Court in advance of the Company's June 3, 2025 application.

7. The amount of the fees is based on the hourly rates of the professionals involved in this matter multiplied by actual time spent on this matter.

8. It is the Monitor's opinion that the fees and disbursements of KSV, in its capacity as Proposal Trustee, and Bennett Jones accurately reflect the work performed by the Monitor, and on behalf of the Monitor by Bennet Jones, in connection with the administration of the CCAA Proceedings for the dates of their respective invoices.

9. It is the Monitor's opinion that the fees and disbursements of Bennett Jones are fair and reasonable and justified in the circumstances. The Monitor recommends approval of Bennett Jones' accounts by this Court.

10.0 Conclusion and Recommendation

1. Based on the foregoing, the Monitor respectfully recommends that this Honourable Court grant the relief sought by the Applicants.

* * *

All of which is respectfully submitted,

KSV RESTRUCTURING INC.,
in its capacity as Monitor of the Applicants,
and not in its personal capacity

Appendix “A”

Court of King's Bench of Alberta

Citation: 420 Investments Ltd (Re), 2025 ABKB 183

Date:
Docket: 2401 17986
Registry: Calgary

In the Matter of the *Companies' Creditors Arrangement Act* RSC 1985, c. C-36, as amended
In the Matter of the Compromise or Arrangement of 420 Investments Ltd., 420 Premium Markets Ltd., Green Rock Cannabis (EC 1) Limited and 420 Dispensaries Ltd.

Reasons for Decision
of the
Honourable Justice M.H. Bourque

I. Introduction and Background

A. NOI Proceedings

[1] On May 29, 2024 (**Filing Date**), 420 Investments Ltd (**420 Parent**), 420 Premium Markets Ltd (**420 OpCo**), and Green Rock Cannabis (EC 1) Limited (**Green Rock**), (collectively, **NOI Entities**) each filed a Notice of Intention to Make a Proposal (**NOI**) pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act*, RSC 1985 c B-3 (***BIA***), (**NOI Proceedings**). KSV Restructuring Inc (**KSV**) consented to act as proposal trustee (**Proposal Trustee**) in the NOI Proceedings.

[2] On June 27, 2024, the Court granted an order, among other things, extending the stay and time to make a proposal to August 12, 2024, approving a key employee retention plan, and granting typical administration and related charges.

[3] On August 12, 2024, the Court granted two orders, among other things, further extending the stay and time to make a proposal to September 26, 2024, and directing and accelerating the scheduling of an appeal of the decision of Applications Judge Farrington's decision in an action involving, on the one hand, 420 Parent, and, on the other, Tilray Inc (**Tilray**) and High Park Shops Inc. (**High Park**) (**Tilray Litigation**), described in greater detail below.

B. *CCAA* Proceedings

[4] On September 19, 2024, the Court granted an initial order on the application of the NOI Entities and 420 Dispensaries Ltd (**Dispensaries**) (collectively, **Applicants**) continuing the NOI

Proceedings under the *Companies Creditors Arrangement Act*, RSC 1985, c C-36 (***CCAA***) (***CCAA* Proceedings**). On the same date, the Court granted an amended and restated initial order (**ARIO**) extending the stay period to December 16, 2024, as well as a claims procedure order.

[5] On October 2, 2024, Jones J granted an order (**SISP Order**), approving a sale and investment solicitation process (**SISP**). As discussed in greater detail later, the SISP did not result in a sale transaction.

[6] On December 5, 2024 and again on February 14, 2025, the Court granted orders extending the *CCAA* stay period to February 25, 2025 and March 31, 2025 respectively.

C. Tilray Litigation

[7] At all material times, 420 Parent owned and operated retail cannabis stores in Alberta. Pursuant to an Arrangement Agreement dated August 28, 2019 (**Arrangement Agreement**), Tilray and High Park agreed to acquire 420 Parent for $70 million plus a potential additional $44 million in contingent consideration. As part of the proposed transaction, pursuant to a loan agreement (**Loan Agreement**), High Park provided $7 million in bridge financing (**Bridge Loan**) to 420 Parent to facilitate the continued development of retail stores before the closing of the Arrangement Agreement. The Loan Agreement provided for the repayment of the Bridge Loan on the later of (i) 180 days from the advance of funds or (ii) the termination of the Arrangement Agreement.

[8] On January 28, 2020, and February 4, 2020, Tilray and High Park provided 420 Parent with notices of alleged breaches of the Arrangement Agreement, which 420 Parent rejected because Tilray and High Park had not particularized the alleged breaches. On February 21, 2020, 420 Parent commenced an action against Tilray and High Park. On February 26, 2020, Tilray and High Park issued a notice of termination, citing 420 Parent's failure to cure the alleged breaches within the time allowed under the Arrangement Agreement.

