



Court File No.: CV-23-00703350-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

THE HONOURABLE ) FRIDAY, THE 1<sup>ST</sup>  
 )  
JUSTICE CONWAY ) DAY OF MARCH, 2024  
 )

IN THE MATTER OF THE *COMPANIES' CREDITORS  
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF PLAN OF COMPROMISE OR  
ARRANGEMENT OF ALEAFIA HEALTH INC., EMBLEM  
CORP., EMBLEM REALTY LTD., ALEAFIA BRANDS INC.,  
2672533 ONTARIO INC., 2676063 ONTARIO INC. and  
1000682692 ONTARIO INC.

(collectively, the "**Applicants**")

**ORDER**

**(CCAA TERMINATION)**

**THIS MOTION**, made by KSV Restructuring Inc. ("**KSV**"), in its capacity as Court-appointed monitor of the Applicants (in such capacity, the "**Monitor**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), for an order, among other things: (i) approving the Monitor's Reports (as hereinafter defined) and the activities described therein; (ii) approving the fees and disbursements of the Monitor and the Monitor's counsel; (iii) terminating these proceedings of the Applicants under the CCAA upon the Monitor's service of the Monitor's Termination Certificate (as hereinafter defined) on the service list in these CCAA proceedings (the "**Service List**"); (iv) discharging KSV as Monitor at the CCAA Termination Time (as hereinafter defined); (v) terminating the Charges (as hereinafter defined) at the CCAA Termination Time; (vi) approving the assignment transaction (the "**Assignment Transaction**") contemplated by an assignment agreement (the "**Assignment Agreement**") between Aleafia Health Inc. and Emblem Corp., as assignor (collectively, the "**Assignor**"), and the convertible debentureholders of Aleafia Health Inc. through Computershare Trust Company of

Canada, in its capacity as trustee under that certain debenture indenture dated June 27, 2019, as supplemented, amended and revised, as assignee (collectively, the “**Assignee**”), substantially in the form attached as Appendix “A” to the Sixth Report the Monitor dated February 22, 2024 (the “**Sixth Report**”); (vii) vesting all of the Assignor’s right, title and interest in and to the Aleafia Claim (as defined in the Assignment Agreement) in the Assignee; and (viii) approving certain releases, was heard this day by Zoom videoconference,

**ON READING** the Motion Record of the Monitor, the Sixth Report, and on hearing the submissions of counsel for the Monitor, counsel for the Applicants, counsel for the Applicants’ directors and officers, and those other parties present, no one else appearing although duly served as appears from the affidavit of service of Marleigh Dick affirmed February 27, 2024:

### **DEFINED TERMS**

1. **THIS COURT ORDERS** that all terms capitalized but not defined herein shall have the meanings ascribed to such terms in the Amended and Restated Initial Order dated August 4, 2023 made in these CCAA proceedings (the “**Amended and Restated Initial Order**”), or the Approval and Reverse Vesting Order dated October 30, 2023 made in these CCAA proceedings, as applicable.

### **SERVICE**

2. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

### **APPROVAL OF MONITOR’S REPORTS AND ACTIVITIES**

3. **THIS COURT ORDERS** that each of the Fourth Report of the Monitor dated November 23, 2023, the Fifth Report of the Monitor dated January 20, 2024 and the Sixth Report (collectively, the “**Monitor’s Reports**”), and the actions, conduct and activities of the Monitor referred to therein, be and are hereby approved; provided, however, that only KSV, in its capacity as Monitor and in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

4. **THIS COURT ORDERS** that the fees and disbursements of the Monitor for the period from July 4, 2023 to January 31, 2024, as set out in the Sixth Report and the Affidavit of Noah Goldstein sworn February 22, 2024 appended thereto, are hereby approved.

5. **THIS COURT ORDERS** that the fees and disbursements of Osler, Hoskin & Harcourt LLP (“**Osler**”), legal counsel to the Monitor, for the period from July 15, 2023 to February 15, 2024, as set out in the Sixth Report and Affidavit of Martino Calvaruso sworn February 21, 2024 appended thereto, are hereby approved.

