



Court File No. \_\_\_\_\_

**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 A PLAN OF COMPROMISE OR  
ARRANGEMENT INVOLVING MJARDIN GROUP, INC.,  
GROWFORCE HOLDINGS INC., 8586985 CANADA  
CORPORATION AND HIGHGRADE MMJ CORPORATION**

**B E T W E E N:**

**PRICEWATERHOUSECOOPERS INC., IN ITS CAPACITY  
AS COURT-APPOINTED RECEIVER AND MANAGER OF  
BRIDGING FINANCE INC. AND CERTAIN RELATED  
ENTITIES AND INVESTMENT FUNDS**

Applicant

- and -

**MJARDIN GROUP, INC., GROWFORCE HOLDINGS INC.,  
8586985 CANADA CORPORATION AND HIGHGRADE  
MMJ CORPORATION**

Respondents

**NOTICE OF APPLICATION**

**TO THE RESPONDENTS:**

**A LEGAL PROCEEDING HAS BEEN COMMENCED** by the Applicant. The claim made by the Applicant appears on the following pages.

**THIS APPLICATION** will come on for a hearing (*choose one of the following*)

- In person
- By telephone conference
- By video conference

Before Chief Justice Morawetz of the Ontario Superior Court of Justice (Commercial List) on June 2, 2022 at 3:30 p.m. (ET) and heard by judicial video conference via Zoom at Toronto, Ontario, in

accordance with the changes to the Commercial List operations in light of the COVID-19 pandemic and the Notice to the Profession updated on February 16, 2022.

Please refer to the conference details attached as Schedule “A” hereto and advise if you intend to attend the hearing by emailing Adam Driedger at [adriedger@tgf.ca](mailto:adriedger@tgf.ca).

**IF YOU WISH TO OPPOSE THIS APPLICATION**, to receive notice of any step in the application or to be served with any documents in the application you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the *Rules of Civil Procedure*, serve it on the Applicant(s) lawyer or, where the Applicant(s) do not have a lawyer, serve it on the Applicant(s), and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

**IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION**, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the Applicant(s) lawyer or, where the Applicant(s) do not have a lawyer, serve it on the Applicant(s), and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but at least four days before the hearing.

**IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.**

Date \_\_\_\_\_ Issued by \_\_\_\_\_  
Local Registrar

Address of court office: 330 University Avenue, 9th Floor  
Toronto ON M5G 1R7

**TO: THIS HONOURABLE COURT**

**AND TO: THE ATTACHED SERVICE LIST AT SCHEDULE “B”**

## APPLICATION

1. All capitalized terms not expressly defined herein are defined in the Affidavit of Graham Page sworn June 1, 2022 (the “**Page Affidavit**”).
2. PricewaterhouseCoopers Inc. (“**PwC**”), solely in its capacity as court-appointed receiver and manager of Bridging Finance Inc. (“**BFI**”) and certain related entities and investment funds (the “**Applicant**” or the “**Bridging Receiver**”) makes this Application for an initial order (the “**Initial Order**”), substantially in the form located at Tab 3 of its Application Record, pursuant to the *Companies’ Creditors Arrangement Act* (Canada) (the “**CCAA**”) in respect of MJardin Group, Inc. (“**MJar**”), Growforce Holdings Inc. (“**Growforce**”), 8586985 Canada Corporation (“**858**”) and Highgrade MMJ Corporation (“**Highgrade**”) and, together with MJar, Growforce and 858, the “**Respondents**”), among other things:
  - (a) abridging the time for service of this Notice of Application and the materials filed in support of the application and dispensing with further service thereof;
  - (b) declaring that each of the Respondents is a debtor company to which the CCAA applies;
  - (c) appointing KSV Restructuring Inc. (the “**Proposed Monitor**”) as an officer of this Court to monitor the assets, business, and financial affairs of the Respondents;
  - (d) staying all proceedings taken or that might be taken in respect of the Respondents, the Property, the current directors and officers of the Respondents, or the Proposed Monitor for an initial period of 10 days, subject to further Order of the Court (the “**Stay of Proceedings**”);
  - (e) granting the following charges over the Property:
    - (i) the Administration Charge up to a maximum amount of \$100,000;
    - (ii) the DIP Lender’s Charge up to a maximum amount of \$250,000; and
    - (iii) the Directors’ Charge up to maximum amount of \$355,000;
  - (f) approving the DIP Term Sheet and the Respondents’ ability to borrow thereunder;