[9] On March 11, 2020, High Park issued a notice of acceleration requiring 420 Parent to repay the Bridge Loan. When 420 Parent refused to repay the Bridge Loan, Tilray and High Park counterclaimed, seeking the repayment of the $7 million advance (**High Park Counterclaim**). In an unpublished endorsement dated February 7, 2024, Applications Judge Farrington granted High Park's application for summary judgment (**High Park Summary Judgment**), the effect of which was to make enforceable the repayment of the amount advanced under the Bridge Loan plus interest. 420 Parent appealed the High Park Summary Judgment. Shortly thereafter, High Park commenced enforcement proceedings against 420 Parent, which led the NOI Entities to file the NOI. 420 Parent appealed the High Park Summary Judgment.

[10] On October 16, 2024, Feasby J allowed 420 Parent's appeal of the High Park Summary Judgment (***420 Investments Ltd v Tilray Inc***, 2024 ABKB 610 (**Feasby Decision**)). Given their importance in these proceedings, I have set out the relevant portions of the Feasby Decision:

> [17] The Applications Judge recognized that Tilray and High Park may be liable in respect of [420 Parent's] main claim but did not see that as an obstacle to the enforcement of the Loan Agreement. His view was that the money advanced to 420 [Parent] was owing, and the Loan Agreement provided there was to be no set-off. He concluded that this meant that any claim regarding the Arrangement Agreement should be decided separately. Accordingly, it was appropriate to grant

summary judgment in respect of the counterclaim for the amount of the Bridge Loan.

[18] The Applications Judge's approach overlooked the words of Loan Agreement s 7.1. Loan Agreement s 7.1 makes repayment of the Bridge Loan contingent on the termination of the Arrangement Agreement. Put differently, termination of the Arrangement Agreement is a condition precedent to the enforcement of the Bridge Loan. This requires the Court to determine whether the Arrangement Agreement has been terminated.

[19] The Arrangement Agreement can only be terminated in accordance with its terms. Article 7.1 of the Arrangement Agreement provides the grounds on which it may be terminated, and art 4.7 outlines the required contents of a notice to terminate. To determine whether there has been a "termination of the Arrangement Agreement" for the purposes of Loan Agreement s 7.1 it is necessary to determine whether the procedural and substantive requirements for termination under the Arrangement Agreement have been satisfied. The parties have adduced conflicting evidence concerning whether the procedural and substantive requirements for termination of the Arrangement Agreement have been satisfied.

[20] Termination of the Arrangement Agreement is a question that is integral to 420's main claim for specific performance and Tilray and High Park's defence to that claim. Termination of the Arrangement Agreement is not amenable to summary determination. Whether the notices of termination provided the particulars required by Arrangement Agreement art 4.7 and whether the alleged grounds of termination can be proved are issues for trial. It would be contrary to the interests of justice to decide these issues summarily in the face of conflicting evidence when those issues are central to the main action.

[21] The only way around the interpretation of Loan Agreement s 7.1 that I have outlined is to do what the Applications Judge did and effectively read "termination of the Arrangement Agreement" as meaning "delivery of a notice of termination." This reading is not consistent with the text of Loan Agreement s 7.1 which refers to the Arrangement Agreement and, in my view, thereby requires the Court to consider whether the evidence shows that the termination provisions of the Arrangement Agreement have been satisfied. Further, from a practical standpoint, such an interpretation allows Tilray and High Park to call the Bridge Loan by issuing a notice of termination of the Arrangement Agreement even if they do not have a *bona fide* basis to issue a notice of termination.

[emphasis added in para 18]

[11] Accordingly, repayment of the Bridge Loan is not currently enforceable by High Park against 420 Parent because its repayment is contingent on whether termination of the Arrangement Agreement has occurred. The issue of whether the Arrangement Agreement has been terminated remains unresolved, and according to Justice Feasby, it cannot be resolved in a summary manner. High Park has appealed the Feasby Decision. The Court of Appeal has scheduled the hearing of High Park's appeal for April 17, 2025.

[12] Although the parties disagree on the degree of progress and advancement of 420's claim against Tilray and High Park, one claiming not very advanced, the other, significantly so, I need not decide as it does not impact my decision.

II. Applications and Cross-Application in Issue

[13] The Applicants seek an order permitting the filing of a plan of compromise and arrangement (**Proposed Plan**) and calling for a meeting of creditors to vote on the plan (**Creditors' Meeting**). Although the Applicants indicated an April 3, 2025 Creditors' Meeting date, in response to my questions at the hearing regarding the suitability of holding it after the Court of Appeal hearing, the Applicants expressed openness to doing so.