6. **THIS COURT ORDERS** that the Estimated Remaining Fees (as defined in the Sixth Report) of the Monitor and Osler in connection with the completion by the Monitor of its remaining duties and administration of these CCAA proceedings is hereby approved, and the Monitor and Osler shall not be required to pass their accounts in respect of any further activities in connection with the completion by the Monitor of its remaining duties and administration of these CCAA proceedings.

#### **TERMINATION OF CCAA PROCEEDINGS & DISCHARGE OF THE MONITOR**

7. **THIS COURT ORDERS** that upon service by the Monitor of an executed certificate substantially in the form attached hereto as **Schedule “A”** (the “**Monitor’s Termination Certificate**”) on the Service List certifying that, to the knowledge of the Monitor, all matters to be attended to in connection with these CCAA proceedings have been completed, these CCAA proceedings shall be terminated without any further act or formality (the “**CCAA Termination Time**”), save and except as expressly provided in this Order, and provided that nothing herein impacts the validity of any Orders made in these CCAA proceedings or any actions or steps taken by any Person in connection therewith.

8. **THIS COURT ORDERS** that the Monitor shall file a copy of the Monitor’s Termination Certificate with the Court and post a copy of the Monitor’s Termination Certificate on the case Website maintained by the Monitor as soon as is practicable following the CCAA Termination Time.

## **DISCHARGE OF MONITOR**

9. **THIS COURT ORDERS** that effective at the CCAA Termination Time, KSV shall be and is hereby discharged from its duties as Monitor and shall have no further duties, obligations or responsibilities as Monitor from and after the CCAA Termination Time; provided that, notwithstanding its discharge as Monitor, KSV shall have the authority to carry out, complete or address any matters in its role as Monitor that are ancillary or incidental to these CCAA proceedings following the CCAA Termination Time, as may be required or appropriate (collectively, the “**Monitor Incidental Matters**”). In completing any such Monitor Incidental Matters, KSV and its advisors shall continue to have the benefit of the provisions of all Orders made in these CCAA proceedings and all protections under the CCAA, including all approvals, protections and stays of proceedings in favour of KSV in its capacity as Monitor, and nothing in this Order shall affect, vary, derogate from or amend any of the protections in favour of the Monitor pursuant to any Order issued in these CCAA proceedings.

10. **THIS COURT ORDERS** that, notwithstanding any provision of this Order, the Monitor’s discharge or the termination of these CCAA proceedings, nothing herein shall affect, vary, derogate from, limit or amend, and KSV shall continue to have the benefit of, all of the rights, approvals and protections in favour of the Monitor at law or pursuant to the CCAA, the Amended and Restated Initial Order, or any other Order of this Court in these CCAA proceedings or otherwise, all of which are expressly continued and confirmed following the CCAA Termination Time, including in connection with the Monitor Incidental Matters and any other actions taken by KSV following the CCAA Termination Time with respect to the Applicants or these CCAA proceedings.

## **TERMINATION OF PRIORITY CHARGES**

11. **THIS COURT ORDERS** that each of the Charges shall be and are hereby terminated, released and discharged at the CCAA Termination Time without any further act or formality.

## **BANKRUPTCY**

12. **THIS COURT ORDERS** that, from and after the CCAA Termination Time, (a) each of the Applicants is hereby authorized to make an assignment into bankruptcy pursuant to the

*Bankruptcy and Insolvency Act*, RSC 1985, c. B-3 (“**BIA**”); (b) the Monitor is hereby authorized and empowered, as a Monitor Incidental Matter, to file any such assignment in bankruptcy for and on behalf of any of the Applicants, and to take any steps incidental thereto; and (c) KSV is hereby authorized and empowered, but not required, to act as trustee in bankruptcy (the “**Trustee**”) in respect of any of the Applicants, and to fund reasonable retainers to any such Trustee from the Administrative Expense Amount (as defined in the Amended and Restated Stalking Horse Agreement).