- (g) sealing the Confidential Appendices to the KSV Report until further Order of the Court;
3. Prior to the expiry of the Stay of Proceedings, at a comeback hearing to be scheduled by the Court, the Bridging Receiver intends to seek an Amended and Restated Initial Order, among other things:
- (a) extending the Stay of Proceedings;
  - (b) appointing HCC as CRO of the Respondents and approving the CRO Engagement Letter;
  - (c) increasing the amount of the Administration Charge to \$300,000 and providing that the CRO shall have the benefit of the Administration Charge up to a maximum of \$160,000, provided that the Administration Charge will not secure the obligation of the Respondents to pay the Additional Consideration;
  - (d) increasing the amount of the DIP Lender's Charge to \$2,000,000;
  - (e) increasing the amount of the Directors' Charge to \$785,000; and
  - (f) granting the CRO Additional Consideration Charge;
4. Such further and other relief as this Honourable Court considers just.

**THE GROUNDS FOR THE APPLICATION ARE:**

***Overview of Application***

5. PwC was appointed as the Bridging Receiver pursuant to section 129 of the *Securities Act* (Ontario) by orders of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated April 30, 2021, May 3, 2021, and May 14, 2021 upon application by the Ontario Securities Commission. Bridging's investors are facing significant losses on their investments in Bridging's investment funds as a result of, among other things, allegations of fraud, mismanagement, self-dealing, and poor lending practices that occurred at the BFI management level prior to the appointment of the Bridging Receiver.

6. Bridging made various loans to MJar and its subsidiaries (collectively, the “**MJar Group**” or the “**Company**”). On March 23, 2022, the Bridging Receiver sought and obtained an Order (the “**Receivership Order**”) appointing KSV Restructuring Inc. (“**KSV**”) as the receiver and manager of MJar (in such capacity, the “**MJar Receiver**”), excluding the Excluded Assets and Excluded Business.
7. The Bridging Receiver sought the appointment of the MJar Receiver in an effort to minimize the losses that Bridging and its stakeholders will suffer as a result of the loans made by Bridging to the MJar Group. As at the time of the Receivership Order, the MJar Group’s indebtedness to Bridging totaled \$178,114,147.
8. The MJar Group has incurred significant losses and has been almost entirely dependent upon financing from Bridging to fund operations. Although the Company was granted various temporary default waivers by both Bridging and the Bridging Receiver to afford the MJar Group an opportunity to pursue sale and restructuring alternatives, such efforts were unsuccessful. Ultimately, the Bridging Receiver sought the Receivership Order to bring stability to the Company’s business, thereby protecting the interests of Bridging and the other stakeholders, and to allow for a review and consideration of available options to monetize and maximize the value of the MJar Group.
9. Following this review, the Bridging Receiver and the MJar Receiver have determined it is in the best interest of the stakeholders of the MJar Group to commence these CCAA proceedings in respect of the Respondents. The Respondents business represents the core remaining cannabis cultivation and processing activities of the MJar Group. The Bridging Receiver and the MJar Receiver are of the view that the CCAA provides the most appropriate forum to develop and implement an operational restructuring of the Respondents’ business and ultimately a restructuring transaction that will preserve and maximize value for the benefit of the Respondents’ stakeholders, including Bridging. The flexibility and stability of the CCAA will enable the Respondents, with the assistance of the CRO, to continue to operate their business and work to restructure their operations in an effort to develop a self-sustaining business that will generate greater value for the benefit of stakeholders.

10. Accordingly, the Bridging Receiver brings this application seeking the proposed Initial Order to commence CCAA proceedings in respect of the Respondents.
11. The Bridging Receiver, on behalf of the DIP Lender, has agreed to provide interim financing to fund the Respondents' operations and expenses during the CCAA proceedings.
12. KSV has consented to act as the Monitor in these proceedings, should the Initial Order be granted.
13. Each of the Respondents is a debtor company to which the CCAA applies with liabilities exceeding \$5 million.