[14] The salient features of the Proposed Plan include the following:

a. the Applicants will borrow a pool of cash (**Creditor Cash Pool**);

b. the unsecured creditors of 420 OpCo and Green Rock (**OpCo Unsecured Creditors**) will have their proven claims satisfied in full through a combination of their proportional share of the Creditor Cash Pool, currently estimated at 55 cents on the dollar, and by electing to potentially receive the other 45 cents on the dollar, either from:

   (i) the issuance by 420 Parent of such number of its shares having equivalent value to the differential; or

   (ii) future proceeds from a final judgment obtained in the Tilray Litigation, if any, in an amount equal to but not exceeding the differential;

c. Stoke Canada Finance Corp. (**Stoke**), the senior secured lender of OpCo, will have its claim paid in full;

d. the secured creditors of 420 Parent and 420 Dispensaries to be unaffected creditors;

e. the Tilray Litigation, including the High Park Counterclaim, is preserved and can continue unaffected following emergence from the *CCAA* proceedings;

f. the Applicants and their retail operations would continue for the benefit of all stakeholders.

[15] Under the Proposed Plan, two classes of affected creditors would be created, voting separately. If accepted in sufficient number and value, the Applicants will return to the Court to seek approval of the Proposed Plan and have reserved time on April 24, 2025 (**Sanction Hearing**).

[16] The Applicants also seek an order extending the *CCAA* stay to April 30, 2025.

[17] High Park opposes the applications and cross-applies for orders that enhance the Monitor's powers and direct the Monitor to resume the SISP.

III. Analysis

A. Should the Court Grant the Creditors' Meeting Order?

1. Legislative Authority and Decision-Making Framework

[18] The Court derives its authority to order a creditor meeting from sections 4 and 5 of the *CCAA*: ***Delta 9 Cannabis Inc (Re)***, 2024 ABKB 657 (***Delta 9***), para 9. The statutory provisions are permissive and require the exercise of judicial discretion in furtherance of the *CCAA's* remedial purpose (para 10-11).

[19] The *CCAA* is remedial and seeks to provide for timely, efficient and impartial resolution of a debtor's insolvency, preserving and maximizing the value of a debtor's assets, ensuring fair and equitable treatment of the claims against a debtor, protecting the public interest, and balancing the costs and benefits of restructuring or liquidating the company: ***9354-9186 Québec inc v Callidus Capital Corp***, 2020 SCC 10 (***Callidus***), paras 40-42; ***Delta 9***, para 11.

[20] Historically, proceedings under the *CCAA* typically involved an approach to "facilitate the reorganization and survival of the pre-filing debtor company" as "a going concern", failing which "the alternative course of action [is] a liquidation through either a receivership or under the *BIA*" (***Callidus*** para 41). Over time, the approach has evolved "to permit outcomes that do not result in the emergence of the pre-filing debtor company in a restructured state, but rather involve some form of liquidation" (***Callidus***, para 42).

[21] In ***Delta 9***, Marion J comprehensively surveys Canadian jurisprudence regarding the test as to whether a creditor meeting should be ordered. As he observes, the decision to order a meeting requires an assessment of whether it is in the best interests of the debtor and its stakeholders to hold such a meeting. The decision to order a meeting is performed on a low standard. Because an order directing a creditors' meeting is often uncontroversial, the decision-making process generally does not involve argument as to whether the proposed plan is fair and reasonable (paras 12-13).

[22] As in this case, where the application for a creditors' meeting is opposed, Marion J explains that the Court should more carefully examine the material filed and the issues or concerns raised. Moreover, "the Court may consider the equities as they relate to the debtor companies and its secured creditor" (***Delta 9***, para 14).

[23] Marion J provides a non-exhaustive list of circumstances where courts have refused to grant a creditors' meeting order (***Delta 9***, para 15):

a. the plan is not in the best interests of the debtor and its stakeholders;

b. where there is no reasonable chance the debtor will be able to continue in business;

c. where the plan "lacks economic reality";

d. where there is no hope creditors would approve the plan, but the Court should not impose too a heavy burden on the proponent to establish the likelihood of success or second guess the probability of success (except where doomed to fail);

e. where the Court would not approve the plan, including where the Court lacks jurisdiction to sanction it;

f. where the plan is inconsistent with court orders or the *CCAA* process did not unfold fairly and transparently.

[24] Of the instances enumerated above, High Park opposes the Creditors' Meeting Order under a, d, and f. In addition, High Park argues that the Plan should not be approved because it disregards and negatively and unfairly impacts High Park, a secured creditor of 420 Parent, and prohibits High Park from voting on the Proposed Plan.