13. **THIS COURT ORDERS** that the Trustee shall be and is hereby authorized to administer the bankruptcy estates as if such estates were in respect of a single bankrupt for the purposes of carrying out its duties and responsibilities as trustee under the BIA (the “**Consolidated Proceedings**”), including, without limitation:

- (a) administering the bankruptcy estates of Aleafia Health Inc., Emblem Corp., Emblem Realty Ltd., Aleafia Brands Inc., 2672533 Ontario Inc., 2676063 Ontario Inc. and 1000682692 Ontario Inc. under a single court file number and title of proceeding;
- (b) sending a notice of the first meeting of creditors (the “**Notice**”) in the manner prescribed by section 102 of the BIA by sending a consolidated Notice for all of the Applicants to accompany the Notice set out in subsection 102(2) of the BIA;
- (c) convening meetings of creditors and inspectors in the bankrupt estates of the Applicants through one combined advertisement and conducting such meetings jointly provided that the results of any creditors’ vote shall be separately tabulated for each such bankrupt estate;
- (d) using a consolidated form of proof of claim that directs creditors to identify the bankrupt estate in which a claim is made for voting and for distribution purposes;
- (e) maintaining a consolidated bank account with respect to the Applicants’ respective bankruptcy estates;
- (f) issuing consolidated reports in respect of the bankruptcy estates of the Applicants;

- (g) performing a consolidated making, filing, advertising and distribution of all filings and notices in the bankrupt estates of the Applicants required under the BIA; and
- (h) appointing a single group of inspectors to be the inspectors for the consolidated bankruptcy estates of the Applicants.

14. **THIS COURT ORDERS** that the Consolidated Proceedings are not a substantive consolidation of the bankrupt estates of the Applicants and will automatically terminate if the Trustee is replaced as licensed insolvency trustee of any, but not all, of the estates of the Applicants.

15. **THIS COURT ORDERS** that the Consolidated Proceedings do not:

- (a) affect the separate legal status of the corporate structure of the Applicants;
- (b) cause any of the bankrupt estates of the Applicants to be liable for any claim for which it is otherwise not liable, or cause any of the Applicants to have any interest in any asset which it otherwise would not have; or
- (c) affect the bankrupt estates of the Applicants filing obligations under the BIA.

#### **APPROVAL OF ASSIGNMENT TRANSACTION**

16. **THIS COURT ORDERS** that the Assignment Agreement and the Assignment Transaction are hereby approved, the execution of the Assignment Agreement by the Monitor, for and behalf of the Assignor, is hereby authorized and approved, with such minor amendments to the Assignment Agreement as the parties thereto may deem necessary, and the Monitor shall have no liability or obligation to any person in connection with the Assignment Agreement, its execution thereof on behalf of the Assignor, the Aleafia Claim and the Assignment Transaction.

17. **THIS COURT ORDERS** that this Order shall constitute the only authorization required by the Assignor to proceed with the Assignment Transaction, and that no shareholder or other approval shall be required in connection therewith.

18. **THIS COURT ORDERS** that, upon the Effective Date (as defined in the Assignment Agreement), all of the right, title and interests of the Assignor in and to the Aleafia Claim shall vest absolutely in the Assignee, free and clear of all Claims and Encumbrances, without any further act or formality.

## **RELEASES**

19. **THIS COURT ORDERS** that, effective at the CCAA Termination Time, Aird & Berlis LLP, KSV in its capacity as Monitor and in its personal capacity, and Osler, and each of their respective affiliates and current and former officers, directors, partners, employees and agents, as applicable (collectively, the “**Released Parties**” and each a “**Released Party**”) shall be and are hereby forever irrevocably released and discharged from any and all claims that any Person may have or be entitled to assert against the Released Parties now or hereafter, whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based on statute or otherwise, based in whole or in part on any act or omission, transaction, dealing or other occurrence in any way relating to, arising out of, or in respect of, these CCAA proceedings and/or with respect to their respective conduct in these CCAA proceedings, including any actions required or steps taken in carrying out any Monitor Incidental Matters or any other actions taken by KSV or Osler following the CCAA Termination Time with respect to the Applicants or these CCAA proceedings (collectively, the “**Released Claims**”), and any such Released Claims are hereby irrevocably and permanently released, discharged, stayed, extinguished and forever barred, and the Released Parties shall have no liability in respect thereof; provided that, nothing in this paragraph shall waive, discharge, release, cancel or bar any claim or liability arising out of any gross negligence or wilful misconduct on the part of the applicable Released Party.

