



SUPERIOR COURT OF JUSTICE

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CV-23-00703350-00CL

DATE: 27 NOVEMBER 2023

NO. ON LIST: 2

TITLE OF PROCEEDING: ALEAFIA HEALTH INC. et al v. UNIFOR LOCAL 597 et al

BEFORE: JUSTICE PENNY

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

Name of Person Appearing	Name of Party	Contact Info
Kyle Plunkett	Aleafia Health Inc, Emblem Corp., Emblem Cannabis Corporation, Emblem Realty Ltd., Growwise Health Limited., Canabo Medical Corporation, Aleafia Inc., Aleafia Farms Inc., Aleafia Brands Inc., Aleafia Retail Inc., 2672533 Ontario Inc. and 2676063 Ontario Inc., Applicants	kplunkett@airdberlis.com 416-865-3406
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For Defendant, Respondent, Responding Party:

Name of Person Appearing	Name of Party	Contact Info

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
Marc Wasserman	Lawyer for KSV Monitor	mwasserman@osler.com 416-862-4908
Katherine Yurkovich	Red White & Bloom Brands Inc.	kate.yurkovich@gowlingwlg.com 416-862-4342
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Noah Goldstein		ngoldstein@ksvadvisory.com
Julian Fantino	Aleafia Shareholder	jlfantino@gmail.com 647-588-9576

ENDORSEMENT OF JUSTICE PENNY:

- [1] The applicants in these CCAA proceedings seek an order for a brief stay extension and a minor adjustment to the DIP facility to ensure additional liquidity to cover the extension period.
- [2] In August, this court approved a sales process with a stalking horse bid component for the Grimsby facility. The stalking horse bid was the successful bid. In October, this court granted an approval and reverse vesting order approving the acquisition of the Grimsby facility by the stalking horse bidder.
- [3] In spite of the parties' efforts, the transaction has not closed. This is on account of outstanding regulatory approvals which, the parties seem to think, will be received by the middle of December. The parties to the transaction, with the Monitor's support, have agreed to extend the outside date for completion until that date as well.
- [4] There was an interim distribution to the DIP Lender, also approve by the court. In order to enhance liquidity to ensure adequate funding during the extension period, the applicants also seek to amend the DIP to a "revolving" facility which will free up the "credit" gained through the interim distribution.
- [5] The Monitor is supportive of both orders.
- [6] Mr. Fantino addressed the court. He is a shareholder and wished to put his concerns, and the concerns of other shareholders, "on the record". He did not oppose the specific relief being sought on today's motion. The shareholders' concerns are duly noted.
- [7] I am satisfied that the stay extension being sought, to January 26, 2024, is reasonable in the circumstances. It will provide the applicants and the purchaser additional time to receive the required regulatory approvals which are required in order to complete the transaction. Although the parties expect to close the transaction by December 15, 2023, the applicants will require additional time to attend to administrative matters, including the winding-up and/or dissolution of the applicants and terminating these CCAA proceedings. It appears the applicants have been acting, and continue to act, in good faith and with due diligence. And, there will be sufficient liquidity to fund their business until January 26, 2024.
- [8] The amendment to the DIP facility will provide additional liquidity and is approved.

[9] Order to issue in the form signed by me this day.

A handwritten signature in blue ink, appearing to read "Penny J.", followed by a period. The signature is stylized with a large initial 'P' and a cursive 'enny'.

Penny J.