2. What happened in the SISP?

[25] High Park's opposition to the Creditors' Meeting Order is largely shaped by its perspective on how the SISP unfolded. To provide context, I have outlined the parties' perspectives on what occurred in the SISP. In doing so, I have largely borrowed from their counsels' briefs. Accordingly, the reader should not interpret my reasons in this section as making findings or inferences of fact, except if specifically stated.

a) High Park's Perspective

[26] The SISP proceeded in two phases. In Phase 1, interested parties were required to provide non-binding letters of intent (LOI). The Monitor was tasked with determining whether an LOI qualified for participation in Phase 2; qualified parties would then provide binding offers in accordance with the SISP requirements and timelines. Following the Phase 2 bid deadline, the Monitor was tasked with assessing the bids and notifying bidders as to whether any of their respective bids constituted a Phase 2 Qualified bid.

[27] High Park states that it actively engaged in good faith with the SISP. It made an offer to 420 Parent, which could have been pursued by the Applicants in combination with any bid for their operating assets by another party. High Park also partnered with One Plant (Retail) Corp (**One Plant**), and together, they prepared and submitted an LOI in Phase 1. On November 22, 2024, the Monitor confirmed that High Park and One Plant were deemed qualified bidders for Phase 2 of the SISP, jointly in respect of their joint LOI, and High Park alone, in respect of its individual bid.

[28] High Park and One Plant assert that they prepared a detailed bid for Phase 2 of the SISP (**Joint Bid**) and confidentially provided it to the Monitor on December 20, 2024, in accordance with the timelines and requirements under the SISP. They say the Joint Bid followed the template subscription agreement provided by the Applicants and the Monitor. High Park and One Plant paid a cash deposit in trust to the Monitor in connection with the Joint Bid. In their view, the Joint Bid provided two options for the purchase price, which would be either a combination of cash and a credit bid of certain amounts outstanding under the Loan Agreement, or entirely cash consideration. The quantum of cash consideration is the subject of a sealing order.

[29] According to High Park, under either option, the cash consideration provided under the Joint Bid was sufficient to pay in full (a) all secured creditors of 420 OpCo and Green Rock, (b) all third-party unsecured creditors of 420 OpCo and Green Rock, and (c) all claims against 420 Parent which rank in priority to High Park's claim, including Nomos' secured claim. The reference to third-party unsecured claims is to distinguish from the intercompany claims owed by 420 OpCo and Green to 420 Parent, which would be assumed under the Joint Bid.

[30] In their view, the Joint Bid was not conditional on any due diligence or financing. The Joint Bid provided for a going concern sale. High Park and One Plant would assume leases in respect of nearly all of the Applicants' stores (save up to 3 identified before closing). Offers of

employment would be extended to at least 90% of the Applicants' employees at retail and head office levels.

[31] Neither the Applicants nor the Monitor provided any feedback or asked any questions of High Park after the Joint bid was submitted. According to High Park, it was prepared to engage in good-faith negotiations.

[32] On January 7, 2025, High Park received a letter from the Monitor confirming the Joint Bid was a Phase 2 Qualifying Bid, but that the Applicants had advised that no bid would be selected in the SISP and the Applicants had elected to advance a plan of arrangement "intended to provide realizations to creditors that are [in] excess of any potential realizations creditors may receive by advancing a Phase 2 Qualified Bid". According to High Park, this was the first time that High Park was informed that a plan of arrangement was substantially ready for acceptance.

[33] High Park asserts that the Proposed Plan does not provide realizations to creditors exceeding those available under the Joint Bid.

[34] High Park says that it became apparent that the Monitor and the Applicants may have misunderstood certain aspects of the Joint Bid. Through its counsel (not High Park's counsel on this application), High Park wrote to the Monitor's counsel to clarify the Joint Bid, reiterating that the Joint Bid would see all third-party creditors repaid in full, and indicating that High Park and One Plant remained ready and willing to progress the Joint Bid. Notwithstanding the clarifications provided, the Applicants proceeded to pursue the Proposed Plan, which High Parks says is a "materially less favourable Plan".

b) The Applicants' Perspective

[35] According to the Applicants, the SISP involved significant marketing efforts, and they, along with the Monitor, worked diligently with interested bidders to provide information, solicit bids in Phase I, and advance bids from Phase 1 to Phase 2. According to the Applicants, the SISP Order required bidders to put their best foot forward by the Phase 2 bid deadline, after which the Applicants and monitor would determine the best bid.

[36] Upon their review of the Joint Bid, the Applicants assert that they and the Monitor concluded that the Joint Bid was not the best bid as it not only did not offer full cash payout to unsecured creditors as High Park claims it does, but it also did not offer the best cash payout to unsecured creditors out of the bids received. Further, according to the Applicants, it did not appear that Stoke, 420 OpCo's secured creditor, would receive any payment under the Joint Bid.

c) The Monitor's Third Report

[37] The Monitor is the Court-appointed officer designated by the Initial Order to, among other things, report to the Court concerning matters relevant to the *CCAA* proceedings.