20. **THIS COURT ORDERS** that no action or other proceeding shall be commenced against any Released Party in any way arising from or related to its respective Released Claim, except with prior leave of this Court on at least seven (7) days’ prior written notice to the applicable Released Parties.

21. **THIS COURT ORDERS** that, effective at the CCAA Termination Time, RWB and the Purchaser (collectively, the “**RWB Released Parties**” and each an “**RWB Released Party**”) shall

be and are hereby forever irrevocably released and discharged from any and all claims that any Person may have or be entitled to assert against the RWB Released Parties now or hereafter, whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based on statute or otherwise, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place following the commencement of these CCAA proceedings and prior to the CCAA Termination Time in respect of the DIP Facility and the Senior Loan Agreement (each as defined in the Amended and Restated Stalking Horse Agreement), the repayment thereof, and/or the realization on the security granted in connection therewith (collectively, the “**RWB Released Claims**”), and any such RWB Released Claims are hereby and shall be deemed to be fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred as against the RWB Released Parties; provided that, nothing in this paragraph shall waive, discharge, release, cancel or bar any claim or liability arising out of any gross negligence or wilful misconduct on the part of the applicable RWB Released Party.

22. **THIS COURT ORDERS** that, effective at the CCAA Termination Time, the directors and officers of the Applicants and the Purchased Entities who were directors or officers as at the date of the commencement of these CCAA proceedings (collectively, the “**Released D&Os**” and each a “**Released D&O**”) shall be and are hereby forever irrevocably released and discharged from any and all claims that any Person may have or be entitled to assert against the Released D&Os now or hereafter, whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based on statute or otherwise, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place following the commencement of these CCAA proceedings and prior to the CCAA Termination Time in respect of the Applicants and the Purchased Entities, the business, operations, assets, property and affairs of the Applicants and the Purchased Entities and/or these CCAA proceedings (collectively, the “**D&O Released Claims**”), and any such D&O Released Claims are hereby irrevocably and permanently released, discharged, stayed, extinguished and forever barred, and the Released D&Os shall have no liability in respect thereof; provided that, nothing in this paragraph shall waive, discharge, release, cancel or bar any claim or liability (a) arising out of any gross negligence or wilful misconduct on the



part of the applicable Released D&O; (b) that is not permitted to be released pursuant to section 5.1(2) of the CCAA; and (c) that is a Insured Claim (as hereinafter defined).

### **INSURED CLAIMS**

23. **THIS COURT ORDERS** that, notwithstanding anything set out in any of the Orders made by the Court in these CCAA proceedings, any Person shall be permitted to commence or continue an action, application or other proceeding in respect of any claim or liability which is an insured claim (the “**Insured Claims**”) under any insurance policy maintained by any of the Applicants (collectively, the “**Insurance Policies**”) to the point of determination of liability, if any. The Person asserting an Insured Claim shall be entitled to recover solely from the proceeds under the Insurance Policies to the extent available in respect of any such Insured Claim, and recovery of such Insured Claim shall be irrevocably and forever limited solely to such proceeds, without any additional rights of enforcement, recovery or recourse as against any of the Applicants or the Released D&Os, and such Person shall have no right to, and shall not, directly or indirectly, make any claim or seek any recoveries from any of the Applicants or any of the Released D&Os, other than enforcing such Person’s rights to be paid by the applicable insurer(s) from the proceeds of the applicable Insurance Policies. Nothing herein shall prejudice, compromise, release or otherwise affect any rights or defences of any insurer with respect to its obligations under any of the Insurance Policies.