***Other Grounds:***

14. The provisions of the CCAA and the statutory, inherent, and equitable jurisdiction of this Honourable Court;
15. Rules 2.03, 3.02, 14.05(2) and 16 of the Ontario *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended and sections 106 and 137(2) of the Ontario *Courts of Justice Act*, R.S.O. 1990, c. C.43 as amended; and
16. Such further and other grounds as counsel may advise and this Court may permit.

**THE FOLLOWING DOCUMENTARY EVIDENCE** will be used at the hearing of this application:

1. the Page Affidavit and the Exhibits thereto;
2. the KSV Report, to be filed;
3. the consent of KSV to act as Monitor; and
4. such further and other evidence as counsel may advise and this Court may permit.

June 1, 2022

**Thornton Grout Finnigan LLP**  
TD West Tower, Toronto-Dominion Centre  
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**Rebecca L. Kennedy** (LSO# 61146S)  
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**Adam Driedger** (LSO #77296F)  
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Tel.: (416) 304-1152

Lawyers for the Bridging Receiver

**SCHEDULE "A"**  
**ZOOM CONFERENCE DETAILS**

SCJvirtual courtroom367 is inviting you to a scheduled Zoom meeting.

Join Zoom Meeting

<https://ca01web.zoom.us/j/69351636579?pwd=Um5HUHIycmJOb0FnQXg5QkNmams5UT09>

Meeting ID: 693 5163 6579

Passcode: 704858

One tap mobile

+17789072071,,69351636579#,,,,\*704858# Canada

+12042727920,,69351636579#,,,,\*704858# Canada

Dial by your location

+1 778 907 2071 Canada

+1 204 272 7920 Canada

+1 438 809 7799 Canada

+1 587 328 1099 Canada

+1 613 209 3054 Canada

+1 647 374 4685 Canada

+1 647 558 0588 Canada

855 703 8985 Canada Toll-free

833 955 1088 Canada Toll-free

Meeting ID: 693 5163 6579

Passcode: 704858

Find your local number: <https://ca01web.zoom.us/u/gdNWwi6r9J>

Join by SIP

69351636579@zmca.us

Join by H.323

69.174.57.160 (Canada Toronto)

65.39.152.160 (Canada Vancouver)

Meeting ID: 693 5163 6579

Passcode: 704858



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**Schedule "B"  
Service List**

**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 A PLAN OF COMPROMISE OR ARRANGEMENT INVOLVING  
MJARDIN GROUP, INC., GROWFORCE HOLDINGS INC., 8586985 CANADA  
CORPORATION AND HIGHGRADE MMJ CORPORATION**

B E T W E E N:

**PRICEWATERHOUSECOOPERS INC., IN ITS CAPACITY AS  
COURT-APPOINTED RECEIVER AND MANAGER OF  
BRIDGING FINANCE INC. AND CERTAIN RELATED ENTITIES  
AND INVESTMENT FUNDS**

Applicant

- and -

**MJARDIN GROUP, INC., GROWFORCE HOLDINGS INC.,  
8586985 CANADA CORPORATION AND HIGHGRADE MMJ  
CORPORATION**

Respondents

<b>SERVICE LIST (AS OF JUNE 1, 2022)</b>	
<b>THORNTON GROUT FINNIGAN LLP</b>  100 Wellington St. West, Suite 3200 TD West Tower, Toronto-Dominion Centre Toronto, ON M5K 1K7  <i>Counsel to the Applicant</i>	<b>Rebecca Kennedy</b> Tel : 416.304.0603 Email : rkennedy@tgf.ca  <b>Adam Driedger</b> Tel : 416.304.1152 Email : adriedger@tgf.ca