[38] In its Third Report, the Monitor confirms that the Applicants and the Monitor reviewed the Joint Bid. Contrary to High Park's assertion that the consideration under the Joint Bid would repay in full all of 420 OpCo's and Green Rock's third-party unsecured creditors and 420 Parent's senior secured creditor, at the time of reviewing the Joint Bid, the Monitor and the Applicants concluded that the Joint Bid, as structured, did not accomplish the payout of 420 OpCo's and Green Rock's third-party creditors. The Monitor's analysis is also detailed in a Confidential Annex to the Third Report, which is the subject of a restricted court access order.

[39] Moreover, the Monitor indicates that the Applicants were of the view that the offers received for the Tilray Litigation did not maximize value. The Third Report confirms that the Applicants rejected the Joint Bid and all other bids received in the SISP because the Applicants believed they could advance a plan that would result in an equal or greater outcome for stakeholders.

[40] In its Third Report, the Monitor confirmed receipt of the letter from High Park and Tilray's counsel (not its counsel in this proceeding) referenced earlier. Following its receipt, the Monitor responded, explaining and commenting on other matters that both the Monitor's and the Applicants' understanding of the mechanics of the Joint Bid was that it would not result in distributions to 420 OpCo's creditors. A further email was sent to High Park's counsel, further explaining the Monitor's views on the Joint Bid.

[41] Following receipt of the Monitor's letter and email, High Park's counsel on this application wrote to the Monitor further clarifying the Joint Bid, which, in their view, would provide for a full recovery for the creditors of 420 OpCo. However, High Park's counsel acknowledged that the allocation of the consideration in the Joint Bid was not clear, and that the lack of clarity was caused by the Applicants' deficient form of subscription agreement, which did not allow for the allocation of the consideration.

[42] At page 24 of the Third Report, the Monitor states:

> The Monitor is of the view that it now understands the intent of the Joint Bid with the subsequent clarifications, (the "Clarified Joint Bid"), however, it remains of the view that the initial Joint Bid did not achieve the intent of the Clarified Joint Bid.
>
> The Monitor understands the intent of the Resumed SISP would therefore allow High Park to clarify and resubmit its bid for consideration by the Applicants and their creditors. If the Clarified Joint Bid were advanced as clarified, it would result in the assumption of the Intercompany Claims and a full cash payment of the Affected Claims. However, the Monitor cannot guarantee that the Clarified Joint Bid would be advanced in the manner presented or that this Court would sanction a transaction arising from the Clarified Joint Bid.

[43] As expected in the case of a court-appointed officer, the Monitor confirms in its Third Report that it takes no position in these applications.

3. Should the Court make the Creditors' Meeting Order?

[44] In this section, I will assess whether the Creditors' Meeting Order should be granted by reference to the grounds upon which High Park says it should be refused.

a) Is the Proposed Plan not in the best interests of the Applicants' creditors?

[45] The thrust of High Park's argument can be summarized as follows: the Joint Bid immediately puts more money into the Applicants' creditors' hands than does the Proposed Plan; therefore, the Proposed Plan cannot be in the best interests of the Applicants' creditors, only the Joint Bid is in the best interests of the creditors, and their interests can only be best served by reopening the SISP. I reject High Park's argument for the following reasons.

[46] First, in the context of the *CCAA* proceedings, while the quantum of recovery is an important consideration in assessing the best interests of creditors, it is not the only one. Undoubtedly, unsecured creditors strive for the greatest recovery possible; however, as Counsel for RioCan pointed out, unsecured creditors, such as RioCan, which supports the Proposed Plan, are also interested in "certainty and finality in a speedy process". While not necessarily quantifiable in pecuniary terms, I agree that certainty and finality can provide a range of value to stakeholders, depending on their circumstances, and is an important consideration in the best interests analysis.

[47] Second, while the Proposed Plan does not offer immediate 100% recovery, it does offer a path to full recovery. As currently contemplated, affected creditors are expected to receive 55 cents on the dollar and can elect between two options that may make them whole in the future. One option involves the election to receive such number of 420 Parent shares equal in value to the differential. Some creditors, perhaps those having confidence in 420 Parent's management team and longer-term prospects, may find this option attractive as it represents an opportunity to invest and obtain considerably more than the differential. The other option, a future right to receive the differential via proceeds from the successful prosecution of and recovery from the Tilray Litigation, may be attractive to those affected creditors who value certainty and finality in a speedy process.

[48] Third, I find it essential to consider whose interests the Joint Bid *best* serves. I find the answer is evident: High Park.