### **RECORDS RETENTION**

24. **THIS COURT ORDERS** that, with respect to the Applicants’ electronic files which have been imaged and are currently stored with Epiq Systems Canada, Inc. (“**Epiq**”, and such electronic files, the “**Records**”), the Monitor is hereby directed to retain Epiq (or any other document retention services provider acceptable to the Monitor) to store such Records for a period of two years following the CCAA Termination Time. Nothing in this Order or the actions of the Monitor taken hereunder shall constitute or be deemed to constitute a waiver of any claims or any rights

that the Applicants may have in respect of the Records, including with respect to any legal privileges the Applicants may claim or have in respect of the Records.

### **EXTENSION OF THE STAY PERIOD**

25. **THIS COURT ORDERS** that that the Stay Period be and is hereby extended to the CCAA Termination Time.

### **GENERAL**

26. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

27. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States, Germany or in Australia, to give effect to this Order and to assist the Monitor, the Applicants and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

28. **THIS COURT ORDERS** that each of the Applicants and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

29. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order without any need for entry and filing.

Conway J.

---

**Schedule “A”**

Court File No.: CV-23-00703350-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

IN THE MATTER OF THE *COMPANIES’ CREDITORS  
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF PLAN OF COMPROMISE OR  
ARRANGEMENT OF ALEAFIA HEALTH INC., EMBLEM  
CORP., EMBLEM REALTY LTD., ALEAFIA BRANDS INC.,  
2672533 ONTARIO INC., 2676063 ONTARIO INC. and  
1000682692 ONTARIO INC.

(collectively, the “**Applicants**”)

**MONITOR’S TERMINATION CERTIFICATE**

**RECITALS**

1. KSV Restructuring Inc. (“**KSV**”) was appointed as Monitor (in such capacity, the “**Monitor**”) in the within proceedings commenced under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) pursuant to an Initial Order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated July 25, 2023 (Court File No. CV-23-00703350-00CL).
2. Pursuant to an Order of this Court dated March 1, 2024 (the “**CCAA Termination Order**”), among other things, KSV shall be discharged as Monitor and these CCAA proceedings shall be terminated upon the service of this Monitor’s Termination Certificate on the service list in these CCAA proceedings, all in accordance with the terms of the CCAA Termination Order.

**THE MONITOR HEREBY CERTIFIES** the following:

3. To the knowledge of the Monitor, all matters to be attended to in connection with these CCAA proceedings have been completed.

**ACCORDINGLY**, the CCAA Termination Time (as defined in the CCAA Termination Order) has occurred.

**DATED** at Toronto, Ontario this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

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

Per: \_\_\_\_\_

Name:

Title:

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED  
AND IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT OF ALEAFIA HEALTH INC., EMBLEM CORP., EMBLEM  
REALTY LTD., ALEAFIA BRANDS INC., 2672533 ONTARIO INC., 2676063 ONTARIO INC. and 1000682692 ONTARIO INC.

Applicants

Court File No. CV-23-00703350-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

PROCEEDING COMMENCED AT TORONTO

**ORDER  
(CCAA TERMINATION ORDER)**

**OSLER, HOSKIN & HARCOURT LLP**

100 King Street West  
1 First Canadian Place  
Suite 6200, P.O. Box 50  
Toronto ON M5X 1B8

**Marc Wasserman** (LSO# 44066M)

Tel: 416.862.4908

Email: [mwasserman@osler.com](mailto:mwasserman@osler.com)

**Martino Calvaruso** (LSO# 57359Q)

Tel: 416.862.6665

Email: [mcalvaruso@osler.com](mailto:mcalvaruso@osler.com)

**Ben Muller** (LSO# 80842N)

Tel: 416.862.5923

Email: [bmuller@osler.com](mailto:bmuller@osler.com)

Counsel for KSV Restructuring Inc., in its capacity as Monitor of  
Aleafia Health Inc. et al. and not in its personal capacity