<p><b>PRICEWATERHOUSECOOPERS INC.</b></p> <p>18 York Street, Suite 2600 Toronto, ON M5J 0B2</p> <p><i>Applicant, in its capacity as Receiver to Bridging Finance Inc.</i></p>	<p><b>Michael McTaggart</b> Tel : 416.687.8924 Email : michael.mctaggart@pwc.com</p> <p><b>Graham Page</b> Tel : 416.687.9054 Email : graham.page@pwc.com</p> <p><b>Lindsay Pellett</b> Tel : 416.687.8775 Email : lindsay.s.pellett@pwc.com</p>
<p><b>KSV Restructuring Inc.</b> 150 King Street West, Suite 2308 Toronto, ON M5H 1J9</p> <p><i>Proposed Court-appointed Monitor</i></p>	<p><b>Noah Goldstein</b> Tel: 416.932.6207 Email: ngoldstein@ksvadvisory.com</p> <p><b>Murtaza Tallat</b> Tel: 416.932.6031 Email: mtallat@ksvadvisory.com</p> <p><b>Christian Vit</b> Tel: 647.848.1350 Email: cvit@ksvadvisory.com</p>
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<p><b>MJARDIN GROUP, INC., GROWFORCE HOLDINGS INC., 8586985 CANADA CORPORATION, and HIGHGRADE MMJ CORPORATION</b> PO Box 846 – Toronto Adelaide Retail Toronto, ON M5C 2K1</p>	<p><b>Edward Jonasson</b> Email: Edward.jonasson@mjardin.com</p>
<p><b>ALTERNA SAVINGS &amp; CREDIT UNION LIMITED</b> 319 McRae Avenue Ottawa, ON K1Z 0B9</p>	

<b>CHIEF PEGUIS INVESTMENT CORPORATION</b> 1075 Portage Avenue Winnipeg, Manitoba R3G 0R8	<b>Don Wilson</b> Email: <a href="mailto:dwilson@cpicorp.ca">dwilson@cpicorp.ca</a>  <b>Noah Wilson</b> Email: <a href="mailto:nwilson@cpicorp.ca">nwilson@cpicorp.ca</a>
<b>HARVEST CHEYENNE HOLDINGS LLC</b> 1155 W. Rio Salado Parkway, Suite 201 Tempe, AZ USA 85281	<b>Michael L. Aguirre</b> Tel: +1 480.203.5525 Email: <a href="mailto:maguirre@harvestinc.com">maguirre@harvestinc.com</a>
<b>DAN MARAZZATO</b> 2261 Keenhill Drive Moffat, Ontario L0P 1J0	Email: <a href="mailto:dan.marazzato@gmail.com">dan.marazzato@gmail.com</a>
<b>DEPARTMENT OF JUSTICE (CANADA)</b> Ontario Regional Office, Tax Law Section 120 Adelaide Street West, Suite 400 Toronto, ON M5H 1T1	<b>Diane Winters</b> Tel: 416.973.3172 Email: <a href="mailto:diane.winters@justice.gc.ca">diane.winters@justice.gc.ca</a> Fax: 416.973.0810
<b>INSOLVENCY UNIT ONTARIO MINISTRY OF FINANCE</b> 6th Floor 33 King Street West, Oshawa, ON Canada L1H 8H5	Email: <a href="mailto:Insolvency.Unit@ontario.ca">Insolvency.Unit@ontario.ca</a>  <b>Leslie Crawford</b> Email: <a href="mailto:leslie.crawford@ontario.ca">leslie.crawford@ontario.ca</a> Tel: (905) 433-5657
<b>HEALTH CANADA</b> Controlled Substances and Cannabis Branch 150 Tunney's Pasture Driveway Ottawa, ON K1A 0K9	<b>Licensing and Security Division</b> Email : <a href="mailto:licensing-cannabis-licenses@hc-sc.gc.ca">licensing-cannabis-licenses@hc-sc.gc.ca</a>  <b>Cassandra Scullion</b> Email : <a href="mailto:cassandra.scullion@hc-sc.gc.ca">cassandra.scullion@hc-sc.gc.ca</a>

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**IN THE MATTER OF THE COMPANIES' CREDITORS  
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Court File No.: \_\_\_\_\_

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

Proceedings commenced at Toronto, Ontario

**NOTICE OF APPLICATION**

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Lawyers for PricewaterhouseCoopers Inc.