[49] When the Applicants sought the SISP Order, they argued that the Tilray Litigation should not be included. High Park strenuously argued that it should be included. In deciding to include the Tilray Litigation in the SISP, Justice Jones posited that the best way to determine the value of the Applicants' assets was to include all of them in the SISP, including the Tilray Litigation, and that some useful information *may* emerge from the process. Based on my review of the information provided by the Monitor in the confidential appendices to its Second and Third Reports, it turns out that very little information regarding the valuation of the Tilray Litigation emerged.

[50] In my view, the fact that very little useful information about the value of the Tilray Litigation emerged is likely explained by the unique nature of this intangible asset. Some intangible assets are not only more easily valued than others, but they may also be more desirable to an investor. Take, for instance, an intangible asset, such as goodwill or a client list. A hypothetical investor may be inclined to acquire and ascribe value to that asset because it contributes positively to the underlying business's profit-making apparatus. Compare that scenario with an interest in a contractual breach lawsuit, which is also an intangible asset. In my view, there are several reasons why a hypothetical investor may be less inclined to acquire or value such an asset. Although potentially lucrative if successful, lawsuits generally do not significantly contribute to a business's profit-making apparatus. They generally don't increase revenue or attract a new business clientele. They require time and often divert management's attention from its focus on the business and its profitability. A hypothetical investor may not wish to retain those in the management group with the requisite information and knowledge to pursue the lawsuit successfully.

[51] Unlike the hypothetical investor, High Park is highly motivated to acquire the Tilray Litigation. By submitting the Joint Bid, which would have resulted in the acquisition of nearly all

the Applicants' assets, including the Tilray Litigation, for a price that results in full recovery to all creditors (which High Park says is the only bid in the stakeholders' best interests), not only can High Park set as low a price as possible for the Tilray Litigation but it can also argue that any arrangement or compromise plan put forward that does not offer full recovery is not in the stakeholders' best interests. It's a circular argument.

[52] I am not persuaded that the Creditors' Meeting Order should not be granted because it is not in the creditors' best interests.

b) Is there no hope that the creditors will approve the Proposed Plan?

[53] High Park submits that there is no hope that the creditors will approve the Proposed Plan as it appears unlikely that those creditors are aware of at least one alternative available that would see them immediately repaid in full: the Joint Bid. At least one unsecured creditor, with knowledge of the Joint Bid, indicated at the hearing of this application that it supported the Proposed Plan, preferring certainty and finality over recovery.

[54] I am not persuaded that the Creditors' Meeting Order should not be granted because there is no hope that the creditors will approve the Proposed Plan.

c) Did the process not evolve fairly or transparently?

[55] High Park submits that, in exercising its discretion whether to grant the Creditors' Meeting Order, I should examine the unique circumstances surrounding the SISP that was conducted and then "abruptly" abandoned. High Park points to the fact that the Applicants "plainly did not want to include the Litigation Asset in the SISP." While it is true that the Applicants argued against the inclusion of the Tilray Litigation in the SISP, they were also clear that they did not view their insolvency as a liquidation, nor were they obliged to put everything on the market, nor complete a sale under the SISP. That the Applicants did not proceed with a transaction under the SISP and instead are now proceeding with the Proposed Plan does not mean the process did not evolve fairly or transparently. I find no unfairness or lack of transparency in how the process evolved.

[56] High Park also advances arguments regarding the funding the Applicants have obtained to fund the Proposed Plan, which High Park says may impact its ability to recover amounts advanced under the Loan Agreement. According to High Park, the details of the proposed financing ought to be disclosed to creditors and the Court. Based on the record before me, I am unable to determine whether the new funding will adversely impact High Park's ability to eventually recover on the Bridge Loan. That said, as Feasby J determined, repayment of the Bridge Loan is contingent on the Court's determination of whether the Arrangement Agreement has been terminated. At this stage, I am not prepared to deny the Creditors' Meeting Order because of the potential impact the proposed financing may have on repayment of the Bridge Loan. Depending on the outcome of the Creditors' Meeting and the hearing in the Court of Appeal, this may be an issue better suited for the Sanction Hearing.

d) Should the Proposed Plan not be approved by the Court?

[57] In its brief, High Park argues that the Court should not approve the Proposed Plan for two main reasons: (i) it is an affected creditor entitled to vote on the Proposed Plan, and (ii) there is no reasonable chance that the applicants will be able to continue their business if the Proposed Plan is approved. I will address these issues in reverse order.

(1) Is there no reasonable chance that the applicants will be able to continue their business if the Proposed Plan is approved?

[58] High Park advances several arguments under this heading, which I find to be largely speculative.

[59] Regarding the appeal of the Feasby Decision, the Court of Appeal's disposition may render the Applicants unable to continue their business if repayment of the Bridge Loan becomes enforceable. However, that is not the current situation, and these *CCAA* proceedings should not be grounded to a halt awaiting the outcome. Nor should they be because the Applicants have not disclosed how they intend to fund the continued pursuit of the Tilray Litigation.

[60] Regarding High Park's submission that 420 Parent has no means to repay the Nomos debt and that that debt will be immediately due upon implementation of the Proposed Plan if approved by the creditors and sanctioned by the Court, I have no information regarding Nomos' intentions if the Proposed Plan is approved. Given that the Applicants were able to obtain financing to fund the Proposed Plan, I surmise that the Applicants and/or the proposal funder may have received some assurances regarding Nomos' intentions.

(2) Is High Park an affected creditor entitled to vote at the Creditors' Meeting?

[61] Although it is generally accepted that creditors with provable claims are usually entitled to vote on plans of arrangement, it is "subject to the proper exercise of discretion by the supervising judge to constrain or bar the creditor's right to vote" (***Callidus***, para 56; ***Delta 9***, para 19). Barring a creditor from voting at a plan approval meeting should only occur "where the circumstances demand such an outcome", which is "necessarily a discretionary, circumstance-specific inquiry" (***Callidus***, para 69). In addition (at para 70):

> ... The exercise of this discretion must further the remedial objectives of the *CCAA* and be guided by the baseline considerations of appropriateness, good faith, and due diligence. This means that, where a creditor is seeking to exercise its voting rights in a manner that frustrates, undermines, or runs counter to those objectives — that is, acting for an "improper purpose" — the supervising judge has the discretion to bar that creditor from voting.

See also: ***Canada v Canada North Group***, 2021 SCC 30, per Côté J at para 21; per Karakatsanis J at para 138.

[62] The Applicants argue that High Park's claim is contingent. They submit that the situation is analogous to that in ***Nalcor Energy v Grant Thornton Poirier Ltd***, 2015 NBQB 20. I agree with High Park that the facts of that case are very different. Importantly, the case did not, like here, involve an advance of money. In the High Park Counterclaim, the issue for determination is the timing of when the advance of money is repayable, an issue which Feasby J determined was not capable of being decided in a summary way. As matters stand, the Bridge Loan is not currently repayable and will not be until after a decision has been made at trial. Several years away.

[63] In my view, this case presents unique circumstances that necessitate denying High Park the right to vote on the Proposed Plan. Repayment of the Bridge Loan is currently not enforceable, and it is unlikely to become enforceable for some time. A trial decision favourable

to 420 Parent may result in the Bridge Loan being set off against damages awarded to 420 Parent. If High Park were allowed to vote at the creditors' meeting, the outcome would be a foregone conclusion. In my view, to allow High Park to vote would unduly prejudice the other creditors, particularly the unsecured creditors, who are not awaiting a trial judgment but are presently owed money, and who may be interested in certainty and finality in a speedy process.

[64] Moreover, a failed creditors' meeting would undoubtedly lead to the resumption of the SISP and the likely liquidation of the Applicants. It is not readily apparent to me that a liquidation of the Applicants is required. As the Applicants' CEO, Mr. Morrow, attests, the Applicants have been able to run on a cashflow positive basis in these proceedings without the need for DIP financing. It must also be recalled that the Applicants find themselves in these *CCAA* proceedings as a result of the High Park Summary Judgment and High Park's enforcement measures. Those measures have ceased in light of the Feasby Decision.

[65] For these reasons, I am exercising my discretion to deny High Park the right to vote on the Proposed Plan at the Creditors' Meeting.

e) Creditors' Meeting Order is granted

[66] For all these reasons, the application seeking an order permitting the filing of the Proposed Plan and calling the Creditors' Meeting is granted.

B. Should the *CCAA* Stay be Extended?

[67] The current *CCAA* Stay is set to expire on Monday. Given my decision to permit the filing of the Proposed Plan and calling the Creditors' Meeting, extending the stay is appropriate. I am satisfied that the Applicants have acted and continue to act in good faith and with due diligence.

[68] Although the Applicants had requested that the stay be extended to April 30, 2025, this may not provide sufficient time to finalize the Proposed Plan and hold the Creditors' Meeting. The Applicants also expressed some willingness to call the meeting for a date after the hearing of the appeal of the Feasby Decision. I express no opinion on the appropriateness of delaying the Creditors' Meeting. Given these considerations and the costs associated with a court application to merely extend the stay, I would order the stay be extended to Friday, May 23, 2025.

C. Resumption of SISP with Enhanced Powers to the Monitor

[69] Given my decision to permit the filing of the Proposed Plan and calling the Creditors' Meeting, I dismiss High Park's application seeking the resumption of the SISP and the granting of enhanced powers to the Monitor.

Heard on the 14th day of March, 2025.
Dated at the City of Calgary, Alberta this 27th day of March, 2025.

Michael Bourque

M.H. Bourque
J.C.K.B.A.

Appearances:

Karen Fellowes KC, Archer Bell, and Matti Lemmens, Stikeman Elliott LLP
for the Applicants, 420 Investments Ltd., 420 Premium Markets Ltd., Green Rock Cannabis (EC 1) Limited and 420 Dispensaries Ltd.

Kelly J. Bourassa, Jenna Willis and N. Huertas, Blake, Cassels & Graydon LLP
for the Respondents High Park Shops Inc.

S. Miller, JSS Barristers
Litigation Counsel for High Park Shops Inc.

Michael Selnes, Bennett Jones LLP
for the Monitor, KSV Restructuring Inc.

L. Galessiere, Camelino Galessiere LLP
for RioCan REIT

M. Fleming, Loopstra Nixon LLP
for Nomos Capital

G. Schacter for Stoke Inventory Partners Inc.

D. Segal, Justice Canada
for Canada Revenue Agency

Appendix “B”

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT PROCEEDINGS OF

420 INVESTMENTS LTD., 420 PREMIUM MARKETS LTD., GREEN ROCK CANNABIS (EC 1) LIMITED AND 420 DISPENSARIES LTD.

SUMMARY OF PROFESSIONAL FEES

FOR THE PERIOD OF April 4, 2024 TO May 31, 2025

	Invoice	Fees [$]	Costs [$]	Sub-total [$]	GST [$]	Retainer	Total [$]
Monitor's Fees							
April 4, 2024 to June 30, 2024	3797	92,285.00	317.28	92,602.28	4,630.11	-	97,232.39
July 1, 2024 to July 31, 2024	3840	22,412.25	-	22,412.25	1,120.61	-	23,532.86
August 1, 2024 to August 31, 2024	3920	24,175.00	387.75	24,562.75	1,228.14	(15,246.63)	10,544.26
September 1, 2024 to September 30, 2024	3996	63,286.25	533.40	63,819.65	3,190.98	-	67,010.63
October 1, 2024 to October 31, 2024	4061	67,778.25	373.56	68,151.81	3,407.59	-	71,559.40
November 1, 2024 to November 30, 2024	4114	66,067.50	-	66,067.50	3,303.38	-	69,370.88
December 1, 2024 to December 31, 2024	4141	38,277.75	596.25	38,874.00	1,943.70	-	40,817.70
January 1, 2025 to January 31, 2025	4228	42,535.50	220.00	42,755.50	2,137.78	-	44,893.28
February 1, 2025 to February 28, 2025	4284	63,955.50	-	63,955.50	3,197.78	-	67,153.28
March 1, 2025 to March 31, 2025	4318	80,282.00	-	80,282.00	4,014.10	-	84,296.10
April 1, 2025 to April 30, 2025	4427	62,027.50	-	62,027.50	3,101.38	-	65,128.88
WIP to May 31,2025 (estimate)	N/A	46,000.00	-	46,000.00	2,300.00	-	48,300.00
Total Monitor's Fees		**669,082.50**	**2,428.24**	**671,510.74**	**33,575.55**	**(15,246.63)**	**689,839.66**
Monitor's Legal Counsel Fees							
May 31, 2024 to July 25, 2024	1585236	45,670.50	388.88	46,059.38	2,299.97	-	48,359.35
July 26, 2024 to August 29, 2024	1598518	14,616.00	183.08	14,799.08	738.95	-	15,538.03
August 30, 2024 to Setepmber 30 , 2024	1598519	22,858.50	533.08	23,391.58	1,168.58	-	24,560.16
October 1, 2024 to November 30, 2024	1610164	30,773.00	212.36	30,985.36	1,545.77	-	32,531.13
December 1, 2024 to December 31, 2024	1614961	20,892.00	78.00	20,970.00	1,048.50	-	22,018.50
January 1, 2025 to January 31, 2025	1620537	41,713.00	143.10	41,856.10	2,091.81	-	43,947.91
February 1, 2025 to March 31, 2025	1626670	86,306.00	1,047.54	87,353.54	4,359.68	-	91,713.22
April 1, 2025 to April 30, 2025	1632744	39,036.00	333.28	39,369.28	1,966.46	-	41,335.74
WIP to May 31, 2025 (estimate)	N/A	20,000.00	176.75	20,176.75	824.84	-	21,001.59
Total Monitor's Legal Counsel Fees		**321,865.00**	**3,096.07**	**324,961.07**	**16,044.56**	**-**	**341,005.63**
Total Professional Fees		**990,947.50**	**5,524.31**	**996,471.81**	**49,620.11**	**(15,246.63)**	**1,030,845.29**